

Community Economic Development

A lens for the Alberta Social Policy Framework

Thrive – Calgary's Community Economic Development Network
Tel: 403-204-2668
Email: info@thrivecalgary.org
Website: www.thrivecalgary.org

Our vision

Thriving local economies for all. All Albertans will enjoy a high quality of life due to our collective efforts to advance and integrate environmental, social, cultural, and economic sustainability.

Who we are

Thrive is a catalyst and convener for advancing our understanding and action around Community Economic Development (CED). Hosted by Momentum¹, Thrive works locally, provincially and nationally to build a strong local economy, reduce poverty and create a sustainable future. Thrive is a dynamic network of individuals, nonprofits, businesses and government that facilitates learning events, community roundtables, online discussions as well as research and community reports on CED².

Recommendation

Thrive recommends that a provincial Social Policy Framework adopt a CED lens as a proven strategy to:

- ✓ Achieve social and economic development that is inclusive, resilient and sustainable
- ✓ Mobilize and enhance local assets for local development
- ✓ Encourage local solutions to local problems, by and for community members
- ✓ Spend efficiently and effectively, in line with the policy vision

CED recognizes the strengths of cross-sector partnerships. We submit this paper with the goal of stimulating further discussions with the Government of Alberta, thereby sharing knowledge and social innovations between our sectors, with the ultimate hope of having the Government of Alberta develop a CED lens in its Social Policy Framework development.

Strategies

What is CED?

CED utilizes the economy and marketplace in innovative ways to improve social conditions. It assists businesses to grow and residents to improve their income³. CED appeals to Alberta's entrepreneurial spirit and builds the social, economic, environmental and cultural well-being of communities⁴.



¹ Momentum is a Community Economic Development organization whose mission is to partner with people living on low incomes in order to increase prosperity, and inspire the development of local economies with opportunities for all.

www.momentum.org

² Thrive – Calgary's Community Economic Development Network - Strategic Map <http://thrivecalgary.org/wp-content/uploads/2012/02/Thrive-Strategic-Map-FINAL.pdf>

³ The Community Economic Development Handbook

http://www.google.com/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&cad=rja&ved=0CCAQFjAA&url=http%3A%2F%2Fwww.fieldstonealliance.org%2Fclient%2Fpresentations%2FCmty_Dev_Handbook_PowerPoints%2FChapter%25201-Community%2520Economic%2520Development%2520Overview.ppt&ei=tkg-UOabC9LqAHv-YDICQ&usg=AFQjCNEWcr-Abi2cemAKP2OqFO2GLes_LQ&sig2=Q-9R14agjbncCbK0DEiLFg

⁴ The Canadian CED Network. *What is CED?* http://www.ccednet-rcdec.ca/en/what_is_ced

CED includes a variety of activities such as:

- Employment skills development
- Re-training for internationally trained immigrants
- Matched savings program for low-income families
- Community-based businesses such as social enterprises and cooperatives
- Micro-lending

CED is about people. Take Mark for example, he was not expected to graduate high school or obtain a post-secondary degree, let alone start his own business. Born with Cerebral Palsy, Mark has been in a wheelchair since he was a child. However, Mark enrolled in Momentum's ABCs of Small Business program, where he says he was given the tools he needed to draft, execute and expand his small business. Mark's company, Handi Enterprises, supplies speech-recognition technology to businesses. Nothing made him happier than to tell his social assistance worker that he no longer needed financial support from the government. He has since hired two employees⁵.

CED strategies for social development have been adopted by communities, municipalities, as well as provincial and federal governments across Canada. In smaller municipalities the focus is often on local resilience if the municipality has lost the town's main employer. In larger municipalities CED focuses on inclusion and opportunities for marginalized individuals to participate in the economy. CED is a boundary spanning approach that benefits all Albertans.

Why do CED?

During Calgary's greatest economic booms, the number of people living in poverty actually increased⁶. Why is our great wealth not benefiting everyone?

Traditional approaches to economic development are inadequate

Traditional economic development has largely relied upon the assumption that if you bring wealth into the community that over time wealth will be distributed amongst citizens and that low-income communities will prosper⁷. Traditional economic development typically attracts non-local investment and business to stimulate economic growth. However, the jobs and other economic activity resulting from traditional economic activity are often not accessible to marginalized populations. This can be seen in the growing levels of inequality in Alberta, and Canada. Currently in Alberta, the richest 20 per cent account for 44.3% of total income while the poorest 20 per cent account for 4.9%. We also know that some groups are more likely to experience poverty than others in Alberta, including Aboriginal peoples, people with disabilities, recent immigrants, visible minorities, and women⁸.

