

Community Economic Development Organisations

Montréal, Canada



Corporations de développement
économique communautaire

CDEC du Québec

This programme provides support to local economic actors, and is involved in workshops, enhancing competitiveness, and productivity in small and medium-sized enterprises.

After the economic crisis in Canada of 1982-83, several major industrial companies went bankrupt, or severely reduced the number of employees. In Montreal, unemployment figures ranged from 15% up to 30%, and interest rates exceeded 20%. Local actors took action engaging in economic and social development to redevelop their districts by founding the Community Economic Development Organisations (CDEC - corporations de développement économique communautaire) to enhance local economic growth and employment opportunities.

Currently almost every district in Montreal has its own CDEC. The city and the federal government financially support its work. This takes place in several fields: first priority is to support various institutions and programmes important for metropolitan districts. Second, the programme provides support to local economic actors, and is involved in workshops, enhancing competitiveness, and productivity in small and medium-sized enterprises. Development of technological enterprises is fostered through cooperating with research institutes and universities. Last but not least, an important focus is placed on integrating inhabitants into economic development by offering information services and helping to secure financial autonomy and well-being.

By including a variety of social, civil, and economic actors in the economic development of the city, many projects were realised.

Background and objectives

In the aftermath of the economic crisis from 1982-83 in Canada, many companies in the city of Montreal went bankrupt or were drastically lowering the numbers of employees. Interest rates and unemployment rates were rising. Instead of becoming resigned, local actors across all sectors, such as businessmen, politicians, trade unions, community organisations, etc. came together in order to change the situation in their neighbourhoods. From 1985, when the first three CDECs were founded, up to the present time, where the region of Montreal counts ten CDECs, each covering about two districts, the programme has demonstrated that joint action can make a change and influence the direction of local economic development. After a period of testing, first the local government and shortly afterwards the federal government recognised the role of CDECs as local actors, and funded activities of the network as well as awarding them over time a status as para-governmental organisations.

Besides the general goal of supporting local economic growth, objectives of the network of CDECs are:

- to facilitate taking charge of economic development by the local population
- to stimulate creation of long-term and high-quality jobs
- to augment employability in unemployed persons, skills in employees, and executives in local enterprises

In order to achieve these objectives, the network of Montreal CDECs

- enhances association between inhabitants, executives in enterprises and organisations, and institutions in their respective district
- financially and technically supports local socio-economic initiatives.

By implementing its goals, the programme aims to ameliorate the socio-economic situation of the district inhabitants and advance socially and / or economically disadvantaged people's situation.

Implementation

For more than 25 years now, the network of Montreal CDECs has been carrying out a continuous process of open innovation by testing new methods of governance; enabling collective actors in various communities to find new solutions to the problems they face in their districts: reducing poverty, creating employment, and enhancing social cohesion within the population.

Every CDEC is led by a general assembly which sets main directions and priorities of action. The assembly brings together all accredited members of the CDEC, generally

reflecting all sectors of activity and the geographical distribution of the district. Frequently, members are enterprises, financial institutions, community and cultural bodies, public institutions, trade unions, and district inhabitants. In an annual meeting, they elect a supervisory board composed of representative of sectors mentioned above. In addition, the board comprises representatives without voting power, i.e. National Assembly of Quebec deputies, directors of local employment centres, and members of the CDEC financial board.

The network of CDECs operates in local economic development by considering overall tendencies defined by local roundtables, corresponding to strategic declarations made by local authorities. At local level, this includes the following: compiling a business plan for the neighbourhood, an action plan in implementing national labour market policies locally and an operating schedule for implementing outcomes of the roundtable on inter-sectoral, and network cooperation. At the local and national levels, activities comprise participation in developing local and national statements of strategy in labour market and socio-economic development.

At district level, each CDEC operates in a variety of activities such as running a district office, offering advice to enterprises, compiling and realising a strategy to increase entrepreneurship, fostering integration and cooperation between enterprises, and advising local employment offices. Furthermore, it assumes responsibility for carrying out several advisory and informational activities for jobseekers and enterprises, to boost commitment by socio-economic actors and inhabitants for development in their districts and to support local initiatives and enterprises in financial difficulties. They also have the requirement to transfer their knowledge and experience arising from their activities to the whole network and to enhance capacity building in socio-economic matters for their district.

In order to be able to support initiatives and enterprises in financial aspects, the network has established cooperation with financial and public institutions. These partnerships allowed the network to create several financial instruments, such as establishing funds available to various target groups such as new enterprises, workers' and cultural and social initiatives.

Besides the informational and advisory services mentioned above, the service for profit and non-profit enterprises specifically includes granting funding, support in establishing projects and organising vocational training courses.

The network of CDECs grants subsidies to several programmes and funds, and is directly involved in some projects designed to rehabilitate economic development and social dynamism in the respective districts, such as cultural institutions (cinemas and festivals), a research institute a technology park, and social institutions.

