



TORONTO & YORK REGION LABOUR COUNCIL SUBMISSION ON DIVISIONAL STRATEGY FOR ECONOMIC DEVELOPMENT & CULTURE (2018-2022)

The City of Toronto serves as the economic heartbeat of Canada, with a wide variety of sectors contributing to the financial health of our country, our province, our city and people who live, work and play here. In recent years, changes in technology, trade, the climate and precarious employment have brought about new dynamics in the economy and the labour market. The Labour Council has a long history of working with the City to further our economic growth and through this consultation process seeks to provide input into the Divisional Strategy that will lead economic prosperity for all residents of the City of Toronto.

The Toronto & York Region Labour Council represents 208,000 women and men who work in every sector of the Greater Toronto Area economy. Municipal governments have a profound impact on the day-to-day lives of workers and their families and on the communities they work and live in. That's why we believe in building strong, productive relationships between unions and our municipal government: we know that by working together we can build stronger and economically resilient communities.

The Labour Council fundamentally believes that in order to have a City with residents and workers living fulfilling lives that we must be able to provide stability, good wages and benefits, cultural opportunity, mobility, racial harmony, excellent public services and environmental sustainability. We believe that each of those factors play important roles in the daily lives of our fellow residents, and provide opportunity for growth and development.

A strategy that defines the work of the Economic Development and Culture Division should guide investments in the city to not only serve as stimulus, but also serve a mandate of a just society and a sustainable world. There is a tremendous opportunity for the Division to create social good through its investments, and this submission will try to highlight the need and ways in which the Division can achieve such goals.

In this document, the Toronto & York Region Labour Council seeks to provide insight into the application of the four lenses proposed for the strategy, and will provide additional lenses to guide the development of the Division's strategy.

Additional Lens: Good Jobs

The Good Jobs For All Declaration¹ adopted in 2008 presents a holistic and inclusive view of what Toronto's economy could achieve. The Economic Development and Culture Division needs to consider how a high-skills, high-wage approach could inform all economic planning. There are clear problems with a business model based on poverty wages such as the those brought to light by the recent media exposé of Fiera Foods operations, and recycling plant Canada Fibers in the City's Fair Wage Office report.

City Council recently approved the creation of the Job Quality Assessment Tool. Ensuring that the tool is created and provides insight into the different elements that constitute a benchmark of a 'good job' would demonstrate to residents and workers what we as a City see as a viable standard of employment. As this Division looks to further its involvement in economic growth, ensuring a lens that protects and promotes good jobs is essential to the economic vitality of the entire city.

The City of Toronto's Poverty Reduction Strategy² needs to be taken into consideration when looking at the Division Strategy, as it informs the City of how we can be proactive in promoting economic independence. We believe the city has a role as a driver of a just economy.

Additional lens: Green economic development

The Labour Council recommends the addition of another lens, which seeks to include sustainability as a priority through which economic development is fostered. If economic and cultural developments do not integrate green approach, the city loses on two accounts - we will not meet our climate change goals (the consequences of this are demonstrated to us more strongly every day) and we lose the economic opportunity to capitalize on a sector that is expanding enormously.

Applying a "triple bottom line" is also good sense for all business. Energy efficient green buildings have much lower operating costs and better working environments than typical buildings; recycling and diverting waste is preferable to disposal; active transportation pays off in reduced health problems for employees.

In light of Toronto's longer-term commitment to meet 2050 COP commitments, but also recent passage of Transform TO strategy which details the path and timeline for meeting those commitments, a green economic development lens needs to be added to the strategy.

There is a real opportunity to encourage green business and jobs opportunities. Manufacturing is still vital to our area, and the City can give some attention to creating supply chains for the next generation

¹ Good Jobs For All Declaration <http://goodjobsforall.ca/declaration/>

² Poverty Reduction Strategy, City of Toronto

<https://www1.toronto.ca/wps/portal/contentonly?vgnextoid=faeabf088412e410VgnVCM10000071d60f89RCRD&vgnextchannel=de8f727e05c79410VgnVCM10000071d60f89RCRD>

of products in a low-carbon economy, including promoting expanded production of alternative energy systems components, transit vehicles, and building supplies, among others.