⁵ Entrepreneurs with Disabilities <http://www.momentum.org/myability/>

⁶ Huffington Post (2011). *Income Inequality and Cities: Calgary's Two Faces Show Pitfalls Of Unbridled Growth* http://www.huffingtonpost.ca/2011/12/05/income-inequality-calgary-pitfalls-growth_n_1128260.html
United Way of Calgary and Area (2007). Alberta Poverty Facts.

<http://www.calgaryunitedway.org/main/sites/default/files/Alberta%20Poverty%20Facts%20sep07.pdf>

⁷ See the Thrive and Calgary Economic Development paper on the business community and CED http://thrivecalgary.org/wp-content/uploads/2011/11/CED-Thrive_FINAL.pdf

⁸ Briggs, A. and Lee, C. (2012). *Poverty Costs: An Economic Case for a Preventative Poverty Reduction Strategy in Alberta* http://www.actiontoendpovertyinalberta.org/images/stories/documents/Poverty-Costs_Feb06-2012.pdf

CED is effective, inclusive, and sustainable

CED is a key driver to reduce poverty while also contributing to the establishment of vibrant, sustainable communities. CED strategies are shown to benefit all community members, but particularly individuals who have been economically marginalized⁹. Money spent on CED initiatives generates greater economic, social and environmental returns than traditional approaches¹⁰. Traditional approaches to poverty reduction treat the symptoms of poverty through charity and social programs. CED aims to address the root causes of poverty and inequality, to create an effective and sustainable solution. A few select examples of CED strategies and outcomes are described below.

CED supports and nurtures community-based enterprises. Job creation, and job sustainability tends not to come from the largest, well established companies, but from small scale start-ups¹¹. CED supports small businesses and entrepreneurs through micro-loans, training, coaching, and mentoring, with particular emphasis on working with individuals who may be barriered to employment. Small businesses generate positive community impact through generating employment, taxes, local goods and services, community mindedness, and a significant impact in the lives of individuals and the community¹². Social enterprises (non-profits operating mission-related, for-profit, businesses) are also credited with job creation, particularly for marginalized individuals¹³. Cooperatives also play a vital role in supporting local economies, employing local residents and offering training, and investing in the community, as their mandate is to respond to member needs and to share profits with members¹⁴. Start-up cooperatives have a higher success rate than conventional firms¹⁵. CED supports and advances all forms of sustainable, community minded business including, local businesses, social enterprise and cooperatives.

CED examines the inflows and outflows of community wealth, finding ways to maintain and enhance our local assets via social finance. For example, Albertans invested over 4 billion in RRSPs last year—sending a great deal of their savings outside of our province, supporting growth and innovation abroad¹⁶. Several provinces and communities have established, or are establishing, Community Economic Development Investment Funds that are RRSP eligible; creating an affordable and impactful

⁹ Policy Priorities in Support of CED. Canadian CED Network. http://www.ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/CCEDNet_Policy_Priorities_Jan2011_1.pdf

¹⁰ Community Economic Development: Building a People-Centre Economy. Canadian CED Network. http://www.ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/CCEDNet_Policy_Priorities_Mar2012__2_.pdf

¹¹ Kauffman Foundation (2010). *Job Growth in U.S. Driven Entirely by Startups*. <http://www.kauffman.org/newsroom/u-s-job-growth-driven-entirely-by-startups.aspx>

¹² Two community studies on the impact of local entrepreneurship can be found here:

- PARO Centre for Women's Enterprise Measuring Social Impact. Retrieved June, 2012 from http://www.paro.ca/resources/Research/paro_measuring_social_impact_aug_07.pdf
- Momentum Social Return On Investment Case Study: Women's Venture Program. Retrieved May, 2012 from http://www.momentum.org/sites/default/files/Publications/WVP_SROI_FINAL.pdf

¹³ Nova Scotia Social Enterprise Working Group (2011). *Social Enterprise in Nova Scotia- Concepts and Recommendations. What Government Needs to Know about Social Enterprise in Nova Scotia* http://thehubhalifax.ca/wp-content/uploads/2011/07/Conceptual-Framework-for-Social-Enterprise-in-NS_FV1.pdf

¹⁴ The Globe and Mail. Special Report: *The Power of Cooperatives*. Retrieved, July, 2012 from http://www.coopscanada.coop/public_html/assets/firefly/files/files/Globe_and_Mail_Supplement_-_Compressed.pdf

