2010 National Summit on a People-Centred Economy Issue Paper #3: Local Revitalization

By Mike Toye, Canadian Community Economic Development Network Revised Draft, May 21, 2010

Background

From May 30 to June 1, 2010, the National Summit on a People-Centred Economy is an unprecedented gathering of leaders and representatives of the community economic development, cooperative and social economy sectors to build a common agenda and mobilize action for a secure, sustainable economy that puts people and the planet first. The Summit seeks to mobilize networks and organizations by building on the best research, agreeing on a common action plan, and increasing awareness of this sector among politicians, policy makers, non-governmental sector leaders and the mainstream media.

As part of the preparatory process for the Summit, six issue papers were drafted on themes which outline the key strengths, challenges and proposals for action to further reinforce this movement. These issue papers were subject to an engagement and outreach process for feedback and revisions by Summit participants and other stakeholders between March 1 and May 15. The revised papers are being presented at the Summit, where a common declaration and action plan will be developed.

To view the latest versions of the other papers and for more information on the Summit, visit: http://www.ccednet-rcdec.ca/en/summit

Local Revitalization: Summary

The people-centred economy is a vital part of multi-sectoral strategies to improve local conditions. When those conditions are examined through a territorial or local lens, many communities use Community Economic Development (CED) to implement their own solutions to economic problems – solutions that build long-term community capacity and foster the integration of economic, social and environmental objectives. CED recognizes that sustainable development requires an integrated approach to complex community problems, and encourages people to take charge of their future through systematic renewal that is conceived and directed locally. Strategic CED priorities include structural economic change, local ownership of resources, social development, environmental stewardship, labour market development, and access to capital. The people-centred economy is a powerful means to address these priorities.

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1. Current State of the Field

A territorial approach to the social economy, referred to as community economic development (CED), is a growing reality. It can be defined as a process by which communities initiate and implement their own solutions to economic problems in order to build long-term community capacity and foster the integration of economic, social and environmental objectives. CED favours a holistic approach to economic development: it is

committed to both business development and employability; job creation and the social integration of excluded people; economic activity as well as housing and local services. It also differs from traditional approaches to economic development in that it solicits civil society's participation in such matters as local governance and the implementation of development tools to serve the community.

Traditional public investment has faced limitations in its ability to decrease community marginalization. Macroeconomic measures to enhance productivity and competitiveness have had little effect on the economics and status of poverty-stricken neighbourhoods, lagging regions and disadvantaged populations.

However, some communities have found a way to successfully combat decline and create vibrant, healthy communities. They have done so through CED – a multi-purpose social and economic strategy for systematic renewal, conceived and directed locally. By taking a CED approach to development, these communities are making Canada stronger as they transform themselves into attractive places to live and work that are full of opportunity.

We know today that the revitalization of marginalized communities is a complex challenge requiring coordinated and constantly evolving

There is no substitute for community in addressing street level social issues. The community can remove the visible problems from a particular street or neighbourhood either by confronting the problems directly or by displacing them through the promotion of legitimate activity. Rather than simply move problems to another neighbourhood. some communities seek to reintegrate those who have been marginalized as prostitutes, drug users, and the homeless. Sometimes it is these labeled people themselves who take the initiative to mitigate the problems. The only longterm solution is the prevention made possible by building strong and inclusive communities. People will get involved to the extent that the effort is fun. shows results, utilizes the gifts that everyone has to offer, and starts where people are - their network, their passion, their block. Government and other agencies can help to build community capacity by operating in ways that are neighbourhood-focused, strength-based, and community-driven.

- Jim Diers, From the Ground Up, Community's Role in Addressing Street-Level Social Issues, Canada West Foundation, 2008

responses. Long-term labour market detachment, persistent poverty and homelessness demand collaborative efforts from both community leaders as well as provincial and federal departments. We have seen that, working together, these stakeholders can create the kind of innovative solutions that make a real difference in Canadian communities. For

individuals that face multiple barriers to labour market participation and for communities struggling with limited economic opportunities, harnessing the entrepreneurial and problem-solving capacities of local leaders and citizens is the most effective approach to achieve sustained improvements.

