

**The Power of CED throughout Canada:
Thirteen Inspiring Stories**

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Revitalizing an Urban Community Economy: Fighting Back in Montreal's South West Neighborhoods - Québec

RÉSO (Regroupement pour la Relance Économique et Sociale du Sud-Ouest de Montréal) is a membership-based organization with 1500 individual members and 250 organizational members within a total population of 70,000. RÉSO emerged as a broadly based community development corporation in 1989 out of the persistent action of the community movement. It has a mandate for the economic and social renewal of the five poorest neighborhoods in the South West of Montreal, an area that has suffered continuous industrial decline over the last 30 years.

RÉSO has been implementing a multi-faceted strategy. For several years, its primary interventions were through two main types of services: employability and labour market services, and services to businesses. Owing to the comprehensive nature of its mandate, the organization is also involved in issues related to land use, development of infrastructure, promotion of the area, and, in the broader spheres of activity of representation, consultation and promotion related to community economic development and the development of the Montreal region. In addition, they experiment with innovative approaches to reaching those hardest to reach, such as chronically unemployed youth. Formetal, a successful training business in the metallurgical field has come out of this effort.

On the employment side, RÉSO provides a range of training (directly or through controlled brokerage) to hundreds of people each year. RÉSO has provided technical assistance to hundreds of businesses. This outreach has been facilitated, in part, by an early warning system whereby trade unions that see potential problems in succession (a business owner retiring with no buyer), financial difficulties, etc., notify RÉSO. RÉSO staff then sit down with management and others to problem solve around product development, marketing, financial restructuring, etc. In the past years, RÉSO has added other function to its CED arsenal, including support for the social economy, venture capital investment and strategic coordination of efforts to develop the Lachine Canal.

Recent statistics reveal that this wide range of integrated interventions is having a dramatic success. In the height of a recessionary period, SW Montreal, for the first time in over 20 years, has halted the decline in its manufacturing base. Although in the 1980's – in some neighborhoods – unemployment reached 35% and 50% of the population was on social assistance, today the local economy is booming and RESO is grappling with the new problem of managing growth.

What is most remarkable about RÉSO, and a large part of the reason for its success, is the way it brings together a wide coalition of interests and produces tangible results for all these interests. "The ability of RÉSO to bring all these people together is remarkable" Fausto Levy, former board member for large business to the RÉSO board. "It provides a forum for everyone to discuss issues that are important to them and allows for understanding to begin. As a result we've been able to solve many problems with everyone being very satisfied."

CTA (Centre de travail adapté) - Québec

In 1979, fifteen new businesses were created in Quebec with a new and noble mission: to adapt the enterprise to be able to integrate handicapped people into the workforce. Over a hundred members of the business community contributed to laying the foundations for this new network of social economy enterprises.

Today, this network is made up of 42 businesses with annual revenues of over 100\$ million. Together they produce close to 175 different products and services, including printing, office supplies, security and commercial cleaning, recycling, wood products, etc. Their economic partners include thousands of Quebec and Canadian companies, as well as other countries that buy their products and services. Their clientele includes Loto-Québec, Provigo, Mouvement Desjardins, and Vidéotron.

The socio-economic mission of these “enterprises adaptées” is unique in Canada. Together, these not for-profit businesses provide jobs for 3,300 people. Among them, 2,300 benefit from an adaptation of their workstation in order to assure to competitiveness of the company. Over 300 administrators offer -on a volunteer basis- their expertise and support in the management of these businesses.

Lutherwood CODA: A Rich Set of CED Programs - Ontario

Lutherwood CODA, in the Waterloo region, fields the most diversified set of CED programs in the country. They range from housing for seniors to reading programs for children; from several specialized loan funds to business career counseling; from an integrated array of employment services to new businesses that serve as a training context. They also were one of the first to experiment effectively with Individual Development Accounts.

Perhaps the most ambitious of their projects was one that ultimately drew a United Nations award: A massive effort (OP 2000) began in 1998 to mobilize banks and businesses, nonprofit community groups and government agencies to bring 2000 families out of poverty by the end of the year 2000. It was based on a previous public-private-nonprofit initiative that had helped over 1000 welfare recipients find jobs or start self-sustaining businesses and 1000 more enter educational and training programs. For its part, OP 2000, aside from success in moving people from welfare/poverty, has also created a continuing network of dozens of capable community organizations mobilizing and working on all the varied problems of poverty in the Waterloo area. Lutherwood CODA has built a community to eradicate local poverty.

