

CED-oriented Business Development Strategies for Winnipeg's North End

By

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The Journey

This research project has been a significant journey for myself, yet the project itself is but a small part of the greater journey of Winnipeg's North End and its residents, community organizations, and business owners. As a student researcher, each step of the project brought new understanding regarding the complex dynamics that impact the business environment in the North End and I am grateful to all the people who graciously gave of their time and wisdom to assist me in this journey. My hope is that the research process, including interviews and the focus group, as well as the final product will serve to mobilize a committed energy and vision among stakeholders in the North End.

Establishing working definitions and concepts of "CED" and "business development tools and strategies" was no small task and forced me to grapple with the challenge that terminology and jargon create.

The research revealed a wide range of opinions on factors that have led to current business environment challenges and an even wider range of opinions on what the solutions ought to be and who should play what role. I noted that responses frequently included some level of hostility toward various stakeholders who respondents blamed for a lack of successful interventions. Surprisingly, one respondent (not from the North End) suggested that perhaps the North End was beyond saving and that development efforts might be more effectively invested in other communities. Building a collaborative approach to business development in the North End must be really difficult given the high emotions and divergent perspectives on how to move forward.

One of the personal highlights of this project was the focus group, when 14 stakeholders joined the research team in an enthusiastic evening of collective learning, analysis, and strategic prioritizing. Attempting to analyze 18 business development strategies and actions in less than three hours meant that most participants understandably felt rushed. Alternatively, some felt that by having clustered various actions into one strategy in order to narrow the list to 18 meant that some categories were oversimplified, making it difficult to accurately evaluate the various potential components of that one strategy. Nevertheless, a high level of support for most potential strategies was evident.

Interestingly, the business owners that participated primarily consisted of those who were leaders of the various North End BIZs and Associations – mainly women who owned small retail enterprises. However, given the broader scope that this project was supposed to consider, male business owners and non-retail enterprises were under-represented, as were many of the higher-profile, long-standing North End business owners. Responses may have differed if higher participation from these groups was realized.

While several participants were Aboriginal, several invited Aboriginal leaders were unable to attend. Aboriginal participation was particularly important given the high percentage of Aboriginal people living in the North End and the high level of support given for the idea of increasing the presence of Aboriginal-owned businesses in the community. No Aboriginal business owner participated in the research project; this either

reflects a scarcity of Aboriginal-owned businesses in the North End or a flaw in the research methodology.

Notwithstanding the shortcomings, the participants in this research represented a diverse group of stakeholders and, as the ones who made themselves available, are likely those who might be willing to participate in some level of implementation.

Revitalizing a community's businesses and business environment requires a wide range of skills, the strength of collaborative synergy, resources and tools, stability and long-term strategic planning, and much more. I have no doubt that the stakeholders care passionately and are committed, but without staffing capacity, implementation of the strategies will be extremely difficult. The BIZ groups and business associations are without staffing resources and essentially volunteer their time, the jointly created North End Business Partnership position is currently vacant, and NECRC currently is also without a business development officer.

My sense is that the North End is and will continue to experience renewal with all the great work being done by North End residents, entrepreneurs, and organizations such as NECRC, North End Housing Project, Ma Mawi, and many others. This in itself will serve to benefit the business community as they are impacted by the state of community well-being, and the community will in turn benefit from a strengthened and vibrant business sector. However, I believe that the strategies recommended in this report have the potential to significantly impact the businesses and the business environment of the North End above and beyond the overall improvements being realized in the community. But the scale of impact on businesses, and therefore on jobs, goods and services, and community income and economic activity, will depend directly on the capacity that the stakeholders are able to develop to implement these actions.

Part I

Introduction

1.1 Research context

In the last several decades, many North American urban centres have experienced a common phenomenon; the disinvestment in core areas or inner cities that leads to physical and social decay. The reasons for this declining trend, which are multifaceted and interrelated, are numerous and vary by region and by perspective. What is consistent, however, is that since different segments and aspects of society are interrelated, any community deterioration impacts negatively on the surrounding business community, a result that in turn impacts negatively on the community around it.

The New Economy¹ is, depending on circumstances and perspective, a reason for the aforementioned disinvestment or an opportunity to mitigate and reverse community socio-economic decline. Those critical of this neo-liberal economy and ideology point to the increased capital mobility, technological advancements, and globalisation that have facilitated the transference of production-oriented jobs and businesses, which have often been located in inner-cities, to other locations/countries. Technological advancements and the pursuit of profits have also led to the mechanisation of labour as businesses simultaneously increase production while diminishing the number of employees required. Attempts to mitigate economic disinvestment have tended to be targeted at reducing costs (taxation, labour, infrastructure) for the large corporations as they are considered to be the most likely to move. The benefits of this type of economic development have accrued to the large corporations, but not necessarily to the community, the labourers, or even to the small and medium sized businesses; in fact, they are often directly disadvantaged. Business retention has been supplemented by other business development strategies that focus on strengthening existing businesses, attracting existing businesses to move into the targeted community, creating new businesses, and creating an attractive business environment.

In response to the trend of community disinvestment and the resultant poverty and socio-economic and infrastructural deterioration, which the free market economy and traditional economic development philosophies do not or have not addressed, a new approach to community revitalisation and development has emerged. The concept itself is not new, but the term is – “Community Economic Development” or “CED.” CED is a holistic and multifaceted development concept that seeks to merge social and economic goals. While economic and business development is integral to CED, CED-oriented economic and business development is different than traditional mainstream methods of economic development as it is community-led and incorporates a long-term, holistic community approach to development goals, strategies, and evaluation.

¹ For the purpose of this research, the term “New Economy” will refer both to a narrow definition that refers to a knowledge-based economy (information technology, technology, and labour demanding higher levels of education) and to a broader definition that refers to globalisation (corporate concentration, trade liberalisation, and growing economic disparity).

The business community and government have long been considered the primary stakeholders responsible for business development. However, in the last few decades, a third sector has emerged (particularly in disinvested neighbourhoods) that aims to address economic and social agendas in an integrated manner that benefits the community as a whole, a result that is often not adequately accomplished by market forces or the traditional stakeholders. This third sector is often manifested in a community-based development organisation that is an expression of the business and social community that can, in addition to the more social-focussed projects, generate economic initiatives and increase small business vitality in the short and long-term in order to revitalise the inner-city economy. One such organisation, the community development corporation, often carries the mandate of developing and overseeing a community's comprehensive socio-economic strategic plan.

Winnipeg contains a prime example of urban-centre disinvestment. The northern section of the inner city, also known as the North End, was once a thriving hub of commercial and social activity. However, it now is characterised by poverty and a stagnant or even deteriorating business environment. The North End has also seen the emergence of CED as a development ideology and strategy and the creation of several CED organisations, one of which is the North End Community Renewal Corporation (NECRC).

A challenge for third sector organisations, however, is to determine its role in the community and determine appropriate strategies, goals, and initiatives to pursue. Not only does the organisation face the challenges of determining these mandates for itself, but it also faces the challenge of communicating the purpose and ideas/ideologies to the other stakeholders (community, businesses, government). Nurturing and facilitating collaboration can be an arduous process fraught with obstacles and conflict. However, collaboration is important, as each stakeholder brings with it a unique perspective and capacity, and it is the only way that the power and effectiveness of synergy can be realised. What is helpful in building collaboration is great leadership and quick results. What is also helpful in formulating a collaborative development path is the facilitation of a common understanding of what the mandate and the strengths of the third sector is (CED), what types of strategies are available and possible, what types of strategies have been tried and with what results, and what the roles of each of the stakeholders might be.

1.2 Research objectives and goals

The research, commissioned by the NECRC, will seek to determine what CED-oriented business development might consist of. This research will seek to determine what is meant by "Community Economic Development" and determine what are the components of a potential business development strategy and what role the different stakeholders are to play. The research will seek to provide the stakeholders with a better understanding of what might be possible in terms of North End business development as well as what might be required for those goals to be realised. Throughout, the New Economy will be considered for its impact on the North End and for its potential as a phenomenon to harness for the benefit of this disinvested community.

1.3 Research methods

Methods of research included a literature review, online sources including web sites of CED organisations and networks, interviews with key informants, and a stakeholder focus group.

Twenty key informants were interviewed (see Appendix A for Interview Consent Form and Appendix B for Interview Schedule). The key informants, or respondents, were selected based on their connection to North End business development, CED, or CED organisations. Perspectives from the full range of potential stakeholders in North End CED-oriented business development were sought out and the interview process resultantly included participation from all three levels of government, business owners, Business Improvement Zone (BIZ) leaders, CED practitioners, community leaders, and executive directors of CED organisations. Interview questions asked the respondent for their perspective on: the definition of CED, the importance of CED in business development, the root causes of North End disinvestment, potential business development strategies, the roles and past efficacy of various stakeholders' business development strategies, the value of multi-stakeholder collaboration, their own participation in business revitalisation, the impact of (or the potential of) the New Economy on business vitality in the North End, and recommendations for case studies that exemplified CED-oriented business development strategies in an urban setting. All responses were integrated into the report, reflecting the research mandate, which was to explore, collect, and collate information and perspectives on CED-oriented business development strategies. Comments attributed to respondents may be verbatim or paraphrased quotations.

The focus group brought together 14 stakeholders; many of them had been previously interviewed for this project. A facilitator led participants through an exercise whereby various potential business development strategies/actions, as identified by the review of literature and key informant interviews, were evaluated according to their achievability and potential impact in Winnipeg's North End.

A few sections of the report are informed primarily by literature, a few by interviewed respondents, and others by a blend of sources. For example, the theoretical reflection on CED is primarily informed by literature, the exploration of perspectives on the root causes of North End disinvestment is almost exclusively informed by the respondents, while the presentation of potential business development strategies is informed by respondents, literature, and online resources. The recommendations draw on all sources including the focus group. The introduction to each section will clarify the sources used to inform that particular segment. Quotations and examples were frequently provided throughout the report so as to ground theoretical, hypothetical, or reflective comments in the reality of development work and the perspectives of the respondents.

1.4 Outline of the report

The first section of the report provides the context of the research. The second section is an explication of what community economic development consists of and also delves into the components of what constitutes a healthy economy (or healthy economic objectives)

from a CED perspective. The third section is a presentation of potential business development strategies and tools, accompanied by North American examples when possible. Several methods of selecting a strategy are also detailed. The fourth section explores appropriate roles for various stakeholders in the business development process and discusses the importance and challenge of collaborative development efforts. The fifth section provides a summary of what key informants indicated as the root causes of disinvestment in Winnipeg's North End. The sixth section recounts the emergence of NECRC including a summary and evaluation of business development strategies pursued or explored by NECRC. The seventh section presents three case studies of successful CED-oriented business development strategies implemented by community development corporations (New Dawn in Cape Breton, HRDA in Halifax, and RESO in Montreal). The eighth section is an executive summary of the report that includes observations and recommendations.

Appendices A and B consist of the consent forms used for key informant interviews and the stakeholder meeting/focus group. Appendix C is the handout provided to participants at a Manitoba Research Alliance workshop at the 2nd Annual CD/CED Gathering held at Canad Inns Polo Park in Winnipeg on October 26, 2005. This research was presented at that workshop including a summary of potential business development actions a community could pursue as well as a brief commentary on the conditions required for that strategy to succeed, a few tools that would support that particular strategy, and a listing of several action items to achieve each strategy. Appendix D is the strategy/action selection tool that was designed for the stakeholder meeting/focus group held on January 20, 2005. The results of this forum are detailed in Appendix E.

Part II

Community Economic Development

“Everything is economic, yet nothing is just economic” – Respondent

The following section will present an explication of community economic development (CED) including the place of CED in the context of the neo-liberal economy, common and divergent interpretations of CED, economic impacts/goals of CED, and CED as it relates to business development. The segment on the neo-liberal economy is informed by literature, while the following segments are informed by both literature and the key informant interviews.

2.1 Introduction

Over the years, those committed to increasing the wellbeing of the marginalised have developed perspectives and initiatives aimed at the alleviation of poverty. The last several decades in particular have seen the evolution of a renewed ideology of development that is referred to as “community economic development,” or more commonly as “CED.” And although the terminology may be newer, CED really describes what has been an historical way of organising communities and their economies in order to enhance or capture economic activity or opportunity for the holistic benefit of that community. However, given the diversity of ideology inherent within any populace, it is not surprising that the various interpretations of CED involve a continuum that is not unlike the range of socio-political thought present within current society. This range of CED perspective inevitably leads to a myriad of initiatives, each with their own strengths and weaknesses, which seek to build up that which it perceives to be lacking in the targeted community. In revitalization efforts, CED initiatives usually seek to build upon the existing strengths of the community, an asset-based approach that works from a concept of strength as opposed to one focussed on community deficits (Kretzman & McNight 1993).

In order to provide some ideological context to the presentation of community-driven business development strategies, the concept of CED requires some elaboration. The first segment will describe how the neo-liberal economy gives rise to the need for CED and at the same time impacts the ability of CED to meet its objectives. The second segment will present the common and divergent interpretations of CED that exist within the development community. The third segment will outline what constitutes the components and goals of a CED-oriented healthy economy. The final segment will address the relationship between CED and business development.

2.2 Neo-liberal economy

The growth of CED is not just coincidental with the growth of the neo-liberal free market ideology and economy. The neo-liberal tenets of economic individualism, limited government regulation of economic matters, and the perpetual pursuit of profits increasingly approximates economic Darwinism, which manifests itself in increasing economic concentration, the globalising of markets, and decreasing accountability to

community and social benefits. Technological advancements, which facilitate capital mobility and the automated replacement of human labour, are considered to be economic improvements in spite of their social cost. This dominant ideology has also pressured governments to cut social spending and accelerate deregulation, which has mitigated their capacity to invest in social capital and ensure that all citizens have access to essential services. This disequalibrating process has led to an increased population that is not equitably served or given a meaningful voice in the societal decision-making process.

The mainstream economy is clearly effective at building wealth, but not for the benefit of all. Some people and communities are, in fact, marginalised in this process (Manitoba Government 2002). The neo-liberal perspective contends that the opportunities for economic integration and wealth accumulation are available to all – the money and power is there for the taking. Critics of this perspective perceive there to be obstacles that prevent some in society from having the capacity to become economically self-sufficient and argue that the neo-liberal perspective is intrinsically a “blame-the-victim” approach. One neo-liberal defence for specialisation, globalisation, and the de-skilling of labour through technological innovations has been the purported benefit and value of comparative advantage. Comparative advantage is supposed to ensure that goods and services, and therefore economies, operate at maximum efficiency when each economic unit (person, community, or country) produces what they can produce best. The benefit is realised when each economic unit is able to purchase, at the lowest cost, products from the others with the revenues that it has accrued by selling one’s own product to the others. This, however, assumes an even playing field of resources, capacity, and opportunity. And since this is clearly not the case between all economic units, those with less are at a disadvantage and the result is a trade deficit. In communities, this disadvantage results in what is referred to as “economic leakages”, which occurs when more money leaves the community than comes in; or when money does come in, but is spent externally instead of internally and therefore fails to positively impact the community’s economy.

Critics of the neo-liberal perspective also contend that there are structural obstacles, constraints, and barriers inherent in the neo-liberal economy and society that need to be overcome or dismantled. “Change the opportunity structure and people will respond (Silver 2000 p. 26).” Silver (2000 p. 9) also states, “Growing rates of poverty are a logical and necessary consequence of the (neo-liberal) economic strategy.” Silver points to the fallibility of the “trickle down theory,” which holds that wealth created by the elite of the economic spectrum will have a cascading effect that will inevitably and eventually benefit those at the bottom of the economic scale. However, when governments induce large-scale industries to open, expand, or move by lowering corporate taxes, providing grants and subsidies, and lowering taxes for wealthy individuals, there is less money for addressing poverty through social and grassroots economic investments. Attraction for these industries also includes suppressing wages, which further marginalises the working person. Medoff (1994 p. 192 - 194) states that globalisation and increased capital mobility have placed a downward pressure on wages and working conditions, pointing out that real US wages have declined by one-third since the 1970s, real incomes for families with children headed by persons younger than 30 fell 32 percent between 1973

and 1990, and entry level wages for high school graduates fell by 22 percent between 1979 and 1991. “Today’s corporate strategies maximise the ability of corporations to rapidly invest and disinvest regardless of the impact on workers of communities. Corporations are aggressively automating and ‘downsizing’ their workforces and shifting operations among states and countries in a continual search for greater public subsidies and higher private profits, lower taxes, less regulation (e.g. health and safety, environmental) and cheaper labour.”

Many non-government organisations (NGOs), such as community development corporations (CDCs), have been established in an attempt to fill the growing service gaps that the state or business community previously filled. There is a noticeably inverse relationship between neo-liberal government downsizing and social service cutbacks, and the emergence of community-based organisations (Shragge 2002, p. 41). Unfortunately, while the NGOs provide essential services, their presence conceals the culpability of the state and business community as the service and employment shortcomings are mitigated. This lessens the demand for reversion from the neo-liberal path and further facilitates cutbacks and economic inequities. This perpetuating cycle is evidenced in Canada in the growth of food bank dependency (Winnipeg Harvest 2003) as real spending on social services has decreased, real incomes have stagnated, and low-income communities, particularly in urban settings, have experienced continued community and economic decline.

2.3 CED perspectives

Community Economic Development refers to development that seeks to address both social and economic goals (Canadian CED Network 2003). CED is a development approach that is more community-based; either by geography or demography, and, by varying degrees is more participatory than traditional development methods, which are sometimes delivered without any community control or consultation at all (Perry & Lewis 1994). CED also tends to be more comprehensive, multifaceted, integrated, sustainable, and holistic in its outlook, strategy, focus, and impact than conventional economic development. CED is “a process by which communities can initiate and generate their own solutions to their common economic problems and thereby build long-term community capacity and foster the integration of economic, social and environmental objectives” (SFU). CED also empowers marginalised communities and creates real, positive, and equitable social and economic results where the benefits are for the “community at large rather than primarily to individuals within the community” (Canadian CED Network 2003). CED focuses on the improvement of the local economy through training and education, local employment creation, the use of local resources, import substitution, the identification and mitigation of economic leakage, and the strengthening of internal economic linkages. The goal is wealth creation for individuals, families, and communities in an equitable, sustainable, and holistic manner (National Council for Community Economic Development 2003).

While social and economic betterment of the community is the universal goal of CED, there are various perspectives on how this objective is most effectively achieved. There is a continuum of interpretation and application of CED; some focus more on building

economic wealth through business stimulation and job creation while others focus more on empowerment and social capital, which leads to increased community control of resources, institutions, and initiatives (Lewis 1997). These perspectives, with various designations that divulge their unique ideological disposition, range from community capitalism or liberal CED or reform CED to counter-capitalism or progressive CED or radical CED.

The primary perspective of radical CED as articulated by Eric Shragge (1997) is that CED must be a tool for social and political change and facilitate community empowerment. The assumption is that the current socio-economic and political systems have failed those who now are marginalised and, therefore, CED must address the systemic shortcomings that underpin deprivation. To engage in CED without systemic change would be seen as failing to address root causes and, therefore, perpetuating the systemic inequities by tacitly endorsing them. Empowerment includes the grassroots solidarity, confidence, and ability to take democratic control of institutions and programs with the concept of a “social economy” as opposed to private or state-owned economy. Believing that the economy is not the sole true measure of community health and wellbeing, radical CED attempts to develop a more holistic perspective by prioritising social needs over profitability. Government and business partnerships are considered to be potentially complementary and enhancing to CED, but the radical CED perspective is markedly wary of the ability to mobilise these relationships effectively to achieve synergy. The fear is that, since governments and businesses tend to adhere to the dominant economic systems and structures, they will oppose reform and will, therefore, as stakeholders, co-opt CED and dilute its integrity, thereby lessening the transformative capacity of CED.

A variation of radical CED is articulated by Ross Dobson (1993), who advocates for detachment from the dominant economic structures and calls for a reversion to communal self-sustaining values of internal economies where a community consumes what it produces and produces what it consumes. Reconstruction of more equitable, holistic, community-based economic structures is best done outside of the mainstream economy, as the mainstream economy is inherently exploitative and creates dependency. This CED perspective is in contradistinction to the neo-liberal market tenets of economies of scale, specialisation, focus on export development, and the purchase of less costly imports at the expense of domestic production.

Alternatively, the reform CED perspective as articulated by Shaffer and Summers (1989) gives economic development top priority. The goal of reform CED is to elevate individual and community income levels as problems of poverty are ostensibly remedied through private economic investment (pursuit of profits), job opportunities, and training. The assumption is that the neo-liberal market economy and its mechanisms and characteristics are the optimum economic system for society but that for some reason, such as inadequate opportunity or training, some people are not participating. Therefore, it seeks to bring the people or community into the market or extend the market to include the people and community. Reform CED considers economic, social, and political dynamics to be separate entities that are related but not inextricably interconnected.

Reform CED often contains a more top-down approach where the state, business community, or CED practitioners formulate initiatives and deliver the services. Initiatives must be business-oriented and must pursue long-term financial viability/profitability. To this end, resources must be shifted to what is most efficient and profitable and barriers to market participation need to be overcome. Resources must be focused on maximising profitable exports and CED must work at bringing external income into the community while providing goods and services to ensure that community money is spent locally. As is clearly evident, reform CED believes in development based on many of the tenets of the free market economy.

Research respondents reflected most of the perspectives on the CED continuum. Some strongly advocated for community empowerment and structural changes on the part of mainstream society, the economy, and the government while others believed in the opportunities of the existing socio-economic structures and systems that need only be taken advantage of. Most respondents articulated a more moderate perspective that understood both reform and radical CED tenets, but held to a more balanced interpretation of CED. “You need to pursue the CED ideals within reason, there needs to be a balance in the approach. It is tough to be a purist, it may be more effective to be pragmatic.”

Expectedly, respondents’ definitions of CED varied as well and several mentioned that CED was difficult to contain in a concise definition. One stated that CED is “different things at different times” while another said, “it was more like an art than a science” making it more dynamic than a singular description. Yet another respondent, in response to the question of what CED was, stated “I don’t have a definition. I just know it when I see it!” Other respondents articulated definitions of CED that included, “a service continuum of asset accumulation in the broad sense, it includes everything from business development to addictions treatment,” “a multifaceted and holistic development approach that leads to jobs and income for the community;” and “development that is more collaborative than competitive.”

2.4 Healthy local economy from a CED perspective

The CED perspective of a healthy economy, and correspondingly also business development, inherently contains some core values and desired outcomes. And while these characteristics may portray “ideal village” concepts, they are intended as such; an ideal for which to strive while realising that any eventual initiative and result may be more complex and may require compromise and pragmatism.

A CED approach to business development will consider; the importance of community ownership; the creation of good employment; skill development and education; financial retention in the community together with the accumulation of savings, investments, and assets; and the holistic reduction of poverty including ensuring access to necessary goods and services. These components are not isolated parts of a healthy economy or a CED strategy, but are rather inter-linked and interdependent. As with CED perspectives, the full range of interpretations is present within each of these categories.

2.4.1 Community ownership

While there are obvious economic indicators that are pursued through CED business revitalisation such as employment and income levels, the point of origin for conceptualising CED is community ownership. For reform CED proponents, community might refer more to geography than to people, and ownership may refer more to business ownership as opposed to ownership of the process of development. It is difficult to draw the line on the development perspective continuum between this CED perspective, however, and neo-liberal economic development as the two are closely related.

For most CED organisations, ownership refers more to a participatory process of development that empowers the particular community by nurturing individual and community pride, resilience, and social and economic inclusion and by facilitating self-determination through local leadership, participation, decision-making, control, and actual ownership of the production and provision of goods and services that occur within the community – all building individual, family, and community dignity as people and diversity are valued (Loxley 2000, Shragge 1997, Canadian CED Network 2003, National Council on CED 2003). While mobilising and integrating external resources and expertise may enhance the local energy and capacity, a strong local hand in shaping development direction is an imperative within the CED ideological framework – CED “must have its roots in the community” (Torjman & Leviten-Reid 2003 p. 6). Not only does it build capacity within the community, but it allows the experience, resources, assets, skills, and wisdom of the community people to emerge and be utilised, often resulting in an enhanced chance of success (Perry and Lewis 1994).