¹⁵ *Co-op Survival Rates in Alberta*. BALTA – B.C. – Alberta Social Economy Research Alliance. Retrieved May, 2012 from <http://auspace.athabascau.ca/bitstream/2149/3132/1/BALTA%20A11%20Report%20-%20Alberta%20Co-op%20Survival.pdf>

¹⁶ Statistics Canada. Registered Retirement Savings Plans and Contributions. Retrieved July 2012, from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=1110039&pattern=111-0039..111-0041&tabMode=dataTable&srchLan=-1&p1=-1&p2=-1>

way for local people to invest locally¹⁷. The Federal Government's Task Force on Social Finance has recommended the creation of provincial Impact Investment Funds¹⁸. Another example is the rise of social enterprise. Non-profits are finding innovative ways to meet their mandate with sustainable and flexible funding, by operating a for-profit venture that aligns with their mandate¹⁹.

There is significantly more research and evidence for CED's effectiveness and impact in building inclusive and resilient economies²⁰. With this research and evidence in mind, Thrive is committed to further embedding CED in to our communities and supporting our partners in doing so.

Who does CED?

Individuals, businesses, non-profits and governments have an equally important role to play in creating an inclusive economy and high quality of life for Albertans²¹. There are many examples of CED work being done in our province. For example:

Government

- City of Edmonton, Community Services – An Innovative Services unit to serve as a local catalyst for CED projects, including the Social Enterprise Fund (SEF). The SEF is a made-in-Edmonton response to provide access to capital for non-profits doing work in social housing and social enterprise.

Nonprofits

- Enterprising Non-Profits Alberta (ENP-AB) – Launched in early 2011 with financial support from The Trico Foundation. ENP-AB is a program that provides grants and technical assistance to non-profit organizations to support the development or growth of social enterprises²².
- Community organizations such as Live Local Alberta, E4C-Kids in the Hall Bistro, the Calgary Centre for Newcomers, Prospect, and Momentum.

Businesses

- Business networks such as Calgary Economic Development, REAP Calgary, and Make it Good.
- Cooperatives and credit unions such as First Calgary Financial, Servus Credit Union, and the Central Alberta Rural Electrification Association.

There are many more examples of CED in action in our province, across the country and at a federal level.

¹⁷ See numerous examples of social finance in Canada in the following documents:

- Stranberg (2004). *Scan of the Community Investment Sector in Canada*. Retrieved Aug, 2012, from http://www.corostranberg.com/pdfs/nationalRoundtable_sept2004.pdf
- Government of Nova Scotia <http://www.gov.ns.ca/econ/CEDIF/>
- Government of Manitoba <http://www.gov.mb.ca/agriculture/programs/aaa21s04.html>
- BC Capital Region <http://www.communitycouncil.ca/initiatives/cif.html>

¹⁸ Canadian Task Force on Social Finance. *Mobilizing Private Capital for Public Good- A Summary Report* http://socialfinance.ca/uploads/documents/SummaryReport_MobilizingPrivateCapitalforPublicGood_30Nov10.pdf

¹⁹ The Calgary Foundation. *Money and Mission: Social Enterprise in Calgary*. Retrieved July, 2012 from http://www.thecalgaryfoundation.org/SocialEnterpriseInCalgary1_000.pdf.pdf

²⁰ To explore evidence-based CED tools, resources, and research, visit the Canadian CED Network website at <http://www.ccednet-rcdec.ca/en>

²¹ See the Momentum paper on The City of Calgary and CED <http://www.momentum.org/sites/default/files/CED%20PrimerFinal.pdf>

²² The Calgary Foundation. *Money and Mission: Social Enterprise in Calgary*. Retrieved July, 2012 from http://www.thecalgaryfoundation.org/SocialEnterpriseInCalgary1_000.pdf.pdf

Outcomes

The Government of Alberta is uniquely poised to support CED in our province and is already doing so in many ways. The following are examples:

- Training for Work programs by Human Services, for Albertans with barriers to employment²³
- Alberta's Immigrant Access Fund for foreign trained professionals²⁴
- The former Alberta Employment and Immigration's funding to conduct a study of and to implement a green collar jobs workforce development initiative in Calgary²⁵

A CED lens can be applied to social policy, especially those related to employment, business development, community revitalization, housing, homelessness, immigration, child care, food security, and poverty reduction²⁶.

