

TESTIMONY FROM THE TRENCHES

8 Canadian Stories of CED Success

We have chosen only eight of the many possible examples of effective pursuit of community revitalization through the CED strategy that our Network represents and promotes. These are offered here simply as a resource and as background data for the policy framework presented in this document.

BUILDING CO-OPERATIVE BUSINESS SOLUTIONS TO WELFARE

The Co-operative Employee Partnership Program in Nova Scotia

In 1997, the Nova Scotia Department of Community Services approached the Regional Co-operative Development Centre (RCDC, a co-op effort of maritime credit union centrals and Co-op Atlantic), and the provincial Co-operatives Branch, to see if there might be a “co-operative” solution to the welfare crisis. The result of this collaboration has been the Co-operative Employee Partnership Program (CEPP).

One of the most comprehensive and innovative initiatives to hit the Maritimes in a long time, CEPP brings together the history and strength of the co-operative system, backed by the financial power of the credit union, for a marriage with the provincial welfare system.

CEPP moves community services clients into an employment stream which will establish them as full members of a variety of co-operative ventures across Nova Scotia. To ensure success, a number of public and private sector partners have been recruited.

This is how it works. RCDC and the Cooperatives Branch approach successful co-operatives (selected on the basis of their financial strength and management expertise) to determine their interest in participating in a “business development” initiative which employs social assistance recipients. (In its inaugural year, 1997, 50 were approached, of which 35 responded.) Respondents are also invited to identify an opportunity and propose a concept for a subsidiary business.

The approval process for business proposals is quite stringent and comprehensive. Business ideas are only considered if they specify a “parent co-operative” which is willing and able to partner and mentor the venture. Once a parent has been determined, an outside consultant conducts a feasibility study of the initiative. If it is viable, a full business, marketing, and financial plan is developed, using the services of a specialist in that particular industry.

Under a management contract, the host/parent business provides management expertise, financial management, and business acumen. In return, the host/parent receives a fee for service (capped at 10% of sales) as well as a percentage of profits. (The profit-sharing structure differs from business to business, and is subject to the approval of the new business’ board of directors.)

The contract for service is re-negotiated annually. When appropriate, the new co-operative assumes full authority over its operations. The parent co-operative is only a shareholder if it makes an equity investment. In the latter case, the parent’s percentage of ownership is contingent on the amount of equity invested.

As an in-kind contribution, the Credit Union Central of Nova Scotia assesses the financial components of the business plan. During the development stage, Community Services are informed of all plans being considered and have opportunity for input and feedback. Final approval for implementation rests with RCDC and the RCDC-selected management team.

Clients are screened in terms of their ability to contribute to a co-operative business venture in the specified sector. As member/owners entering the new business, they “make” a \$20,000 equity investment (paid on their behalf by the Department of Community Services), instead of the traditional wage subsidy support. Workers own 50-100% of the new business, depending on whether or not outside equity is required. They are required to pay back the equity investment over time; the business retains all dividends as a pay down of that equity, until such time as the equity investment is totally repaid. As a safeguard for the equity contributions, the management contract remains in place until the equity is paid back in full.

Once the equity is repaid, it goes into a co-operative investment fund, to be used to help the next group of social assistance clients enter the marketplace.

In addition to the retention of dividends, the client agreements stipulate wage deductions to pay down the equity contribution (as well as the option to accelerate repayment); reimbursement in case of employment termination; and training which the employee/owner will undertake at their own cost and on their own time.

CEPP is an example of real results, of sustainable development, and of integrating social and economic goals. It is also an example of what can happen when people are drawn together by a common goal and vision, and backed by the foundational support of successful and integrated systems. The real results can be seen in the 16 workers who in mid-1998 lived on social assistance, with no real hope for the future.

One year later, those people have meaningful work with decent pay, as part owners in their own businesses. They have insurance and benefits packages. They are creating a positive credit history and have options for saving and investments. They are taxpayers. And they have a sense of hope and control over their own futures.