Financing and resources

The global budget for the most recent fiscal period of 2011-12 of the whole network comprised a sum of 18.3 million USD. The government of Quebec provided 2.23 million USD, the government of Canada gave 0.89 million USD, and the city of Montreal provided 1.42 million USD.

Results and impacts

In the period from 2007 to 2012, the network of Montreal CDECs yielded the following results through its activities: 41,000 initiators of enterprises were welcomed and advised. Technical support was provided to 23,000 initiators of projects; among these were 19,500 profit-oriented projects and 3,500 socio-economic projects. More than 14,500 enterprises received start-up financing, consolidation for more than 8,500 enterprises were able to be realised through funds provided by the network. Also, more than 1,100 young entrepreneurs received start-up financing. 575 socio-economic enterprises were supported by providing subsidies.

In total, more than 49.6 million USD were spent in grants and subsidies, and approximately 400 million USD investments in Montreal enterprises were generated. The programme also contributed to creating and consolidating more than 14,500 jobs.

On a long-term perspective, the CDECs succeeded in becoming part of the city governmental landscape. Currently the network of CDECs has become institutionalised and has changed from being a sporadic and temporary programme to being a para-governmental or intra-governmental organisation. Besides the positive outcomes of stability and planning reliability, this also implies some critical points. CDECs derived benefit from originally having many direct democratic features and now possess less autonomy due to accountability towards government and the resulting control over their actions.

Barriers and conflicts

As described above, economic activities supported by CDECs generally involve small-scale local businesses and socio-economic enterprises. High-tech or large scale business activities are mostly supervised by other governmental agencies rather than CDECs. Action where the network of CDECs was also involved in high-tech and large scale business activities and / or creation remain an exception.

Thus, the area of CDECs intervention is subject to limitation due to its mandate. Employment creation and business activities fostered by the programme involved generally marginalised clients facing problems such as lack of education and skills or low-wage and insecure employment opportunities. Regarding its goal of reducing poverty, which it certainly achieves in various aspects, there is one conflict: by implementing the measures mentioned above, precarious working conditions are

reproduced, and ways to move out of low-level-employment are clearly limited.

Lessons learned and transferability

Nevertheless, since its foundation, the programme has achieved great success in reducing unemployment and fostering economic development in Montreal neighbourhoods. A stable and sustainable network has been created which is now an indispensable actor and partner of government at local level. Another important CDECs contribution is that it succeeded in combining economic and social development as two key aspects of one global strategy to reduce poverty, and enhance economic growth. Also, lack of response to social needs of inhabitants, often due to government budget cuts, were able to be cushioned by the CDECs. Last but not least, the programme vigorously promoted and enhanced social cohesion within Montreal districts.

For the period from 2012 to 2017, in addition to continuing current principles and concerns, the programme seeks to become involved in even greater integrated governance approach: synergy effects emerging from its network structure are proposed to be reinforced in order to maximise use of knowledge gained in one district by transferring it to others. In so doing, the programme hopes to reduce deficits identified in economic development and to contribute to further mobilising economic potential for urban development.

Within Canada, CDECs approach has already been transferred to other cities such as Quebec, Sherbrooke or Trois-Rivières and to the whole province of Quebec. In the rural areas, the communities are called local development centres (CLD - centre local de développement), designed following CDECs example with adjustments taking into account specific requirements of rural areas. Compared to the CDECs, CLD mandate is generally to support local business and regional development. Furthermore, governance is conditioned by local politicians; representatives from other sectors only participate to a limited extent.

References

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Case study basics

Size cluster

1.000.000-5.000.000

Project area

Whole City/Administrative Region

Main actors

- City Government
 - Supranational / Intergovernmental Institutions
 - other
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Duration

Ongoing since 1980/01

City information

City

Montréal

Size and population development

2011: 3,856,000; 1990: 3,154,000; 2025: 4,628,000; 2010-2015: +1.31%/year

Population composition

Blacks (9.1%), Arabs (6.4%), Latin Americans (4.2%), South Asians (3.3%), Chinese (2.9%), French 23%, Italians 10%, Irish 5%, English 4%, Scottish 3%, and Spanish 2%

Main functions

Economic and cultural center of Quebec

Main industries / business

aerospace, electronic goods, pharmaceuticals, printed goods, software engineering, telecommunications, textile and apparel manufacturing, tobacco, petrochemicals, and transportation; largest inland port in the world

Political structure

Mayor and City Council

Administrative structure

19 large boroughs, subdivided into neighbourhoods

Website

<http://www.ville.montreal.qc.ca>

Is this city profile not up to date? Suggest changes.

Image gallery



banner



Study and conference about environmental issues



new comers' economic integration in the labour market



The solidarity cooperative "La Maison Verte"



CDEC publication "Développer Montréal au rythme de ses quartiers" (french)

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