Quint Development Corporation: Using Partnerships - Saskatchewan

Five of Saskatoon’s poorest neighborhoods created Quint in 1995 to revitalize their area. Their first major initiative addressed the problem of under-maintained absentee-owned housing and

high residential turnover. Through a subsidiary co-op, ten houses were purchased and eventually sold to ten low-income families (their main target: young families with children and, importantly, a record of rental responsibility), who would plant roots and help stabilize the area. Another co-op was established for them (and others) to learn homeownership and maintenance skills. This pilot was so successful that Quint has since established six similar housing co-ops.

Among the partners were the province (25 percent forgivable loan), the city (5 percent grant), two credit unions (70 percent non-guaranteed mortgages), the provincial crown corporation for employment (building inspections), the real estate company (commissions contributed to a management fund), private firms and cooperatives (discounted building supplies and legal and appraisal services), and others for help in developing a training program for those who would be doing the renovations.

Other projects with other partners are two micro-business loan funds, business training and support programs, co-housing for high school student single mothers, a hostel for homeless young men, and an energetic support and facilitation effort for other CED groups in Saskatoon.

BCA Holdings Ltd.: Community Venture Capital – Nova Scotia

BCA was organized in 1989 by local activists and businesspeople as a freestanding nonprofit institution to finance new or established local ventures that would contribute to the social and economic stability of Cape Breton communities. It started with a very small capital base, until stimulated by the offer of a no-interest government loan of \$500,000, when it raised another \$500,000 from fellow Cape Bretoners. The private capital is borrowed in various formats but receives only five percent interest annually. Members of the small volunteer board of directors of BCA Holding do most of the work, with only one part-time professional staff person and a junior assistant. Investments are made primarily by way of secured loans at close to market rates. However, BCA Investment Cooperative, a partner organization, was capitalized more recently at \$730,000 to take advantage of provincial tax incentives; and it makes only equity investments.

Among the business deals of the BCA group are a radio station, a small hotel/restaurant, an immensely successful rope factory, and a small shopping plaza. Aside from creating jobs and assuring local services, BCA aims especially to prevent the loss to outside investors of any local firms, so it requires at least two local owner-operators for each of its projects.

The Great Northern Peninsula Development Corporation (GNPDC) - Newfoundland

In 1987, tired of short term, piece meal job creation funding, the six Regional Development Associations in the region covering a remote stretch of 400 kilometers that makes up the Northwest arm of Newfoundland (with a scattered population of 25,000 people), established the GNPDC to proactively work to strengthen the region's economic base. One key strategy for reaching this goal was establishing GNPDC as an owner of business assets that could generate

and capture a broad range of benefits for the people and communities of the peninsula. This strategy was also aimed at creating an economic base for the development corporation independently of government financing. GNPDC recognized that growing an economy was a long-term process and that to become a key actor in this process required a sustainable financial base.

In 1988 GNPDC decided to organize a partnership with five local sawmill and woods operators to create Northchip Limited, which originally had a contract to supply wood chips to the Roddickton thermal plant. During 1993 Northchip established its own sawmill operation at Roddickton, with logs supplied by the local woods operators and the lumber being sold to the provincial and mainland building supply markets. When the market for wood chips dried out, Northchip established a modern kiln-drying operation and moved into the production of value-added wood products for the export market. GNPDC currently owns 38% of Northchip shares, 37% belong to the local sawmill and woods operators, and 25% belong to the marketing agent. GNPDC's entrepreneurial initiative in organizing the small operators to partner in Northchip has created over 30 direct jobs and maintained and enhanced another 100 jobs in what had been a declining small operator segment of the forest industry.

GNPDC is also a partner in GNP Craft Producers Limited, a company established with the Straits Development Association to produce and market local sealskin crafts. This company is currently involved in the development of a unique range of craft products made from the all-natural process of bark-tanned sealskins.

GNPDC is presently involved in a number of other developmental activities: Arctic Char farming and other spin-off businesses (with training program), development of local capability to process and market cultured mussels, assessment of the potential for development of under-utilized fish species to help move local processing activities away from a dependency on traditional fish products and the introduction of a grate into the Shrimp fishery, which allows the by catch to be sorted out of the trawls helping conserve fish stocks.

Despite some setbacks, such as the closure of Great Northern Seafoods Limited, the organization continues the process of strengthening the economic base of the region. However, it could not have survived to play its development role if it had not succeeded in building up significant assets. Today, with total financial transactions amounting to over \$3 million, GNPDC is well on its way to becoming a self-sustaining organization where profits are being reinvested in furthering the economic development of the region.