Projected for the near future is a major regional initiative modeled after the CEPP. “Pet Stuff On The Go Co-operative” will involve a chain of pet shops to operate on existing co-op premises, offering the usual retail products as well as kennel renting, pet daycare, grooming, and pet toy and craft manufactures. By March 31, 2000. It will employ as employee-owners more than 100 people (mostly social assistance recipients, and some mental health patients, classified as disabled). Clearly, the example of CEPP is not only to be replicated, but increased in scale dramatically.

Growing a New Economy: The Great Northern Peninsula of Newfoundland

The remote stretch of 400 kilometres which makes up the Northwest arm of Newfoundland has 25,000 people scattered across it, mainly in the numerous fishing villages that hug the coastline.

Tired of short term, piece meal job creation funding, in 1987 the six Regional Development Associations in the region established the Great Northern Peninsula Development Corporation (GNPDC). The GNPDC was designed to proactively work to strengthen the region’s economic base. One key strategy for reaching this goal adopted by GNPDC 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 to sustain itself independent 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.

An example of GNPDC using business development and ownership as a central development strategy is its 1988 decision to organize a partnership with five local sawmill and woods operators to create Northchip Limited. (GNPDC also provides administrative services to Northchip.) Originally, Northchip had an on-going contract to supply wood chips to the Roddickton thermal plant. During 1993 Northchip diversified into the lumber industry with the establishment of its own sawmill operation at Roddickton. The sawmill is supplied with logs from the local woods operators and the lumber production is sold in the provincial and mainland building supply markets.

With the decision to link the peninsula with the provincial power grid, the days of thermal plant and Northchip's market for wood chips were numbered. Having secured an additional equity partner (Northchip's New Brunswick-based marketing agent), Northchip is establishing a modern kiln-drying operation and moving 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.

The 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.

In terms of identifying new business opportunities and undertaking research and development, the GNPDC is presently involved in a number of developmental activities.

A considerable amount of research and development work is being directed towards establishing an Arctic Char farming industry on the Great Northern Peninsula. GNPDC operates an integrated hatchery and grow-out facility at Daniel's Harbour for the production of market-size fish.

A training program was provided by GNPDC in partnership with the Marine Institute to train 14 local people in the techniques and practices of Arctic Char farming.

The GNPDC has worked closely with the mussel farmers in the Roddickton and Main Brook area to develop a local capability to process and market cultured mussels. These farmers have since gone on to commercial production.

Research work has been undertaken to assess the feasibility of using cooling water from the Roddickton thermal plant for fish farming.

GNPDC recently undertook an 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.

GNPDC has recently co-ordinated the introduction of the Nordmore Grate to the Shrimp fishery on the West Coast of Newfoundland and in Southern Labrador. This grate will allow the bycatch to be sorted out of the Shrimp trawls used in the local fishery and help to conserve fish stocks.

In the near future the GNPDC hopes to commercialize the Daniel's Harbour Arctic Char facility. It is also expected that a number of other spin-off businesses will be established by local entrepreneurs involving the farming of Arctic Char in grow-out operations.

Despite some set-backs, such as the closure of Great Northern Seafoods Limited, a company which the GNPDC owned in partnership with a number of local fish processors and employing some 135 workers, the organization continues the long term process of strengthening the economic base of the region. However, it could not have survived to play its ongoing, entrepreneurial development role if it had not succeeded in building up significant assets. Today, with total financial transactions between the organization and its subsidiary operations 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.

FROM DEPENDENCE TO DIGNITY

New Businesses and Human Resource Development in Halifax

The Human Resource Development Association (HRDA) of Halifax was formed in 1978 as an experiment to reduce welfare costs through direct creation of real jobs. The idea was to create and build viable businesses that would provide employment opportunities that could act as a ladder out of poverty.