Winnipeg’s 1990 Community Inquiry into Inner City Revitalisation stated, “Inner-city residents hold the key to sustained revitalisation efforts. In principle, they have the most at stake, and their needs and aspirations – not those of outside institutions or investors – should prevail. If public sector intervention is to be preventative rather than remedial in nature, resources should be allocated to community and self-help, grassroots projects/groups that foster local ownership and responsibility” (Silver 2000 p.133). The Inquiry also determined that previous development efforts such as the Core Area Initiative had had little impact on inner-city poverty because it was not sufficiently participatory and added, “It was obvious from the many well-articulated presentations at the Inquiry that there is a substantial level of expertise in inner-city communities, and this expertise is begging for the opportunity to play a more active role in planning and program delivery” (Silver 2000 p. 133). Silver (2000 p. 14), citing Robert Putnam, says, “There is growing evidence that community involvement and strong community based organisations are the key to socio-economic development.”

Through either perspective, local ownership is seen to increase the chances that; profits will stay in or be reinvested in the community; local people will be hired; and that the ownership will be more likely to consider the good will of the community in addition to personal gain. Again, it should be stated that community ownership is an ideal that may not be completely attainable and may not even be completely desirable at all times, but to aspire to CED-based business revitalisation, this concept must be present. Even if it is ownership balance that is desired, it is likely that disinvested communities have a

community ownership deficit that needs to be built up even to attain an ownership balance.

Another aspect to consider is that the community in question must see itself as a community (Fairbain et al 1995, Mendel and Evoy 1997). Community members have to temporarily give up their individual interests in deference to “the greater good.” And although what is good for the community may in fact be good for individuals in the short term as well, there may be instances where this is not the case. For example, low-income individuals may have difficulty shopping at the local store if those prices are much higher than the big box stores in the area. For many in poverty, daily and monthly survival is their reality; long-term community visions are often a luxury of the wealthier. Another challenge may be that the concept and the focus on “the common good” may be difficult for individualists to embrace. However, it is helpful to remember that negative community trends and impacts will likely eventually adversely affect the well-being of individuals as well.

Respondents were varied in their positions on community ownership. Several raised the question of “who is the community?” For some, the community was the collective of people in a neighbourhood, for others it referred more to the community leaders, and one government representative even queried about whether the taxpayer funding a particular neighbourhood should be considered the community that had ownership over development. Most stated that it was imperative for the general community to be supportive of, and participate in the formation of, any CED strategies. Another respondent, from a CED organisation, stated that community consultation had its benefits, but the drawbacks of being time-consuming and frequently mired in community politics and petty grievances might mean that bypassing this process would be most effective.

2.4.2 Employment creation

A clear tenet of CED business revitalisation is that it creates employment opportunities for individuals in that community (Loxley 2000, SFU 2003). New jobs translate into new money being injected into the community economy through wages to new employees. New local employment increases the spending capacity of local individuals that, if directed locally, will be injected into the local economy – businesses will increase their sales. As well, while technology and production infrastructure are often part of any new employment opportunities, maximum benefit for the broader community is enhanced if the new enterprise initiatives create local employment opportunities rather than operate primarily with technology and mechanisation or hire externally.

While it is not imperative that all job creation occurs locally, there are definite benefits of local job creation as opposed to employment opportunities for individuals in a targeted community that are located in another community. If the new employment is located within the disinvested community, there is a higher chance that an individual from that community will in fact get that job. People in low-income communities often are transportationally disadvantaged and are often not easily able to move to other parts of an urban centre. If the jobs are not near them, gaining employment becomes an obstacle.

And because transportation is often an issue, a person from within the disinvested community, who does find a job outside of the community, may choose to move closer to their work. This removes their purchasing power, income, taxes, and skills from the very area where these assets are supposed to be accumulating. Local employment means that people in the low-income communities are more able and likely to find work close to where they live, will continue living in that community, and will pay taxes to the municipality – hopefully leading to a raise in public service expenditures for that community. These local employees will also engage in skill transference in a formal or informal manner to those around them, develop leadership skills which will benefit the local community, and act as role models to others within this community.

There is also the “value added” component of employment creation. “Jobs generate not only income, but also family stability and hope for the future, which affects children’s educational attainment, which in turn affects their job prospects, thus setting in motion a positive cycle” (Silver 2000 148)” “Jobs are perhaps the key to inner city revitalisation. That’s what makes the single most difference in people’s lives’ – having a job” (Silver, 1999 p. 23).

New employment, however, according to CED concepts, must be “good jobs.” The new economy brings an expanding gap between good pay-and-benefit jobs and poor lower-skill jobs with few benefits that are part time or have irregular hours (Torjman & Leviten-Reid 2003). Again, the pursuit of “good jobs” may be subjective and idealistic, but CED advocates for these principles and therefore CED business revitalisation should aim to incorporate these dynamics in new employment strategies. A good job is one that provides: fair remuneration and benefits, a safe work environment, employment that is a source of pride and dignity for the worker, an environment or forum whereby there is some modicum of workplace democracy (an ability for the worker to participate in the decision making process), mid- to long- term employment, and job security and sustainability (CEDNET 2003).

In regards to the type of employment that is created, there are two approaches. The first is to increase the employment capacity of the individuals in that community through skill development and education in order to bring them up to the level required by employers, particularly with the emergence of the New Economy. This process will be explained in section 2.4.3. The other way to approach employment creation is to identify what the existing skills and capacities are within the community and to attract/establish employment opportunities that match them (Kretzman & McKnight 1993). A focus on the utilisation of existing local skills and human resources increases the likelihood that local individuals will be hired. If the requirements do not match the capacity of the community, the employment opportunity will be granted to people from outside of that community, diminishing the potential impact of the new job to the disinvested community as outlined in the previous section.

Respondents, nearly unanimously, pointed to employment opportunities as a high priority for CED, business development, and the North End. They added that the most important ways to achieve this were skill development and education, creating new employment

opportunities, and mobilising existing businesses to hire locally. Hiring locally is a CED characteristic that, according to one respondent, is difficult to implement and to convince business owners of as it goes against the mainstream mentality of hiring those who will make the most money for the business. This respondent stated that business owners had to be taught the value that local hiring had on a community's economy. However, several business respondents clearly articulated the value of hiring locally and contended that they pursued this strategy, although they did state that this was difficult as the social problems of many North End employees often rendered them less productive and dependable than other employees. Several respondents advocated for transitional employment opportunities, whereby individuals not work-ready in a technical or social capacity could gain experience, counselling, training, and income in a safe working environment.

2.4.3 Skill development and education (capacity building)

Skill development and education can be both a strategy for business revitalisation and a result of it. "The most important asset in a knowledge-driven economy is people; extensive investment is required in human capital – i.e. the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being" (Torjman & Leviten-Reid 2003 p. 12). Capacity building would be targeted both at prospective employees and entrepreneurs, as well as the technical and organisational capacity of community organisations that support employment and entrepreneurship.

One strategy for capacity building is to develop employment opportunities that approximate the existing capacity of a community, as employment itself will develop the skill-set in an individual. It should be noted, however, that when skill development occurs within a workplace setting, it is important that it be local people participating so that the skill capacity that is elevated remains in that community.

An alternative strategy is to increase the skill level of individuals in that community that is designed to: meet the demands of existing employment markets, to expand the potential opportunities that may be pursued, and to nurture holistic human development that contributes to community ownership, business ownership, leadership, and empowerment. Education will build the local capacity of technical skills as well as the capacity to plan, design, control, manage, and evaluate initiatives aimed at revitalising the business community. This skill development and education would be multifaceted including schools for youth and adults, capacity building mechanisms, business incubation and mentorship structures, employment facilitation networks, and community groups. Particularly within the New Economy context, where knowledge and technology are heavily utilised, people in disinvested communities such as the North End need more than simply employment opportunities, they need to be given the social and technical tools with which to meet the demands of such a labour market. An organised and well-trained workforce actually becomes a bargaining chip or tool for engaging/enticing the mainstream economy in an otherwise disinvested community.

A blend of the two strategies is to create a staged employment process, or transitional employment, that is intended to “invest in social and human capital, if you will, to encourage the attainment of the highest individual and community potential” (Silver 2000 p. 139). One respondent from a CED organisation stated that many people are “wounded workers” who need a safe environment in which to regain their confidence and social abilities. Several respondents also mentioned that many people simply do not have the current or even potential capacity to be regularly employed in the mainstream economy. It is for these reasons that CED-oriented business development often pursues enterprises that facilitate employment opportunities for marginalised individuals including youth, women, immigrants, homeless individuals, and those living with physical, mental, or emotional disabilities. A business respondent also advocated for such a strategy and stated, “That would be great. I would gladly hire locally, but most people here don’t have great resumes. If there was a place that could give them some training and experience, then I could hire them more easily.” Another respondent praised staged or transitional employment mechanisms as “worth their weight in gold.”

Respondents strongly and unanimously advocated for skill development and education, although they varied in their specificity of the learning. “You can never have too much education or too many skills,” stated one respondent. Another pointed to the positive domino effect that educational and skill elevation would have on a community, “If the education improves, the people are more likely to get a job and raise their income. If the people have more money, they are more likely to buy a home in the area and spend their money locally. This is good for business and is good for the whole community.” Some respondents pointed to New Economy demands and felt that knowledge-based and technological skills and education should be targeted so as to maximise economic growth potential in the coming years. Other respondents felt that this would be too great a leap for many individuals in disinvested areas, as their current levels of New Economy-relevant knowledge lags behind what is present in other communities. Some of these respondents added that life-skills such as urban acculturation, money management, parenting, overcoming addictions, and self-esteem were in more urgent need in disinvested communities such as the North End. A few respondents also pointed out that, in this New Economy era where youth have been pushed to pursue university and knowledge-based education, there is a growing shortage of individuals with the traditional vocational skills such as mechanics and carpentry. They felt that an education and skill development strategy that had vocational training with a business component had the greatest growth and opportunity potential.

2.4.4 Financial retention

An important economic aspect of CED (and mainstream) economic development is financial retention. The concept is analogised by “The Rusty Bucket” (Fairbairn et al 1995). Money comes into the community through internal or external income (export income, income of professionals, income of individuals, income of businesses, government payments to absentee landlords, grants, etc.), but leaves almost as quickly as it is spent outside of the community (through external investment, consumer purchases, business input purchases, profit earnings for owners outside the community) regardless of whether that community’s income earners live inside or outside of the community. This

negative “trade balance” is of concern and the intention of pursuing financial retention is to increase the amount of money drawn into and kept in the community. Again, it is not the goal to have an exclusively internal economy (except for extreme radical CED proponents), but the goal is to address the inflow/outflow economic balance. The concepts of mutual interdependence and balance are likely better targets than protectionism.

In Winnipeg’s inner city, approximately \$20 million is paid in rent mostly to landlords who do not live in the inner city and approximately \$25 million is paid in salaries within the inner city to people who do not live in the inner-city (Sims 1995). In 1999, the US Department of Housing and Urban Development estimated that there was a \$350 billion purchasing gap in inner-city locations just in food and apparel alone representing tremendous economic “leakage” (Nelson 2001).

The harnessing of this purchasing power and economic capacity can be done through educating local and wider community members about the impacts of their purchasing decisions and about CED (Loxley 2000). However, an all-or-nothing approach is not what is intended, as economies are too interconnected and interdependent to make this possible or even desirable. The point to be made is that the flows of money are greatly imbalanced at present and mobilising individuals, organisations, and businesses to balance the outflows from these communities is useful in capturing beneficial economic impacts. An additional challenge is that many individual who live in disinvested communities have limited financial resources, and so it may not be possible or even wise for them to exclusively shop locally if this means that the prices they pay are significantly more expensive than at businesses outside of the community.

Economic retention can also be realised by identifying forward and backward linkages to the goods and services offered in the community (Fairbairn et al 1995). When spending money, individuals and organisations can look at who owns a retail or service outlet, where the money will be reinvested, who made the product and where, and generally consider whether their purchase will impact the local economy in a positive way or if there is another comparable purchasing option for them that would do more to enhance the local economy. In fact, this linkage analysis can be done in concert with the employment creation and the skill development aspects of CED business revitalisation. After identifying what people spend their money on and ensuring that it is offered in that community, the process to get that good “to the shelf” can be identified as an area in which to train individuals and perhaps establish a business to meet that opportunity. As well, skill development and enterprise formation may also be possible after the point of existing producers.

CED, in both the reform and radical perspective, seeks to address economic imbalance by producing more of what is consumed (import substitution) and consuming more of what is produced (buy locally) (Shaffer and Summers 1989, Dobson 1993). CED also advocates for the local reinvestment of profits that need to be “seen as an instrument of development rather than the objective of development” (Torjman & Leviten-Reid 2003 p. 6). The local reinvestment of profits and the support of other CED-oriented businesses

will build solidarity, generate economic activity, and will stabilise and potentially even invigorate the local economy. Dr. Loxley, an economist from the University of Manitoba, states that, “income *earned* in the inner-city should, as far as possible, be spent there, and preferably on goods and services which are actually *produced* there. The idea is to spend in such a way as to minimise leakages from the inner-city economy and strengthen economic linkages within it” (Silver 1999 p. 15). A tension frequently appears with the pricing of local goods and services. Smaller businesses usually do not enjoy the benefits of economies of scale and, therefore, are frequently forced to charge more for their products than the non-locally owned businesses against whom they are competing. As mentioned previously, supporting the local economy may not be the most economical consumer decision, even though it may be best for the local economy. Asset retention for individuals in the community through thrifty spending patterns will also increase the asset base of the community.

Respondents put forth various perspectives on the question of economic retention. While several supported the concept of producing for local consumption as a way to capture spending that leaked out of the community, they stated strongly that the production had to be of equal or greater quality and affordability. Others strongly stated that producing for only a disinvested community was targeting too small a market, both in terms of consumer numbers and spending capacity. They felt that pursuing a broader market and producing for export was important and even essential to business development. Respondents also questioned what, in fact, was defined as local. Would it be one neighbourhood, a community such as the North End, a city, a province, or even a country? One respondent stated that each of these could be considered local within a given context, but stated that they chose to support those closest to them, within reasonable cost considerations.

The concept of purchasing locally also elicited various responses. Some felt that this was not prudent for low-income individuals as most commercial outlets, such as community grocery stores, sold items at a higher price than what was available at non-local suppliers. They felt that economic retention was best achieved through each individual (and business) purchasing everything at the lowest possible price, regardless of location. However, others who advocated CED strongly, supported the notion that mobilising the community to purchase locally would be difficult as low-income individuals are not easily able to spend more money just on the principle of CED. However, one business respondent stated, “I buy everything I can locally, I’ll spend all that I can right here in the North End. If we don’t support the other businesses, they are more likely to shut down. And empty store-fronts and boarded up buildings are not good for anyone’s business.”

2.4.5 Holistic poverty reduction

CED business revitalisation should also prioritise holistic poverty reduction and community health (SFU 2003, Fairbairn et al 1995). Clearly, if the general community increases their income, the economy and business community will benefit. However, business revitalisation also hinges upon social revitalisation. If a community’s social capital is low, those with economic means will leave (entrepreneurs, businesses, and individuals), thus robbing the community of significant economic resources, expertise,

and experience. While business revitalisation may have an inherent economic focus, CED considers a wider definition of poverty.

CED aims for holistic poverty reduction that impacts the community as a whole (CEDNET 2003), which is why community-based economic development stresses multifunctional, multidimensional, and multipurpose development strategies (Perry and Lewis 1994). Poverty reduction needs to be real as determined by measurable indicators such as income, property values, quality and availability of housing, food bank use, homelessness, incarceration, and other socio-economic aspects of community life. Holistic poverty reduction also takes into account the multifaceted nature of poverty that includes the social (community spirit, human dignity, self-respect, respect for others, safety, housing, crime, urban acculturation, addictions), political (self-determination, power, education, solidarity), cultural (spirituality, arts, Aboriginal rural reserve to urban transition), and ecological (safety, sanitation), health (mental, social, physical) (SFU 2003). It might be noted that there is often a correlation between economic and political poverty which may act as a double negative for disinvested communities, and that poverty itself creates barriers to many other aspects of life that need to be overcome as part of rebuilding the economic vitality in a community.

CED also aims for equitability, where the benefits such as goods and services and profits are accrued to many rather than a select few (CEDNET 2003). For this reason, the provision of goods and services is often the focus of CED strategies. Those who are unable to access health care, banking services, recreational opportunities, child-care, housing, affordable and nutritious food, and cultural services experience barriers to full social inclusion/quality of life. And rather than using GDP as the measure of poverty reduction or other aggregate indicators that do not consider distribution, CED values the creation of “individual, family, and community wealth” (NCCED 2003). People need to be mobilised, and institutions created, around the ideal of the “common good.”

Respondents were highly supportive of holistic poverty reduction, although not all connected this aspect of CED to CED-oriented business development. As mentioned in previous sections, some respondents did point to social capital as being integral to revitalising disinvested communities. One respondent stated, “What you need to focus on is the kids and the homes they are growing up in. If you provide them with a good and healthy educational childhood, you won’t have many of the problems that challenge the community and businesses today.” Others pointed out that since the problems of disinvested communities are so complex and inextricably interconnected, it was only logical that development efforts, business or otherwise, would seek to address the poverty in a holistic manner. There were some respondents who indicated that, although holistic poverty reduction was an important component of CED, it was not necessarily enacted within the context of a business development strategy.

2.5 CED and business development

A comprehensive community-based business development strategy is important as, particularly in the current neo-liberal New Economy environment, “individual people and individual firms can be expected to focus on activities that are beneficial to them”

rather than on the common good (Fairbairn et al, 50). A profitable enterprise may not be all that beneficial to the community in terms of the quantity and quality of jobs created, employment for local people, the amount of economic activity that it generates and whether it is circulated in the community, or if it is truly beneficial economically (fringe financial services), environmentally (pollution), and socially (prostitution, drug trade, casinos). A comprehensive CED approach will be more concerned with the long-term health and holistic well being of the whole community, which includes that of the economy and the business community. In other words, CED will pursue community economic health through healthy economic activities.

Respondents were asked whether effective CED required the inclusion of a business development component and they all responded strongly in the affirmative, stating that business development was an integral part of the continuum that is required to revitalise disinvested communities. One respondent stated that business “is central to CED because it is central to our life and our society; it is just a fact of life – it permeates every part of our lives. If you are economically challenged, you are challenged in so many ways and business is the economic generator; it pays wages and salaries, it provides jobs, it pays taxes, it makes donations, and it provides goods and services.” Another respondent stated that business development was not the whole of CED, but a significant component and added that “a community can not be sustainable without all the pieces: goods and services, jobs, the environment, the economic, and social capital. Business development done in the right way can build community.” Respondents also pointed out, “If CED does not include business development, people will not be attracted to the area to spend their money. Social services won’t accomplish this.”

Respondents were also asked whether business development had to be implemented through a CED lens. Some felt that it was necessary for there to be some CED-oriented business development, but that a mix of mainstream or traditional economic development was appropriate. In fact, some felt that a blend of methods and perspectives was optimum. One respondent tempered their statement by adding, “While both CED and ED are helpful, the ideal world would see every business have a dual bottom line and take responsibility for the community. They would get the big picture and see that for the long-term, poverty is not good for their business.”

Other respondents, however, were more determined in their assertion that business development must contain a CED component. One stated that “the mainstream economy is not working in the North End, otherwise big box stores and malls would be here already. But, while it would be foolish to cut the North End off from the mainstream economy, what is required is more local control of the economy. More control will lead to more bargaining power with the mainstream economy. One part of this is the need to increase the number of owner-operator businesses.” Another respondent stated, “You need some aspect of holistic community building that creates jobs and a healthy economy. You need proud ownership to create a good environment and there is a better chance of social, economic, and environmental investments if the ownership is local.” Another added, “Economic development is not enough. If you leave it to the ‘free market’ you get fringe banking (pawnshops, cheque-cashing firms, pay-day lenders)

instead of banks” referring to the trend of mainstream bank departures coinciding with the rise of fringe financial service firms in the North End that is facilitated by financial service deregulation, technological advancements, corporate mergers, and the pursuit of profits (Buckland et al 2003). One respondent felt that a CED lens would better ensure that business development resulted in “jobs and income, not just a thriving business.” Other respondents added that there was a need “to create entry level jobs, safe workplaces, on-the-job education and training, and a transitional employment,” something that they felt would not occur in business development without a CED lens. One respondent stated that, while doing this on a small scale was beneficial, for real change, “community organisations have to put firm, viable businesses on the ground. They should start to aim bigger than they have, up to workplaces for 50 people.”

Part III

Components of a Business Development Strategy

3.1 Introduction

The goal of business development² is a vibrant business sector within a community that results in economic activity, new or maintained jobs, and available goods and services. CED business development would also seek to facilitate or nurture some or all of the following components: local ownership, local hiring, skill development, and the capture of existing internal and external markets through import substitution, production for export, and attracting external spending.

As each community has unique people, contexts, history, strengths, weaknesses, assets, and deficits, selecting a strategy³ for business development can be a daunting task. There are many components or potential strategies for business development that fall into the general categories of strengthening existing businesses, attracting existing businesses from outside the community, facilitating the creation of new businesses, the creation of new businesses, and the creation of an attractive business environment which will contribute beneficially to the other categories of strategies. The differences between various strategies are not always very distinct; one strategy is able to achieve several objectives and there are many strategies that are able to meet a given objective. However, while a single strategy is able to bring benefits to a community, a long-term, comprehensive, and multifaceted portfolio of strategies best addresses the complex and multidimensional dynamics and needs in a community.

The first part of this section will present a description of the various business development strategies available as informed by a review of literature, key informants, and online resources such as reports and web sites. The explication of each strategy will be supplemented by examples from around North America, with a focus on CED-oriented initiatives. Examples are provided so as to demonstrate the applicability of each strategy and to provide a resource for further research should a particular strategy pique the interest of the reader. The second segment of this section will be a description of some business development tools.⁴ The last part of the section will address the challenge of selecting a business development strategy to pursue.

² “Development” may refer to any or all of revitalising and strengthening existing businesses, business attraction, nurturing the emergence of new businesses, the creation of new businesses which may or may not be operated on a for-profit basis, and efforts toward creating an attractive business environment within a community which would contribute to all four previously listed definitions/categories.

³ “Strategy” refers to a determined and articulated method of achieving set goals that have come out of a formulated vision. Strategies give focus to the goals, and out of strategies, concrete initiatives are formulated.

⁴ “Tool” refers to a mechanism or structure that enables the implementation of strategies. It may be a financial or technical support entity that acts as an incentive, facilitator, or support for new or existing businesses.

3.2 Strengthen existing business

Strengthening existing businesses secures or increases available jobs as well as goods and services. This can be done by improving the efficiencies of businesses and by developing early warning systems that expose potential losses. CED proponents would focus on businesses that are both economically and socially beneficial to the community.

3.2.1 Efficiency improvement

Business efficiency improvements can be achieved by enhancing management practices and business planning through business counselling and mentoring. This can include any aspect of operating a business including general business management, marketing, technological integration and improvements, access to employees, and facilitating the transition to new markets.

General business management is clearly a key to a community's business vitality. And while there are many long-standing and successful businesses in the North End, it was interesting to note that respondents, including those from the business community, stated that many business owners in the North End were not great entrepreneurs. The observation was that these owners operated their businesses out of habit or even obligation to family history and succession. According to the respondents, many business owners did not know how to, or have the desire to be innovative in creating successful ventures with what they already had or to develop expanded or new initiatives that may be profitable. The expressed opinion was that, while business owners tend to be proud and private about their enterprises, North End business vitality could be enhanced by providing complimentary business counselling, technical support, and mentorship services. A trusting relationship would have to be developed between the service provider and the owners first, and the services would need to bring quick results to maintain the interest of the business owners.

Entreprise Riel Inc., a community development corporation, has developed a one-stop business centre in St. Boniface, Winnipeg. *Entreprise Riel Inc.* purchased and renovated a large building in which to locate their offices and have also attracted government French-language business development offices and departments as tenants in their building, including the French-language office of Industry Trade and Mines' Small Business Service Centre. As well, one tenant organisation hosts a business incubator in the building that has graduated 12 businesses in the three years since the incubator's inception. Any entrepreneur, existing or prospective, is able to access this one-stop shop and receive any assistance or resources available for business development including free business planning, feasibility studies, management consultation, and generally any assistance requested to maintain, expand, create, or relocate a business designed to serve the community of St. Boniface.