Becoming Owners in One's Homeland: A First Nation Strategy in Northern Saskatchewan

La Ronge First Nation (Saskatchewan's largest) has over 6700 members living in six communities spread across the province's north. Troubled by the way northern resources were being extracted with few durable benefits accruing to aboriginal people, the Band Council created in 1981, Kitsaki Development Corporation (now Kitsaki Management Limited Partnership) to establish businesses in order to generate economic and social benefits for the members.

The initial foray was troubled. No strategic approach was taken to positioning Kitsaki in relation to the economy of the north and businesses were launched before local people had the experience or management capacity to generate profits. On the edge of bankruptcy, Kitsaki secured the services of an experienced CED practitioner in 1985.

Through strategic planning, the Band council systematically developed a vision and mission for Kitsaki, focusing its energies on creating an economic base through vesting La Ronge First Nation as an owner of businesses in the region's key economic sectors. The joint venture was identified as the main way to do business. Kitsaki's inexperience and lack of business management was offset by expertise in doing deals and managing the development process, which enabled them to accelerate the creation of businesses and to capture a greater array of benefits with less risk. Core operations of Kitsaki were secured from a federal-provincial economic development agreement.

Coupled with this basic approach was a systematic analysis of every sector of the northern economy. This "intelligence" became the basis for targeting opportunities and possible joint venture partners. Thus, it was not long before the assets of Kitsaki's translated into a joint venture with a large multinational trucking concern. This partnership has generated durable profits, management influence, 450 jobs and training benefits for Kitsaki (and its owners) ever since.

Kitsaki's shares ownership between 20% and a 100% in a number of businesses: bulk hauling and other services to mining operations in the north, La Ronge's only full-service hotel; Saskatchewan's largest producer of wild rice; a supplier of group insurance and pension plans to native people in Canada; a delivery contract for pulp in Prince Albert; catering and janitorial services for uranium mines and the McArthur River test mine; a national producer of beef jerky and meat snacks that also sells fresh and frozen meat to northern stores and mines in Saskatchewan; and a sawmill using curve saw technology to process green wood. With gross annual sales from these companies totaling \$50 million in the 1997 fiscal year, Kitsaki is now one of the largest companies in Saskatchewan.

Many of the ventures listed above feature substantial participation by Dene, Metis, and Cree organizations. With an improving economic base and better skilled personnel, Kitsaki has taken over the administration of most of government programs: education, housing, and family services suiting them specifically to its needs.

Conversely, communication between band operated-schools and training facilities and Kitsaki helps to ensure that Kitsaki has a relatively skilled pool of labour available. For their part, trainees can see opportunities at the end of the tunnel.

Kitsaki has been an integral tool of the community to manage resources and create employment opportunities. Kitsaki provides outlets for Band members who possess marketable skills in the labour force with the benefit of remaining at home. Its mission also allows it to contribute resources to the Band council, which in turn has allowed the council to accelerate development of other priorities within the community. Kitsaki is building an economic base and securing the future for aboriginal people in their own homeland.

The Power of an Integrated Strategy for People Development: The Learning Enrichment Foundation in York - Ontario

In the 1980's, the City of York in Toronto's metro region had the lowest incomes, highest illiteracy rate and highest infant mortality rate. The area acts as a reception area for consecutive waves of immigration from all corners of the globe. In the early '80s, manufacturers moved out and unemployment rose, especially among young people. Many residents could not act on training or job opportunities because of lack of day care. The York Board of Education turned to the Learning Enrichment Foundation (LEF) for help in launching the first of a network of affordable, high-quality childcare centres in what was to be the organization's toehold in the realm of community revitalization. Eventually, childcare was supplemented with programs more closely associated with economic issues such as employment counseling, skill training, employer outreach, self-employment training programs and English for immigrants -.

Eventually, a business incubator was launched and LEF grew into one of Canada's pre-eminent practitioners of labour market integration: job search, training, business incubation, assistance with job placement and work-related supports like childcare. Of particular importance is LEF's approach to customized training - a systematic, information-rich process of marrying specific jobs (current and prospective) with individual job-seeker, where much of the spadework is handled by a 40-telephone call centre, staffed by volunteers, who make thousands of calls monthly to local employers. The training follows four major streams: computer applications, industrial skills, childcare and English language skills. All the computer courses are Microsoft Authorized; as of 1994, LEF is the first nonprofit Microsoft Solution Provider in Canada.