Key to creating an environment that can foster community-level innovation is reform of the myriad governmental policies and programs that too often create barriers rather than serving as stepping-stones to social and economic participation. Initiatives strengthening horizontal collaboration across departments and agencies within one level of government, as well as steps to foster vertical cooperation among different levels of government are needed to remove disincentives and facilitate coordinated local action. For example, more flexible funding to employment development organizations at the community level that promote holistic and outcome-based development for marginalized unemployed individuals, enhancing their ability to enter and remain in the labour force, would greatly enhance local organizations' ability to respond to the unique needs of their populations.¹

The critical role of communities is becoming central to our understanding of effective social and economic development. A growing body of new research and policy knowledge is shedding light on complex social challenges such as long-term labour market detachment, persistent poverty and homelessness. This research is grounded in three fundamental observations:

- 1. Because complex and interconnected problems are beyond the reach of any single actor to solve, they require holistic interventions that build on local assets and address multiple root causes.
- 2. The impacts of globalization vary significantly from place to place. In large urban centres, already vulnerable people such as recent immigrants or lone parent families are trapped in rundown neighbourhoods with few connections to the mainstream. In smaller, more remote locations, the same issues of exclusion often threaten the viability of the entire community as the local economic base is depleted.

The most effective actions to improve health and well-being, enhance productivity, foster social cohesion and reduce crime must be taken at the community level, and led by communities themselves.

Senate Subcommittee on Population Health, Final Report, 2009

3. Traditional policy responses – typically centralized and top-down – that ignore local voices and devalue community and municipal assets will not build the high quality places that are the foundation for the prosperity of nations in a global age. Nor will they be capable of the robust policy learning necessary to tackle complex problems. A "local lens" is needed to assess the spatial impacts of national policies and maximize their benefits.²

¹ For more information see *Human Capital Development in Canada: Closing the Gaps*, Canadian Community Economic Development Network, 2003. http://www.ccednet-rcdec.ca/?q=en/node/871

² Neil Bradford, Canadian Social Policy in the 2000s: Bringing Place In, CPRN Research Report, 2008.

The place-based, community-driven policy strategies that are required in this new framework bring together governments and communities in a different relationship, beyond the traditional categories of centralization and decentralization, toward improved horizontal and vertical collaboration for multi-level, joined-up decision making focused on strategic outcomes that cross individual mandates but align priorities. These policy strategies also harness local knowledge, leveraging networks and assets for problem solving and longer-term thinking about preventative, upstream investments to deal with root causes as well as promoting overall well-being.

Social economy enterprises emerge from communities that are mobilized to promote development. Public policy supporting local communities to create networks, strategic planning processes and collective projects is a primary component of social entrepreneurship. An example of such policy is the tripartite support for community economic development corporations in most urban centres in Québec and in some other major Canadian cities. These non-profit, citizen-based development organizations, called community economic development corporations, have been the birthplace for some of the most original and successful social economy initiatives in Québec. Similar initiatives have developed over the years in several Canadian cities. Private sector partners have been mobilized to collaborate in these initiatives.