At that time, Halifax's Social Planning Department was administered by a social entrepreneur who combined political acumen, tenacity, and the basic development skills necessary to get things moving. He convinced the City to provide the core financial support required to finance the HRDA administration. He also put in place a solid board made up of community members with a variety of skills. Lastly, he and the board convinced both city and province to take \$275,000 directly out of the welfare budget to use as the equity stake that HRDA Enterprises (the subsidiary of HRDA) required to launch its first businesses.

That was 20 years ago. Since then, HRDA Enterprises has created and managed a range of businesses, each of which offers its participants and employees an enriched learning environment with short and long term employment potential. Some have been sold to the employees; those which did not prove viable have been closed. Pre-eminent among those which remain in operation and under HRDA management are Enviro-Care and the Stone Hearth Bakery.

Enviro-Care employs 20 people under a 5-year contract with Halifax Regional Municipality for the collection and transportation of source separated recyclables from the city's older residential areas. Stone Hearth is a Kosher commercial bakery which operates as a model of a real work environment for participants of the Work Adjustment Skills Training Program (a program for people 19 years and older whose emotional or mental health difficulties have been a barrier to their employment). Stone Hearth's premium quality European-style baked goods are distributed throughout the Maritimes and can be found in most major grocery stores.

Through its enterprises, HRDA Enterprises Ltd. employed over 160 people in 1998. Of the employees, 103 (62%) had been dependent upon social assistance at the time of hiring. In the last fiscal year it generated from its businesses a net income of \$113,863.

That net income becomes a means by which HRDA can continue to finance new business development and training activities. (HRDA's assets now total \$2,991,371.) Another important source of HRDA's equity investment, however, is the fee for service it receives from the municipal welfare budget. For every person HRDA removes from social assistance, 50% of the person's wages plus benefits is paid monthly for up to a year.

In 1998, HRDA's training division enrolled approximately 270 people in a combination of life and job skills courses. Whereas the private sector does not place much emphasis on training and employee support services, HRDA goes the extra mile. It provides as many supports as possible to help people develop both the employment and the personal skills to keep a job. In the words of one employee, "I'm a totally different person than I was two years ago. I have lots of self-esteem, I walk very tall now and my family is very proud of me."

Apart from Work Adjustment Skills Training, HRDA's current training programs are the Cunard Centre, the Options Work Activity Program, and the Employment and Skills Training Partnership.

The Cunard Centre, a registered Trade School, delivers the Department of Education's Academic Upgrading curriculum. Cunard provided upgrading to 80 students in 1998, 65 of whom were social assistance recipients. (A recent follow-up has revealed that in the level 4 class of May 1998, 21% became employed and 50% went on to further training.)

Options Work Activity Program provides unemployed youth and adults with an opportunity to reduce their barriers to employment and improve their overall quality of life. Its learning environment promotes personal and social development, basic skill development, and vocational education. In 1998 Options provided training and skill development to 150 participants.

Finally, the Employment and Skills Training Partnership, started early in 1999, provides new and expanding businesses with semi-skilled workers from HRDA's constituency.

According to an independent cost benefit analysis completed in HRDA's tenth year of operation, this strategy of combining asset building through business development with a well-developed training system yielded \$1.83 to the public treasury for every \$1 that has been invested in HRDA. The same study (conservatively) estimated the saving to the municipal welfare budget in that period at \$3 million, while provincial and federal levels of government saved another \$10 million.

Driven by a dedication to creating a development system that helps people climb out of poverty, HRDA ensures a continued link between economic opportunity and the goal of increasing social equity and individual dignity. HRDA's innovative alternatives have gained international recognition. Domestically, HRDA has been selected as one of CEDTAP's six "host providers." Community organizations are now referred to HRDA to assist their development of economic ventures.

HRDA has developed an organizational structure and mandate that clearly debunks many myths. It has shown that a nonprofit organization can create viable businesses and become independent of government. HRDA also shows that training must be more than job-skill based and that some intermediate step, a CEDO, is the most likely initial source of employment. Finally, and perhaps most significantly, HRDA shows that "harder-to-employ" populations ("the last hired and the first fired") can and do want to work. They want to participate in society and take pleasure in doing so.

