



However, we also realize that important budgetary and policy decisions will need to be made in the near future about how to emerge from this crisis in a way that strengthens our resilience and prosperity.

The undersigned organizations represent the community economic development, co-operative, social economy, social enterprise and non-profit organizations throughout Canada which have been the foundation of inclusive economies and strong communities for generations. Collectively, these sectors represent 10.1% of GDP and employ 2.5 million Canadians. And most importantly, they embody the spirit of community care, mutual aid and citizen action that works to make sure no one is left behind.

Each of the signatories has made detailed proposals for specific actions related to their respective sectors and stakeholders. Building on those, this letter highlights three joint recommendations that can be taken rapidly and incorporated into recovery plans to maximize benefits to Canadians.

Before presenting those recommendations, we reiterate the imperative for the federal government to accelerate nation-to-nation dialogue with First Nations, Métis and Inuit governments to identify investment priorities for their communities as part of a strong recovery.

We also wish to emphasize the importance of taking an intersectional lens to the needs of the most vulnerable Canadians, and note that our sectors and recommendations below can enhance a Gender-Based analysis Plus consideration of resource allocation.

Finally, the momentum towards an ecologically viable, low-carbon future must continue to grow. The recommendations below complement measures supporting a just transition for workers in carbon-intensive industries, efforts by businesses to reduce pollution, and opportunities for Canadians to help shift the economy toward sustainable alternatives.

## **Our Recommendations**

### **1. Promote Local and Social Procurement**

Procurement is a powerful tool for a strong economy and social impact. The modernization of procurement practices undertaken by Public Services and Procurement Canada has made valuable progress testing how social procurement can generate intentional community benefits. As part of recovery investments, ensuring procurement by local social enterprises, co-operatives and non-profit organizations can multiply the social and economic effects.

Community employment benefits and community benefit agreements are also vital mechanisms to ensure the effects of government investment are shared by all. The Community Employment Benefit policy has proven to be a very valuable tool to initiate and create new opportunities for apprentices; Indigenous peoples; women; persons with disabilities; veterans; youth; recent immigrants; and small, medium-sized and social enterprises. The direct and indirect

employment and supply chain opportunities are stimulated through the activation of each infrastructure and related construction project. The continuation and expansion of these policies are essential.

## **2. Enable Employee and Community-Based Ownership Succession and Buyouts<sup>1</sup>**

Even prior to the COVID-19 crisis, business succession was a growing challenge due to Canada's aging population. A 2018 study of small and medium-sized enterprises found that nearly 50% of owners intended to exit their business within the next five years. The current economic downturn will only intensify those pressures and make the transition more complex. Further, when businesses are threatened for any reason including COVID-19, owners may opt to close them down. About 30% of currently closed small businesses stated in a CFIB survey that permanent closure is possible, yet this could in many cases be addressed by employee or community buy-outs, thus preserving jobs and services.<sup>2</sup>

Social enterprise and co-operative models are proven to be better adapted to challenging market conditions, and more resilient in times of economic downturn.<sup>3</sup> They engage communities more actively and broaden support for local businesses that are critical suppliers of goods, services and jobs.

## **3. Implement the Social Innovation and Social Finance Strategy**

The federal government took a bold step when the 2015 Ministerial mandate letters directed the creation of a Social Innovation and Social Finance Strategy. The subsequent co-creation process with stakeholders across Canada produced [\*Inclusive Innovation: New Ideas and New Partnerships for Stronger Communities\*](#), a comprehensive report with 12 key recommendations from the Social Innovation and Social Finance Strategy Co-Creation Steering Group.

The 2018 Fall Economic Statement launched a \$755M Social Finance Fund and \$50M Investment Readiness Program, but there has been little action on the remaining elements of the strategy.

Social Innovation and Social Finance are multi-faceted approaches fostering wide-ranging changes to business-as-usual. The 12 recommendations require simultaneous action. The Social Finance Fund is an important first step, but the impact of improved access to capital is diminished without skills development, increased social procurement, regulatory change, knowledge transfer and awareness raising. The 12 recommendations all have mutually reinforcing impacts -- implementing some elements of the strategy and not others weakens them all. A full strategy is urgently needed.

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<sup>1</sup> Imagine Canada's charitable purpose precludes it from commenting on employee ownership models.

<sup>2</sup> [One third of shuttered SMEs not confident they will ever reopen](#), per the Canadian Federation of Independent Business, March 31, 2020.

<sup>3</sup> Carlo Borzaga, Gianluca Salvatori and Riccardo Bodini. [Social and Solidarity Economy and the Future of Work](#), International Labour Organization, July 2017, p15

The implementation of the strategy should be guided by the groups it seeks to serve, especially historically disadvantaged and equity-seeking groups. Building on the expertise of diverse community leaders and organizations will leverage extensive assets and foster truly innovative local creativity and action. Announcing the Social Innovation Council and confirming budgetary allocations to adequately resource the implementation of the entire Social Innovation and Social Finance Strategy beyond the current March 31, 2021 end of the Investment Readiness Program are pressing next steps.

These measures can accelerate the recovery towards a more inclusive, green and prosperous future. We respectfully request meetings with your relevant ministers to discuss details, and remain committed to supporting all Canadians as we emerge from these difficult times stronger together.

Sincerely,

*original signed by:*

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Rosalind Lockyer  
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Co-operative Association

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cc:

Hon. Navdeep Bains, Minister of Innovation, Science and Industry  
Hon. Bill Morneau, Minister of Finance  
Hon. Jean-Yves Duclos, President of the Treasury Board  
Hon. Mélanie Joly, Minister of Economic Development and Official Languages  
Hon. Catherine McKenna, Minister of Infrastructure and Communities  
Hon. Maryam Monsef, Minister for Women and Gender Equality and Rural Economic Development  
Hon. Carla Qualtrough, Minister of Employment, Workforce Development and Disability Inclusion  
Hon. Ahmed Hussen, Minister of Families, Children and Social Development  
Hon. Mary Ng, Minister of Small Business, Export Promotion and International Trade  
Hon. Filomena Tassi, Minister of Labour  
Hon. Anita Anand, Minister of Public Services and Procurement  
Hon. Mona Fortier, Minister of Middle Class Prosperity and Associate Minister of Finance

## **Appendix - Specific Organizational Recommendations**

Imagine Canada - Sector Resilience Grant Program:

<https://imaginecanada.ca/en/emergency-community-support-fund-response>

Canada's Co-op Network - Letter to Parliamentarians

<https://ccednet-rcdec.box.com/v/coop-network-letter>

Canadian Worker Co-operative Federation - Proposal to the Prime Minister

<https://canadianworker.coop/a-proposal-for-shining-light-into-this-darkness-with-the-solidarity-co-operative-movement/>

Social Enterprise Council of Canada - Letter to Ministers

<https://ccednet-rcdec.box.com/v/SECC-letter-to-ministers>

Buy Social Canada - Social Procurement Recommendations

<https://www.buysocialcanada.com/news/social-procurement-and-covid-19>

Canadian Rural Revitalization Foundation - Supporting Rural Recovery & Resilience after COVID-19

[http://crrf.ca/wp-content/uploads/2020/05/CRRF\\_ruralinsights-EcRecoveryResilience.pdf](http://crrf.ca/wp-content/uploads/2020/05/CRRF_ruralinsights-EcRecoveryResilience.pdf)