Marketing is another strategy that can enhance business vitality. Marketing can be done on an individualistic level whereby businesses are assisted with marketing strategies and

initiatives such as website design, in-store and storefront improvements and strategies, media advertising, and so on. One respondent indicated that simple cosmetic improvements to the North End, such as flowers and fancy sidewalks, would not be sufficient to address the serious infrastructural conditions in the community and stated, “Putting paint on a crumbling building will not help much!” Marketing can also be done on a collective basis, as demonstrated in Winnipeg by The Forks, Corydon Avenue, and many shopping centres. One respondent felt that the name selection for the Mosaic Market BIZ (Main Street) had been not been successful as effective names, from a marketing perspective, need to convey location, product, and clarity of identity – none of which are provided by the name “Mosaic Market.” Another respondent mentioned that a Heritage Shopping strategy had been explored in the North End, but that did not develop as, in their opinion, business owners were too individualistic and apathetic to successfully pursue and implement a collective strategy, and the image problems of the North End were currently too great an obstacle, as people feared shopping in that community.

Technological improvements can also facilitate efficiency gains for businesses. Improved accounting systems can increase time and inventory tracking efficiencies. The internet can increase communication capacities and marketing opportunities. Fax machines and telephone answering services can also increase communications potential. However, several respondents were quick to point out that, in a small business environment such as Winnipeg’s North End, a personal touch to business is vitally important and incorporating many of the modern technologies available would sever the personal touch that the community is used to and expects. Access to electronic banking services would also be beneficial to some businesses, although the attached service fees may be more than the added benefit is worth.

Facilitating the hiring of quality employees can also enhance business efficiencies. Developing specific training in response to employment needs and opportunities, as identified through collective response from businesses, can do this. This can be complemented by developing a skills bank, which is a database of the skills offered by individuals in a community who are looking for employment. These two approaches would be most effective if delivered simultaneously, and would be enhanced by a mechanism by which employers and community members could communicate with each other about employment needs and opportunities, build linkages, and develop appropriate strategies.

The employment facilitation strategy is exemplified by Opportunities for Employment (OFE) in Winnipeg, a “full service recruiting agency dedicated to providing qualified and dependable workers to employers in Winnipeg” (OFE 2003). OFE was established in 1996 by Mennonite Central Committee, Eden Health Services, and Mennonite Economic Development Associates and was designed to work with unemployed individuals in developing their employability and then placing them in a job. Individuals’ skills are recorded in a database and, when employers contact OFE about job openings, OFE attempts to match the opportunity to someone with appropriate skills from their database. By 2003, OFE was placing more than 500 previously unemployed individuals into long-term employment positions each year, totalling more than 2000 since the organisation’s

inception. Individuals receive assistance in areas such as skill identification, resume writing, and job preparedness awareness as well as one year of job support if required. They also receive training in interview skills, job searching, and employment retention. Special skill training is also available for air tool use, computerised accounting and other computer related skills, food services, forklift operation, and telemarketing.

OFE's benefits impact unemployed individuals, businesses, and the taxpayer. Individuals receive training, job-find assistance, and long-term employment. Employers receive assistance with filling positions by accessing OFE's trained individuals and OFE's database, which saves them time and money on interviewing, advertising, and training. The government realises a termination of Employment and Income Assistance payments to the individual. OFE receives a fee-for-service from the government for every unemployed individual that they place in a job that is held for at least six months, although the payment to OFE is less than the total EIA payment would have been for that period of time.

Business efficiency improvements can also be realised by facilitating the transition to new markets. These may consist of untapped internal markets such as providing a new good or service to the community or mobilising consumers to make purchases locally rather than externally. External markets may also be pursued, which might include bringing people into the community through novelty, tourism, or events or may include selling goods and services externally so that the money comes back to the community. Facilitating this transition can include identifying and exploring potential markets as well as strategic and business planning that would include feasibility studies. One respondent felt that the purchasing power of community organisations could be mobilised to have a positive economic impact on the local business community and stated, "If all the community organisations in the North End strategically pooled their banking at a financial institution that would commit to involvement in the North End, their collective pool of capital and service fee payments would be significant and might make a difference in enticing a financial institution to get involved." One respondent said that a buy-locally strategy would not work because the prices at small businesses were too expensive, while another stated that it was the responsibility of each individual (particularly low-income people) to buy at the best price regardless of location, even if this negatively affected local businesses. This respondent felt that it was up to the businesses to adapt and find lower pricing or another product to offer, or to offer that good or service in a unique way that could not or was not duplicated by the cheaper wholesale or big box enterprises.

The William Whyte Community School in the North End provides one example of harnessing existing markets. The school decided that it would spend its \$5,000 nutrition budget at Neechi Foods Community Store, which is an Aboriginal worker-owned co-operative grocery store in the North End (Hunter 2000). Another school in Chicago, upon being given the opportunity to choose for itself where it would buy food and other supplies, spent \$20,000 locally in its first year (Kretzman and McNight 1993).

Winnipeg's Local Investment Toward Employment (LITE) provides another example. LITE began in 1994 in response to the annual Christmas hamper campaign that, while providing low-income families with a gift of food, threatened the existence of some North End grocery stores that saw their sales plummet during hamper season. LITE began by raising money from donors for hamper supplies, which were then purchased at North End CED-oriented food suppliers and donated to the Christmas hamper program. The conceptual motive was that by harnessing the purchasing power that accompanied the hamper program and directing it toward the North End, LITE could both facilitate the gift of food, but also support employment and business in Winnipeg's inner city. Over the last ten years, LITE has raised more than half a million dollars to support CED-oriented inner city businesses and employment.

3.2.2 Early warning system

Jobs are lost for several reasons and often occur without much notice. Businesses terminate operations due to owner retirement, insufficient profitability, and other reasons. Job losses may also occur when businesses downsize or when they move in search of better markets or as part of corporate amalgamation plans.

One strategy to mitigate job losses used on larger scale businesses is to establish an early warning system. The industry may be waning, the product or service may be outdated, or the required economies of scale may no longer be feasible. But early detection of these business problems may lead to solutions that avert job losses. However, even if the job losses are unavoidable, the early warning allows for adjustments and a longer planning period for the workers and the community to prepare and develop alternate plans. A major challenge is that an early warning system may require the type of information that is sensitive and owners may not be willing to provide it. This strategy requires trust and a non-adversarial relationship.

Addressing looming job losses can involve several options. One approach would be the previously detailed efficiency improvement strategies that could mitigate business deterioration and hopefully create a healthy and vibrant enterprise. The second approach would involve succession planning.

Succession planning may be carried out with several goals in mind including job retention, the local provision of goods or services, the retention of export income, and the realisation or retention of local ownership. Local ownership is often desirable as it enhances the likelihood of local hiring and purchasing, community "like-mindedness," and long-term commitment to the community.

Worker buyout is one option that has been utilised in the situation of impending business closure and can be facilitated by establishing a co-operative or having the workers acquire shares in the company. "Workers Coop Auto Centre in Moncton, NB was formed when the owner wanted to close it because it was deemed to be unprofitable. The six employees, with technical assistance from the owner and a co-op consulting group and financing through a local credit union, has been operating profitably and has, in fact, purchased some new equipment and expanded" (CCE, RCJ 0 – 2).

Another succession planning option is to identify and connect entrepreneurs with closing businesses and facilitating the purchase of the business by the new entrepreneurs. “A Midland, South Dakota, village of 230 population decided to make a survey of local firms and fortuitously discovered that three of them were about to close down due to the pending retirement of the owners. By scouting around, the town found local people to buy the businesses. It turned out to be as simple as that, and for a town so small, it was especially important” (CCE, RCJ01 – 1).

3.3 Business attraction

The goal of attracting existing businesses to relocate in the targeted community is to bring new entrepreneurs and new money into the community. New businesses create jobs and may also provide goods or services to the community. The new jobs raise incomes for individuals who work there (and their families) and this income, if it is spent locally, also increases the revenues of other area businesses. New businesses also pay taxes in that community thereby increasing the tax base that is used for general community and business improvement initiatives.

However, while facilitating relocation may simply be a matter of informing and recruiting existing businesses, it is usually the case that the businesses are not in the targeted community for a reason: either they specifically wanted to be in another locale or they specifically do not want to be in the targeted community. If the businesses are in a specific location for a reason, such as domestic, supplier, or clientele proximity, there is little that can be done to draw them away.

For businesses not tied to a specific location, attraction strategies may work. Facilitating relocation may be as simple as providing information regarding the strengths of a community, such as the low cost of infrastructure and rent, the neighbourhood’s strategic location, a community’s demographics, market analysis research that reveals business opportunities, or a community’s cultural diversity and history. This approach is often referred to as promoting a community’s “competitive advantage” (Porter 1995). However, according to most respondents, seriously disinvested communities are not able to successfully attract businesses simply on the strengths of that community.

The key for successful business attraction into seriously disinvested communities appears to be twofold and is premised on the need to provide an incentive for the existing business. The primary method, according to respondents, is to create an attractive business environment, a strategy that will be discussed in section 3.6. The second approach, and it can work in conjunction with the first, is to develop and utilise tools for business attraction that act as facilitation or incentive mechanisms as described in section 3.7.

The benefits of business attraction have already been mentioned. However, it is important to balance the costs of incentives against the benefits of the new business. The benefit considerations would include the quality and stability of jobs, local economic stimulation (bringing outside money in, capturing internal spending that was leaving the community),

the provision of goods and services, local reinvestment of profits, and the socio-economic and environmental impact of the business in the community. The costs may include infrastructure construction or improvements, tax concessions, or regulatory exemptions. Not every business would contribute a net benefit to a community. Another problematic dynamic that commonly occurs is that those businesses take advantage of the short-term incentives, such as tax holidays, yet leave when they expire thereby creating economic and employment instability for the community. As this disinvestment is precisely what the original relocation created in the original community, business attraction strategies have been criticised for simply shuffling businesses around from community to community without any net gain. Additionally, if attraction strategies become competitive, communities can drive each other to lower regulatory standards and higher incentive provisions. This has been demonstrated globally as countries have competitively pursued business attraction in what has become “a race to the bottom” as lower environmental standards, lower wage conditions, more repressive union stances, more expensive infrastructure provisions, and lower tax environments are offered to businesses. Yet, if the conditions improve for the community and the workers, the business may relocate to another country that will offer “better” corporate conditions.

However, when this global capital mobility is not an option for businesses, the enticement level required for relocation and the risk level of additional relocations will be lower. It will be much easier to draw a grocery/department store or a local ice-cream or furniture manufacturer to Winnipeg’s inner city than to attract shoe, computer, or auto manufacturing factories that are drawn to the business friendly environments of the Philippines, Indonesia, and Mexican maquiladoras. And regarding the zero-sum gain of reshuffling, if a business is drawn from better off communities, the negative net impact to that community is likely less than the positive net impact to the disinvested community – resulting in an overall net gain even though no new business is created. The net gain is particularly high if the community is able to integrate CED principles into the relocating business and ensure local hiring and training (perhaps even targeted employment), local ownership, the provision of needed goods and services, and participation in the local community.

3.4 Facilitate new business creation

In addition to supporting existing businesses and attracting new ones, the facilitation of new business creation in the targeted community can also contribute to revitalisation and can be achieved through strategies such as developing a case for a business plan and identifying and supporting new entrepreneurs through various mechanisms. Businesses may be established as joint ventures, sole proprietorships, consumer or producer co-ops, corporations, or private companies.

A point of origin would be to build a viable business case, a mandate that would most likely fit within the parameters of a community organisation or perhaps a business association. The process would consist of typical business planning including identifying consumer wants and expenditures, identifying what goods and services are available to the community, identifying spending that might be captured and goods and services gaps that might be filled, and conducting preliminary feasibility studies.

The next stage would involve identifying potential entrepreneurs who might be interested and capable of pursuing one of the identified opportunities. Potential entrepreneurs may be available and approachable at a variety of places such as high schools, university business schools, women's resource centres, adult education centres, and community colleges.

The two identification stages are important in facilitating the creation of new businesses as most potential entrepreneurs are unaware of the opportunities available and do not possess the time, financial resources, or even skills to do this research. Providing potential entrepreneurs with this information greatly increases the likelihood that the business opportunity will come to fruition.

The third stage, and perhaps most importantly, is to provide supports for the entrepreneur through mechanisms such as resource centres and business incubators. Resource centres can assist businesses with a variety of needs such as business planning including budgeting, marketing, feasibility studies, and perhaps even financing. Resource centres can also act as referral agents to appropriate financing institutions and assist entrepreneurs negotiate zoning and other regulations, incorporation and other business registration processes, and can provide ongoing technical assistance for the entrepreneur.

SEED Winnipeg (Supporting Employment and Economic Development), in the context of this third stage, assists individuals and groups start small businesses and offers business plan training, access to micro-loans, individual consulting, as well as post-launch aftercare consulting. In 2002 SEED helped to start or expand 24 one- and two-person businesses, delivered training to 30 people, and provided one-to-one consulting to 79 individuals. SEED also provides assistance to groups of three or more seeking to start or expand a co-operative business. Assistance includes "assessing group or organisational skills and resources, developing a business plan and assessing the viability of a business idea, designing organisational and operational structure, accessing loan and equity financing, provision of business management and professional development workshops, and ongoing financial review and strategic planning support for up to two years after launch of a business." In the last year "three worker co-operative businesses were started; one in furniture making, one in residential and commercial cleaning using ecologically safe products, and an organic food market and deli." (SEED 2003 p. 5,6,8).

Business Incubators, usually a building that is able to host several businesses simultaneously, are used to facilitate and/or nurture the creation and success of new businesses. An entire complex may be designed as a business incubator or one or several anchor or established tenants may be found to cover a significant portion of the building costs, enabling the remaining space to be used as the business incubator. Incubated businesses are usually able to pay less-than-market rental costs, particularly when there are other commercial tenants who subsidise the incubator. Incubator benefits to new businesses include the provision of appropriate and well-kept infrastructure (no up-front renovation, maintenance, or building purchase costs) and affordable rent that is usually flexible based on variables such as age of the business, size and stability, and

profitability. Additionally, business incubators take advantage of shared operating costs such as a reception area, phone response area or person, copiers, fax machines, computers, and receptionists. Business incubators may also facilitate networking and linkages between businesses and with the wider business community as well as incorporate a resource centre that includes the above-mentioned services to incubated businesses. Businesses can also share or be provided with accounting and legal services, taxation strategists, and marketing research and expertise. Whatever the model, business incubators are intended to give businesses a better chance of success through lower initial start-up and operating costs and through support services.

Denver Enterprise Centre, which has operated in Denver's inner city since 1987, purchased and remodelled an old factory building and created a 74,000 square foot business incubator. The incubator is supported by both the city and state government and has graduated 70 small and light manufacturing, service, and high technology businesses creating over 650 new jobs. Several of the companies have expanded nationally and internationally. Currently, total annual revenues of graduated companies exceeds 39 million dollars. DEC has just completed a 1.4 million dollar "kitchen" incubator. It houses 22 food producing companies that produce salsa, baked goods, gourmet teas, ice cream and several that provide catering services. One of these food-producing companies graduated within one year with 13 full-time employees. (Aboriginal Council of Winnipeg 1999)

One frequent area of particular focus when nurturing new business creation is youth and women. Youth and women face similarly unique credit issues, they can offer each other unique peer supports, and they represent the future generation of society and of entrepreneurs both as youth and as guardians of youth.

The Kiwanis Enterprise Centre of Dawson Creek operates as a business incubator for all local entrepreneurs or potential entrepreneurs, but "it began as a youth program, co-sponsored by a high school, on the grounds of which the Centre ultimately built its offices and service areas. The youth businesses are generally what one might expect a young person to try: candy production, grass cutting, etc. It is a two-year program, beginning in the 11th grade. By the end of that school year, the participants will have produced business plans, which are judged by a Rotary Club panel. The business plans are simplified one-page documents, and the capitalisation is not expected to be more than \$100. In the model of setting up a 4-H project, the entrepreneurs will thereupon create their business and, as appropriate, set up a booth at the local trade fair or otherwise market their products and services. It is not expected that the businesses are sustainable upon graduation, but rather that primarily the experience will build self-reliance and confidence in the participants. (However, one graduate of the program did eventually start a thriving computer business.) Many will go on directly into the self-employment program that is sponsored by the local CFDC." (Centre for Community Enterprise 2003)

Business incubators have also been considered for Aboriginal entrepreneurs, as, in addition to the commercial advantages, the incubator would act as a safe environment in which to operate and network for people who often experience, in addition to the regular

challenges of entrepreneurship, the obstacle of racism. The Aboriginal community of Winnipeg is growing rapidly and continues to be over-represented in poverty and unemployment and underrepresented in income and business ownership (Aboriginal Council of Winnipeg 1999). More Aboriginal business owners are needed, as they are more likely to hire Aboriginal workers and support other Aboriginal-owned businesses. Although the concept of a business incubator for Aboriginal businesses in Winnipeg has been advanced for many years now, the reason why it has not come to fruition is unclear. However, one respondent did note that, while the Aboriginal Centre of Winnipeg is not explicitly a business incubator, several businesses are informally being incubated there. The Social Planning Council of Winnipeg and The Aboriginal Council of Winnipeg have compiled considerable research complete with written proposals toward this strategy.

Interestingly, according to the 1996 Statistics Canada Aboriginal Business Survey, between 1981 and 1996 the number of Aboriginal people who were self-employed grew more than 2.5 times faster than the national average, although Aboriginal people are still underrepresented in business ownership (3.9 percent compared to 7.9 percent for non-Aboriginal). The growth of female Aboriginal entrepreneurs is twice the national average and Aboriginal youth are 2.5 times as likely to own a business than the national average. Aboriginal entrepreneurs are mostly involved in fishing, trapping, farming, and trades-work, but are increasingly becoming involved in New Economy-based businesses such as computer services, accounting, engineering, and architecture. "It is apparent that the population of the urban Aboriginal community is growing (in Winnipeg), specifically those between the ages of 15-24; and the opportunities for linking those to the labour market is not limited to employment in someone else's company but to the potential of self-employment" (SPCW 2000 p. 10).

3.5 Create a new business

The creation of new businesses can be done by the community through community organisations. A community organisation would follow the same steps as outlined in section 3.4 including identifying opportunities and conducting feasibility studies. Models of social enterprises may include consumer or producer co-ops, community enterprise owned by the community organisation, or a joint venture with other community organisations, private investors, or other businesses. The distinction would be that ownership would remain wholly or in part with the community (organisation).

The benefits, besides the new jobs and goods or services, are that the community can ensure local hiring, an incorporated training component if so desired, job quality control, local reinvestment of profits, the incorporation of a dual bottom line of social and economic profit, and the decreased likelihood that the business will eventually move. Another benefit for a community organisation is that a profitable enterprise can increase organisational self-sufficiency through the revenues accrued by the business, which can subsidise organisational initiatives that are not profitable. Self-sufficiency is desirable as it decreases dependency and vulnerability to government funding.

The risks of business ventures are naturally also present. The social enterprise may not be successful and may drain considerable resources from the community organisation.

However, even if a given business venture *does not* succeed, the failure should not be taken as a sign that social enterprise *will not* succeed. It is helpful to remember that even mainstream enterprise development is not uniformly successful. According to the American and Canadian Federation of Independent Business, one-third of all new businesses fail in their first year and more than two thirds fail within their first five years (Aboriginal Council of Winnipeg 1999).

Most often, social enterprises operate with a strong training mandate that includes a plan for workers to move on to other employment, establish their own business, or take over the business. In 1998, Crocus Investment Fund, a Manitoba labour-sponsored venture capital corporation, was formed. In the fall of 2002, it created a program called Community Ownership Solutions (COS) to work at providing quality jobs to low-income individuals through new enterprise development and the strengthening of existing ones. They, together with five non-profit organisations, created and own Inner-City Renovations (ICR), which now employs 30 people from low-income communities including the North End. ICR provides “on-the-job learning, a participative culture, fair wages (average wage \$12.50/hour before benefits), and opportunities for apprenticeship/journeymen training.” To support the workers, ICR also employs a professional social worker on staff to assist with workforce integration, general life and social skill, and related issues. The goal is for ICR, upon completing a few consecutive profitable years of operation, to become employee-owned. Within the first year, ICR completed more than 18 projects. Twelve contracts were residential projects for ICR’s joint venture partners and six have been commercial projects including the \$1.5 million Urban Circle Training Centre in Winnipeg’s North End, which converted an abandoned department store into an Aboriginal training centre (Donkervoort 2003).

Social enterprises are also established to meet identified needs, including missing goods and services that would benefit the community and local economy, as demonstrated by several Aboriginal business development initiatives in Winnipeg in the 1980s and 1990s. Leaders from the Aboriginal community identified adequate housing, affordable food, and employment as key community issues and identified a housing co-op, a food store, a commercial day-care, and a craft shop as potential ventures (Nozick 1992 p. 226). The craft project was dropped after it was deemed not to be viable, but the other three ventures have succeeded. Payuk Housing Co-op, which has five duplex units and a 42-unit apartment block that houses 120 residents, operates through participatory management and offers a 30-space day-care on the main floor. Neechi Foods Community Store was also established as a worker co-op that now consists of 12 worker-owners. It is a full-range grocery store that includes traditional Aboriginal foods such as fresh bannock and wild rice. The store does not sell cigarettes and offers fruit to children for less-than-market rates as part of its “healthy community” mandate. Ma Mawi Wi Chi Itata Centre, established in 1984, is Canada’s first major urban native child and family support program that now employs more than 120 people in a wide variety of capacities and programming (Ma Mawi Wi Chi Itata 2003).

Community-owned enterprises are also created simply as a way to capture market share for the good of the community. Kingfisher Lake is a small Aboriginal community in

northern Ontario that, over the last several decades, has created or purchased several businesses. In 1979, 80 percent of the community's income was spent at the local Hudson Bay store, resulting in the community's money leaving the community. The community decided to purchase the store for themselves, although Hudson Bay did not acquiesce easily. This was the beginning of a process whereby the community began to look at where its money was spent and how that spending power could be harnessed for the good of the community and how the costs of these services could be lowered. As a result, the community established a community-owned laundromat, a guest house in Thunder Bay for community members to stay at for a small fee, two vehicles for members to drive to Thunder Bay and pay only for the gas and maintenance, and joined with six other Aboriginal communities to purchase an airline and an airline fuel company. By capturing and circulating money within the community, they have created and increased community wealth and have now been able to build a \$1.3 million arena, an electric generating system, and establish a loan/capital fund for members who are not able to access credit through mainstream banks (Nozick 1992). Many Aboriginal development corporations, while blending social, economic, and cultural goals, have created business ventures that harness the community's purchasing power for the benefit of that community.

Community enterprise may also be more of a means to an end rather than an end itself. Real estate development is one such strategy that will be described in section 3.6.6. Another, and similar to a real estate strategy, is the establishment of a Land Trust. This occurs when the community, through an organisation, buys or acquires land in the community and then leases or rents the land and/or commercial or residential buildings. While one outcome may be income for the community organisation, the greatest benefit is the retention of community control that is enabled through a Land Trust. As the landlord for these properties, the community controls the direction of area development. Maintenance standards are more possible to control as the local community decides on, and has a vested interest in contradistinction to an absentee landlord, in how the property is kept.

Boston's Dudley Street Neighborhood Initiative (DSNI) considered the acquisition of land ownership to be the key to community development efforts in Boston's most impoverished neighbourhood. "DSNI made history when it became the nation's first neighbourhood group to win the right of eminent domain⁵ and began transforming Dudley's burnt-out lots from wasteland to wealth controlled by the community" (Medoff and Sklar 1994 p. 5). "Approximately 15 acres of vacant land were owned by the city of Boston and 15 acres were privately owned. Of the 181 privately owned vacant lots, 101 were in tax title" (p. 117). Although the process was arduous and initially not welcomed by those in authority, the "Take a stand, Own the Land" campaign was successful and became a rallying point for the people of the community. To date, "more than 300 of the 1300 inherited abandoned parcels of land have been transformed into high quality affordable housing, gardens, and public spaces" by Dudley Neighbors Incorporated (DSNI 2003).

⁵ Eminent domain is "the power of the sovereign (the state) to take property for public use without the owner's consent upon making just compensation (Medoff & Sklar, 118)

3.6 Creating an attractive business environment

The following business development strategies do not necessarily directly establish a business or create or maintain jobs, although they may. They are primarily intended to create a business environment that is conducive or attractive to new or existing businesses. These strategies would strengthen existing businesses, increase the chances of attracting existing businesses to come to the community, and encourage the creation of and increase the potential viability and success of new businesses. Many of these strategies overlap with others and can have a cascading impact on other community and business dynamics, but can nevertheless be broken down into several categories.

3.6.1 Increase consumer traffic

Increasing the number of potential consumers that pass through or live in a given area will likely result in more money spent at the local businesses. This can be done through many of the strategies to follow including improving community safety and improving the housing stock.