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 Kitsaki Development Corporation (now Kitsaki Management Limited Partnership) in 1981. It was 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. 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. The organization now focused 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.

Rather than becoming experts on running every business, Kitsaki got organized. Its inexperience and lack of business management was offset by expertise in doing deals and managing the development process. This approach enabled them to accelerate the creation of businesses and to capture a greater array of benefits with less risk. Resources to support 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 wasn't long before the assets of Kitsaki's near-bankrupt trucking company were translated into a joint venture with a large multinational trucking concern. The partnership has generated durable profits, management influence, jobs and training benefits for Kitsaki (and its owners) ever since.

As of 1992, Kitsaki had become vested in most major sectors of the northern economy. Its ventures currently employ 450 people, most of them First Nations. In the business investments listed below, Kitsaki's share of ownership ranges from 100% to less than 20%:

- Northern Resource Trucking Limited Partnership, which provides bulk hauling services to Cameco and Cogema mining operations in northern Saskatchewan.
- Lac La Ronge Motor Hotel, La Ronge's only full-service hotel.
- Keewatin Mining Corporation provides contract mining services.
- La Ronge Industries Ltd., Saskatchewan's largest producer of wild rice.
- First Nations Insurance Services Ltd. supplies group insurance and pension plans to Indian people in Canada.
- Woodland Cree Resources Inc. has a delivery contract for pulp with Weyerhaeuser in Prince Albert.
- Athabasca Catering Limited Partnership provides catering and janitorial services for Cameco Corporation at the Key Lake, Cigar Lake, and Rabbit Lake uranium mines and the McArthur River test mine.

- Kitsaki Meats Inc. produces beef jerky and meat snacks that are sold nationally. It also sells fresh and frozen meat to northern stores and mines in Saskatchewan.
- Canada North Environmental Services Limited Partnership, a joint venture between Kitsaki and Conner Pacific Environmental Technologies Inc.
- Wapawekka Lumber Limited Partnership, a new venture, currently has a sawmill under construction in Big River that will use curve saw technology to process green wood.

With gross annual sales from these companies totaling \$50 million in the 1997 fiscal year, Kitsaki is one of the largest companies in Saskatchewan.

This success is having an impact across Saskatchewan's north. In addition to major corporations, Kitsaki's investments have involved strategic alliances with La Ronge Nation's regional neighbours. Many of the ventures listed above feature substantial participation by Dene, Metis, and Cree organizations. While this dilutes Kitsaki ownership, it enhances the base of the enterprises concerned as well as the strategic position of Kitsaki and the La Ronge Band.

In the words of one Kitsaki general manager, "We seem to be creating the means to deliver the benefits of economic development in the region to the native communities much better than the government and private sector firms have in the past."

With an improving economic base and better skilled personnel, the La Ronge band has been able to undertake new responsibilities. It has taken over the administration of most of government programs, particularly education, housing, and family services. The Band has also placed a strong emphasis on control of the education system, and has developed a curriculum suited 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

The City of York was a municipality in what was formerly known as Metropolitan Toronto. Of the entire Metro region, York had the lowest incomes, highest illiteracy rate, highest infant mortality rate, and many other indicators of poverty. The area was, and remains, 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. One nagging problem was the child-raising responsibilities which kept many residents from acting on training or job opportunities.

For assistance, the York Board of Education turned to a charity registered in 1978, the Learning Enrichment Foundation (LEF). In 1981, LEF launched 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.

LEF's functions quickly diversified in the early '80s. With financial assistance from Employment & Immigration Canada, childcare was supplemented with programs more closely associated with economic issues. Employment counseling, skill training, employer outreach, self-employment training programs, English for immigrants - the list grew longer and longer.