LEF's network of licensed childcare centers can serve about 650 children. LEF trains early childhood assistants combining practical experience with studies in the areas of child development, curriculum planning, and safety and nutrition. The childcare centres are also integrated with other LEF programs. The centres receive food from a commercial kitchen, which also operates as a restaurant and catering training facility. The kitchen also serves high quality, low-cost meals to other LEF participants, for a total 850 meals a day. Through Ontario Works, the provincial welfare-to-work program, LEF started a pilot project to serve 500 social assistance recipients. LEF assessed, counseled, trained and assisted in their job searches 500 social assistance recipients referred by Toronto Social Services. The average length of time that these people had been unemployed was 7 years. Although many are still in the program, 175 already have jobs, proving that the issue of structural unemployment can be addressed successfully through support strategies fully attuned to the individuals' needs. Community enterprises are envisioned to offer training and services, which help to meet the organization's objectives. At LEF, the changing circumstances within the community and government, as well as innovative ideas, entrepreneurial inclinations, and an empowering atmosphere make even inevitable change exciting.

Taking Control of an Economy in Transition: Collaboration at the Enterprise Centre in Revelstoke – British Columbia.

Nestled in the Rocky Mountains of British Columbia, Revelstoke was the quintessential boomtown. Settled first because of regional minerals and lumber, it was sustained by its strategic location on the Canadian Pacific railroad. Revelstoke profited in the 1970s and early '80s from massive hydroelectric projects on the Columbia River, but BC's decision to turn the forest and agricultural lands into reservoirs in the '70s occurred without public consultation and before completion of the final mega project in 1985, the Revelstoke Dam. At this time, the town was already suffering serious decline.

Now, Revelstoke has stemmed the tide of economic and social decline. Unemployment is down to 10%. There is a healthy demand for property. Where once existed merely a "boom mentality" which purely measured economic "growth," the city has developed an identity as a vibrant mountain community with a diversified, sustainable local economy. Sustained good sense, loyalty, courage, trust, and patience have enabled residents of Revelstoke to get and keep high-caliber leaders – the sort of leaders who can turn luck into an opportunity which local people are willing and able to seize.

These qualities are manifested in a number of organizational accomplishments: the drafting and regular renewal of a comprehensive strategy for local change; the development of a capacity for local research and expertise in select economic sectors; the creation of a network of organizations that can and do work together to implement projects consistent with the community's strategy.

Downtown revitalization provided the stage upon which the city's first generation of leaders emerged, worked together, and tasted success. Through partnerships, they acted to forestall the sale of a nearby tree farm license (TFL) to interests, which would have cut three local sawmills off from a timber supply. There are now actually more forestry-related jobs in Revelstoke than there were ten years ago. This testifies to both the corporation's cultivation of local talent, and to its partners' commitment to invest locally. One of them now employs 50 people at a new wood value-added enterprise. The Community Learning Centre brings together - under one roof - the resources to create a one-stop shop for people looking for work and training.

In Revelstoke's local development system, all the components required for successful economic development are present: an equity building strategy (RCFC); a locally accountable source of business credit (the Business Development Centre, the Credit Union, and soon, a community foundation); a capacity to plan and implement human resource development programs; a capacity for strategic planning and research; and last, but by no means least, collaborative leadership that can generate a whole community's recovery.

North End Renewal Corporation (NECRC) Winnipeg - Manitoba

Started in 1998 and inspired by RÉSO's model, NECRC has today established itself as credible, action oriented organization, driven by area residents who have given it a board mandate for establishing a comprehensive and systematic program. Among the highlights of NECRC's work to date are commercial and housing development, training and employment services, tax reduction on local properties, community safety provisions and a solid base of business and resident associations.

Comprising 11 sub-neighbourhoods, the North End is home to about 38,000 residents including many Aboriginal people and immigrants. A poor population with a struggling working class sector, where in 1996 over half of the residents lived below the poverty line and the unemployment rate was more than double Winnipeg's general rate. On the positive side, this community also has many assets, a sense of neighbourhood, of local values and of commitment.

Once local leaders concluded that they needed to do something more than isolated programs and that permanent change requires the establishment of a long-term comprehensive approach to development, they also realized that building an initial sense of hope, understanding and support both in the private and public sectors was going to be critical to the success of NECRC.

Using a networking approach to build cooperation and a common strategy, NECRC played a key role in building the capacity of the affordable housing sector. NECRC helps housing organization access resources and scale up projects. It links training programs to employment in the rehabilitation of housing stock. It assists block and neighbourhood groups in the development of housing plans and provides training and capacity building resources for housing organizations. They also ensure coordination among housing interests and efforts and find ways to help existing programs to dovetail. NECRC has played an important role in purchasing a renovating a building that eventually became a Native American training centre.

Since crime rates were very high, NECRC hired a community outreach person to help address safety issues and work on strengthening and celebrating the cultural diversity and richness of the community.

