



CCEDNet National Policy Priorities

Why Community Economic Development?

Complex challenges like unemployment, poverty, the decline of economic activity and subsequent reduction of social services in urban and rural communities, reconciliation with Indigenous peoples, systemic racism, and climate change require comprehensive responses. The COVID-19 pandemic has laid bare many of the weaknesses in our social and economic systems, exacerbating some of these challenges and drawing attention to others as we, collectively, find a way forward that results in a sustainable, inclusive, and equitable future for all. Across Canada, community economic development (CED) initiatives already foster inclusive economic revitalization, access to capital for business development, local ownership of resources, job creation, poverty reduction, and environmental stewardship. At a larger scale, CED can provide the foundation for COVID-19 recovery that allows us to “build back better”.

CED is community-led action to create economic opportunities that improve social and environmental conditions. Innovative uses of

the economy and marketplace improve well-being and maximize benefits to communities by creating and growing community businesses to meet local needs, keeping jobs in communities, circulating money in the local economy, and increasing income levels of residents. CED includes a variety of activities, such as community-based business development, local investing, and employment skills development for vulnerable people. By tapping into the leadership and ingenuity of community members, CED creates opportunities that become pathways to resilience and renewal.

Members of the Canadian Community Economic Development Network (CCEDNet) have developed a wide range of innovative models stimulating community action for inclusive economic development. CED tax credits, new hybrid legal structures, community investment funds, neighbourhood revitalization programs, and innovative procurement practices are just a few examples. The Government of Canada can scale up these effective approaches. Working together, CED initiatives and governments can overcome complex social challenges with community-led solutions, creating inclusive, resilient communities and economies that strengthen the well-being of current and future generations.

From Power and Privilege to Participation and Inclusion

Strong communities are built around the principles of inclusion, diversity, equity, and access.

Power and privilege must be acknowledged within communities, organizations, policy, and

government. It is essential that active efforts

are made to build more participatory and inclusive communities where diverse and traditionally marginalized voices lead.

CCEDNet members believe strongly that any recovery plan or policy development must take the following imperatives into consideration:

- Acceleration of nation-to-nation dialogue with First Nations, Métis, and Inuit peoples, and reconciliation with them that acknowledges the legacy of historic and present wrongs to Indigenous people across Turtle Island and that recognizes their rights under the United Nations Declaration on the Rights of Indigenous Peoples including the right to free, prior, and informed consent to projects on their traditional territories.

- An intersectional lens must be used to address the inclusion of those made most vulnerable in our economy and society. Systemic and institutional racism underlie so many aspects of our society: employment, education, surveillance, the criminal justice system, health care, among others. Similarly, systemic barriers still exist for women and gender-diverse people and the economic, social, and health impacts of COVID-19 have disproportionately affected women, especially women of colour and recent immigrants.¹ The intersectionality of race, class, and gender create overlapping and interdependent systems of discrimination or disadvantage.
- A just transition towards an ecologically viable, low-carbon future is essential, one that takes into account the need for training for ecologically sustainable jobs and re-training for workers in carbon-intensive industries, and builds on existing efforts by businesses to reduce pollution and opportunities for people in Canada to help shift the economy toward sustainable alternatives.



¹ Sultana, A. & Ravanera, C. (2020, July 28). A Feminist Economic Recovery Plan for Canada: Making the Economy Work for Everyone. The Institute for Gender and the Economy (GATE) and YWCA Canada. Retrieved from: www.feministrecovery.ca

Key Policy Recommendations for Strengthening Community Economies

Accelerate Social Innovation and Social Finance

The Government of Canada defines **social innovation** as developing new solutions to social or economic challenges that improve people's quality of life through collaborating with new

partners, testing creative ideas, and measuring their impact. An example of that is **social finance**, which refers to investments intended to create a measurable social or environmental impact as well as to generate financial returns.