This diversification was matched by a second, equally significant process of service integration, both structurally and physically. LEF began to concentrate its initiatives in a 73,200 square foot building. Low and behold, joint occupancy and close proximity created a dynamic synergy which exponentially increased the success and productivity of all programs - and attracted more. The York Business Opportunities Centre, a business incubator launched by LEF in 1986 with assistance from Ontario's Ministry of Industry & Trade, moved into the common facility in 1991.

Since that time, LEF has grown into one of Canada's pre-eminent practitioners of labour market integration. Its integrated package includes job search, training, business incubation, assistance with job placement and work-related supports like childcare. Of particular importance within this service spectrum is LEF's approach to customized training - a systematic, information-rich process of marrying specific jobs (current and prospective) with individual job-seekers.

Customized training places heavy emphasis on sustained, comprehensive research into the local labour market. At LEF, "job developers" closely track both the requirements of local employers and the abilities of unemployed clients. (Much of the spadework is handled by a 40-telephone call centre, staffed by volunteers, who make thousands of calls monthly to local employers.) When jobs are uncovered, job developers follow up to discuss with employers the job descriptions and training requirements. LEF's skill training is configured accordingly. The employer agrees to use LEF trainees as a hiring pool; LEF undertakes to find and train people to suit that job's exact requirements. Hundreds of job leads are followed each week. Of the 5000 clients currently served by LEF annually, half are involved in customized training. Four out of five of those participants remain in their jobs for a minimum six-month period - the success criterion.

The training itself 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.

Industrial training focuses on the logistics, warehousing and maintenance fields. For example, a 7-week forklift training course offers, in addition to theory, first aid, WHMIS (Workplace Hazardous Materials Information System) certification, computer training, and 28 hours of “road experience” in a section of the LEF warehouse. The final two weeks of the course are spent in job search.

If parental responsibilities hamper participation in training, LEF’s network of licensed childcare centres, now 13 in number, now can serve about 650 children.

But what is childcare without trained supervision? So LEF trains early childhood assistants in a course which combines practical experience with studies in the areas of child development, curriculum planning, and safety and nutrition.

The childcare centres are integrated with other LEF programs. The centres receive food from the aforementioned 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.

LEF scored a major coup in the fall of 1998. 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.

LEF was able to apply a wealth of expertise and infrastructure on this particularly hard-to-employ population. 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. For the first time, municipal social workers have a program to which they could confidently refer their most challenging clients.

There is only one constant however, and that is change. Partnerships and fee for service arrangements with government and the private sector are replacing block purchases and grant structures. Community enterprises are envisioned to offer training and services which help to meet the organization’s objectives.

Structurally, too, LEF has altered to meet new requirements. In the mid-’90s, staff and supporters perceived the need to develop a new governance structure. A dedicated board and over 200 employees - but no membership base - were no longer sufficient to the tasks at hand. Since 1995, concerted recruitment has increased LEF’s membership to over 1000. Its board was recast to comprise fifteen people, five of whom are replaced annually.

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.

COMMUNITY-BASED ACTION AGAINST POVERTY

Lutherwood-CODA in the Cambridge-Waterloo-Guelph Region

This story finds its start in the deep recession of the early 1980s in Ontario's Cambridge region. In 1984, the Unemployment Help Centre was established to bring together representatives from labour, business, government, churches, and the unemployed to search for solutions. For several years, the Centre successfully ran re-training and skills development programs for first unemployed workers, and then social assistance recipients.

In 1990 the Centre became the Community Opportunities Development Association (CODA) - just in time for a new recession which sent the demand for employment services sky-rocketing. CODA assumed the task of helping thousands of workers to cope with the trauma of job loss - to rethink their careers, gain new work skills, and seek new opportunities. By 1993, CODA and its antecedent organization had helped 3,300 people find work.