As NECRC approaches its fourth stage of evolution as a mature and sustainable force for local revitalization, there is also an on-going focus in continuing to generate financial resources, improve internal operation and in enhancing the participation of residents and local organizations in its governance

Development Isle Madame Limited (DIMA)- Cape Breton - Nova Scotia

Isle Madame can be found on the most southeastern tip of Cape Breton, standing on its own in the midst of the Strait of Canso. The island is about eleven miles long and seven miles wide. Its population is 4,300, with 70% of that being French Acadian and bilingual. Forty years ago the

island was self-sufficient, fishing has -since the 1700's- been the mainstay of the Island's economy.

DIMA grew out of an emergency committee created in response to the collapse of the ground fishery. The committee hired consultants, who trained local people as facilitators. The facilitators then visited kitchens and workshops, asking what a good future would look like.

This committee composed of a cross section of the population, later became DIMA. DIMA polled 140 businesses and many community groups about economic opportunities. Then it surveyed the whole population, asking people to rank the resulting 443 business ideas. That poll identified six core sectors: aquaculture and seafood, wood products, niche tourism, information and culture, crafts and small manufacturing and specialized agriculture. DIMA successfully focused on those areas and began winning regional and national awards.

When nominated in 1999 for an international award, the team of auditors from Holland that came to verify its record, reported that the economic renewal process DIMA had started had been bottom up and small-scale, it had used existing programs and instruments and had created no new bureaucracy; yet, it had been unbelievably successful. It had attracted \$ 15 million of new investment in the island's economy, created 460 sustainable jobs in the core sectors - almost entirely replacing the 500 jobs lost in the fishery-, and it had been largely responsible for an outstanding decline in the unemployment rate from 65 % to 12.5 %.

Among the projects that DIMA has undertaken, there is a cooperative shrimp fishery, two Community Investment Cooperatives, a 4 km coastline hiking trail and a waterfront development designed to revitalize the core of Arichat, the island's largest town.

Unfortunately, and in spite of DIMA's incredible success, it continues to have problems attracting core funding, a situation that sometimes leads them to rely on staff personnel volunteering until the next grant comes in.

Women and rural economic development (WRED) – Ontario

WRED was established as an outcome of a Provincial Economic Development conference held in Guelph in 1993. Using the conference as a strategic planning session, organizers were able to determine that rural women in Ontario wanted and needed to become economically independent. Seventy-five strategies were put forth including self-employment training, businesswomen's networks, mentorship and access to capital.

The mission of WRED is to support, connect and advance women and rural communities through community economic development by providing business consulting, career awareness and skill training for women of all ages. They build and strengthen networking opportunities through business networks and cutting edge technologies as well as by researching and creating original programs that respond to the changing needs of women.

Some of their accomplishments include the development of a self-employment curriculum delivered to hundreds of women; WRED-assisted businesses showing gross sales of over \$10

million; over 300 new businesses due to their initiatives and programs; 23 rural women's business networks established across Ontario with annual attendance of over 2500 women; mentorship programs; life skill training; farm diversification training; marketing workshops; alliance facilitation; economic literacy training and communications. WRED has been identified by the Community Economic Development Technical Assistance Program (CEDTAP) as a resource organization to provide technical assistance to other CED organizations.

A proof of social and financial profitability: the case of Réseau d'investissement social du Québec (RISQ) - Quebec

RISQ is the only provincial investment fund dedicated entirely to investing in the non-profit and cooperative sector, known in Quebec as the social economy. Created in 1997 on the initiative of the Chantier de l'économie sociale, RISQ is a 10\$ million fund made up of contributions from the private sector and from the Quebec government. Its mission is to make capital accessible to the social economy sector, while taking into account its specificities and needs. The Board of Directors is made up of representatives of private contributors, particularly financial institutions, and actors of the social economy named by the Chantier de l'économie sociale.

RISQ offers two types of products: loans to assure access to technical assistance, and investment in business start-ups or business development. RISQ has made over 200 investments in 5 years with an impressive success rate. It has played a very important role in leveraging additional investment from communities and traditional financial institutions. It has also been active in developing new tools of financial analysis that help evaluate the solidity of each project by examining its roots in the community, its financial stability and its social profitability.

RISQ's portfolio includes cooperative and community businesses in a variety of sectors, from manufacturing to community media, from cultural initiatives to daycare centres, from forestry projects to retail initiatives. A major selection criterion is the level of support from the community, for a majority of the businesses supported are an integral part of local CED strategies.

The innovative approach of RISQ has attracted attention on the international level. RISQ is now working in partnership with several European organisations as well as with Brazilian networks, all of whom are eager to learn from RISQ's experience

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