Does gentrification lead to greater social polarization?

Evidence from large Canadian cities 1971 - 2001

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Neighbourhood Change & Building Inclusive Communities from Within
Community University Research Alliance, Social Science and Humanities Research Council of Canada
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Outline:
1. Research questions:
   - Does Gentrification → Social Polarization?
   - How do the stages of gentrification → shifts in polarization?

2. Methods:
   - a) defining and measuring gentrification
   - b) defining and measuring polarization (and inequality)

3. Results: Indices of income polarization and inequality

4. Conclusions: tentative
Defining and Measuring Gentrification


- Principal Components Analysis (PCA) with 4 variables:
  1. Social Status (LQ of professional/managerial occupations, and university education)
  2. Average Personal Income (persons aged 15+)
  3. Tenure Composition (% Tenants)
  4. LQ for Artists

- Settled on 5 components, indicating changes between Census years
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The timing and patterning of gentrification and upgrading, Vancouver

The timing and patterning of gentrification and upgrading, Montreal

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Defining and Measuring Polarization & Inequality

  - Census tracts as proxies for neighbourhoods
- Polarization and Inequality between households within census tracts
  - Calculated from data on income ranges – but many limitations

<table>
<thead>
<tr>
<th>Inequality Indices</th>
<th>Polarization Indices</th>
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<tbody>
<tr>
<td>1. Gini concentration ratio (Gini CR)</td>
<td>1. Wang-Tsui (WT)</td>
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<tr>
<td>2. Exponent (Exp)</td>
<td>2. Coefficient of Polarization (CoP)</td>
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<td>3. Coefficient of Variation squared (CV2)</td>
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<td>4. General Entropy (GE0) (Theil L)</td>
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<td>5. Skewness Ratio (Mean/Med)</td>
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- Measured social diversity as a function of a) LQ of 3 groups over time (Chinese, Blacks, South Asians) and 2) Canadian/Foreign Born

Inequality and Polarization are distinct concepts

**Inequality:** Pigou-Dalton axiom = transfers from richer to poorer must always decrease inequality

**Polarization:** 2 axioms:
1) ‘Spread’

2) ‘Bipolarity’
Results

Changes in polarization and inequality in large Canadian cities

Change in Inequality and Polarization – Toronto CMA
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Change in Inequality and Polarization – Montreal CMA

Change in Inequality and Polarization – Vancouver CMA

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Household Income Polarization within Census Tracts
COPCT Index, Vancouver, 2000

Change in Household Income Polarization within Census Tracts
COPCT Index, Vancouver, 1970 to 2000

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Focus on Toronto:

Stages of Gentrification in Toronto:

- LQ Artistic occupations
- LQ Social Status (occupation and education)
- % Tenants (residual is Owner %)
- Personal Income Ratio

LQ for those employed in Artistic occupations, Toronto

Year:
- 1971
- 1981
- 1991
- 1996
- 2001

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LQ of Social Status (Occupation & Education), Toronto

% Tenants, Toronto

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Shifts in Social Diversity - Toronto

% who are Chinese, Black, or of South Asian descent - Toronto

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LQ of those who are Chinese, Black, or of South Asian descent - Toronto

% Born in Canada - Toronto

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Does gentrification lead to greater social polarization? Evidence from Large Canadian cities 1971 - 2001

Conclusions

1. Polarization trends in gentrified neighbourhoods are different from other forms of upgrading

2. Gentrification linked with particular trajectory:
   A) Before onset of gentrification, polarization levels significantly lower than average
   b) rapid increase in income polarization during the primary period of upgrading
   c) followed by stable or declining levels of income polarization (until late 90s when polarization increased across higher income neighbourhoods)

3. Neighbourhoods with ‘incomplete upgrading’, show greater stability over time, though higher-than-average polarization levels

4. Social diversity, in relative terms, is lower and declined faster in gentrified neighbourhoods, though the process is slower than for polarization

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