Increasing area traffic can also be done through tourism and event planning. Events in Winnipeg such as Folklorama and historical tours of Winnipeg's North End bring people into the community and stimulate economic activity. Additionally, these events familiarise people with the community and increase the likelihood of their return in the future.

Bringing people to the community can also be achieved by bringing workplaces to the targeted area. This differs from business creation or attraction in the sense that the organisations may often be civil service offices. Government departments and other administrative or service-oriented workplaces rent or own a considerable amount of office space in any given city. If more of these workplaces were situated in low-income communities, jobs may or may not be created, but those who worked at these workplaces would be more likely to spend money in that community. One government respondent was quite discouraged that more government offices were not located in Winnipeg's North End. This person felt that "the benefits to the community would be great, not only in the economic impact and infrastructural sense, but also as a signal and example to the wider community that it was OK to do business in the North End." Many respondents agreed with this perspective, although one was quick to point out that the new workplaces should not be of a social assistance nature, as this would simply perpetuate the stereotype to passers-by and local residents that the North End is all about dependency on government handouts.

Another strategy designed to increase human traffic is to locate schools in the targeted area. The employees and students will hopefully spend money locally and perhaps reside in the community long-term. One local business respondent felt that this was a fantastic strategy while another cautioned that students do not really spend much money outside of the school and felt that the economic impact for the businesses would be minimal.

Strategic and effective transportation can facilitate and increase human traffic. Bus routes can be designed so that local people have easy access to local businesses and so that outsiders who are passing through the community travel past the local businesses as well. Additionally, parking can be provided in a safe, affordable (free), and convenient manner so that it is optimally convenient.

Providing quality and/or unique services in the targeted area is another strategy that can result in increased consumer traffic. Trendy sidewalk cafes or cultural themes are strategies that are often attempted. Again, the cyclical nature of business development is evident. Increased traffic will occur if the right businesses are present, yet the right businesses may not develop unless an increase in consumer traffic is realised.

3.6.2 Safety

Safety is a key concern in many low-income, disinvested communities and the North End is no exception. Theft and vandalism directly and negatively impact businesses through lost product or cash, the cost of repairs, and the loss of customers who fear an unsafe environment.

Crime can be addressed collaboratively with police services, community residents, and community groups. Safety patrols have sometimes proven successful, as have initiatives to improve lighting and visibility in communities. The unsafe environment can also be addressed through cleanup projects and greening strategies. Green spaces and clean sidewalks and properties encourage more people to be “out and about” in a community, increasing walk-by traffic and potential spending.

Boston’s Dudley Street Neighborhood Initiative (DSNI) realised that one of the first steps toward revitalising the community would be to clean it up, and so they organised the “Don’t Dump on Us” campaign. “By 1981, one-third of Dudley’s land lay vacant. It became a dumping ground for trash from around the city and state. The dumping wasn’t legal, but the violators came and went without fear of the law, blighting the neighborhood with toxic chemicals, auto carcasses, old refrigerators, rotten meat and other refuse. Adding insult to injury, Dudley became an illegal dumping ground for debris from housing and other construction elsewhere around Boston” (Medoff and Sklar 1994 p. 2/3). They organised a cleanup day with 100 residents and the city of Boston contributed rakes, shovels, 25 employees, front-end loaders, and dump trucks. The city also set up a hotline to report illegal dumping. Abandoned car removal was slower to come until Dudley residents posted 200 of the mayor’s re-election campaign stickers on the cars during election time. “As predicted, within days all the cars miraculously disappeared” (p. 74). Clearly, creativity can be an effective compliment to community mobilisation and determination.

What is often worse than actual crime is the perception of crime. Respondents reported that many Winnipeg residents no longer travel to the North End to shop because of the reputation of criminal activity that has developed. The negative image can be overcome by addressing the reality of crime, environmental safety, and aesthetics. The image can also be overcome through positive image promotion and by getting people into the area

so that they become more familiar with and see the reality of the community rather than the stereotype or feared reputation.

3.6.3 Housing

Housing is likely one of the most common components of a community development strategy. In fact, the inquiry into Winnipeg's Core Area Initiative revealed that housing fix-up and ownership strategies were crucial to inner city revitalising (Loxley 2000). And while it may not necessarily involve business development in the direct sense, the indirect impact of housing on the business community is evident. Additionally, when housing strategies involve the creation of new businesses, either for profit or other, the initiatives can lead to job creation and skill development, homeownership, increased safety, better community aesthetics, mitigation of the downward trend of property values, and an increased community tax base (Silver 2000).

One benefit of an improved housing stock is that more people will be willing to live in that community. An increase in population is likely to increase the amount of money spent at local businesses. The cyclical and mutually compounding nature of community dynamics are again evident. If the quality of housing deteriorates, people leave a community followed by businesses due to decreased spending and a diminished workforce. In this process property values fall, the property tax base shrinks, incomes decrease, and the goods and services in an area decrease. Alternatively, an improved housing stock leads to increased population, which means that spending increases and the business environment improves, leading to maintained and increased employment, incomes, services and facilities. These improvements create a more attractive community for businesses as well as an increased tax base.

The increased population aspect of a housing strategy, as part of a business development strategy, has been evident in most revitalisation efforts in urban centres. The Exchange District in Winnipeg sought to convert older commercial buildings into residential units in order to increase the number of people living in the community – a move that was seen to be integral to the revitalisation of the area's business district. This perspective was also strongly advanced in the recent "arena debate" in Winnipeg. The argument postulated that the best way to revitalise the downtown was not to bring large numbers of people to the downtown for occasional evening events, but rather to renovate the building (Eaton's) into residential units that would attract people to live there, and as a result, spend their money there.

A significant part of housing strategies is homeownership. Homeownership usually translates into better houses after fix-up, more pride in the property, and increased equity that stays in the community; all of which lead to a better and wealthier community, which will in turn enhance the business community.

Habitat for Humanity has been facilitating homeownership for nearly 30 years. Habitat has more than 3000 affiliates around the world and more than 300 across North America. Out of all the monies raised in North America for Habitat, 10% is dedicated for housing projects in developing countries. Habitat has built 150,000 houses worldwide including

50,000 in the US and more than 50,000 in the developing world. In Canada, Habitat has built 700 homes since being established in 1985. Homes are built largely on the strength of volunteer labour and donated materials and money. Homeownership is available to low-income families, who are able to purchase the home through a down-payment of “sweat equity,” generally 500 hours of volunteer labour on other Habitat builds or related projects. Habitat’s belief is that low-income people do not need charity, they need access to capital; and they meet this objective through their creative valuing of people’s work as equity. Interest is not charged on the mortgages and mortgage payments collected by Habitat go into a revolving loan fund; as the funds come in, Habitat spends it on more housing units. (Habitat for Humanity 2003)

A “value-added” housing strategy is realised when a construction enterprise is established to facilitate job opportunities and skill development. Such a business can ensure that target groups are able to access employment (youth, Aboriginal, women, people with criminal records, people with disabilities, etc.). The increased income and employability of the general community is good for the business environment.

North End Housing has been involved in Winnipeg’s North End in residential property acquisition and has developed an innovative rent-to-own system that facilitates homeownership for North End residents. North End Housing has also developed a training component to their housing strategy. A few years ago, the organisation met with some individuals from the community who were generally considered to be unemployable— mostly due to criminal histories. Realising that these individuals required a unique transitional workplace and environment, North End Housing hired two Aboriginal journeymen carpenters and one guidance counsellor. The crew renovated several houses within the first year and, although a few of the workers did not complete the project, the majority did. At the “house blessing” of the first completely renovated home, one young man, quite emotionally, said to the co-ordinators, “Thank you for giving us a chance to learn and show what we could do. Thank you for believing in us when no one else would.” This is a great example of how community organisations can create businesses and projects that improve the employability of target groups that are otherwise often denied opportunities to work.

3.6.4 Cosmetics

A direct and visible business development strategy is cosmetic improvements of a community, which may include “greening” the business district with flowers, trees, and shrubs. A cosmetic strategy, and related to a safety strategy, also includes cleaning up the community by removing garbage and graffiti or even conducting or arranging for the destruction and removal of derelict buildings. Sidewalk improvements including attractive brick designs and benches as well as unique light standards are other such strategies that have been implemented. Storefront improvement may also be co-ordinated with area businesses and may include common canopies, colours, or infrastructure textures.

Cosmetic strategies in Winnipeg’s North End have included painting more than 40 murals on the sides of buildings along Selkirk Avenue, a project overseen and paid for by

the Selkirk Avenue BIZ. An Aboriginal artist was hired and the income has assisted this individual to pursue a fine arts degree at a local university. The murals reflect the area's cultural diversity as well as the commercial and social history. Other interesting cosmetic strategies are seen in towns such as Morris, Manitoba where they have painted fire hydrants to resemble cartoon characters. There is a vast array of innovative initiatives that can increase community aesthetics, attract the interest of visitors, elevate community pride, capture the identity of a community, or simply find an eclectic cosmetic niche that can have positive results for the business community.

3.6.5 Image

A community's image can be a significant detriment, or benefit, to businesses. Efforts to address the community's negative image may include aforementioned strategies such as safety and cosmetic improvements, but may also include collective advertising, addressing the components of the image, and emphasising community's strengths.

Collective advertising can result in several benefits. One benefit is advertising itself, something that businesses, particularly small businesses, can often not afford. Another benefit is that, as a collective, advertising can build solidarity among community businesses. A third benefit is that advertising is a vehicle by which to counteract negative stereotypes and images while building on and promoting community strengths.

Several communities in Winnipeg have carried out effective collective marketing. Corydon Avenue, Osborne Village, and The Forks are all examples of business districts that are known more for their collective appeal than for any individual business. These three, however, did not begin with the negative image challenge that the North End currently has. Escaping the negative image was one of the reasons why the Main Street businesses chose to name "Mosaic Market" for their BIZ. This was also done to capitalise on the historic and current strength of the area's cultural diversity and personal, small-business atmosphere.

The second manner in which to address an image problem is addressing the stereotypes. According to respondents, the North End suffers from a negative bias that is based on crime, poverty, and a burgeoning Aboriginal population. While crime and poverty are real issues that clearly need to be addressed directly, the perceptions of them are worse than the reality. And the Aboriginal population as a deterrent is one that is steeped in racism and perhaps classism, and needs to be confronted as such. Making sure that the wider community accurately perceives a disinvested area is important as is addressing discriminatory perceptions and actions on the part of the wider community, something that can be done by promoting community strengths.

Promoting community strengths is effective in two ways. One, it creates pride in the given community, perhaps convincing people not to leave the community as well as positively impact the psyche of those who stay. Secondly, it demonstrates to the wider community that there are some really positive characteristics in that community that might motivate them to move to or visit the community, both of which are positive contributors to that area's businesses. Image strengths can include history, niche markets,

ethnic identity or diversity, location, or even the affordability of conducting business or shopping in a community.

3.6.6 Real estate

A real estate strategy seeks to promote, facilitate, and implement the renovation, occupation, and maintenance of vacant or available commercial or residential properties. This strategy is best pursued through mobilising local people, businesses, or organisations to own and occupy the property.

One manner in which to pursue a real estate strategy is to purchase and renovate buildings in the hopes of attracting existing or new businesses or people to it. The space could be developed into a business incubator, a single commercial outlet, a shopping centre, apartment buildings or houses, office spaces, or a combination of these options.

Kretzman and McNight (1993) describe the value of reclaiming vacant or abandoned space and creating something of benefit for the community (see section 3.5 regarding Land Trusts). A community development corporation in Chicago bought an old warehouse and turned it into a business incubator while another warehouse was purchased and turned into an artists' quarters that included offices, studios, a retail shop, and a gallery. Another CDC bought vacant property from the city of Chicago and managed to attract a major supermarket chain store, which in turn attracted other businesses. Yet another CDC bought an old apartment building and renovated the second floor into 20 housing units that serve as long-term transitional housing for homeless people. The main floor became a lunch and catering restaurant that provided these tenants with training opportunities and jobs and provided revenues for the CDC. The authors point out that, in their present condition, these types of spaces represent liabilities in the form of safety and health hazards, crime magnets, garbage sites, and unpaid taxes that drain on the community's capacity to fund development. These spaces can be turned into green spaces (soccer fields, gardens, parks), residential space, or commercial space (arts centres, museums, business incubators, commercial and retail centres), the latter two of which contribute to the tax base of the community.

Another real estate strategy is to recruit others to carry out the development. Hopefully, the end result will be jobs for local people, increased consumer traffic, improved aesthetics/infrastructure and safety, and additional goods or services for the community.

Winnipeg's North End Community Renewal Corporation played a significant role in the decision by two schools to move to Selkirk Avenue, a street with a 40 percent commercial vacancy rate. Urban Circle and Winnipeg Education Centre will occupy two significant commercial and/or vacant spaces when construction is completed and will attract nearly 300 students and staff (potential consumers) to Selkirk Avenue each day.

3.6.7 Business supports

Business support services or structures would attract businesses, support existing ones, and nurture the creation of new ones. This might include resources centres (see section

3.2.1), which provide financing, technical assistance, mentoring, business planning and feasibility studies, as well as business incubators (see section 3.4).

Another support strategy would consist of establishing an inventory of a community's skills, jobs, organisations, and businesses as well as mapping consumer spending. This type of research can provide existing and potential entrepreneurs with information that is helpful to their ventures and is perhaps not easily or affordably available or acquired otherwise. The evaluation of community assets would also enable community organisations seeking to support business development to streamline their services, eliminate unnecessary duplication, and develop initiatives to fill identified gaps.

3.6.8 Capacity building

Capacity building, or training, is a significant part of business development according to respondents. While primarily referring to potential employees, respondents also referred to potential entrepreneurs and existing business owners (see section 3.2.1). Training for employees is significant because it speaks to employability, jobs and income, and creates a more attractive environment for business to exist, move to, or originate. Training can include skill development in technical capacities, job readiness, language, literacy/numeric abilities, and job search and interviews.

Focus: Hope in Detroit was established in 1968 with a commitment to “intelligent and practical action to overcoming racism, poverty, and injustice” (Focus: Hope 2003). The first identified need was affordable food, and so they established a supplemental food program that now provides food to 43,000 women, children, and senior citizens each month. As part of Focus: Hope's objective to reduce demand for the food service, they embarked on an employment training and creation strategy. “In 1981, the organisation opened its Machinist Training Institute (MTI), to provide skills development in precision machining and metalworking. (To date), more than 2,300 machinists have graduated from the program.” In 1987 and 1989, two programs were developed that help high school students improve their literacy and numeric skills in order to qualify for the MTI program. More than 4,000 individuals have graduated from this program. Then, in 1993, the Center for Advanced Technologies (CAT) was established with a coalition of universities and corporations (Daimler/Chrysler, Cincinnati Machine, Detroit Diesel, EDS, Ford Motor Company, and General Motors) that allowed students to earn an associate's or bachelor's degree in manufacturing engineering. In 1999, “a new Information Technologies Center (ITC) was created to provide industry-certified training in network administration, network installation, and desktop support. The centre provides training and education in the information technology area in collaboration with industry partners, including Cisco, Microsoft, and the Computer Technology Industry Association. More than 900 students have graduated from the program and are earning competitive wages in rewarding, professional careers. Supporting these programs are subsidiary business operations with major industry contracts (Focus: Hope Manufacturing, which provides machining, assembly, and research to automotive and other customers; as well as Focus: Hope Companies, which provides warehousing, distribution, and manufacturing services for area businesses); the Center for Children (a Montessori school and child care centre); a conference center and volunteer department handling 50,000

visitors per year; community arts programs and special events; and more 51,000 volunteers.”

Capacity and skill building can be realised by identifying training placements within the business community. The employability of the worker will be increased for the future as will their skill level. When training placements are not available, a business may be created by a community organisation to act as a training facility. Such an enterprise potentially brings income to the organisation, control of the hiring process and target group, and a sure placement for those seeking work experience and skill development. One respondent stated that these types of businesses are “worth their weight in gold.”

Project for Pride in Living (PPL) was created in Minneapolis in the early 1970s. It began with a housing focus, which renovated and rented out residential units, and a Tool Lending Library for community members who wanted to work on their own homes. “Aside from housing, PPL set up a separate business in 1982, PPL Industries. The idea was to receive contracts from local companies to do particular, labour intensive tasks for them, such as stuffing envelopes, sorting, making crates and recovering metals. The goal for PPL Industries was to provide temporary jobs for unskilled and unemployed minorities in an environment that would serve as a stepping-stone toward permanent employment. The racially mixed board included business and social service people. By 1991, PPL Industries was taking in revenues over \$1.1 million and was employing 75 full-time and 20 part-time workers. Many of the people who come through the doors have come from halfway houses, are dependent on alcohol, and may never have held steady jobs in their lives. PPL Industries has an alcohol treatment counsellor who organises support groups among the workers and gives one-on-one attention to people who want help. Over the past ten years (approximately 1981 – 1991) PPL Industries have seen ninety workers graduate into mainstream jobs (Nozick 1992 p. 174).

Formal education is also a significant aspect of capacity building. Many respondents pointed to the need for higher average educational attainment levels for residents of the North End as something that would be positive for the whole community, including businesses. Higher educational attainment corresponds with higher income levels, which is good for business. As well, higher education levels often correspond with successful entrepreneurship. Also, if a community raises its average formal education attainment levels, the community will become more attractive to many types of businesses, particularly those seeking skilled employees.

Non-formal education is also important for community health, as articulated by most respondents, and would include broader social issues such as empowerment, urban acculturation, literacy and numeric skills, domestic stability, mental health, addiction, consumerism, and financial and money management skill development.

Another education component that would be beneficial to local businesses would be to educate the community about the values of CED and attempt the mobilisation of support for local enterprises. CED promotion and education could occur within the targeted community and the wider community, with the existing businesses in the community, and

with ongoing community development initiatives. Building community pride is one strategy that may enhance the desire to support local initiatives and spur local reinvestment.

LITE (see section 3.2.1) is one Winnipeg organisation that promotes CED and strengthens the local economy by supporting social enterprises and employment. SEED Winnipeg is also in the process of compiling and publishing a community shopping guide that is intended to encourage and facilitate spending at locally owned businesses (to support them and therefore local jobs) with a strong focus on low-income neighbourhoods. Listed businesses must reflect some CED values such as purchasing from other CED businesses, progressive employment policies, local reinvestment of profits, local decision making, participation in community building activities, and ecological sensitivity. Businesses that derive a significant part of their revenues from potentially addictive products or have a negative Better Business Bureau of Manitoba report are not eligible.

3.6.9 Policy

Zoning and other regulatory policies regularly impact business environments, and when these impacts are negative, a useful business development strategy is to address these policies.

One way to address the policies, without changing them, is to assist entrepreneurs in manoeuvring through the systems. This may include educating entrepreneurs about policies and working with them to overcome or negotiate through the regulations that may appear as obstacles to their ventures, yet where it is possible to meet the requirements.

Another method in dealing with policies is to advocate for exemptions or small changes. One respondent gave a few examples that included obtaining a waiver for IDA participants to save money for starting a business even when they are on EIA.⁶ Another example provided was advocating for income flexibility for those transitioning between EIA and employment (rather than cutting recipients off altogether) that would provide incentives for recipients to increase their overall income without forfeiting savings or income should the employment not be long-term.

Other policy strategies are more significant and might include pursuing changes to legislation regarding abandoned and/or derelict buildings. One respondent pointed out that a significant policy obstacle to business development in the North End was in regards to “grand-fathering” building codes, thereby exempting current owners from keeping their properties in code compliance, which creates a major challenge to any entrepreneur

⁶ Individual Development Accounts are matched savings programs where eligible participants, usually those below Statistics Canada’s Low Income Cut Off, are able to have their savings matched at a rate of 3:1 upon completion of a money management course. Employment and Income Assistance does not allow, or at least is perceived by recipients as not allowing, the accumulation of savings while on EIA. Savings are discouraged as EIA payments are reduced or potentially terminated if savings amounts reach a level (Buckland et al 2003).

seeking to purchase a building as they are then faced with bringing the deteriorated property up to code prior to opening. Another policy strategy that has been implemented around North America, with mixed results, has been the creation of specific investment zones that are designed and intended to attract business and jobs.

In Boston's most disinvested neighbourhood, a shoe factory and a technology manufacturing plant closed in the last decade within a short time of each other. The shoe company moved production to low-cost Asian countries, as well as some to Kentucky where there was no union and a lower wage rate than in Boston. As well, the shoe company got a \$24 million tax break from Kentucky compared to \$3 million offered by Massachusetts. The two closures terminated 340 jobs, which constituted 17% of the manufacturing jobs in the area, impacting both those individuals and local merchants. The technology plant and jobs had been brought into the Dudley Street area with government support through bond financing, tax incentives, free rent and other subsidies equalling millions of dollars. The community saw first-hand the fallacy of "enterprise zones" as they discovered that communities have no decision-making control and the company is free to take what they can get in the form of incentives, grants, and concessions and then leave whenever they want, which is usually about the time when all the subsidies expire. The community saw that what was required was long-term and mutually beneficial partnerships with private enterprise or else the exploration of community ownership options. (Medoff 1994)

According to respondents, a concept similar to this one has been advanced from time to time in Winnipeg – an urban reserve. A rural Aboriginal community would purchase land in Winnipeg and create a reserve, although it could be as small as a few buildings. Those who operate businesses or work inside the urban reserve, at least Aboriginal people, would not pay some or all of the usual taxes and goods and services would therefore be cheaper. This would attract businesses, workers, and consumers.

When considering an enterprise zone strategy, it is helpful to consider the experience of many developing countries that have established "maquiladora" or tax-free production zones. Businesses are attracted to the controlled setting in which wages, which are already significantly lower than North American or European wages, are further suppressed through the denial of worker organisation (unions) and ensuring the presence of an unemployment pool that further serves to keep the market wage rates down. Businesses are not required to pay taxes, are rarely subject to environmental or labour regulations, and are generally not accountable to the community in which it is located. And yet, with all these benefits, the business is able to and frequently does leave as soon as this beneficial situation for them is lessened through elevated wages, taxation, or other labour and environmental legislation. The New Economy has contributed to this through increased capital mobility, technological innovations, liberalised trade, transportational improvements, and decreased corporate accountability. The danger of pursuing this type of strategy is that, through competing with third world countries to provide "better corporate conditions," already disinvested North American communities may become caught in what is often described as a precipitous race to the bottom.

3.6.10 Re-acquire tax dollars

A variation of capturing local spending is capturing taxation. Whether it is business taxes, property taxes, sales tax, or income tax, this is potential spending power that is taken out of the community. And while this money is often used for community benefit (education, health care, fire safety, street improvements, policing and safety patrols, infrastructure improvements, parks) and is, in fact, often returned to the community directly (EIA payments), it can be beneficial for a community to advocate for and ensure that the maximum amount of tax dollars is reacquired for the community. One method might be to facilitate tax reduction, as demonstrated by NECRC in Winnipeg (see section 6.2.10), which can be achieved through tax appeals and property reassessments. On a business level, taxes may be retained through establishing “tax holidays” or tax credit for businesses locating in a targeted community, hiring locally, or integrating CED principles into their business practices. Taxes can also be recaptured by raising tax-sponsored income, such as EIA, Pensions, and child tax credits, and by changing income tax rates particularly for low-income individuals. Advocacy could also effectively determine the manner in which the money returns so that it meets the needs and goals of the community and/or business development strategies.

Dudley Street Neighbourhood Initiative in Boston realised that most residents of this low-income community were not taking advantage of the Earned Income Tax Credit (EITC), a federal refundable tax credit that supplements the earnings of low-income workers, primarily because community residents were not aware of the EITC. DSNI embarked on a campaign to create awareness in the community and held informational sessions in churches, printed the information in their newsletter to 8,000 people, phoned everyone on their phone databanks, phoned and mailed community agencies and businesses, and held an EITC Day. EITC fact sheets were available in 10 languages. Through this process of creating the awareness of available tax credits and assisting residents in filing for these credits, DSNI was able to bring nearly \$400,000 back into the community in the first year – cash in the pockets of community members that to some extent will have found its way to community businesses (DSNI 2003).

3.6.11 Networks

Some aspects of network building, such as increasing business efficiencies (section 3.2.1) and business incubators (section 3.4), have already been described. Additional networking that can occur includes building solidarity linkages between various community stakeholders and creating flexible manufacturing networks.

The benefit of building solidarity linkages between various stakeholders is that synergy can be realised, duplication can be eliminated, and gaps can be identified and filled. Stakeholders may include business associations, schools, training facilities, Aboriginal/youth/women’s organisations, financial institutions, business resource centres, social service organisations, and religious groups. In fact, networking is precisely what most community development corporations attempt to achieve in the area under their mandate.