But it was clear that helping people to find jobs would not suffice. That service could only be meaningful within a strategic, comprehensive, and co-ordinated approach to local economic development, one featuring:

- an extensive and well-developed human resources development strategy that is linked to real jobs.
- access to credit for those that conventional lenders would never lend to.
- a planning, research, and networking capacity that keeps the organization grounded in local realities.
- an asset base that can continue to create jobs for people, independent of government programs and policies.
- a vast array of partners from every sector who can bring to initiatives otherwise inaccessible resources.

This is the path down which CODA began to take itself in the early '90s. Using a project-based approach to creating real work for the underemployed and long-term unemployed, CODA and its partners slowly began to identify workable community projects that created new jobs and new economic activity at the grassroots level. This entrepreneurial approach rapidly resulted in a broad range of initiatives, including small business training, several loan funds, business advisory services, career development and job search counseling and job placement, community training businesses, and sophisticated networking strategies for job seekers and would-be entrepreneurs.

Far more sweeping in a strategically, however, was Opportunities Planning (OP), an experimental program launched by CODA in 1993. Rather than create jobs, OP supplied the tools, supports, and guidance that social assistance recipients needed to take advantage of existing, local opportunities for work and personal advancement.

OP clients drafted personal action plans to identify the steps necessary for them to become employable. They could receive allowances to cover childcare and transportation costs. OP's unique Innovation Loan Fund provided interest-free loans to help clients cover unmanageable job-hunting expenses, like clothing and tuition.

The great strength of OP lay in the public-private-nonprofit partnership which planned and administered the program. More than a dozen community agencies, as well as the social assistance

recipients themselves, came together to determine clients' needs and the best way to address them. Staff, clients, sponsoring agencies, and the provincial social services ministry together formed a democratic management team dedicated to helping the communities' most disadvantaged residents get back to work.

Ultimately the program assisted nearly 3,000 social assistance recipients. More than 1,100 clients found jobs or started their own businesses. Over a thousand others entered training or education programs that promised greater opportunities in the future.

Funded for five years at a cost of \$750,000 a year, OP produced more than \$5.4 million in welfare savings and increased economic activity - a tremendous "return on investment" to Ontario's taxpayers.

Much of the Opportunities Planning experience has since been incorporated in a still more ambitious initiative - Opportunities 2000, a regional strategy to reduce poverty in the Kitchener-Waterloo region by thousands of families by the end of the Year 2000, and ultimately to the lowest level in Canada. This initiative involves over 50 government, nonprofit, and private sector partners, and is already being looked at closely by several communities across the country.

CODA is now Lutherwood-CODA, after a merger with a second nonprofit in 1998. The organization remains accountable to the community through its board of directors which includes representation from labour, business, government, and the Lutheran Church.

It took CODA years to bring together a mix of people, expertise, capital and projects that can create a meaningful economic impact in the community. It has accomplished this by becoming an active agent in the creation and then management of a local development system. It has paid attention to all the key functions important to strengthening a local economy that favors inclusion of marginalized citizens. In the process it has achieved a scale that only a few other Canadian CED organizations match.

REVITALIZING AN URBAN COMMUNITY ECONOMY

Fighting Back in Montreal's South West Neighbourhoods

RÉSO (Regroupement pour la Relance Economique et Social du Sud-Ouest de Montréal) has a mandate for the economic and social renewal of South West Montreal, an area that has suffered continuous industrial decline over the last 30 years. In the 1980s in some neighbourhoods, 50% of the population is on social assistance and unemployment reaches 35%.

RÉSO emerged as a broadly based community development corporation in 1989 out of the persistent action of the community movement. In 1984, organizations in the Point St. Charles neighbourhood began organizing on the economic front. Pressures to “condo-ize” the Lachine Canal plus the ongoing job loss, convinced community actors that they had to organize. In 1989, these efforts culminated in the formation of RÉSO, a unique partnership focused on renewal of the five poor neighbourhoods in the SW.