Precedent

Fortunately, there are existing provincial government CED strategies to draw learning from. Quebec has supported CED work since the early 1980s, beginning primarily by supporting the spread of cooperatives and activities within the social economy. Nova Scotia has provided new financial support for social enterprises across the province that will now have access to small-business loans, through the provincially funded Credit Union Small Business Loan Program²⁷. The Community Economic Development Funds, with a 35% provincial tax credit for investors, is a unique example of local business investment in Nova Scotia. The BC Social Innovation Council recently recommended increased support for social enterprise in BC as well as the creation of legislation for the Community Contribution Company. The Council's report was presented to the Minister of Social Development and the province has created an Assistant Deputy Minister's committee since the council's plan was presented to the Minister²⁸.

Manitoba is unique in that the Cabinet endorsed a CED framework, which articulates the province's commitment to integrating CED principles into government initiatives and supporting CED initiatives within the community. The framework is coordinated by the Community and Economic Development Committee of Cabinet (CEDC). The committee is comprised of ministers responsible for departments most relevant to CED initiatives. An interdepartmental CED Working Group, chaired by the secretariat of CEDC is charged with facilitating implementation of the CED Policy Framework in government. The working group developed a CED Policy Framework through community consultation. A CED lens was designed to assist the civil service in understanding and implementing CED strategies and does so by asking a series of questions based CED principles²⁹.

²³ Training for Work Program <http://employment.alberta.ca/CES/3104.html>

²⁴ Immigrant Access Fund Program <http://www.iafcanada.org/how-to-apply/get-started/alberta>

²⁵ Momentum & Thrive (2010). *Green Collar Jobs – New workforce Development Opportunities in Alberta*. http://www.momentum.org/sites/default/files/GreenCollarJobs_web.pdf

²⁶ Bernas & Reimer (2001). Building a Federal Policy Framework and Program in Support of Community Economic Development http://www.ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/Federal_Policy_Framework_Report_2.pdf

²⁷ Financial Support for social enterprise in Nova Scotia <http://www.gov.ns.ca/news/details.asp?id=20120411001>

²⁸ BC plans to increase support for social enterprise and Community Contribution Companies

<http://www.newsroom.gov.bc.ca/2012/04/recommendations-chart-the-course-for-social-innovation.htm>

²⁹ Reimer et al. (2009). The Importance of Policy for Community Economic Development: A Case Study of the Manitoba Context http://www.ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/Manitoba_Policy_Paper1.pdf

Principles

What principles could an Alberta CED lens be based upon? The following principles have been informed by the work of our members, partners and colleagues³⁰.

- ✓ Use of locally produced goods and services
- ✓ Production of goods and services for local use
- ✓ Local re-investment of profits
- ✓ Long-term employment of local residents
- ✓ Local skill development
- ✓ Local decision-making
- ✓ Promotion of the social determinants of health
- ✓ Improvement of the physical environment
- ✓ Promotion of neighborhood stability
- ✓ Promotion of economic well-being for individuals living on low-incomes
- ✓ Mutual aid support among organizations adhering to these principles

The principles lead to key questions during policy and program development, delivery and evaluation. Question such as:

- ✓ Are we creating long-term, meaningful work experiences that are healthy for individuals and society?
- ✓ How else can we meet our labour needs within our own community?
- ✓ Are our spending, purchasing and investment decisions supporting our mission?
- ✓ How else can we support the emergence of a green economy, including energy retrofitting, green businesses, and green collar jobs?
- ✓ Is Alberta's minimum wage a Living Wage?

Conclusion

The Government of Alberta is uniquely poised to support CED in our province and is already doing so in many ways. We recommend that a CED lens be applied to the Alberta Social Policy Framework so that Alberta's development is further inclusive, resilient, and sustainable. The use of a CED lens can help reduce our current poverty rates while improving the quality of life for all Albertans.

A CED lens can be applied to social policy, especially those related to employment, business development, community revitalization, housing, homelessness, immigration, child care, food security, poverty reduction, sustainable development, and procurement. There are other provincial CED policies and strategies to draw learning from. Thrive - Calgary's CED Network, would welcome the opportunity to work with Government of Alberta in developing a CED lens that is specific to our province, our communities.

Utilizing a CED lens, as a strategy in developing the Social Policy Framework would contribute to a better future for all Albertans and our vision of thriving local economies for all.

³⁰ NEECHI Foods Worker Co-op, CED Principles <http://www.ccednet-rdec.ca/en/node/4539>