In Chicago, a high school principal joined the local business association to network between the needs and opportunities of the employers and the needs and skills of the

future employees (Kretzman and McNight 1993). The Principal recognised this relationship as a good way to create a link between the students and employers in the community. Another Chicago school arranged for students to be matched with local businesses for work experience (Kretzman and McNight 1993). The businesses benefited from and utilised local skills and the students gained employment and business experience, developed marketable skills, and earned money. This appears to be a natural win-win situation, but it took a deliberate effort by the school to create the network.

Flexible manufacturing networks are “inter-company collaborations created to achieve a desired economic outcome that the individual firms could not achieve separately. Such networks allow firms to develop joint solutions to shared problems and opportunities. Networking firms combine resources to gain economies of scale, acquire technologies and resources, gain knowledge, and enter markets beyond their individual capacity” (Merryman and Meyer 1997). This may, but is not required to, happen within the context of a business incubator.

The Appalachian Centre for Economic Networks (ACEnet) is one such structure in rural, south-eastern Ohio (ACEnet 2003). ACEnet uses a sectoral strategy, currently focussing on food and technology. ACEnet began in 1985 and “focussed on helping low-income people start worker-owned businesses. The result was the start-up of ten worker co-operatives, most of which continue to operate to the present day.” One of the co-operatives is a restaurant that has grown from eight to forty-five worker-owners earning between \$8.00 and \$12.00 per hour. In 1991, ACEnet created a business incubator that offered below market-rate space and services, such as business counselling, reception, fax, computer and internet access, and encouraged businesses to network. In the past nine years, 45 businesses have been incubated in the facility. In 1993, they decided to focus on the specialty food sector by investing in a community kitchen/food processing facility. Small businesses would be able to access this commercial food-processing facility, something that they could not have afforded on their own, and access “market and trend information, access to loan and venture funds, small business and financial planning assistance, product development assistance, food production information and training, links to industry exports, and links to other specialty food businesses within a network of firms.” This community kitchen incubator “acts as a hub for networking with other food businesses as well as a place to produce and package the business’s products.” The Food Ventures Center was opened in 1996 and by 1999 had “provided technical assistance to more than 150 food businesses, and 70 entrepreneurs or organisations had used the facility to process products.” Another initiative is the Computer Technology Center, which is “located adjacent to the Community Kitchen Incubator, offers computer access with laser printer, graphics software for labelling and marketing materials, internet access, fax machine, and copier, and computer training.”

3.6.12 Strategies with a specific new economy focus

Respondents were asked about business development strategies in the context of the New Economy (see research definition in section 1.1). Several respondents had their own interpretations of the New Economy. One felt that the third sector (not business, not government, but community-based) itself represented the New Economy. Another

thought that business with a triple bottom line (social, economic, and environmental) was indicative of the New Economy. And yet another respondent felt that attributing knowledge and technological innovation to the New Economy was misplaced. “The Renaissance was about new knowledge and technology, it is just different knowledge and technology these days, but the concept is no different. And the kind of knowledge and technology will change again, but the future economy will still be about the new knowledge and technology of that era. The key is not that this era is unique in its demand for knowledge and technology; the key is to ensure that all people are able to accumulate assets so that they are able to access educational opportunities that allow them to learn about, adapt to, and participate in whatever that era’s New Economy happens to be.”

Education was identified as a priority in terms of formal education, technical skill development, and life skill development that included asset accumulation, money management, leadership training, and self-esteem. Feedback from respondents on technological skill development was mixed. Some perceived it as too great a leap to go from the current average skill set and education level to attempting high-tech employment or industry. Other respondents thought that technological strategies could be pursued as many individuals, particularly the youth, already have considerable technological skills, even though they are often informally developed. Additionally, the perception was that youth could learn quickly and adapt, although the transience of North End children was cited as an obstacle to delivering long-term technological education. Two respondents pointed out that, for the North End to build up its collective technological capacity, there would need to be technological workplaces in the community, one result of which would be skill transference. “An IT workplace in the North End would allow people here to learn these skills and, even for those who already have the skills, they would stay in the community and pass their knowledge on to those around them. Who knows, maybe they would even start up their own business with these skills. If you don’t have this kind of employment opportunity, people here won’t get a chance to learn and those who already know will leave to find that work elsewhere.” A few respondents stated that technological and knowledge-based employment opportunities might be less available in the future as this has been the educational path of choice for most post-secondary students, leading to a large supply of labour and entrepreneurs in those fields with a diminishing supply of labour and entrepreneurs in the traditional vocational sectors. These respondents felt that, as there will always be a demand for mechanics, carpenters, plumbers, and machinists, and as people currently in these fields are ageing without adequate replacements, a more useful and appropriate strategy would be to focus on non-New Economy skill development.

Respondents also stated that technological components of the New Economy had generally not been integrated into North End businesses to date and felt that doing so had potential benefits for those enterprises. Fax machines, internet communications, answering services, computerised cash registers, inventory records, and accounting systems could greatly improve the efficiencies of businesses. Also, creating web sites was thought to have great potential for increasing sales and internet access would also allow business owners to contact online business support services and resource centres. Online communication could also facilitate networking between businesses. However, several

respondents were quick to point out that North End businesses and the community were characterised by personal relationships and feared that the introduction of technology would lead to the loss of personal service, which would serve to hinder business.

The age of many North End business owners was expressed as a challenge as incorporating technological components to their business would be difficult, either because it would be arduous for them to learn or they would be unwilling to make the changes, or a combination of the two. Most respondents felt, however, that younger entrepreneurs should be encouraged to incorporate technological capacities and innovation into their businesses and that this would be beneficial to them. Young entrepreneurs would also catch on more rapidly and be more open to suggestions and changes as they were not yet as proud and set in their ways. Technological incorporation would be more possible with youth as they tend to be more familiar with technology and more aware of the potential benefits.

In regards to globalisation, increased trade, and business mobility, respondents were unsure as to the potential benefits. Clearly, the ability to sell goods and services to wider markets is in itself a benefit. However, this ability also means that businesses in other locations can also increasingly access one's own market, perhaps meaning that the net gain is nil; or even, if the local business can not compete, that it is forced out of business. Of course, if a business is able to do well in the face of this competition, the business can expand. One respondent pointed to the "Wal-Mart trend" and stated that this would not last forever. "People, especially seniors, will get tired of going to these huge places that are so impersonal. The next 'New Economy' will be one that is based on small-scale and easily accessible business that are personal-service oriented in their application."

With reference to capital mobility, a respondent suggested that nearly any business could be attracted or established in the North End. The economy used to be resource-based, meaning that the business had to be located where the resource was. With the increased ease of transportation and with the economy being increasingly service and technology based, geographic limitations are lessening. Ventures such as software development, call centres, computer hotlines, and even many production facilities can be based almost anywhere. One respondent stated that the significant pool of available low-skilled, quickly trainable labour in the North End could serve as an attraction to technological manufactures. However, a drawback identified by a respondent is that with this ease and flexibility of location comes competition to attract these businesses; competition that may include third world locations that have employee standards that North End business developers may not be willing or able to compete against. The respondent stated that, should a strategic path toward technological production be pursued, it should "not happen TO the North End, it should happen BY the North End." Self-direction would ensure that the process would not be exploitative, but would rather be helpful to the community through good jobs, training opportunities and skill development, and local hiring.

3.7 Business development tools

When the condition of the community is not naturally conducive to business attraction and creation, development tools are often required. Tools are mechanisms that assist in

overcoming the barriers of a given business environment and enhance business development strategies. Many tools have already been described in this section, as an action or strategy may consist of developing a tool to stimulate business development in a community. Tools may consist of services, financing packages, or other such enticements that are intended to leverage or motivate business attraction or creation.

For example, real estate can be a tool for business development in several ways. By creating a business incubator through real estate development, you entice emerging business to locate in the targeted neighbourhood to take advantage of the services and shared costs, you enhance their chances of sustainability through technical support and decreased overhead, and you improve the safety and aesthetics of the community by using what might have otherwise been a vacant building. Real estate can also be a development tool when used as revenue generation for the planning organization as in Winnipeg's Centre Venture model. Among other things, this ensures that the central planning organization has a revenue stream to sustain itself from the sales, management, and leasing of properties and it also enables the attraction of new and existing businesses if the development organization has properties it can make available to interested entrepreneurs. And, as a strategic tool, holistic and comprehensive community planning is greatly enabled if the community organization leading the planning has control of properties in the neighbourhood.

A one-stop business service centre can also be a very useful tool for business development. If existing or potential businesses know that there is a local resource centre with people who can assist them with efficiency improvements, real estate information, labour market stats, consumer spending data, awareness of local development plans, understanding local policies and regulations, and an inventory of available financial resources, the entrepreneurs are more likely to locate in that area than if these services are not available. As well, the likelihood of businesses thriving and providing economic activity, amenities, and jobs is greatly enhanced if there is such a tool to support and strengthen their viability. Along these lines, the Canada-Manitoba Business Service Centre offers online planning and learning tools to entrepreneurs including: The Inventors Guide, entrepreneurial self-assessment quizzes, workshops on creating a small business and related regulations, interactive business planners, labour market information, and links to many other resources on market assessment, financing, taxation, business planning, and more.

A strong network to collectively promote and strengthen a community's businesses can also be a useful development tool. This network can serve as a peer support and learning association, resources can be pooled to accomplish more around local priorities than could be done individually, and group marketing and comprehensive strategic planning can take place. Again, this type of tool makes possible activities and achievements that enhance the success of existing and emerging enterprises as well as makes locating in this community more attractive to prospective entrepreneurs. The challenge, particularly for Winnipeg North End BIZs, has been to secure the necessary resources and develop the broad participation and solidarity required to act collectively.

An emerging tool in Canada designed to support business that hire from community-based employment development organizations is an on-line service called the Social Purchasing Portal that offers organizations an easy way to purchase their goods and services such as courier services, office supplies, catering, and much more. Purchasers benefit as they are assured that their purchasing power is supporting employment development in disadvantaged communities and the businesses supplying the goods and services benefit from increased exposure and increased sales.

Business development tools can also come in the form of policy. Reduced or waived taxation has often been seen as a way to entice an entrepreneur into locating in a given community. A “community-first land policy” that would give community-based organizations first rights to public land that becomes available would be a very useful tool in enabling a real estate strategy and comprehensive community planning. “Grandfathering” building codes to relieve business owners of maintenance and upgrading expenses was seen as a way to support their sustainability, although this has created a succession-planning obstacle as new owners now have to upgrade significantly to cover years of neglect. A North End policy on patient upgrading might be a useful tool in overcoming this obstacle.

Tools can also be developed to nurture entrepreneurship. These can include the aforementioned business incubators, entrepreneurial curriculum targeted at youth and delivered in schools as done by Junior Achievement, high school or community business plan competitions with seed money available for winning proposals, and community workshops on business planning and enterprise development.

Naturally, financial tools are also critical to business development. A financial tool could include access to and co-operation with a comprehensive financial institution that was willing to be innovative and creative in supporting local businesses and the community’s business development strategies.

Access to credit is critical to businesses at all stages of their emergence and growth. Tools designed to support targeted entrepreneurial demographics such as Aboriginal people, women, youth, and people living with disabilities often include patient capital loans that may allow a grace period before requiring repayment to be initiated, lower than market interest rates, and a longer repayment timeline.

Alternatively, and particularly when community-based organizations pursue social enterprise development, it may be that access to equity is the barrier to business development. In Manitoba, Crocus Investment Funds and ENSIS are examples of tools created to support Manitoba businesses through equity investments into those businesses. The provincial CED Tax Credit initiative is another policy tool designed to support local businesses by providing an incentive for local investors to inject equity into businesses that need it. A collective of development organizations in Manitoba is in the process of creating a social enterprise fund that would provide patient loaned capital to social enterprises, thereby enabling community organizations to take advantage of market opportunities for the benefit of their communities. And if a community-based

organization such as a community development corporation could create or manage an equity investment fund, they would be better able to create social enterprises and enter joint ventures in a way that ensured benefit to the local community, as well as be better positioned to capitalize on development opportunities and ensure that local development reflected the needs and priorities of the community.

The Individual Development Accounts program delivered by SEED Winnipeg is another example of a business development tool as low-income individuals are able to save money toward the start of a new business. In addition to learning about money management and other related business skills, their monthly savings are matched at a ratio of 3:1 so that the accumulated equity is greater than they could provide themselves. The IDA tool acts as an incentive for people to pursue self-employment and enables more people to create enterprises.

Loan circle programs in Montreal are an example of a financial tool benefiting business development (Merril 1997 p. 135). The first loan circle in Montreal was established in 1990 and by 1995 there were six, each hosted by a different organisation and with slightly different target groups. In 1996, the six groups came together to form a loan circles network called *Intercercle*. The purpose of the loan circles is to provide access to credit for low-income people who have ideas (but not the equity) needed for business start-ups, extensive training about enterprise development, and a social and professional support network for the individual. Participants in a circle take turns applying for loans to create or expand their businesses. An element of support and accountability to the others in the group is present, as the ability for the others to access the loans is dependent on the ability of the borrower to repay their loan. These loan circles have provided training to more than 230 people and given out 111 loans for \$106,920 in total, with only three defaults. Enterprises established involve sewing, cooking, childcare, translation services, video production, human resource management, internet consulting, financial planning, woodworking, mobile secretarial/accounting services, workshop animation, and mediation. The average age of participants is 35 and 70 percent enter the circles on some type of social assistance. The majority are women, single parents, and immigrants.

3.8 Strategy selection methods/tools

One of the greatest challenges, upon identifying the potential strategies and even perhaps identifying and establishing meaningful tools, is to decide on which strategy to embark. Any strategy requires resources that, for a non-profit organisation, are often scarce. And particularly for community development corporations that receive public funding, there is often pressure to prove one's worth to the business and wider community with quick, real, and meaningful results. The vast array of strategic options renders the decision making process difficult, especially in light of each community's unique character, history, and circumstances meaning that what works for one community may not work for another. Even when aiming for a diverse strategic portfolio, a point of origin may be difficult to identify in disinvested low-income communities that experience a myriad of social problems and other challenges to business development.

When selecting strategies, as reinforced by respondents, an important factor is the mandate to fill gaps while at the same time recalling the value of a comprehensive strategy for mutually compounding benefits. The avoidance of duplication leads to a more effective comprehensive community strategy while comprehensiveness is important because communities are complex social and economic systems. Since communities are multifaceted and multidimensional, the phenomenon of cascading positive and negative causes and impacts means that any selected strategy can have several beneficial outcomes and that, particularly in really poor neighbourhoods, almost any possible strategy is necessary.

Toronto's Learning Enrichment Foundation (LEF) provides one example of creating a multifaceted strategy (Learning Enrichment Foundation 2003). LEF provides training courses including Industrial Skills, Raymond Read Forklift Certification, Propane Handling, St. John Ambulance First Aid, Early Childhood Assistant Training, Personal Care Worker Training, Various Computer Applications, Industrial Sewing, Cook's Training, and Eldercare. They provide assistance with resume writing and preparing for interviews as well as fax machines and computers to assist with the job-search process.

LEF also creates long-term employment opportunities through operating community enterprises, training people in self-employment, and fostering new enterprises through a business and technology incubator. Community enterprises include childcare services at 14 locations, which serve more than 600 children, and 19 before and after school programs that serve more than 800 children. These businesses provide care for children, opportunities for parents to pursue employment and education, and provide training and income for individuals interested in child care employment. LEF also operates a woodworking business that targets at-risk youth and incorporates life and employability skill development into the curriculum of woodworking and literacy skills. Another LEF community enterprise is LEFonline. LEFonline offers services such as 56K support, online help desk, internet training, unlimited connection, technical support, and web page hosting. The purchase of these services supports the training of individuals who "hone their skills in preparation for the high-tech workforce." Another community enterprise is the LEF Food Services Department that "prepares food for Second Harvest (these meals are then delivered to local homeless initiatives). Another 650 meals are prepared daily for daycare centres and an additional 250 for the cafeteria, and catering within the community" (LEF 2003).

LEF also operates a business incubator that aims to "improve the potential for success of emerging small businesses and in so doing, create jobs, ensure self-sufficiency and invigorate the local economy. Small business owners are provided with rental space, administrative support, on-site business consulting, workshops, seminars, and many other services that are important to business success. The addition of a powerful technical infrastructure (allows them to) offer specialised services to entrepreneurs developing technology-related products, as well as to provide access and connectivity to the internet" (LEF 2003). The business incubator, since its inception in 1986, has helped to create 260 full-time and 190 part-time jobs. Associated with the business incubator is LEF's Self-

Employment Assistance Program, developed in 1994, which has seen 95% of its 800 clients start a business.

In regards to the strategy selection process itself, a variety of approaches are possible. One respondent stated, “First the organisation needs to develop a values statement, then it needs to develop a vision for the community and its role in the community, then it needs to assess what other organisations are doing, and then look for a niche to fill based on what is being missed. This involves a problem solving process that requires human decision-making, there is no magic solution or cookie-cutter answer.” This can be done through basic problem solving methods that include naming the problem, identifying a range of solutions, evaluating the suggestions, and implementing the strategies that emerge from the process. Another method identified by this respondent was a decision matrix. Possible strategies would be plotted on a vertical axis and desired outcomes, such as achievability, job creation potential, and long-term feasibility, would be plotted on a horizontal axis using a point system to rate the outcomes of each strategy. The highest-ranking strategies would then be implemented.

Strategy selection may also occur through mapping the assets of the community (McNight 1993). Mapping would involve taking an inventory of skills, jobs, organisations, and businesses in the community as well as research on consumer spending. Once all this information has been acquired and compiled, community gaps and needs as well as available and under-utilised assets can be identified, thereby revealing opportunities for strategic community and business development. McNight stresses the importance of starting with asset inventories as they originate at a positive point rather than a deficit, a method that facilitates the community’s use of internal capacities toward revitalisation. Beginning with deficits will necessitate dependence on external resources. The mapping process was carried out in the North End several years ago and cooking skills were identified as a community asset. This led to the creation of a community kitchen and a catering business that at one point was hired to prepare 17,000 bags of cookies for Christmas hampers.

For CDCs pursuing community enterprise strategies, selecting a particular venture may prove difficult. Again, a methodical process can be followed that consists of articulating a values statement and goals, identify existing goods and services available, mapping consumer spending, and establishing a niche business. Duplication of existing business should be avoided, as net gain for the community is less likely. This process is much like any entrepreneurial exploration. A CED lens would value quality jobs, training and skill development, community ownership or input into business selection, financial retention through import substitution or external money attraction, ensuring essential goods and services, and the accumulation of assets for local individuals, families, and the community.

A venture/strategy selection funnel is used by one of Canada’s most successful CDCs. “You brainstorm about as many ideas as you can generate, maybe 100. Then you bring it down to a range of about 20 options with quick logic, evaluate them down to 10 based on what you know of the market and jobs it will create, do business plans for the best 2 or 3,

and then choose one to pursue.” A respondent from the CDC stated, “The generation of ideas and the identification of opportunities is a talent that mature organisations do and must develop. You brainstorm ideas, 99% of which are crazy, you screen them out, and go at the ones that are left. You bring the whole organisation together and ask, ‘Where are we now and where do we want to go?’”

The aforementioned strategy selection mechanisms and processes consist of careful, intentional, and methodically developed strategies that were advocated by numerous respondents. However, a number of respondents with considerable community economic development experience stated that it was important to maintain the capacity, flexibility, and willingness to react to opportunity and to need as they arose. Community (both social and business) needs may arise unanticipated and opportunities to address needs may as well. Likewise, business opportunities are not always available; they are often fleeting and dynamic. These respondents felt that, to some degree, organisations needed to maintain an opportunistic approach with a loose strategy that is able to “shift, adapt, and react” to opportunities.

Respondents were also quick to mention, however, that it was important not to spread an organisation too thin. While hesitant to restrict the range of strategies and definition of what constituted “community,” these respondents suggested that localisation was important as dilution of strategies and initiatives resulted in lost impact.

Part of the selection process involves deciding on what type of ownership structure a community enterprise might contain; profit or not-for-profit, solely owned, joint venture, or even a co-operative of some sort. Respondents stated, “Make sure that any partners fit with the mandate and vision of the community organisation and venture, and other than that explore all options available to make it work, whatever it takes.”

A respondent with considerable CED experience in an organisation that has a long and successful history of creating businesses stated that one of the most important factors was the participation of people with expertise in whatever business venture was selected. The respondent said that, if they did not have the right expertise within the organisation in some way or could not access it, they would not capitalise on that business opportunity. This respondent also stated that personal commitment, hard work, long-term staffing stability, and community support were integral to successful business revitalisation in a community.

This respondent also emphasised the importance of having a variety of capacities within an organisation seeking to establish businesses or any community development initiatives. “You need visionaries to dream and brainstorm and think long-term and grand, you need technicians who are all over the details of what it would take to make it happen, and you need craftsmen who are able to take the vision and the details and create or make it happen.” The respondent described their CDC experience by saying, “We began with just visionaries and almost went bankrupt, and then they brought in the technicians who made it boring. They took charge and it didn’t work. Now I think we have a healthy mix represented.” The organisation requires, as was repeatedly noted by

respondents, great leadership and the organisational capacity to follow through on whatever strategy is selected.

Part IV

Roles of the Stakeholders

4.1 Introduction

An inherent challenge in mobilising a CED-oriented business development strategy is defining and determining the roles that various stakeholders will play. Naturally, as with any multi-stakeholder endeavour, there may be overlap and duplication, competition and “turf-protection,” and neglected components of the strategy that participants are unwilling to address. Given that each sector contains certain capacities and areas of expertise, and given that business development is a challenging and complex undertaking, collaboration is often required, although collaboration itself may be complex and challenging. In response to this challenge, the research sought to ascertain what the role of each stakeholder might or ought to be and consider the pros and cons, and the importance, of collaboration. This section is informed by the review of literature and the interviewed key informants.

4.2 Role of the business community

The business community, by its very nature, is the sector that possesses the expertise and capacity to engage in business development – particularly business creation. However, a disinvested community’s reality of requiring business revitalisation suggests that business development has not occurred naturally. While this sector has the expertise and capacity, this is not in and of itself enough to realise business development.

Respondents were mixed in their perspective on the role of the business community in CED-oriented business development. Respondents from various sectors were absolute in their assertion that the business community needed to play some role in business development. Some felt that the business community needed to play the lead role, or even the only role, in business development, as “no one else understands business.” This perspective holds that only businesses can revive a community’s business sector (Porter 2005). Other respondents felt that a key role for existing businesses was to provide mentorship to new or struggling businesses as a strategy to enhance the vitality of the businesses in the community. Another respondent advocated the importance of engaging the business community as consultants in business development strategies, particularly when pursuing social enterprise development, stating that development of any kind would not work without input from those with expertise in that given field.

However, respondents from all sectors stated that – particularly in the North End – finding business owners who would participate in CED-oriented business development would be challenging for several reasons. In addition to the characteristics of the business owners, these respondents tended to point to the comprehensive, multifaceted, and broader geographic mandate of a North End CED business development strategy and stated that this was beyond the scope or capacity of the business community. As a result, it would not be appropriate or feasible for the business community to play a lead role in a revitalisation strategy

Other characteristics of many existing business owners that were said to contribute to their inability or disinterest in supporting CED-oriented business development included their own lack of innovative and successful entrepreneurship or simply being “too selfish” or inwardly focused. These characteristics were attributed to: the individualistic and competitive nature of the business world; the owners’ reality of trying to ensure their own survival and not having the luxury, ability, or capacity to think long-term even for themselves; and the nature of the North End’s business community that consists primarily of small businesses whose owners tend to work extremely long hours through the week, month and year, and have no time to give to efforts that do not directly benefit their own business in the short-term. One respondent stated that convincing business owners of the potential benefits of business collaboration was extremely difficult, and that mobilising them to work together with the community on a CED-oriented business development strategy was currently too great a leap to realistically anticipate.

Another respondent stated that business owners, and other stakeholders likewise, were frustrated, jaded and had become apathetic to the process of strategic planning. Planning, accompanied by promises from community groups and government, has occurred repeatedly without meaningful and significant outcomes. This respondent stated, “The time for drawn-out meetings and consultations is past. It is time for action and results. The business community has already given their input and they do not feel like participating anymore. That is why you need a community development organisation to make it happen.”