For communities to be successful in territorial revitalization strategies that are based on a CED approach, six essential principles must be recognized in policy and program design:

- 1. CED is not a short-term affair, and it has suffered from the expectations of private and public funders that funding results would be visible in one or two years. While some milestones can be documented as attained annually, CED is primarily a matter of much longer-term effort. If communities have suffered from decades of disinvestment and decline, then recovery and new patterns for a healthy economy cannot be expected in a couple of years. A prime policy principle derives from this fact: funding programs must embody **multi-year commitments**.
- 2. CED rests upon the foundation of local knowledge of varying local conditions and requires local control and flexibility in decision-making in order to take advantage of that foundation. Governmental and other support all too often ignores local variations in the problems addressed and imposes common and often inapplicable conditions as a part of their funding decisions. A key element of policy for CED programming must be the **devolution of substantive and operational decisions to local CED organizations,** such as allowing them to set their own social and economic priorities and designing the trade-offs that make sense locally. Such devolution does not mean unrestricted support, but it does mean that locally adjusted standards and milestones should be mutually arrived at and mutually agreed upon by finance sources and the local group, rather than set as a priori program requirements for groups to access the financing. Manitoba's Neighbourhoods Alive! Program is a useful benchmark for program design with this

vision.

- 3. Effective CED strategies involve the melding of both social and economic goals and techniques in a multi-purpose design, such that multiple goals are concurrently pursued as an integrated whole. But CED organizations are often caught in conflicting expectations of federal programs designed only for a single objective. For example, the so-called stovepipe perspective in each program of a federal agency or among agencies presses local groups into overly specialised activities and does not fit the key CED feature of multiplicity of integrated initiatives. Similarly, provincial and private sector support all too often proceeds on the same track, concentrating on only one of all the necessary initiatives a community must take. But any single initiative needs to be enhanced and expanded by a multi-purpose strategy that addresses the health of a community in a holistic manner. A prime policy principle, therefore, has to establish **consistent expectations across all finance sources** so that each community can integrate its activities and funds from different government agencies, programs, and other sources.
- 4. Leveraging funds can help make innovative projects happen. Many innovative communities have demonstrated remarkable ingenuity in melding and joining dollars from a variety of sources. If a source does not insist on an over-specialized program, CED organizations can successfully argue for supplemental or complementary funds from other sources. This experience leads to another prime policy principle—namely, reliance upon leverage. When CED organizations have garnered in-kind or dollar support from any source and for any community initiative, dollars from other sources should be readily available on a matching or super-matching basis.
- 5. **CED must be community-led.** Each CED strategy derives its strength and its ideas from resources in its own community base, but that base is impotent without the organizing and strategizing capacity of a multipurpose community group or network of collaborating community groups that address the full range of local social and economic problems. Funding policy has to be founded upon active and independent CED organizations that are not conceived as agents for outside-designed programs but as partners in the investment process for enhanced communities. Thus CED cannot be a government program. Provincial and federal initiatives can only offer resources to a community that is creating its own tools for its own improvement. By the same token, not even the most farsighted foundation or even local government can on their own carry out community economic development; however, they can offer their support to community organizations that in their own design mobilize themselves to field a comprehensive program.
- 6. Finally, senior governments are far too influential in their activities to proceed as if each is independently concerned with one or another economic or social problem. Their seeming lack of knowledge or even concern about how their policies impact on each other is a grievous handicap for localities struggling to field a consistent and effective effort. The federal and provincial governments must put more time and

effort into the **coordination of their policies and programs** if CED is to achieve its full effect.

2. The Key Players

The range of organizations that have territorially-based local members who are active either directly in CED or in specific sectors or with populations that would benefit from being part of a CED strategy is broad. A more detailed list of specific organizations is provided in appendix, with a discussion of some of the most relevant sectors below

- Local Development Agencies can offer a range of services such as sharing information among community agencies, mapping community assets, conducting needs assessments, leading community planning and consultation processes, identifying opportunities and cultivating leadership to act on those opportunities.
- Co-operative, Social Enterprise and Business Development organizations provide technical assistance, training, referral and other services to support local entrepreneurship and business development.
- **Social Finance and Community Investment** groups provide access to capital for non-traditional loans or investments, often supporting initiatives that are either too small or too innovative to access mainstream capital.
- **Employment Development** organizations can provide job training and work experience to support labour market re-integration, especially for marginalized populations.
- **Local Funders** like United Ways and Community Foundations can be strategic catalysts for local revitalization efforts.
- Sector and Population-Specific Organizations can also be essential partners in local revitalization strategies, including: First Nations, Inuit and Métis Development Organizations, serving both on- and off-reserve populations; women's economic development groups; housing; food security and local food systems advocates; community and public health staff; groups supporting people with disabilities; cultural development organizations, municipal services and sustainable development efforts.