Currently, the Toronto District School Board is considering the creation of a Joint Committee on Sustainability which will include all the unions and Board staff to suggest ways the Board can implement sustainability in all their functions. We recommend that the City of Toronto follow this path and engage their labour partners to collaborate in recommending ways in which sustainability can be made to be part of the job for the thousands of workers at the City of Toronto.

COMMENTARY ON THE FOUR LENSES OF STRATEGY DEVELOPMENT

Creativity and Technology

Toronto as a cultural hub is a source of incubation for much of the Country's cultural understandings. The Labour Council maintains the position that any investments in the sectors of arts, culture and technology be made with a keen understanding of equity and inclusion.

Access and opportunity for cultural participation by all residents needs to be extended to people regardless of their race, religion, country of origin or ethnicity in addition to age, sexual orientation, socioeconomic status and geographic location, and needs to be available in non-technological as well as technological formats.

Further, it should be clear that cultural participation is a two way street; it is not only those who may be marginalized who will benefit from full cultural participation - we all benefit. Giving newcomer communities the support to celebrate their heritage allows them to experience Toronto as a place that helps them celebrate their diversity, as well as allows the rest of Toronto's diverse communities to partake in each other's culture.

Technology is playing an increasing and important role in the economic growth of the City. The Labour Council welcomes new ways of implementing greater efficiency through technology, but asserts that any new industry wide shocks created by technology must be assessed with impact on the whole economy in mind.

Uber is a recent example of where the City failed to assess the impact on the taxi industry, and allowed a predatory industry disruptor to enter the market with insufficient regulations. Labour Council does not believe that the decline in standards for working drivers was evaluated sufficiently. We welcome changes to short term rentals policy to limit the impact of AirBnb and other short term rental companies on affordable housing stock, and to protect the hotel industry.

Inequality and Inclusion

The path for creating greater inclusion for those on our margins has to be a proactive approach towards eliminating the barriers that prevent full participation in the economy.

Getting good paying careers is often a difficult task for marginalized communities, particularly people of colour, members of First Nations and others who are historically marginalized. There have been a number of attempts to create pathways to good jobs, but they have not achieved the scale needed to make a dent in racialized poverty. Tying investments to achieve social purposes has been an approach which the province and Metrolinx have shown results - building inclusion through community benefits agreements. Creating a mechanism for community benefits agreements attached to major projects across the city would support access to training and skill building to get disadvantaged community members ready and placed into career path jobs.

Many cities across North America have implemented Community Benefits Agreements as a way to ensure that economic growth that is spurred and supported by a municipality produces improvements not just in the creation of physical infrastructure but also bring those experiencing barriers into the economy³. We recommend that the City create a mechanism for which Community Benefits Agreements be attached to projects above a specified monetary threshold, and create a mechanism to monitor the implementation on an ongoing basis.

Toronto's Global Connections

The PAN AM games provided a model for the City to further develop social procurement strategies during opportunities of high investment for world class events. Creating good sustainable jobs and cultivating new business in emerging sectors through events like the PAN AM games were beneficial for the city. World class events should be seen as great opportunities to foster such social inclusion, and the department should look at regulating the inclusion of social procurement and social enterprise into bids for events, and other large scale cultural investments.

When the City does bid for international events, the department should advocate for including Labour representatives to assist the planning and development of the bid, so that quality jobs are a core element of approach.

In the face of certain political pressures, the City must maintain its ability to use its purchasing power to support the local economy. EDC should raise serious concerns about trade deals that would make it illegal for the City to favour Canadian-made products.