Several respondents also pointed to the lack of good leadership from the business community. Although the definition of what constituted good leadership differed from person to person, it was usually the lack of skill or collaborative spirit that was referred to. Respondents also spoke of a leadership vacuum in general, stating that very few business owners in the North End have the capacity or interest to lead that sector’s revitalisation efforts and noted that as a result of this vacuum, or the strong character of those who did offer leadership, the business community was currently not one of democratic or collaborative design, but one that suffered from infighting, instability, antagonism, and non-collaborative leadership. These acrimoniously unhealthy relationships will have to be addressed before synergy can be realised.

Regardless of the role taken by the business sector, a significant contribution to a community’s vitality would be for owners to manage their enterprises well and ensure their continued existence and prosperity. This contribution – through good management, innovation, and collaboration – will protect the existence of jobs, the provision of goods and services, and the local economic impact that are all so vital.

4.3 Role of the government

The capacity of the government is unique and important to business development, as they are the stakeholders that control policy and considerable revenues.

The federal government does not deliver economic development strategies targeted at small geographic zones such as the North End. Western Economic Diversification does

assist projects that may be accessible by North End business developers, but theirs is a much broader geography and conceptual mandate. A respondent also indicated that the federal perspective was more committed to the free market and fair competition as opposed to CED and strategic intervention. However, this respondent noted that the federal government seems to regularly offer strategic interventions to large-scale corporations through grants, tax concessions and infrastructure initiatives that benefit individual businesses. One federal jurisdiction that may be accessible to a North End development strategy would be the Aboriginal community. However, according to one respondent, inter-governmental initiatives have tended to complicate development strategies rather than enhance them through additional resources.

The provincial government of Manitoba states that “CED initiatives build healthy and economically prosperous communities by responding to the unique social, environmental, and environmental needs of communities. These initiatives provide opportunities for broad community participation in defining economic development priorities” (Manitoba Government 2003). The province has participated in CED initiatives such as housing and physical improvements, employment and training, education and recreation, safety and crime prevention, affordable housing, and has supported CED organisations such as SEED Winnipeg, The Jubilee Fund, Community Ownership Solutions, and North End Community Renewal Corporation. The province has also established a Community Enterprise Development Tax Credit that may become a significant tool for North End business development. This tax credit “is a non-refundable, 30% personal income tax credit for resident investors in eligible community enterprise development projects” (Manitoba Government 2003).

However, most of the province’s business development strategies appear to be geared toward large-scale investments in industry attraction, expansion, or retention. Hundreds of millions of dollars are invested in the creation or retention of hundreds of jobs resulting in a very high investment dollars per job ratio. Additionally, none of these large-scale efforts benefit Winnipeg’s North End. While the province would not realistically focus disproportionately on the North End, the fact that these efforts omit Winnipeg’s most disinvested community altogether is disconcerting.

Respondents did acknowledge the province’s Neighbourhoods Alive! program, which targets disinvested communities for CED. However, several respondents noted that, while Neighbourhoods Alive! did make a difference, it was “a far cry from the serious money approach that the province takes for locations such as Winnipeg’s downtown.” This respondent mentioned, “What was revealing was that at a recent provincial economic development planning event at which representatives from government, business, and labour were present, there was not one person who represented the community. Is Neighbourhoods Alive! just a way to buy off and quieten the inner city?”

The municipal government has supported, to some extent, business development in the North End. The city government facilitates Business Improvement Zone (BIZ) structures in which the businesses in a zone pay an additional business levy to the BIZ that is spent as the BIZ sees fit. The BIZ idea has not been very successful in North End because, in

addition to problems identified in section 4.2, the tax base in these two BIZs is simply insufficient to sustain any significant strategies and initiatives.

Respondents perceived the role of government to be key to business development, but as a facilitator and enabler of community-based efforts rather than as the top-down provider of services and programs, a perspective that is supported by Silver (2000) and Lewis (1997). One respondent articulated this perspective by saying, “They need to be part of the conversation, but not direct it.” Silver (102) also points out that while the government should not design or deliver solutions, they should, in collaboration with inner-city organisations, set and enforce criteria and standards for development and should fund programs that meet these criteria and standards.

Respondents also called for the government to establish business revitalisation tools. Suggestions included tax reduction incentives or “tax holidays” that may or may not include the urban reserve concept. This may be in line with the newly developed Community Enterprise Investment Tax Credit or the City of Winnipeg’s capacity for tax increment financing. Another suggested tool was an urban Grow Bonds venture capital program similar to the current programs available in rural municipalities. According to one respondent, the provincial government was considering this type of program at one point, but it stalled because they could not envision a proper mechanism or structure by which to deliver the program in such a large and populated municipality (city of Winnipeg) when it was primarily targeted at one small portion of that municipality (North End). Other suggested tools included business development centres operating as one-stop-shops that provide business planning and counselling, financing or financing facilitation, networking opportunities, and other such resources and technical assistance. And naturally, a CED-oriented business development tool that the government can support is a community development corporation and other such organisations.

Respondents from all sectors also stated strongly that the government’s role was to lead by example through strategic inner-city infrastructure investments that would include renting office spaces in the North End. Respondents noted that governments spend a considerable amount of money renting, renovating, and buying office spaces, not all of which are required to be in a specific geographic location. If the governments strategically chose “to have a structural and personal presence in the community” and rent an increased proportion of their space in disinvested communities, business revitalisation would be enhanced. Money would be spent in the community, potential consumer traffic would be increased, infrastructure would be created or enhanced as well as maintained, and potential investors and entrepreneurs would get the message that the community was “open for business.” Generally, as one CED practitioner observed, “The government needs to lead the way with public investment. This will be needed before the private investment will come, but the private money will come if the public is there first.” This respondent pointed to the large amounts of money being spent by governments to facilitate the development of Winnipeg’s downtown and suburbs and stated, “If that type of reinvestment commitment, or even a portion of it, were directed at the North End, there would be a noticeable difference in the North End. And that would lead to increased private investment in the area.”

Shragge (105), while acknowledging the government's role as an important source of funds and policy, warns that it may be difficult for the government to participate fully in CED as they tend to be firmly committed to the New Economy and its free market and liberalised trade tenets. The government has often, in fact, been part of the problem as it scales back on its social programming, resulting in diminished supports and resources for low-income or unemployed people. The governments have also been responsible for facilitating the growth of neo-liberal economic perspectives. Shragge points out that the disinvestment process has been accelerated by governments themselves as investment monies are redirected to sectors in which maximum economic growth potential is perceived. Shragge also warns that, in addition to the commitment to neo-liberal economies and the resulting ideological tension or opposition to CED, the power associated with funding sources might mean that CED projects become corrupted or diluted if the government influence becomes too strong.

4.4 Role of community

Respondents repeatedly stated that community organisations and the public can work at many strategies that create a good business environment including addressing safety, housing, crime, poverty, cleanup, and many other social dynamics that do, in fact, assist with business revitalisation. Respondents also stressed the importance of community organisations and educational facilities continuing to address the skill set and level of education that the people in the North End acquire and attain.

Many respondents, but not all, suggested that the public and community organisations could play an influential role by supporting local businesses. "If people and organisations can be educated to see the long-term and holistic benefit of shopping locally, this can make a difference." One respondent pointed to the tremendous purchasing power, not only of individuals collectively in the North End, but particularly of organisations in the North End, that, if harnessed, could undoubtedly make an impact wherever it was channelled. This respondent also pointed to the strategic use of equity and asked, "Where do we bank? If North End equity and banking was channelled to financial institutions that were committed to CED and the North End, there would be sufficient finances there to make a difference." Dissenters suggested that the consumer trend toward big box stores that provide everything at one place and at a low price is too great an obstacle to overcome. Another suggested it was not responsible to convince low-income people to shop locally when that meant that the prices they would have to pay would be higher.

4.5 Community development corporations

Community development corporations (CDCs) are usually multifaceted organisations that, by their nature and structure, are usually positioned to oversee a geographic community and work to establish structures that integrate social and economic goals for the good of that community. They can serve as vehicles of community empowerment and a vehicle by which business development strategies are delivered. CDCs are often designed to meet social purposes in addition to or through engaging in enterprise and business development. And given this broader mandate, CDCs tend to be multifaceted in their development approach and in their projects. CDCs sometimes deliver initiatives

such as housing projects, safety initiatives, business creation and business services, and at other times they create networks that bring stakeholders together who are then mandated to deliver the initiatives. CDCs sometimes act themselves and sometimes facilitate others to act.

Respondents described the role of CDCs as being responsible for comprehensive strategic planning, building and facilitating networks, and ensuring that they or others fill strategic gaps. Social and economic development have traditionally been two distinct areas of programming, with government delivering social services and the business community looking after themselves with some government support. But the CDC positions itself to look at the community in a more comprehensive and holistic manner that encompasses all sectors and aspects of a community. The CDC is able to instil and contribute a broader community perspective that the others sectors do not. Businesses tend to be more concerned about self-preservation and advancement than about the community as a whole, regardless of the net benefits of various strategies. For example, one respondent stated that, given \$10,000 to spend on business development, the business sector would likely choose to spend it on a strategy that benefited existing business rather than on a strategy of business attraction or creation, especially if the attracted or created business competed with them.

Identification was repeatedly mentioned in literature and by respondents as an important role for a CDC. This would include, but not be limited to; identifying existing community assets and resources including natural resources, industry, associations, and institutions; identifying local investment prospects and niche markets for business development and business creation; identifying potential organisations to root in the community through renting space, renovating and maintaining buildings, and providing community services; identifying obstacles to strengthening the local business economy such as succession barriers, leadership, lack of collective vision or energy among businesses, legislation; and identifying barriers to workforce entry for community members such as racism, stereotypes, transportation, education, skills, acculturation, language/culture; and identifying which of these advantages and disadvantages are changeable or fixed and what the priorities of the community are.

Another related role is the development of comprehensive strategies based on the aforementioned identifications. The formation of a strategy would be done as part of a cross-sectoral network, which seeks to harness the internal human and financial assets of the community (and external resources when necessary) to work toward individual, family, and community empowerment and asset accumulation. One respondent described the role as “convening community, identifying the stakeholders, and pulling them together.” Networking may be facilitated on a case-by-case basis or through developing long-term relationships and partnerships. Networks can build solidarity, facilitate learning from individuals and stakeholders, formulate a focussed comprehensive strategy, minimise duplication and waste, build synergy, and help each other evaluate and prioritise efforts, and be a forum for discussion, learning, doing research, creating proposals, and advocating policy initiatives.

A unique role for the CDC is to promote CED through various mechanisms including providing the theory, expertise, models, and methods of CED-oriented business development strategies. A CDC can also take the time to research and learn about what CED business development strategies have worked in other locations. CDCs can also, in order to support and “prove” the worth of holistic strategies, develop indicators to draw attention to and measure holistic aspects of life and community. Advocating the CED perspective in a communicative manner that is comprehensible to the various stakeholders is imperative in mobilising support for CED. Perry and Lewis (156) mention that there is “a basic resistance that the CED strategy confronts—namely, the impetus for local empowerment that is counter-institutional—and so CED will never be an easy task. The fundamental features of the local empowering institution, the CDC, are key to being able to overcome the forces that maintain the interlocking pattern of the distressed and dependent community.”

Advocacy of CED and community needs to governments was often mentioned as the responsibility of a CDC. Aspects of this might include pushing the government to create business development tools and encouraging governments to invest in impoverished communities through infrastructure programs and renting office spaces. The role of the CDC would also be to host and implement the development tools, funds, and strategies.

CDCs are also positioned to advocate CED to the business community. CDCs can “challenge the local business community to move beyond their charity model and, to the extent financially feasible, to re-orient their efforts to meet local needs” such as providing necessary goods and services, jobs, and support and participation in community economic development initiatives (Silver 2000 p. 145).

4.6 Collaboration

Collaboration can be elusive for any type of initiative and business development is no exception. Respondents pointed to several factors that can become obstacles to collaborative business development, but also articulated and endorsed the value of multi-sectoral co-operation.

One potential obstacle is stakeholder competition and defending ‘turf.’ Organisational leaders, in any sector, may perceive that a collaborative effort threatens their position of power or prestige. As well, business owners may not be as enthusiastic about strategies, such as business attraction and creation, which they may perceive to be a threat to them. Stakeholders may continuously advocate for strategies that best serve the interests of the sector/organisation that they represent. Additionally, and particularly when overlap and resource wasting is identified, organisations and their leaders may be loathe to scale back or redirect resources so as to meet the needs of the community and a comprehensive CED-oriented business development strategy more efficiently. The interests of self-preservation or self-promotion may override the best interests of the community.

Collaboration is also made difficult by the presence of and struggle between different and divergent ideas, ideals, ideologies, interests, agendas, and perspectives of the businesses, government, community organisations, and the general community. The diversity is

natural, given the various mandates and positions, but can hamper collaborative development. Each stakeholder is convinced that they know best what is required to revitalise the community. As well, if the development's value statement is oriented to CED tenets and yet the stakeholders involved do not understand the concept of CED, pursuing the articulated strategies collaboratively will be a challenge.

Another obstacle to collaboration, according to several respondents, is that previous development efforts have attempted collaboration and community consultation ad nauseum. This has resulted in impatience, distrust, and apathy among North End stakeholders – characteristics that are not conducive to collaborative business development efforts. One respondent went so far as to state, “Further collaboration would only serve to further exasperate the community and escalate frustration, apathy, and mistrust.”

Some respondents felt that various stakeholders should be intentionally left out of business development strategies, although these perspectives generally fell outside of what would broadly be considered to be CED. One stated that government should not become involved in what they perceived to be unfair subsidisation of new or existing business in divergence from the traditional adherence to the free market and “fair competition.” One respondent felt that involving the general community in CED-oriented business development was “a waste of time, involving community leaders is good enough. Otherwise, you run the risk of being blocked by entrenched and petty community politics.” As well, some CED literature expresses concern that the involvement of government will corrupt the integrity of CED.

Even among respondents who advocated for collaboration, several stated that in the current reality of the North End, action resulting in positive and real results were more important than collaboration. One stated, “Working together is nice, but not at the expense of getting things done.” Another respondent articulated a compromised position, stating that perhaps CDC-led business development should just initiate action with whoever was presently willing to participate. The hope would be that all stakeholders would eventually participate, particularly if the strategies led to positive and real results.

While acknowledging the potential obstacles, which are not insignificant, the benefits of collaboration are clear and can be substantial. Synergy, where the whole is equal to more than the sum of its parts, can be realised through collaboration. Each sector contains and contributes some unique expertise, knowledge, and capacity. In fact, the potential of synergy is so great that most respondents stated that collaboration was essential to successful CED-oriented business development strategies.

By its nature, the CDC is, in fact, designed for the very purpose of facilitating collaboration. Rankin McSween (1997 p. 189-190) writes, “New Dawn stood against the common belief that the public sector could solve all problems for all people. Now, twenty years later, New Dawn stands against the conventional belief that the private sector and free market capitalism will provide the solution to every social and economic problem.

New Dawn understands that the complex task of community building is beyond the realm of any one-dimensional approach.”

Time and time again, respondents emphasised the importance of good leadership from all involved and for all involved. This leadership may come from various sectors, but it must be dynamic and able to accomplish objectives and mobilise collaboration. CED successes were repeatedly attributed to solid leadership, while failures or lack of success was also repeatedly laid at the feet of poor leadership. Admittedly, there was not a consensus regarding what constitutes good leadership, but good leadership includes the ability to build some sense of community and collaborative spirit so that, while differences of perspective will always exist, there will be a common will to support what is being attempted.

Part V

The Context of Winnipeg's North End

5.1 History

While it is beyond the scope of the report to detail the long and complex history of the North End, it is important to provide a brief synopsis. The North End, as detailed in the introduction, refers to what once was the northern section of Winnipeg – now the northern part of Winnipeg's inner city. The collection of neighbourhoods that constitute the North End has, over the decades, been a place where newcomers to Winnipeg first located. The result has been a rich cultural diversity that has developed over the years, originally consisting primarily of immigrants from Eastern Europe, and more recently Aboriginal people and immigrants from Asia-Pacific. Many respondents recall that the North End, and more particularly Selkirk Avenue, used to be a thriving and bustling hub of economic activity.

While the North End may never have been an excessively wealthy community, the inner city as a whole has experienced increasingly negative trends over the last several decades according to most socio-economic indicators. According to 1996 statistics, two out of three single parents in the inner-city had incomes below the Statistics Canada Low-Income Cut-offs (LICO), four out of five Aboriginal households in the inner-city had incomes below LICO, inner-city youth unemployment was 14.3 percent compared to 18.9 percent for Winnipeg, only 40.1 percent of Aboriginal youth (15 – 24) were in the labour force, and only 35.1 percent of these are employed (Silver 2002). This poverty also manifests itself in higher levels of crime, gang activity, boarded-up houses and commercial spaces, arson epidemics, lower education levels, and lower levels of homeownership and income.

The result of these trends has been an increasingly negative stigma and image of the North End that has led many people and businesses to leave and has been an obstacle to attracting people and businesses to the North End. In fact, one government respondent wondered if the North End, particularly the business environment, had deteriorated past the point of revival. This person wondered if directing resources toward business development, or even community development, would be futile given the extent and complexity of the problems in the North End.

However, there are many who remain hopeful and determined in the perspective that the North End is worth the effort, for they see considerable strengths and assets that they predict will enable North End revitalisation. Loxley (2000 p. 103) states, "This is not a community given over to fatalism or one trapped, irrevocably, into some 'culture of poverty.' On the contrary, it is a community with an impressive depth of leadership, which has shown resolve and creativity in building institutions to serve the needs of people. It is a community full of ideas and energy, but one also starved of resources and one which meets severe institutional obstacles when it attempts to give concrete substance to its creative ideas." In fact, one respondent stated that they were increasingly less concerned about the North End because of the strong momentum already created

toward revitalisation efforts. “There are other communities in Winnipeg that only wish they had the strong base of activity and organisations that the North End has developed.”

5.2 Root causes of disinvestment/obstacles to business development

For those who believe in the potential of the North End despite the current condition and obstacles, however, it is beneficial to ascertain the factors that have contributed to the negative evolution. For this reason, in the process of conducting the interviews, respondents were asked what they perceived to be at the root of North End disinvestment and the development of a business climate that required revitalisation. Interestingly, most responses had little to do with business directly, but rather the social dynamics of the North End, reinforcing the CED perspective that social and economic aspects of life, society, and community are inextricably linked and integrated. Therefore, the pursuit of community development, and even more specifically CED-oriented business development, requires a holistic and multifaceted approach that integrates the two aspects.

Another observation is that the responses are linked to each other, again demonstrating the interconnectedness of the various aspects of society. This “cascading effect,” as one respondent called it, means not only that components of the root causes feed each other in negative way, but also that addressing any one component of the root causes will also have a domino impact on others. For example, poverty contributes to crime, which contributes to a negative image, which contributes to depopulation and disinvestment, which contributes to decreased jobs and increased poverty. The cyclical and cascading nature of these root causes can be overwhelming, as the problem appears too large to address. Yet on the other hand, positive changes in given dynamics can be expected to have cumulative impacts as well.

This section will present the different dynamics that were identified by respondents as root causes for the disinvestment and poor business climate in Winnipeg’s North End.

5.2.1 Immigrant and low-income landing place

Many respondents indicated that for decades the North End had been a place where immigrants and others entering or existing at the bottom of the economy congregate. Early on in Winnipeg’s history, these people tended to be Eastern Europeans from countries such as the Ukraine, Poland, and Germany. The modern newcomers are primarily Aboriginal people from rural and northern Manitoba and immigrants from Asia-Pacific. While cultural diversity was identified as an asset of the North End, the aspect that was identified as being problematic was that the newcomers, particularly the Aboriginal population, often arrive with little or no assets. Another challenge is that when newcomers are able to acquire assets, they tend to leave the community and live elsewhere, taking their money and assets with them.

As one of the cheapest areas of Winnipeg in which to live, people who fall on hard times economically often move to the North End. Several respondents also noted that, in addition to this historic transitory trend, the people of the North End themselves have also suffered from “increasingly lower incomes, particularly through the 90s.” Another added,

“There is less income today to sustain commercial activity,” suggesting either that the negative economic trend has accelerated or other factors have come into effect as well. These economic dynamics mean that those who live in the North End continuously are those with less money and spending capacity, which is not good for business.

5.2.2 Cultural factors

Given the cultural diversity and history as an immigrant-landing place, it is not surprising that respondents regularly referred to cultural aspects of the North End’s business environment challenges.

Several respondents stated that racism in general had always been a factor. “Racism is a huge issue and has always been against the North End. Immigrants have always been frowned upon. Why else are they building 50,000 units in Waverly West when there are vacant lots in the inner-city of Winnipeg.” However, another disagreed and felt that, although there is often a correlation between race and income, the root causes in the North End had more to do with low average incomes than racism.

One respondent stated that another cultural factor that factored into North End economics was that immigrant communities repatriated a significant portion of their incomes to families in their home countries, representing an economic “leakage” for the North End. Additionally, money spent in the North End by these same immigrants tended to be spent at businesses owned by people from their own culture, making those businesses stronger, but not necessarily benefiting the whole North End. However, several respondents made the point that healthy businesses contribute to a healthy business environment. By this logic, these strengthened, “culturally supported” businesses do contribute to the economic health of the North End.

Several respondents did note that loyalty to one’s culture, and businesses therein, played a part in the early economic activity of the North End. These respondents also wondered whether a factor in decreased North End spending had been the burgeoning Aboriginal population’s lack of a proportionate number of Aboriginal-owned businesses to support. They suggested that if more Aboriginal-owned business existed in the North End, Aboriginal people might be more inclined to spend locally, thereby invigorating the North End business community.

Many respondents also stated that recent newcomers (Aboriginal people) arrived with a different skill set than had the earlier Eastern European immigrants. The respondents stated that many Europeans arrived with a particular entrepreneurial spirit, work ethic, life skills, languages, and an understanding of urban life that enabled them to integrate easily into economic and social life in Winnipeg. These skills were perceived to be not as strong in many Aboriginal migrants to the North End, a factor that was seen to contribute toward a lack of economic and social integration and development. Another respondent stated, “in addition to the different skill set, the old immigrants did not come to the North End already marginalised.” This respondent was referring to the internal and external barriers that Aboriginal people tend to experience when trying to enter into and

participate in the mainstream economy and society. These were attributed to, among other things, racism and colonialism.

5.2.3 Crime/safety

Respondents also referred to crime and lack of safety as being very detrimental to business in the North End. One business respondent stated, “It is because of the people (the social problems) who live here. Outsiders are terrified of the people, crime, gangs, and theft. There is nothing to draw businesses or customers here.” Another pointed to issues such as substance abuse and other addictions as being a real detraction to businesses locating in and hiring from the North End, as these factors created a less than desirable workforce. One respondent, while recognising that crime is a disincentive for business development, stated, “Sociologically speaking, crime is understood to be a result of and a social reaction to poverty and discrimination.” Again, the complexity of community dynamics is evident as is the fact that root causes are often determined on the basis of preconstructed ideologies and perspectives.

5.2.4 Image/perception

Respondents indicated that many people in Winnipeg perceived the North End to be crime-infested, dirty, unsafe, impoverished, and generally consisting of undesirable people and conditions. One respondent said, “Perception is killing the North End. It is not so much the safety and crime as it is the *perception* of safety and crime that keeps people away.” Respondents from all sectors stated that the perception of the North End, which was extremely harmful to the business environment, was much worse than the reality. “The North End has been stigmatised negatively, and yes and unfortunately, there is an Aboriginal component to this stigma. Racism is a factor in the negative image.”

5.2.5 Crumbling infrastructure

Respondents noted that the poor quality of North End infrastructure was also a root cause and obstacle of disinvestment. One business respondent stated, “Why would any business want to come here? The buildings are old and many are boarded up.” Another respondent, however, stated that there was a demand for commercial space, but that the available space was the wrong kind of space. In other words, it was not in sufficiently operational or attractive condition.

5.2.6 Policies

A policy that dealt with infrastructure standards was identified as another obstacle to business development. This policy was one that exempted existing businesses from modern building codes as long as ownership stayed with the pre-code individual. While this policy may have lessened the financial burden on existing owners and allowed their businesses to operate at a more profitable level at the time (a policy that may have been seen as and resulted in positive business development at the time), it has now become a significant challenge. Infrastructure has been allowed to deteriorate and fall increasingly behind modern building codes, to the point where an entrepreneur seeking to purchase a building to take over or create a business is faced with significant up-front renovation costs. “Grandfathered codes” only apply to the original owner, not a new one. This arduous up-front cost makes it undesirable for any prospective entrepreneur to purchase a

building and/or business. Tools or incentives to address this issue such as a time-staggered code demands, financial assistance or tax concessions from government to alleviate the financial burden, and other such possible initiatives have not been developed.