3. Top Questions or Issues

The major challenges facing organizations pursuing CED strategies are:

1. **Long-Term Support:** Multi-year funding commitments are required to begin the process of renewal in marginalized communities. Initial investments in asset mapping, community consultations and planning can be followed by strategic projects that lay the foundation for longer-term development, but sustained community efforts are greatly hampered without long-term support.

- 2. **Flexibility:** Recognizing that the social and economic challenges facing a community are complex adaptive systems, the responses to those challenges must be multisectoral and constantly evolving to respond to changing conditions and emerging opportunities. Unfortunately, government funding to address these concerns tends to be fragmented between numerous levels of government and departments, as well as output focused, rather than targeted to strategic outcomes. Community organizations need the flexibility to be able to adapt activities and objectives to emerging conditions as part of a holistic approach.
- 3. **Data and Analysis Capacity:** In order to track and analyze progress, detailed local data as well as the capacity to analyze and understand it is necessary. Access to locally-specific data, such as that provided by the Newfoundland and Labrador Community Accounts (http://www.communityaccounts.ca/) allows communities to prioritize their efforts, informs program design and even permits community conditions to be tracked over time. Combined with the local capacity to analyze the data and mobilize the community around it, these data systems are powerful catalysts for local action that is evidence-based and constantly learning.
- 4. **Capacity Building:** investments in social capital and physical infrastructure contribute to the local governance networks and the ability of communities to mobilize and address these issues.

Many of these issues as well as useful solutions are well described in recent reports by Human Resources and Skills Development Canada's Task force on Community Investments and the Blue Ribbon Panel on Grant and Contribution Programs.³

Some of the areas in which CED initiatives are having tremendous success include

- **Food:** Reducing the distance food travels between production and consumption can help diversify and strengthen local economies while cutting carbon emissions. Improving local food systems is a strategy being pursued by a growing number of communities.
- Local Green Energy Production: small-scale, locally-controlled energy production offers a multitude of sustainable alternatives to reduce carbon emissions and enhance community resiliency.
- **Women:** Women-centred CED strategies have demonstrated success across the country in urban, rural, northern and Aboriginal settings. The leading organization in this sector is the Women's Economic Council.

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³ Achieving Coherence in Government of Canada Funding Practice in Communities, Report of the Task Force on Community Investments, Human Resources and Social Development Canada, 2006, and From Red Tape to Clear Results: The Report of the Independent Blue Ribbon Panel on Grant and Contribution Programs, December 2006,

- Immigrants and Refugees: Newcomers often require support to become full participants in Canadian society. CED approaches provide employment development, settlement assistance, and social and economic integration through social enterprise, training businesses and innovative housing and social services.
- **Poverty:** Collaborative models such as Vibrant Communities and a range of other innovative, place-based practices contribute to reducing poverty.
- Rural and Remote Areas: In rural, remote and resource dependent communities, CED approaches can help diversify economies and build community capacity to improve access to services. Community Futures Development Corporations and Community Business Development Corporations are leading models supporting business development in rural areas
- **Health:** research shows that health is largely determined by factors outside the health care system such as income, education, housing, the physical and social environment, early childhood development and personal health practices. These factors, known as the determinants of health, are primarily community-level conditions. Healthy Communities initiatives in several provinces, as well as community health centres, make the links between health and the community action needed for people to be healthy.
- **First Nations, Métis and Inuit:** Both on- and off-reserve efforts to improve opportunities and support for First Nations, Métis and Inuit groups are confronted with the need to overcome jurisdictional wrangling and strengthen the assets available to support their own development. Many Aboriginal development models are leading examples of holistic approaches. Two of the key organizations in this field are CANDO and National Association of Friendship Centres.
- **Transportation:** Cycling, pedestrian, public transit, car sharing initiatives can revitalize neighbourhoods and help create more liveable cities.