RÉSO is a membership based organization. Its board structure consists of 4 representatives elected by the community movement, 2 elected by the trade unions in the area, 1 from big business and 1 from small business, also elected by their constituencies. Today RÉSO has over 1500 individual members and 300 organizational members, impressive numbers when one considers the total population of the five neighborhoods is approximately 80,000.

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, for example, 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. Training investments have continuously become more effective over the years because of RÉSO's intimate knowledge of the local labour market, in large part because of the unique relationship RÉSO has fostered with businesses in the SW.

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.

The intelligence RÉSO gains from involvement with so many large and small businesses has provided it with a detailed understanding of the local labour market--emerging roles, job training needs, etc.

This has a direct impact on the ability of RÉSO to tailor its training investments to real demand. Competency-based curricula directly derived from profiling of business labour market needs are now being developed and delivered. Through this integrated approach, RÉSO is building effective bridges between the needs of poor and the needs of the business community.

There is evidence that the partnership RÉSO represents is having other dramatic impacts. For example, the largest manufacturer in SW Montreal, whose President was once on the RÉSO board, now sees CED as a vital component of his business plan. One example of how this impacts the southwest neighbourhoods is how he systematically began to link the company's \$70 million annual procurement budget for supplies to SW Montreal businesses. This has already led to a Spanish supplier opening a business in Montreal in order to keep the \$5-6 million annual supply contract it has enjoyed for several years. The result was another 40 jobs for neighbourhood people.

Recent statistics reveal the success of this wide range of integrated interventions is having a dramatic impact. 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.

In the past three years RÉSO has added another major function to its CED arsenal, that of venture capital investment. Along with the Quebec Solidarity Fund, and with Federal and provincial government support, RÉSO established a neighborhood venture capital fund of \$5 million. Through strategic investments RÉSO is vesting itself as an owner in business, increasing the job base in the community and diversifying its own financial base.

What is most remarkable about RÉSO and a large part of the reason for its success is the way it bridge building it engineers in the community. 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."

This is echoed by Gaston Lemieux, president of the local Aluminum, Brick, and Glass Workers Union. With the decline in the industrial and manufacturing sectors resulting in loss of jobs, he has found RÉSO to be an ally of his members: "RÉSO is an organization responsible for assisting people who have been out of work for a number of years. They are there to consolidate employment and help find new markets. This has been an important service for our members." The fact that RÉSO includes a wide range of interests is also a major plus for Lemieux: "RÉSO is a tool that's very useful to the private, public, and commercial sectors as well as the unions. It gathers all the forces of all the sectors to conserve jobs. All sectors are interconnected. If there is more industry, there is more commerce. In terms of supply manufacturing as well, other industries are connected to big enterprise. RÉSO is the forum where everyone can get together and make things work again."

TAKING CONTROL OF AN ECONOMY IN TRANSITION

Collaboration at the Enterprise Centre in Revelstoke, B.C.

Nestled in the Rocky Mountains of British Columbia, Revelstoke was the quintessential boom town. Settled first on account of regional minerals and lumber, sustained by its strategic location on the Canadian Pacific railroad, it profited in the 1970s and early '80s because of massive hydroelectric projects on the Columbia River.

By the same token, its dependence on megaprojects over which locals had no control took a toll. Dam construction in the '60s, '70s, and '80s turned some of the region's finest forest and agricultural lands into reservoirs. Before completion of the final megaproject in 1985, the Revelstoke Dam, the town was already suffering serious decline. Dependency on large scale employers hit hard and deep. The dilapidated downtown said it all.

Yet at the turn of the century, 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 a identity as a vibrant mountain community with a diversified, sustainable local economy.

To attribute this success to somebody's masterful planning and insight would be a conceit. Local people would be the first to deny it. But there are definitely elements of sustained good sense, loyalty, courage, trust, and patience which have enabled residents of Revelstoke to get and keep high-calibre 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.