In regards to welfare policies, two respondents (both from the business community) stated that the conditions were too soft and acted as a disincentive to employment and entrepreneurship. One stated, “I remember some people who received job-specific training and had jobs lined up for them (by agencies), but still did not go to work because it was too easy to fall back on the social safety net.” These respondents felt that the ‘soft safety net’ contributed to a mindset of dependency, even multigenerational dependency, on these ‘handouts’ and created a mentality of, “I can’t do it/I don’t want to do it, and that’s OK because I will be taken care of by the government.” They both stated that lowering the amounts and restricting the conditions for ‘handouts’ would serve as a great incentive for people in the North End to attain higher education levels, acquire higher skill levels, enter the workforce, and develop enterprises. In a related comment, another respondent stated, “Government policies in project housing, where rent is tied to income, is a disincentive to find work. Employment raises your rent and is therefore a disincentive for those who work to live there. This results in a ghetto of non-working people.” Several respondents also blamed government for creating barriers for Aboriginal people seeking to integrate and achieve economically by not adequately investing in educational and entrepreneurial opportunities and supports for them, as had been provided for early newcomers to the North End.

5.2.7 Urban sprawl/suburbanisation

Another identified root cause of North End disinvestment was the phenomenon of urban sprawl or suburbanisation. People and their money are moving to the suburbs, leading to the depopulation and disinvestment of the city core. And while city planning facilitates this through zoning decisions and infrastructure expenditures, it is not necessarily solely attributable to policy decisions.

The vacuum created in the inner city results in decreased property and home values, which further reinforces the phenomenon whereby newcomers and low-income people are attracted to the North End. “Urban sprawl kills the inner city,” stated one respondent. The general depopulation is also a going concern for the business community. As one government respondent put it, “The North End simply needs more people to live in it, including the owners of the North End businesses,” in reference to the trend of North End business owners not living in that community themselves.

Again, the cause and effect arguments are circular. Some respondents stated that people left the North End because services were not sufficiently available, while others stated that services were not available because consumers were not sufficiently available.

5.2.8 Succession challenges

The phenomenon of first generation immigrants locating to the North End, and then leaving after becoming established, has already been mentioned. A related trend

mentioned by respondents has been that immigrant entrepreneurs may have remained in the North End, but their children moved elsewhere, not wanting to take over the family business and not wanting to live in the North End. The parents are victims of their own efforts, having worked hard to provide opportunities and education for their children. However, with this education and opportunity, the children want to pursue other avenues rather than running a small business and living in a low-income community. As a result of this phenomenon, in combination with other factors, owners are having a difficult time finding someone to take over the businesses.

Without succession, many of the owners simply hang on to their business. Maintaining the status quo is often possible because the initial investment is already paid off and their cost of living as seniors may be lower than might be a younger person's with a family to provide for. One respondent gave the example of a business "where the elderly owner and friends gathered to sit around and play cards;" it had become a social gathering place under the auspices of running a business. One result of drawing out business ownership, recalling section 5.2.6 on grandfathered building codes, is that the building and the business itself deteriorates and becomes increasingly less attractive to buy.

Additionally, and in the context of the New Economy, respondents stated that elderly business owners tended to be disinterested or incapable of integrating technology, innovation, or modern accounting systems into their business practices. And, being less inclined to pursue new opportunities that might increase the attraction of the business, the business often becomes unattractive to prospective entrepreneurs. The businesses are "stuck in the past," and no one wants to buy a business that has nearly become irrelevant in the modern economy and marketplace. "Business owners have not kept up with upgrading and developing their business to keep with the times, and some are no longer providing appropriate services."

5.2.9 Lack of unity among stakeholders

One factor identified by respondents as being an obstacle to business development in the North End was the lack of co-ordination, unity, and cohesiveness among the stakeholders. "The North End lacked necessary planning, research, co-ordination, and communication resources among the local agencies and with funders and other outsiders. There was no community plan to guide resource allocation or to provide a common basis for collaboration" (Colussi et al p. 22). There was a need for a long term, comprehensive approach to address problems systematically through a community controlled organisation.

Additionally, there has been and continues to be an acrimonious component to many of the relationships, which is accompanied by 'finger-pointing' and antagonism. Some in the business community perceive the CDC as "going after the same money as the BIZ," and therefore being redundant. Some business respondents were harsh in their criticism of the CDC and their business development strategies; simultaneously blaming them for "not getting anything done, nothing at all" and yet "taking all the accolades for the things that got done." They also criticised social agencies for being overly concerned with "protecting territory rather than working together;" a lack of collaboration that blocked

the development of a streamlined system of education, skill and business training, financing, and mentorship. And while the business community stated that the CED community did not understand business, the CED respondents stated that the business community did not understand community economic development. As well, a government respondent stated that the North End BIZ groups “have a tenuous history within and between them and are not run collectively or democratically. The ‘old guard’ are people with long histories and petty grievances. They don’t realise the potential of the process of empowerment.”

5.3 New economy impact

While one respondent felt that the New Economy played no role in the North End’s disinvestment, and several others pointed to New Economy successes in the North End such as online pharmaceutical companies, respondents frequently cited New Economy impacts as contributing causes to and obstacles to North End business revitalisation.

5.3.1 Consumer patterns

Respondents most frequently referred to the change in consumer patterns that has occurred as a result of globalisation and the New Economy. Big box stores, massive malls, suburban shopping complexes, and the emergence of multinational corporations that, with their economies of scale, make it nearly impossible for any small business to compete were all cited as manifestations of the free market that result in “a death knoll” that is “killing the inner-city. These global forces have wiped out lots of small businesses in the North End. Chain stores are taking over and local owners are suffering.” A government respondent added that free trade agreements have also made it difficult for governments to preferentially support local businesses.

Spurring this trend toward “buying cheap” and “buying wholesale,” as many respondents referred to it, is the individualistic perspective that has accompanied the neo-liberal tenets of the New Economy. “Winnipeg is a wholesale town, people shop cheap and it’s hard to compete. Everyone is looking out for number one,” stated one respondent, indicating that this perspective had eroded community loyalty as well as the understanding that selfish decisions are not always good for building community. However, others underlined the reality of poverty in the North End that necessitates shopping for the lowest price as a survival skill.

Adding to this problem, according to one respondent, was the disconnection between the business owners of the North End and the community. The respondent felt that if the owners did more to contribute to the community and demonstrated loyalty to the North End, the North End community would reciprocate and demonstrate loyalty to that business.

Some respondents felt no sympathy for and blamed the North End businesses for being negatively impacted by the New Economy, stating that they were responsible to constantly adjust their focus, be innovative, and find a niche in the commercial world. The respondents felt that the North End had too many business owners who had not

“adapted to the times,” and were therefore stuck providing goods or services for which there was no longer a demand.

5.3.2 Skill level

The increased demand for knowledge-based and technological skills, an aspect of the New Economy, has also impacted the North End, according to respondents. One stated, “The biggest impact is not so much on the businesses, but on the workforce. The New Economy raises the bar for involvement in the workforce – it ups the skill demanded. As North End residents are less able to meet these demands, and as ‘blue collar’ work pays less than it used to, their purchasing power drops which then impacts businesses.” Another respondent added, “The higher education demand puts a further disadvantage to the North End. Twenty percent of Winnipeg youth do not finish high school, but 51 percent of Winnipeg Aboriginal youth don’t finish high school. They often come from poor quality schools in the north, experience racism in Winnipeg schools, and face other obstacles to their education. And there is a high concentration of Aboriginals in the North End.”

Many respondents pointed to the need for general education, including money management and urban life skills, for many people in the North End as something that impacted on North End employability and enterprise development potential. One Aboriginal respondent stated, “The Elders have expressed concern over the fact that the youth have no money concept at all (how to use money to make money), and if they have it they spend it. It is a 7/11 mentality.”

In regards to technologically skill-based employment opportunities not being realised in the North End, respondents felt that it was a cyclical cause and effect pattern. They felt that New Economy jobs had not emerged because the skills were lacking in the North End, while the skills had not developed because there were no related employment opportunities in the community.

A few respondents did point out that the North End contained several New Economy businesses including two internet based pharmacies and a music production company. However, a respondent did acknowledge that one online pharmacy, which employs about 200 people, experienced significant challenges to employing North End residents, not because of skill deficiencies, but due to social problems that made long-term employment a challenge.

5.3.3 Technology

Some respondents stated that the failure of North End businesses to embrace technological innovations over the last several decades definitely limited their success. They pointed to technological marketing and sales tools such as the internet and commercial web sites as being greatly under-utilised by North End businesses. One said, “Business owners here don’t realise the potential benefits of the internet. They need to be taught about the advantages of technology. But many of them are very independent and resistant to change.” Some respondents questioned whether North End schools were teaching New Economy skills at the same level that other schools were.

Other respondents, while acknowledging the under-utilisation of technology, stated that this was fine and not detrimental as the North End business community was personal and service-oriented, and stated that technology had the potential to impersonalise the way a business operates. “Most are ‘ma and pa’ businesses where you can talk to the owner yourself instead of dealing with bureaucracy. Technology would change the personal touch.” Another added that people were “sick and tired of talking to machines when they call a business. They want to talk to a person.”

Part VI

North End Community Renewal Corporation

In response to North End disinvestment over the last several decades, community organisations have been formed by government and by the community themselves. The North End Community Renewal Corporation (NECRC) is one such organisation and is perhaps the first to be given a comprehensive and multifaceted mandate for all eleven neighbourhoods that constitute the North End. For this reason, and also their role in commissioning this research, this section will delve into the organisational history and document the business development strategies that were explored, as well as the impact that those strategies and initiatives had on the North End. The information for this section was provided by various articles, interviews with respondents affiliated with NECRC as well as non-affiliated respondents, and documentation provided by NECRC.

6.1 History and process

In the late 1990s, community development practitioners (particularly the Executive Directors of two existing CED organisations: SEED Winnipeg and CEDA) noted that the North End lacked a cohesive, collaborative, and comprehensive development strategy and also the mechanism by which to create and deliver it. They identified the need to create a community-controlled organisation that would have the capacity and mandate to develop and implement a long term, comprehensive approach to systematically addressing North End problems. NECRC's articulated mandate was to "promote the economic, social and cultural renewal of the North End of Winnipeg."

The first AGM was in 1998, essentially marking the practical start-up of NECRC, and the priorities identified by those in attendance included more locally owned businesses, better housing, safe and clean surroundings, and more employment opportunities. The formal organisational origins were in 2000 when three staff began with the initial goal of providing overall strategic planning for the North End. The NECRC board of directors was formed to include representation from businesses (small and large), residents' associations (including housing), Aboriginal groups, community services, religious, and labour organisations. The purpose of a multi-sectoral board of directors is that a comprehensive and multifaceted development strategy is best developed and overseen by a board that is fully representative of the different components of a community.

NECRC also convened the business community to identify business development priorities. Identified strengths of the North End included: a long history and proud culture, a broad diversity of unique products, reasonable rent or building purchase costs, easy driving and transit access, available parking, a ready market for nearby residents, family-owned businesses, and a growing Aboriginal population. Identified areas of concern included: general infrastructure (storefront appearance, garbage and weeds around buildings, boarded up buildings, inaction on removing derelict buildings, and no designated heritage buildings), property and business taxation, zoning, availability of banking, succession planning, community infrastructure (housing), safety and crime, an

available labour pool, community recreation opportunities, improved transportation and parking, and improved image and promotion.

As a result, NECRC developed the following goals: provide leadership for the redevelopment of a North End wellness/recreation facility, establish a North End apprenticeship program linked to long-term housing stock renovation, develop an effective business attraction program, develop a farmers/flea market in North End, attract or create a North End business incubator, develop an effective capacity to place North End residents in the local and surrounding labour market, and develop and implement a business retention strategy for the North End. Realising that addressing the whole North End simultaneously would dilute efforts and impacts, they originally targeted Selkirk Avenue, where commercial vacancy rate was 40 percent.

An important part of NECRC's story is the fact that multi-year core funding has been provided over the years by the provincial government's Neighbourhoods Alive! program. This level of support has been critical to the work that NECRC has been able to undertake.

6.2 Strategies explored/attempted

Ideas for strategies came from a variety of sources that included the staff, the multi-sectoral board, and from CED consultants from organisations such as RESO in Montreal, the Centre for Community Enterprise in British Columbia, and from the Main Street Project in Minneapolis/St. Paul. Some strategies emerged out of deliberate planning while others resulted as reactions to opportunities or obstacles. Some strategies were pursued by NECRC themselves, while other strategies were pursued collaboratively with other organisations and stakeholders. As well, some explored strategies were not followed through on for whatever reason or were unsuccessful. While not all the credit or blame for the success or failure of the following strategic attempts is due NECRC, they were often responsible for the strategy's 'legwork.'

6.2.1 Networking with the wider community

While networking with the wider community is a natural component of any collaborative effort that spans sectors, NECRC also attempted to develop wider networks through the Winnipeg Initiative on Social Enterprise (WISE), which convened mainstream businesses, community businesses, and the government. However, funding opportunities through WISE appeared to be limited or non-existent, and mainstream businesses were not committed to providing mentoring for North End businesses, purchasing from the North End, or moving to the North End. This networking strategy was discontinued due to the limited organisational resources on the part of WISE. Additionally, NECRC found that itself and the North End "did not have enough to offer the other players at the table."

6.2.2 Build collaboration/networking with the local community

NECRC set out to develop local support structures and networks. Two Business Improvement Zones (BIZs) already existed in the North End (Mosaic Market and Selkirk Avenue), so NECRC set out to support and work collaboratively with them. To this end, NECRC ensured BIZ representation on its board. NECRC also facilitated the

organisation of the Sutherland Avenue Business Association and was also exploring other similar business associations in the North End.

However, collaboration with the business community has been problematical. Owners have been disinterested in board involvement for a variety of reasons as outlined in section 4.2. Additionally, there appears to have been divergent expectations from stakeholders as to the role of the business development officer. Generally, NECRC approached the business community and asked, “What can we do for you?” while the business community was looking for someone who would say, “This is what we are going to do for you!” So, although NECRC sought collaboration with and empowerment of the business community, they found that the business community was not interested in participating in the implementation of a comprehensive North End development strategy. NECRC began to pursue business development strategies without the full participation of the business community. As one respondent stated, NECRC “decided not to push on a string, but to do the work themselves.”

As well, NECRC facilitated the development of neighbourhood residents’ associations in the North End. NECRC has nurtured their emergence and has devoted resources to supporting their ongoing activities, which have ranged from building community solidarity to developing community action plans on safety and housing. The action plans include ongoing inventories of derelict housing, properties, and community safety issues.

NECRC also formed an Employment Development System Committee, which consists of North End organisations that assist individuals in gaining and maintaining employment. Their collective role is to identify existing services and their strengths, identify gaps in service and discuss ways to fill them, and to implement action plans. One of the identified gaps was a place for North End residents to perform “in-depth career and life assessments.” The result was the development of the PATH Centre (see 6.2.4).

6.2.3 Identification role

Networking has provided the opportunity for the identification of gaps and issues relating to the North End, which NECRC has done at the community level and with businesses. NECRC provided the mechanism by which the community could come together to meet, talk together, share ideas, identify community strengths and needs, and ultimately work toward identifying solutions to the problems and strategies by which to harness the community strengths toward building a vital community. The issue identification process directed most of the strategies pursued by NECRC.

NECRC has also taken the time to explore and try out various business development strategies, resulting in the identification of which are and which are not strategic drivers and the need for appropriate business development tools. The business community would not likely have had the capacity or the resources to do this identification on their own. For a community searching for solutions to a complex problem, the presence of an organisation that has the mandate and capacity to explore options is of great benefit, even if the explored options do not instantly reap clear rewards. NECRC also commissioned a

North End consumer mapping study, which identified potential markets for existing business or potential entrepreneurs to pursue.

6.2.4 PATH Centre

To address multiple barriers to achievement and employment, NECRC established the PATH Centre (Planning Alternative Tomorrows with Hope). PATH is also the name of the life-planning tool that is utilised when working with individuals to evaluate their current life situation, identify their long and short-term vision and goals, and identify a systematic method of achieving the person's goals. The PATH Centre also offers True Colours Workshops, which are intended to help "individuals understand their own behaviours, skills, needs, and motivations and those of the people they interact with." The PATH Centre has also designed and implemented a number of other pre-employment workshops that include resume writing and interview skills, literacy with an employment focus, and job survival skills. The Centre offers computer and internet access for job search and resume writing and also offers a voice mailbox service, which is an important tool for gaining employment, as each application requires a phone number. Without a phone number, employers may dismiss the application as being undesirable or unreachable. The PATH Centre also maintains a "skills bank" of individuals who have come to the Centre, posts job openings for local businesses, and tries to match people to positions when they see an opportunity. The PATH Centre offers follow-up support to businesses who hire PATH-referred individuals and to the employee in order to facilitate a smoother transition to employment for all involved (PATH Centre 2003).

The ability to develop partnerships with North End businesses that would see the businesses commit to providing employment for North End residents was limited by the inability to develop tools that would serve as incentives for these businesses. At one point, NECRC entered into negotiations with a business that would have seen the company commit to hiring through the PATH Centre in exchange for venture capital that would have been provided through a government sponsored program similar to the Grow Bonds in rural Manitoba. While NECRC would have been willing to host the investment program, it never materialised. As a result, while the PATH Centre is able to refer individuals to this business, the business does not have an articulated or methodical commitment to hiring North End residents.

6.2.5 Business Attraction

NECRC initially pursued a business attraction strategy. However, in the words of one respondent, when they "looked at business attraction, they found that Selkirk Avenue was just not attractive." This challenge was further complicated by the fact that, as already mentioned, NECRC had no tools by which to overcome the disincentives of the North End. Several companies were interested in a financial arrangement by which, in return for the venture capital, the businesses would implement a local-hiring strategy. But since the fund was not established, apparently due to the province's inability to identify a satisfactory structure, NECRC was left without a significant business development tool. One of the interested businesses located in the North End anyway, but without articulated local hiring objectives.

A business incubator was another business development tool discussed considerably in the NECRC literature, yet this also has not been established, in part due to the fact that the Social Planning Council of Winnipeg had received funding to develop a business incubator that did not materialize, meaning that funding for another such study was not available. A business incubator does not currently appear to be even in the discussion or formative stages.

6.2.6 Community/social enterprise

As NECRC did not have the tools to facilitate local hiring and business attraction, NECRC began to consider social enterprise development as an avenue by which to create businesses and jobs in the North End.

NECRC explored purchasing and moving a food processing business to the North End. This would have created jobs for North End residents and would have involved a worker-ownership component. Unfortunately, feasibility studies revealed that the business simply was not viable. NECRC also assisted in the preparation of a feasibility study to start a new Temporary Service enterprise, but it was determined to be a high risk, low feasibility undertaking. There is currently no such business being developed by NECRC.

One social enterprise that has been established is Inner-City Renovations (ICR). ICR was developed by the Crocus Investment Fund through one of their programs, which is called Community Ownership Solutions (COS). The General Manager of COS was previously seconded for several years to NECRC as its business development officer. So while NECRC is not formally involved with ICR at this point, there was some participation during its formation. While the long-term sustainability of ICR has yet to be determined, the short-term benefits include employment for up to 30 North End residents and the completion of more than a dozen North End building projects.

6.2.7 Heritage shopping

A “heritage shopping” strategy was thought to have potential for attracting consumers to the North End. A rich history and diverse culture were identified by the business roundtables as strengths of the North End. The plan would have been to build a marketing campaign around a selected number of North End businesses that had city-wide name recognition, had been in the North End for many decades, and offered Winnipeg consumers a unique and attractive shopping opportunity that they could not easily find elsewhere. However, this strategy never did develop. One respondent reported that owners were not interested in collaboration, owners not selected failed to see the benefit for them, and owners expressed the concern that this strategy would not work because the reality and perception of the North End were such that consumer attraction would be difficult without first “cleaning up” the North End. Another challenge to this strategy is that the selected businesses were not in close proximity to each other, making a unique heritage shopping experience less possible to create and accessible to the customer.

6.2.8 Events

Originating in 2000, NECRC has held an annual community event called “Picnic in the Park.” It is designed to be a celebration of community, a platform for local organisations

(i.e. health, safety, and employment related) to make their services known to residents of the North End, and an opportunity for people in the community to get to know NECRC. There is free food, games and prizes for kids, and entertainment throughout the event. Entertainers are primarily North End amateurs who receive an honorarium for their performances as well as public exposure. The event is also an opportunity for North End crafters to display their talent and sell their wares. NECRC estimates that more than 2000 individuals attended the 2003 Picnic in the Park.

6.2.9 Real estate

When NECRC realised that the North End was simply unattractive to external businesses, and that tools to overcome this were not forthcoming, they embarked on a real estate strategy. According to one respondent, “They found that Selkirk Avenue was not attractive, so the strategy had to be about making the area attractive. They found out that there was a demand for space, and that there was available space, but it was the wrong kind of space. So they set out to create the kind of space that was in demand.” Their role became to identify and promote the use of existing and viable commercial space. NECRC developed an inventory of properties that were available for sale or lease in order to assist organisations that were looking for space. If the space were not viable, their role would be to renovate it or arrange for the demolition of the building. One respondent from NECRC stated, “The core of any business revitalisation strategy has to be about new buildings and getting more people in the area. The benefits are new or improved infrastructure, local hiring for work, increased safety, and more money spent locally.” The role of a third sector organisation is unique in that “the economics of commercial renewal are currently not viable for private developers. As such, an organisation like NECRC that has access to public and private funds needs to step up and take an active property development role.”

NECRC has purchased and renovated four buildings including the NECRC headquarters (which also includes CEDA, LITE, and the CED Training Intermediary as tenants), the PATH Centre, Financial Foundations (a former bank that now houses a SEED Winnipeg satellite office, an Individual Development Account program, CED Technical Assistance Service, and the Jubilee Fund), and the Point Douglas Women’s Centre. The provincial government provided grant support with the Point Douglas building. NECRC has also recently purchased another building on Selkirk Avenue that will house three Aboriginal service organizations. Each of these buildings was vacant and is now occupied, renovated, and maintained. In all cases, organisations that serve the North End were also provided with a local home.

The real estate strategy also facilitated the development of infrastructure by others. NECRC played a key role in Mennonite Central Committee’s decision to locate a Thrift Store on Selkirk Avenue next to NECRC headquarters. NECRC alleviated MCC’s concerns that the store would threaten area businesses by speaking with local owners. NECRC’s presence next door was also a key factor in MCC’s decision to open the store.

As well, NECRC facilitated the arrival of two schools to Selkirk Avenue: Urban Circle and Winnipeg Education Centre (WEC). Urban Circle is an Aboriginal education centre

that was contemplating a move to Selkirk Avenue prior to NECRC's involvement, but NECRC played a role in their choice of location, in the process of purchasing and renovating the vacant property (\$1.5 million dollars), as well as in the relocation intentions becoming a reality. WEC is set to begin construction of another adult learning centre in the fall of 2003. One of NECRC's contributions was to negotiate a land freeze on the available vacant property while the negotiations with WEC took place. At one point, NECRC was considering acquiring the land itself to develop a commercial complex that would house WEC and several other businesses as tenants. However, WEC preferred property ownership itself and so NECRC assisted in this process.

6.2.10 Tax reduction

Having identified, in consultation with North End businesses, that high taxation rates were a challenge to business vitality, NECRC embarked on a strategy to assist businesses in this strategy. NECRC provided information to businesses on the reassessment process, connected business owners with specialists in the field, and represented businesses at appeal hearings.

6.2.11 Succession planning

When succession problems were identified by local businesses, NECRC attempted to connect buyers and sellers. NECRC identified owners interested in selling their business and identified locations at which entrepreneurs looking to buy businesses might be contacted including SEED Winnipeg, Women's Enterprise Centre, and the Aboriginal Council of Winnipeg, but without success. One respondent stated, "It doesn't pay for new people to buy existing businesses. They can't, and it doesn't make business sense, to pay for the start-up and business costs for many of these businesses. They don't make enough money anymore for whatever reason, often because the type of business is not really relevant today like it may have been thirty years ago." Another respondent stated that, in addition to many businesses no longer meeting modern demands, commercial buildings had been allowed to deteriorate (section 5.2.6) to the point where the initial renovation costs made it too costly for entrepreneurs to buy the business and infrastructure.