4. Propositions

Strategic CED priorities include structural economic change, local ownership of resources, social development, environmental stewardship, labour market development, and access to capital. In order for local organizations to lead that agenda at the community level, the six principles outlined above must be recognized in policy and program design. But two overriding preliminary recommendations would serve as a foundation for further subsequent development.

Recommendation 1: Local Policies that Offer Long-Term Support to Community-Based Development Initiatives

Community economic development is a long-term process whose impact cannot be measured in the same way as traditional service delivery programs. CED is an empowerment process that helps communities help themselves through an integrated approach to community revitalization, encompassing social, economic, cultural and environmental goals. A major inspiration for the Government of Canada's social economy initiative was RESO, the first urban community economic development corporation in Canada. The key to the success of RESO and similar organizations has been ongoing core funding that has allowed stakeholders to come together, develop a consensus on a neighbourhood renewal strategy and implement the plan based on collaborative efforts of the private sector, unions, community organizations, citizens, institutions and the three levels of government.

Manitoba's Neighbourhoods Alive! program is another example of stable, long-term funding, providing 5-year commitments to neighbourhood renewal corporations.

In all regions of Canada, CED has been central to the emergence and consolidation of social economy enterprises, enabling communities to create social and economic assets for their collective benefit based on specific local priorities and conditions.

We therefore recommend that a major new policy initiative be developed in consultation with the CED sector to strengthen territorial approaches to growing the social economy through support to community economic development organizations and initiatives that engage a variety of stakeholders and sectors in concerted action to create economic and social opportunities and assets in rural, urban, Northern and Aboriginal communities. This requires multi-year funding that recognizes the long-term nature of CED and the different needs and stages of development among communities and their organizations, from initial community mobilization and planning, to major development and operating investments.

The implementation of this recommendation responds to a critical gap in public policy, with a potential outcome of both cost-avoidance savings and better returns on program expenditures from more coordinated investment and government partnership with community-based organizations. In addition, much of the statistical data on population disadvantage shows a geographic concentration of poverty and social exclusion in communities that exhibit interrelated social and economic challenges. Urban, rural, northern and Aboriginal communities with high rates of poverty and unemployment also tend to have higher than average rates of poor health and limited schooling. By focusing government efforts on support to community-led strategies to build assets and transform social and economic conditions on an integrated basis, we can expect important outcomes with respect to overall wealth, productivity, social and health conditions in Canada.

Recommendation 2: Provide Flexible Support for Community Economic Development Organizations and Community Capacity Building

CED organizations deliver training and development services in hundreds of communities across Canada. Taking an integrated approach to economic and social development, they patch together funding from a variety of sources, but need access to sustained government funding to enable them to create and maintain jobs and businesses. Federal government departments must develop coordinated approaches in order to ensure access to sustained government funding.

The challenge for policy supporting these kinds of integrated development approaches is the need for a **flexible funding model** that leaves room for a wide variety of initiatives (training, housing, social development strategies, strategic planning, enterprise development etc.) and **recognizes that priorities may change from one community to the next and from one year to the next**. Today, support of this kind from federal and provincial governments is limited and fragmented.

Place-based poverty reduction initiatives promote innovative ways of assessing the impact of locally based CED work on the lives of individuals in their communities. They provide valuable research output for community development organizations, exposing them to best practices thereby enhancing their efficiency. We therefore propose expanding program investments in place-based poverty reduction initiatives run by non-profit organizations to tackle concentrated social and economic disadvantage in rural, northern, Aboriginal and urban settings. These programs could be built upon the success of the Social Development Partnership Program of HRSD.