³ Impact and Accountability Student on Community Benefits Agreements
<http://laane.org/downloads/CBAStudy.pdf>

We raise a caution about a focus on attracting foreign direct investment. The tendency for capital to scour the world looking for easy profit has its downside. Examples such as U.S. Steel's takeover of Stelco and Caterpillar's takeover of Electro-Motive, in which foreign investment gutted companies and displaced thousands of hard working Canadians and their pensions., are far too frequent. Attracting investment is vital to the economy, however it must be done with careful consideration.

Toronto's Local Foundations

The Labour Council maintains the need to vigilantly defend the designation of Employment Lands, as a protective measure to ensure a variety of employment opportunity is maintained within the City of Toronto. In the recent comprehensive review of over 100 applications to rezone employment land into either residential or "mixed-use", City Planning Department rejected many of these applications in order to protect the viability of manufacturing or other economic activities. There is relentless pressure from developers who can realize massive profits from rezoning to residential or retail purposes. EDC has an important role in being a consistent advocate for protecting employment lands within the City.

Toronto's local foundations also include key clusters - including food and beverage processing, aerospace, transportation, hospitality, film, construction, as well as fast-growing scientific and technical services. EDC has a central role in convening leaders in these clusters to develop sector-specific strategies. This includes workforce development, research and relationships with post-secondary institutions, low-carbon transition, marketing, and transportation needs.

Additionally, the increased pressure on the hotel industry by attempts to convert hotels into condos is a concern to the Labour Council. The City needs to remain a cultural hub and attract world class special events and conferences. Any reduction of the hotel stock will have detrimental effects, especially within the downtown core where tourism is centered. Along with Employment Lands, the protection of hotel stock is a necessity for a City that looks to be a global attraction.

A key element of the above is the need to have a coherent industrial strategy. Some shy away from such a concept, counting on market forces and innovation to best determine how economic growth and the city as a whole should be shaped. However, the results of a laissez faire approach are uneven at best and disruptive or neglectful at worst.

TIEGS/IMIT Program

The City has a responsibility for attracting business, especially those investing into the City and those who create good jobs. However, there is little empirical evidence on the impact of the TIEGs/IMIT program. The program originally created to assist manufacturing and cultural industry partners in retrofits and physical expansion of the film industry has been expanded to include office buildings worth hundreds of millions of dollars. Providing tax vacations for some of the wealthiest corporations in Canada to place offices in downtown Toronto does not seem to be an investment that provides value for its expense. There is no evidence that suggests that these companies would not settle in downtown

Toronto, the epicenter of commerce in Canada, if these incentives were not given. It is important to create due process, public accountability for all grants, and market impact analysis of the program before further investments are made.

The Economic Development and Culture Division should look at strengthening their requirements for business applications for the TIEGS program. As outlined in TransformTO, 53% of greenhouse gases in the City are created by buildings, and the City has a unique opportunity to incentivize sustainability through investment.

Creating firm standards for new buildings and retrofits that include solar generation, green roofs, better waste management and minimum LEED standards as condition to approval of TIEGs could assist in greening the economy and the city. Minimum standards that can further inform building regulations for greater sustainability will increase the need for design and IT functions for smart buildings, logistics and distributive energy systems, creating business opportunities as well as job options in a wide variety of occupations.

Conclusion

The City has an excellent opportunity to broaden the scope by which it invests in the vitality of the city and the residents. We should invest in diversity, inclusion, and take into account all the factors and considerations as proposed in the discussion guide, however we should increase that scope to achieve some of the City's sustainability and climate goals as well as help shift our economy towards one that provides good jobs and economic sustainability.

The Labour Council believes that it is in the best interest of the City to ensure all the departments work more collaboratively, and that in order to truly ensure each department functions well, it takes into considerations the challenges and the opportunities of other departments. Doing so will allow the Division to include TransformTO and its climate goals as a key lens for the future. Economic development must look at the City's commitments to good jobs and poverty reduction as integral to its viability.

Labour has always been a partner to the City, and we wish to continue this dialogue through further consultation into the plan as it develops.

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