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 announced a \$755M Social Finance Fund and \$50M Investment Readiness Program, but there has been little action on the remaining elements of the report. The 12 recommendations all have mutually reinforcing impacts

Social Economy Through Social Inclusion, **SETSI** for short, aims to co-create a social economy ecosystem in Canada that reflects the diverse genders, races, cultures, orientations, and perspectives of constituents in Canada.

and all require action – implementing some and not others weakens them all. Furthermore, the development and implementation of a strategy should be guided by the groups it seeks to serve, especially historically disadvantaged and equity-seeking groups. Building on the creativity and expertise of diverse community leaders and organizations will leverage extensive assets and foster truly innovative local action.



Recommendations

1. a) **Implement a Social Innovation and Social Finance Strategy (SI/SF Strategy) that addresses all 12 recommendations of the Co-Creation steering group.**
- b) **Ensure equity-seeking groups play a leading role in the implementation and subsequent evolution of the SI/SF strategy to build on existing local capacity and strengthen the expertise of the community economic development, non-profit, and co-operative sectors.**

Support Resilient Local Enterprises

Recent years have seen an explosion of interest in strategies that redirect investments for community benefit. Based on the proven success of Nova Scotia's CED Investment Funds, five provinces now have CED investment and tax credits programs, and communities across the country are organizing to redirect capital to local needs. However, these programs can be undersubscribed due to a lack of technical expertise and capacity among community leaders. A program to leverage existing expertise and transfer knowledge would dramatically increase subscription rates and corresponding inclusive economic growth opportunities.

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. Social procurement strategies are expanding throughout the country, with BC having social impact procurement guidelines, Nova Scotia and Manitoba both having social enterprise strategies that include social procurement (although these have yet to be implemented), and municipal social procurement policies in Calgary, Edmonton, Vancouver, Victoria, Toronto, and Montreal. The federal government can take proactive steps to foster the further development of these practices at a national level.

Social enterprise and co-operative models are proven to be better adapted to challenging market conditions, and more resilient in times of economic downturn. They engage communities more actively and broaden support for local businesses that are critical suppliers of goods, services, and jobs. 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. These closures could in many cases be addressed by employee or community buyouts, thus preserving jobs and services.



Recommendations

2. **Establish a national program to grow community investment funds in each province.**
3. **Promote local and social procurement policies.**
4. **Enable employee and community-based ownership succession and buyouts.**

The Canadian Worker Co-op Federation has been promoting succession planning using the worker co-op model for many years. Co-operatives and Mutuals Canada, along with their partners, have a website dedicated to the Conversion to Cooperatives Project (CoopConvert), which aims to better understand business conversion to cooperatives as outlets for saving jobs, addressing business succession needs, and creating new cooperatives across Canada.

Build Economies for All

Our communities and our economy will only realize their full potential when everyone can contribute in meaningful ways. The trend towards more precarious work and the gig economy has been hastened by the COVID-19 pandemic. These types of work devalue workers and serve to push marginalized people further to the margins. The concept of “decent work” is emerging across developed economies as a key mechanism to maximize labour force potential and fuel gains in productivity. According to the International Labour Organization, **decent work** involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize, and participate in the decisions that affect their lives, and equality of opportunity and treatment for people of all genders. The provision of decent work is central to creating the economic and social foundations that underpin individual and community well-being.

A rapidly changing labour market marked by skills shortages creates opportunities for broader workforce participation. These include the identification and removal of institutional and systemic barriers to workforce participation by, for example, individuals whose skills and education are devalued by the job market, immigrants, Indigenous people, and the long-term unemployed. Integrated training models have demonstrated success connecting people with barriers to employment to the labour market through a combination of foundational skills training, experiential learning with employers, and technical, job-specific skills training. The federal government has made strides in these areas through federal-provincial Workforce Development Agreements, which target unemployed and underemployed individuals seeking to develop skills, as well as persons with disabilities. In some cases, the provincial implementation of these agreements can limit their effectiveness to support underrepresented groups and

individuals who are further removed from the labour market. At the same time, entrepreneurship and innovation are critical to the development of resilient local economies, especially in times of change. Entrepreneurship and entrepreneurs, particularly those who face systemic barriers such as women, Black and Indigenous people, and people of colour, are key drivers to boost the economy but also to create innovative solutions