Recommendation 3: Improve Access to Community-Level Data

In order to better understand the challenges and opportunities faced by a community, as well as monitor the evolution of local conditions over time, access to local data and the capacity to analyze it is essential. The Newfoundland and Labrador Community Accounts demonstrates a powerful model for integrating Statistics Canada data with provincial administrative information into a variety jurisdictions. Adapting and transferring this program to other provinces, as is currently being done in Nova Scotia, would lay the foundation for better evidence-based planning at the local level.

⁴ For further examples, see *Place-Based Poverty Reduction Initiatives: How Community Economic Development is Reducing Poverty in Canada and How it Could be Doing More*, Canadian Community Economic Development Network, 2008, http://www.ccednet-rcdec.ca/files/ccednet/Place-Based Poverty Reduction Main Report.pdf

Recommendation 4: Strengthen Citizen Engagement, Organizational Governance and Public Mobilization

One of the strengths of successful local revitalization efforts is often their ability to mobilize and sustain citizen participation. Effective practices in governance models, stakeholder accountability and public engagement are needed to build public support for these approaches as well as improve and consolidate reporting mechanisms. Governance models vary widely across the country, and more pro-active information sharing on what is working, what isn't and why could help strengthen the citizen base of local revitalization practices.

Sources

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Appendix: Some Key Organizations for Local Revitalization in Canada

Given the diversity and scope of territorially-mandated local organizations across the country, this list is admittedly limited, but it should serve to offer an initial sampling of the range of key players in Canada:

- Canadian Alliance of Community Health Centre Associations, http://www.cachca.ca
- Canadian Association for Community Living, http://www.cacl.ca
- Canadian Coalition of Community-Based Employability Training, http://www.savie.qc.ca/Ccocde/An/AccueilPublique.asp
- Canadian Community Economic Development Network, http://www.ccednet-rcdec.ca
- Canadian Community Investment Network Cooperative, http://www.communityinvestment.ca
- Canadian Co-operative Association, http://www.coopscanada.coop
- Canadian Environmental Network, http://www.cen-rce.org
- Canadian Housing and Renewal Association, http://www.chra-achru.ca
- Canadian Public Health Association, http://www.cpha.ca
- Canadian Women's Foundation, http://www.cdnwomen.org/
- Chantier de l'économie sociale, http://www.chantier.gc.ca
- Community Foundations of Canada, http://www.cfc-fcc.ca
- Community Table of the National Human Resources Development Committee for the English Linguistic Minority in Québec,
 - http://www.buildingcommunities.ca/ct/en/main.htm
- Conseil canadien de la coopération, http://www.ccc.coop
- Cooperative Housing Federation of Canada, http://www.chfc.ca
- Corporations de développement économique communautaire du Québec, http://www.lescdec.qc.ca
- Council for the Advancement of Native Development Officers, http://www.edo.ca
- Creative City Network of Canada, http://www.creativecity.ca
- Federation of Canadian Municipalities, http://www.fcm.ca
- Food Secure Canada, http://foodsecurecanada.org
- National Association of Friendship Centres, http://www.nafc-aboriginal.com
- Community Futures Network of Canada, http://www.communityfuturescanada.ca
- Réseau de développement économique et de l'employabilité, http://www.rdee.ca
- Réseau québécois de revitalisation intégrée, http://www.mddep.gouv.qc.ca/developpement/strategie_gouvernementale/memoires/37D.pdf
- Social Enterprise Council of Canada, http://www.enterprisingnonprofits.ca/resources/secouncil
- Table nationale des corporations de développement communautaire, http://www.tncdc.qc.ca
- United Way of Canada, http://www.unitedway.ca
- Vibrant Communities, http://tamarackcommunity.ca/g2.php
- Women's Economic Council, http://www.womenseconomiccouncil.ca
- YMCA of Canada, http://www.ymca.ca