The sheer breadth and depth of Revelstoke's leadership--and the will of leaders to extend that capacity--is a salient part of the story. In the early '80s before the final crunch, merchants and other residents commenced a planning process which had three key outcomes: the hiring of an economic development commissioner (in 1984), the completion of the first local economic strategy (in 1985, one of the first in B.C.), and downtown revitalization (in 1986).

Significantly, the public's will to carry through on its planning survived the nadir of the town's fortunes. (Or did people just know when their backs were against the wall?) The completion of the dam, the closure of a sawmill and a local mine terminated over 3000 jobs within the space of 24 months. The CPR remained, although the staffing of its maintenance sheds steadily declined. By 1986 unemployment was at 25%; over a third of the houses were on the market.

At this critical juncture, the economic development commission put the community's seal of approval on the principle (and cost) of municipal intervention in the local economy. The community economic strategy specified priorities for action to stem the depression and the organizations required to co-ordinate initiatives. Downtown revitalization (which, in addition to provincial monies, required and received a municipal tax levy) provided the stage upon which the city's first generation of leaders emerged, worked together, and tasted success. Restoring the authentic beauty of Revelstoke's core literally "put the heart back in the town."

The eight years following witnessed the emergence of a number of local organizations which became key players and partners in development decisions. The efforts of City Hall and the Economic Development Commission led to Revelstoke's designation as a Community Futures community in 1987. This federal assistance was steered directly into the creation of a Business Development Centre and a small business loan fund.

In 1988, the Chamber of Commerce, the Community Futures Society, the Business Development Centre, and the Economic Development Commission elected to "co-locate" in the Revelstoke Enterprise Centre. While sharing overhead and administrative staff, the REC enables Revelstoke to offer a one-stop shop to entrepreneurs and developers. It epitomizes the will of Revelstoke's leading lights to plan and work in partnership, rather than compete for turf or credit. Not long after, these same leaders managed to bring the town's credit union on board; its new manager was selected for his skill in commercial loans, not mortgages.

A critic could justifiably dismiss all this as window-dressing. Indeed, Revelstoke's next major step was precipitated by yet another demonstration of the town's vulnerability to outside decision-makers. But the step--albeit dramatic and historic--was a reasoned, logical one, given what local people were willing and able to do.

In 1992, the community, the City, and the Economic Development Commission acted to forestall the sale of a nearby tree farm license (TFL). Once again, a major transaction involving local resources was going to occur without local consultation. Using an expertise in forest industry research and analysis accumulated over the preceding five years, the City was able to submit a credible proposal for the creation of a local corporation which would assume management and harvesting over a portion of the TFL--a community forest corporation. The City and three local sawmill owners became partners in the venture, with a total investment of \$4 million. The province permitted the mavericks to proceed, given their mobilization of the necessary cash and public approval, both of which were forthcoming. (The referendum passed with a 78% majority.) The entire process took about 14 weeks.

Revelstoke Community Forest Corporation (RCFC) continues to present a fine return on investment, not just in profits but in terms of local jobs. 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.

Feeding that pool of local talent is another consortium of organizations. The Community Learning Centre brings together - under one roof - the resources of the School District, the regional college, and the Community Career Centre to create a one-stop shop for people looking for work and training.

Is this local economy too municipally-driven? Some might say so, in light of the \$1 million municipal investment in RCFC. But as the mayor points out, the City only acted in that case when the private sector could organize no alternative (on its own, at least). When it comes to fulfilling the community economic strategy, the Enterprise Centre's rule of thumb is to wait for local volunteers or entrepreneurs to have sufficient commitment and confidence to adopt the cited initiatives. If no one comes forward, the initiative "rolls over" into the subsequent plan.

Significantly, the economic strategy drafted in 1995 (with still greater community consultation and participation than the previous one) did not receive approval from City Hall until the year following.

The Economic Development Commissioner felt obliged to advise City Council that its approval was strictly a formality: Local people had already undertaken many of the projects listed.

What has emerged in Revelstoke is a local development system rather than just a collection of programs. 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.