The Ontario Nonprofit Network is leading a decent work agenda for nonprofits in Ontario. They have developed a template for a decent work charter that boards can use to show their organizations’ commitment to decent work. They have published a number of reports and resources on decent work, particularly on decent work for women and the gender pay gap, on their website.

to local needs. The federal government provides various supports to Indigenous entrepreneurs and, in 2020, announced the Women Entrepreneurship Strategy and support for Black entrepreneurs and business owners. However, skills training should also focus on self-employment and entrepreneurial training for these groups.

With the sudden shift to virtual platforms for gathering, connecting, and working as a result of the COVID-19 pandemic, it quickly became clear that those with access to broadband internet and internet-connected devices, both because of their geographic location as well as their means, and those with higher levels of digital literacy, have an advantage over those without the access, means, and skills to engage in a virtual economy. Access to broadband internet must be considered a basic need for vulnerable populations as well as those in rural and remote communities. Digital literacy must be a key focus of workforce skill development, particularly for older individuals. In 2019, the Government of Canada released a national connectivity strategy, High Speed Access for All: Canada’s Connectivity Strategy and announced Universal Broadband Fund which is intended to support broadband projects across the country. The pandemic has amplified the need for the rapid implementation of this strategy and the Fund. Furthermore, the development of local community-owned broadband networks and service providers would amplify the local economic impact of the strategy.



Recommendations

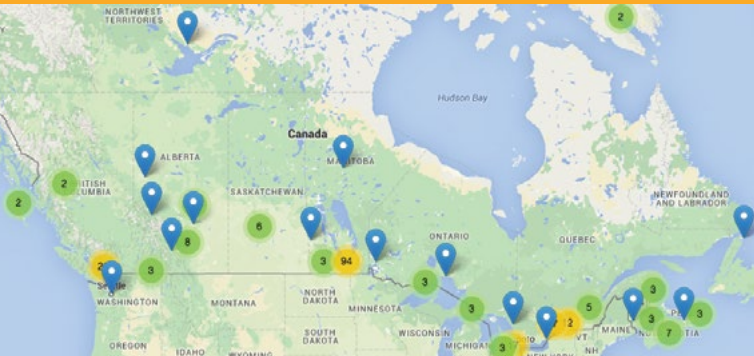
5. **Ensure that workforce and entrepreneurship development funding reaches vulnerable and underrepresented groups.**
6. **Advance the decent work agenda to support good quality jobs and workers’ rights and well-being.**
7. **Accelerate the timeline of the Universal Broadband Fund, and use it to encourage community-owned broadband.**





**Canadian
CED Network**
**Réseau canadien
de DÉC**

The Canadian Community Economic Development Network represents a national membership of people and organizations committed to strengthening communities by creating economic opportunities that enhance social and environmental conditions for all.



Making it Happen

Canadians should have a direct say in decisions that affect them. By using grassroots community organizations in design, planning, and policy we can ensure that decisions made by governments are guided by those who know the issues the best. Government and community co-creation and consultation in programming and policy is crucial to community economic development.

Too often, the end-users or stakeholders affected by policy and programming decisions are rendered entirely passive in their design and implementation process. The consequence of this is that high-value and grassroots expertise is missed, thereby decreasing the efficacy and ultimately value of government investments. The challenge of policy-making that does not meaningfully engage stakeholders is compounded when it intersects with marginalized communities. A co-creation approach, building on the models of the Social Innovation and Social Finance Co-Creation Steering Group and the Québec Partners Table on the Social Economy, will help ensure that policy development and implementation will be most effective. As a national network made up of organizations and people throughout Canada committed to strengthening communities by creating economic opportunities that enhance social and environmental conditions, CCEDNet currently plays and will continue to play an important convening role in this work.