6.2.12 Broader poverty reduction

Part of NECRC's strategy has focussed on community revitalisation, but recall that CED purports the integrated nature of economic and social goals. It is also noteworthy that most respondents, including those from the business sector, pointed to community revitalisation as being integral to any business development strategy. One can clearly see the benefit of such a strategy, not just to the community at large, but specifically to the business community as well. Community development aims to reduce poverty by creating individual, family, and community wealth in an economic and social sense and creating a more vibrant and attractive community, all of which is constructive toward a more vibrant business environment.

One such effort has been the support of and the formation of residents' associations in several of the North End neighbourhoods. These associations have provided a voice to the people of that neighbourhood in identifying and addressing community needs. NECRC has facilitated a feeling of community ownership over the community

development process and has provided the CDC with a structural mechanism by which to more effectively communicate with people from the community.

NECRC has also addressed housing issues in the North End. NECRC worked together with several community-based housing organisations, an effort that eventually led to the creation of Inner-City Renovations. NECRC has also hosted and implemented a community fix-up program for the last two summers that has resulted in approximately 200 North End homes being renovated. Although the format differed based on ownership variables, generally the homeowner contributed an initial amount of between \$150 and \$250 and were then eligible for a \$1000 grant. NECRC also assisted 300 North End residents in appealing and having their property taxes reassessed and reduced.

NECRC has also hosted and overseen an Urban Green Team program that provided jobs for four youths, usually a first employment experience for these individuals. The Green Team worked at community gardening, graffiti removal, neighbourhood cleanup and beautification, and planning for and carrying out the Picnic in the Park event. NECRC also, together with other community organisations, is working to create a North End wellness strategy that includes the development of a facility to replace the “Y” that closed. General safety and health concerns have also led to the current development of a comprehensive community safety plan that is being prepared by NECRC. The CDC also organised a community “town hall meeting” to discuss policing, one outcome of which was a collaborative effort between the police and schools to get police-assigned “school resource officers” to North End schools as counsellors. They have also explored, together with the business community, commercial safety patrols to meet the safety needs of the business community.

6.3 Strategy evaluation

CED-oriented strategies at community revitalisation are difficult to measure, particularly in the short-term. For example, while community safety is directly related to a community’s population as well as its ability to attract consumers and businesses, initiatives aimed at increasing safety are not easily and instantly correlated numerically with business vitality and increased spending. Additionally, outcomes of comprehensive and multifaceted community revitalisation strategies are long-term and may not be evident yet given the short time period that NECRC has been involved. However, some outcomes do need to be more immediate, both because some community solutions are required urgently and also because, as a new entity, NECRC needs to prove itself to gain the trust of the community. The following is an evaluation of NECRC strategic efforts to date.

6.3.1 Business development strategy

NECRC got off to a great start when it was able to convene the business community and facilitate a forum where business owners identified community strengths, weaknesses, and priorities. That this work has been completed is a step toward addressing them. Unfortunately, continuity and the capacity to follow through and build on the work and research that has already been done have been hampered by turnover and vacancy in the business development position. One individual filled the position for two years, another

for half a year, and now the position has been vacant for half a year. This, in addition to executive director turnover during the last year, is one of the reasons why there has not been a clear and cohesive business development strategy throughout NECRC's existence. Adding to this lack of continuity has been the lack of a cohesive relationship between NECRC and the business community.

6.3.2 Real estate

Real estate has clearly been the greatest success of NECRC to date. Five vacant buildings have been bought, renovated, and occupied. Another three have also been developed with assistance from NECRC. Community aesthetics are improved, the infrastructure is enhanced, and consumer traffic increases (300 students and staff every day according to respondents). The services these organisations provide are great for the North End as well.

The real estate strategies have not led to a significant revenue stream for NECRC as they are leased to community organizations primarily on a cost-recovery basis, although the latest site housing Aboriginal government services will provide a source of income for NECRC. The WEC site was being considered as an academic/commercial centre that would provide some income for the CDC, but that did not materialise. While NECRC is accumulating assets and revitalising the community infrastructure, continuing to develop additional revenue would strengthen the organisation and enable additional development strategies.

6.3.3 Employment

The employment mandate has brought mixed success. There have been no new businesses (and jobs) attracted, and they have not been able to develop or get others to develop tools such as venture capital funds or business incubators, which would make local job creation more possible. However, their presence alone has contributed to job creation. NECRC, the PATH Centre, Financial Foundations, and the Point Douglas Women's Resource Centre all provide jobs for several people, some of who come from the North End. The renovations and maintenance of these buildings has also supported jobs in the North End. NECRC has also hosted and implemented other community projects such as the Urban Green Team and the community fix-up grants, both of which employed North End residents. As well, they have supported the creation of ICR, which currently employs approximately 30 North End residents.

Perhaps NECRC's greatest success in terms of employment has not come from job creation, but through the job facilitation services offered at the PATH Centre. Employment for North End residents does not have to be realised through new jobs, it can occur by making sure that North End residents are better able to access existing jobs. By tracking and promoting job availability and identified skills, as well as developing a mechanism by which to match opportunities that fit, they increase the likelihood that North End residents will access local jobs. And by working on skills such as resume writing, interview skills, and job preparedness, NECRC works with individuals to be better able and positioned to acquire North End jobs. And while a formal development tool would improve the process exponentially, the numbers of served individuals suggest

that the PATH Centre itself is an effective tool by which to increase the employability and employment levels of the North End. Business benefit as the PATH Centre trains and supports the individuals in job preparedness and offers ongoing support during the first several months of employment.

6.3.4 Identifying and filling gaps

The identification of community development gaps and ensuring that they are filled is a CDC mandate that is more difficult to measure. It would be fair to state that NECRC has heavily focussed its business development efforts on Selkirk Avenue and the general development strategies on three of the eleven neighbourhoods (William Whyte, Point Douglas, and Lord Selkirk Park). These are considered the areas of greatest need in the North End and the communities for which funding is most readily available. However, the mandate of the NECRC is the whole North End and, while it is too large an area to effectively be actively involved in at all times, NECRC is open to questioning in terms of meeting its geographic mandate. Having said that, the services that NECRC offers, excepting the community-specific government-sponsored ones, are intended to benefit the whole North End.

NECRC's process of convening the community has not only identified gaps, but has facilitated community involvement in the process of finding solutions. Several initiatives have come out of these processes including the development of a comprehensive North End safety plan, consumer expenditure mapping research, taxation appeals, the PATH Centre, research and pursuit of a Wellness Centre, housing fix-up initiatives, community clean-up projects, and the very successful Picnic-in-the-Park.

A CED magazine reported "a general strategy of promoting collaboration to lever a range of community resources into a systematic or comprehensive approach for the community characterised NECRC's revitalisation process. Another central aspect of its activities is that services are provided only when they are not (or cannot) be provided by existing organisations in the community. While this principle is not expressed in the NECRC constitution or its explicit policies, it became a significant factor in the ability of the organisation to bring the community together and to gain support. NECRC's role is to fill gaps and foster co-ordinated collaboration, not to compete." (Making Waves 29)

6.4 Conclusion

Evaluation of community and business revitalisation strategies in the North End, as pursued by NECRC, will take time. Revitalisation of a community is a complex exercise and CED is a long-term process of community empowerment, wealth creation, and the development of community mechanisms that facilitate these goals. Therefore, accurate evaluation of NECRC's efforts will not be fully possible for many years. The impact of many strategies, such as the attraction of the schools to Selkirk Avenue, will be seen over the next five years as 300 more people a day begin to converge on Selkirk Avenue. Others may only be realised in decades to come as social capital is enhanced. While NECRC has met with obstacles and disappointments, their benefit to the community as a valuable development tool and resource to the people and businesses of the North End is already clear. Also clear is the importance of strong, core support as provided by the

provincial government that creates organizational security and allows NECRC to focus on revitalizing the North End rather than constantly pursuing self-preservation.

Part VII

Case Studies

7.1 New Dawn Enterprises – Cape Breton

The following case study was informed by the writing of Eric Shragge (1997), New Dawn founder Greg McLeod (1986), and supplemented by an interview with a respondent currently with the organisation.

In the 1970s, consultants hired to assess the economic decline of Cape Breton repeatedly identified the poor stock of housing and commercial infrastructure as a source of concern. New Dawn was formed in 1973 (incorporated in 1976) to address this problem. One of the first initiatives involved meeting the operating space needs of a local handicraft organisation. New Dawn bought an old and vacant store building and developed commercial spaces on the main floor and bachelor suites on the second. This improved the physical appearance of a deteriorating part of the city, created jobs, supported a thriving craft project, and created new residential units.

Another initiative, driven by the community-identified dentist shortage, was to determine why dentists were not coming to Cape Breton. New Dawn discovered that proper commercial spaces were not available, so they bought and renovated several buildings, set them up as dental clinics, and leased the spaces to dentistry graduates from Dalhousie University. By 1979, New Dawn had \$1 million in assets that included a seniors' guest home, a seniors' resource centre, a group home for people with mental disabilities, and two dental centres. New Dawn employed 30 people full and part-time at this point.

New Dawn continued buying properties and houses in order to create more residential units, and started a construction company to do the work, but this enterprise closed after repeated losses. New Dawn's continued research into community needs and opportunities led to the creation of a used auto-part business and a land clearing enterprise. Other projects, including a bookstore, were considered but not pursued.

By 1996, New Dawn had more than 250 apartments and commercial spaces, had assets of \$20 million dollars, and employed 100 people. New Dawn currently oversees eight companies, two of which are connected to the real estate strategy (Cape Breton Association for Housing Development and Pine Tree Park Estates Ltd.). As well, New Dawn Guest Home is a 30-bed residential facility delivering institutional care, Cape Care Services Ltd. provides home care services for seniors on a fee-for-service basis, and Home Living Ltd. provides a small options residential program for seniors. New Dawn also oversees New Dawn Ventures Ltd. (the construction and maintenance company for the organisation), the Volunteer Resource Centre (co-ordinates the work of 300 community volunteers), and the Highland Resource Centre (a registered trade school).

New Dawn has been committed to developing self-sufficient solutions to community needs through merging social and economic goals and mandates. Their approach has been to “identify a community problem, determine a business-based approach that speaks to its solution, do the ‘deal’, and evaluate the results” (MacSween 1997 p. 183). New

Dawn businesses must meet social goals and must be independently viable. Profits are not drawn on the companies, but are reinvested in the community. Although the initial hope was that New Dawn would get significant government support for development strategies, government funding was reduced from \$120,000 to \$20,000 between 1976 and 1980 and has essentially been non-existent since then. However, existing government programs such as training funds from HRDC and CMHC initiatives have been accessed. The respondent stated, "There are three ways to get money: privately, although there is not much available there; publicly, although this was tried and it did not work; or figuring out how to make it yourself."

New Dawn's business development strategy has centred on meeting community needs. This is why a real estate (housing) strategy was pursued first, and also the reason why New Dawn developed health care services. New Dawn observed that seniors needed food delivery services, so they brought in a Meals on Wheels program. These delivery volunteers and other community volunteers needed co-ordinating, and so they developed a volunteer resource centre. Food delivery volunteers observed that seniors required in-home care, so New Dawn created a home care business. And when hiring qualified people for this home care business was difficult due to a skill shortage, New Dawn established a trade school for health care services. Real estate was targeted at first because it was the priority need and was a good way to build up the organisation's asset base, which "through good luck or good management" realised an appreciating capital base from increasing property values. The service industry was targeted next, as it was also a need and it required little additional capital to establish. New Dawn is now entering a third phase where they are looking to develop niche products, such as salmon sausage, for specialty export markets.

New Dawn believes strongly in entering ventures only if the organisation contains or is able to access the technical capacity or expertise required. "Technical ability without moral purpose will not lead anywhere; moral purpose without technical ability is incapable of getting anything done" (MacLeod 1986 p. 21). The respondent also spoke of New Dawn's commitment to having a balance of skills as part of the New Dawn team. "You need visionaries, crafters, and technicians. You need innovation, capital, and leaders." New Dawn is willing to partner on joint ventures with the private or public sector on business development, but as the respondent said, "You need to work with people you like."

The respondent also spoke of the need for made-in-Cape Breton solutions and that it was important for Cape Bretoners to initiate them. "Cape Bretoners need to stop waiting for solutions to be brought to them, we can do it ourselves." The respondent stated that an important point of origin was with elementary school children who "need to learn how to raise \$100 for venture capital and do something with it to make more."

7.2 Human Resource Development Association (HRDA) - Halifax

This case study is informed by literature written by Mike Lewis (1997) and Mike Lewis and Stewart Perry (1994).

HRDA was formed in 1978 to reduce welfare costs by creating jobs through enterprise development, a concept that was formulated by the City of Halifax Social Planning Department. The city provided core funding for administration and \$275,000 from the welfare budget for HRDA to use as equity in creating the first business.

HRDA's mandate is to create businesses that provide jobs for people on welfare and provide the necessary training and work compatibility education to ensure that the transition to employment is as smooth as possible. Individuals will usually start with classroom training and employment counselling, move on to a blend of training and work experience, and then graduate to regular employment in these businesses. The money HRDA receives is contingent upon the individual gaining and maintaining employment for a given period of time, usually six months. HRDA then is paid for that successful placement. The previously unemployed person gets a job and income, HRDA gets operating revenue for its successes, and the government still pays out less to HRDA than it would have to the individual for those six months of welfare. Research has demonstrated that the public treasury gained \$1.83 for every \$1.00 invested in HRDA through this arrangement.

In the last ten years, HRDA has moved 1,400 individuals off of welfare and into the workplace through their business and training programs. HRDA training programs have served another 1,000 individuals, most of who go on to further training, education, or private sector jobs.

By 1995, businesses owned by HRDA were turning an annual profit of \$500,000 and employing 135 people. They are currently successfully operating Nova Sewing Contractors (1982 - present), Skyline Painters (1985 - present), Enviro-Care Services (recycling plant, 1989 - present), Stone Hearth Bakery (1993 - present), Property Management (1981 - present), and Knowledge Plus Consultation and Training (1994 - present). They have sold, usually to employees or managers (many of whom had previously been on welfare), several businesses including Domestic Auto Repair (1978 - 1986), Rent-A-Wreck (auto franchise, 1980-1985), Chem-Dry (carpet cleaners, 1988-1989), and Magna Industrial Services (window cleaning, etc. 1978-1994). Some businesses have been closed as failing including Kingfisher Business Services (accounting, etc. 1979-1981), Master Knitters (1988-1989), Commercial Cleaning (janitorial, 1979-1982), and The Printing Place (1980-1982).

Their strategy selection methodology was generally more opportunistic than methodical. Business selection tended to be based on the special expertise of a board member, hearing of a business sale by word of mouth, and other such opportunities. The Enviro-care business (recycling and marketing recycled products) was more methodically selected, as it was deliberately intended to take advantage of the perceived growth curve in environmentally oriented businesses.

HRDA has had to struggle with deciding on what types of business opportunities to pursue. Low-skill production businesses may be good for entry-level workers, but they may be competing against third-world standards and multinationals in this sector.

Carving out a niche with higher-cost sophisticated labour may be tenuous as these markets are not necessarily stable or long-term. If the target market is local, the business is vulnerable to the local economy; but if the market is external, the business is vulnerable to competition. One key to answering these questions for HRDA has been a new relationship formed with a local university through which marketing, engineering, and business students will act as a research and development resource for HRDA.

Each business was also created with a target group in mind. For example, Magna Industrial Services was designed for entry-level workers while the Stone Hearth Bakery was established to employ former mental health patients. While HRDA is unable to successfully operate businesses with people solely from the target groups, about half of the employees do come from the target groups. Target group hiring counted for 1450 individuals between 1978 and 1994. A challenge at HRDA is deciding on what constitutes the target group and how hard to push for a high target group ratio. Also, given the challenges of many in the target groups, should HRDA provide long-term job placements for these individuals? If long-term employment is provided, the number of new individuals who are able to benefit from the opportunities is limited, unless new businesses are created to provide more opportunities. If placements are limited to short-term transitional employment, HRDA may be demanding too much of individuals to jump into the mainstream workplace without the tools or capacity to effectively do so.

To date, HRDA has relied on the welfare-to-work fee-for-service and business profits to finance the organisation and to provide the capital and revenue for new ventures. However, the fee-for-service may be in jeopardy as the provincial government reviews its arrangement. If this is terminated, a significant source of revenue for HRDA will no longer be available.

7.3 Regroupement pour la relance économique et social du Sud-Ouest de Montreal (RESO)

This case study is informed by the writings of Mike Lewis (1997), Mike Lewis and Stewart Perry (1994), and Eric Shragge and Jean-Marc Fontan (1997).

RESO was established in a Montreal neighbourhood that was experiencing industrial decline and disinvestment that was manifesting itself in high levels of unemployment (35%) and dependence on social assistance (50%). Development efforts began with an employment focus in the 1980s, which initially failed. Community groups continued development efforts through the creation of *Programme Economique de Pointe-St-Charles* or PEP. PEP later became RESO in order to serve a larger area. It is a membership-based organisation of more than 1,000 members (as of 1995) with a board consisting of representation from the community, trade unions, big and small businesses, and banking. This diverse board make-up was seen as a way to mobilise the community and develop political influence, although the multi-sectoral board was conflicted at times. Business owners tended to think that business development required a business-dominated board rather than blended representation. However, one of the successes of RESO is considered to be the role it played in helping “business leaders overcome their prejudices against the notion that community groups can have good ideas about business

or property development” (Perry and Lewis 1994 p. 150). The importance RESO placed on networking was also evident through its participation in CED networks in North America and the hosting of CED conferences.

As PEP, the organisation did have a \$100,000 business loan fund. But after most of the 30 businesses that it supported failed, they focussed almost exclusively on the two key strategies that now form the core of RESO’s business development strategy.

One of the key strategies for RESO’s business development was employability services. They are directly or indirectly involved with the training of 700-800 people per year. These training sessions tend to be tailored to real demand that is ascertained by profiling business and labour market needs. This includes technical and job-specific training, in-factory literacy programs, and matching skills that are identified with employment opportunities. This networking between the community and the businesses, along with representation of both sectors on the board, is seen as an effective way to build bridges between the two, something that will hopefully lead to a strategy that will successfully meet the needs of both the businesses and the residents.

Another key strategy for RESO is business services. They provide technical assistance with product development, marketing, financial restructuring, local relocation planning, management consultation, expansion space searches, direct financial assistance, and referral to other sources of aid such as on-the-job training resources. Between 1993 and 1995, RESO provided services to 200 businesses. RESO also developed an early warning system whereby plant closures or relocations could be detected so as to provide the community with an opportunity to change the fate of the business and those jobs. Sometimes it was possible to prevent the job losses and other times not. Sometimes the problem was succession; the owner was getting older and was not able to find a buyer, and other times it was financial problems.

Having the biggest area manufacturer on RESO’s board also led to some other job creation developments. As RESO was committed to CED and the owner was committed to RESO, he began to buy into the concept and value of CED. The business owner decided to pursue a strategy of local purchasing for his business, a decision that led a Spanish supplier to open up a manufacturing company in Montreal (creating 40 jobs) in order to keep their \$5 million contract.

Part VIII

Executive Summary and Recommendations

8.1 Community economic development

The last several decades have witnessed the evolution of a renewed multifaceted and comprehensive development ideology that is referred to as Community Economic Development (CED). Emerging as a response to the ineffectiveness of the neo-liberal economy to create wealth for all people and communities, CED seeks either to bring impoverished communities into the mainstream economy or to develop alternative economic institutions or systems that do work for them. Essentially, CED is a strategic, collaborative, community-based, and participatory attempt to increase individual, family, and community wealth and self-determination/empowerment through a blend of social and economic goals in a way that creates a holistically better community. A CED perspective values community control and ownership of the concept, direction, and instruments of development. CED also values skill development, formal and informal education, the provision of goods and services that benefit the community, and employment creation or sustenance for local people. CED also addresses financial retention through the capture of existing markets; harnessing local spending by buying locally or providing goods and services for local consumption. Holistic poverty reduction is also part of CED in terms of addressing the diverse, yet integrated, components of poverty.

Respondents to the survey of business owners, community development practitioners, and government officials clearly indicated that effective CED included a business development component. A development perspective seeking to revitalise communities in a holistic manner would fall drastically short of this mandate if economic and business considerations were not integrated into the development process. Just as communities and societies have inextricably linked social and economic dynamics, so too should efforts to revitalise disinvested communities be both socially and economically focussed. While several respondents advocated for both traditional economic development and CED-oriented business development, the majority of respondents stressed the importance of the latter. One of the primary reasons given for this was that the current state of the North End provided evidence that mainstream or traditional, neo-liberal economics and development strategies had proven ineffective in the North End. This was seen to be a clear indication that a new, alternative form of development would be required to revitalise the North End to the benefit of those who lived there. Another reason for development through a CED lens was the importance of merging social and economic goals and benefits for the community at large, and ensuring this outcome by giving the community more control of the process of development.

8.2 Components of a business development strategy

Business development strategies vary greatly from community to community based on the circumstances, assets, and imagination/innovation of the people involved. While the most visible strategies are the ones with direct business impacts, it is important not to overlook the benefits and vital importance of the less visible, indirect business

development strategies that impact the broader business community as well as individual businesses in a positive way.

Generally, strategies can be grouped into four categories: strengthening existing businesses, attracting outside businesses, new business creation, and creating a vibrant business environment. Existing businesses can be strengthened through efficiency improvements, which can be achieved by enhancing management practices and business planning through business counselling and mentoring, and by establishing an early warning system that enables the community to more effectively address potential job losses from business closures, downsizing, or relocations. Business attraction involves the enticing of existing business from one community to another, which results in new jobs for the benefiting community and perhaps also new goods and services. However, the net benefit may be tempered if the attraction incentives are costly for the community and the attracted business is not committed to the community for the long-term. New business creation can be realised by facilitating the emergence of new privately owned businesses or by community organisations themselves creating enterprises. The latter approach is seen to be a vehicle by which to provide revenues for community organisations, ensure target group and transitional employment, provide quality and democratic employment opportunities, ensure the provision of goods and services that are of benefit to the community, and maintain a holistic CED-orientation to the business operations. The creation of a vital business environment is the category with the widest range of potential strategies that may include: increasing consumer traffic, alleviating safety concerns along with cosmetic and image enhancement, improving housing stocks, acquiring and managing real estate, facilitating networking and capacity building, advocating for policy changes, ensuring that taxes paid in the community come back to benefit the community, and raising the level of education and technology in the business and wider community.

Many business development strategies require tools, which are mechanisms that enhance or enable the strategy's effectiveness. Tools may include developed real estate, business resource centres, supportive government policies, financing packages that may consist of loan funds or tax incentives, business incubators, or flexible manufacturing networks. In communities such as the North End, where the disincentives for businesses appear to be significant, tools are essential in being able to effectively implement and realise the intended results of business development strategies.

Strategy selection, while dauntingly difficult at times, can be accomplished through various methods. A foundational component is the recognition that filling gaps is important, as is ensuring that duplication and wasting of resources does not occur. Also, any business development organisation needs to ensure that values statements, objectives, and goals have been clearly articulated. The process then entails a problem solving process of identifying opportunities or needs and the appropriate solutions. Selection tools include a decision-making matrix, a selection funnel, and asset mapping mechanisms. Respondents emphasised that, while strategic approaches to CED are important, it was also important to maintain the capacity, flexibility, and willingness to respond reactively to needs and opportunities.

8.3 Stakeholders

As with any development efforts, and particularly with the holistic and multifaceted approach of CED, involvement from a variety of stakeholders is essential. The stakeholders include government, the business community, the general community, and community organisations such as community development corporations. The business expertise of the business community can contribute to a community's economic maintenance through self-preservation and contribute to revitalisation through mentorship and skill transference to other entrepreneurs. Governments have the capacity to control policy as well as significant financial resources. The community is able to contribute to business development by supporting local businesses. And community organisations are able to convene the community, with all stakeholders, and develop and implement a comprehensive development strategy that integrates the capacity and expertise of the various stakeholders with the various desired outcomes of the community.

While each of the aforementioned stakeholders possesses a unique capacity to contribute to CED-oriented business development, achieving synergy through collaboration can be a complex and elusive goal. Respondents agreed that collaboration was optimum in principle and for outcomes, but disagreed on how strenuously collaboration should be pursued when it appeared to be not easily realised. Some felt that CED-oriented business development should be pursued without dissenting stakeholders if partnerships were not easily forthcoming; that achieving demonstratable outcomes was more important than working indefinitely at building relationship. However, others felt that it was important to continuously strive for and work at achieving collaboration as, given the various resources and expertise various stakeholders could contribute to business revitalization, the potential benefits of synergy were simply too great to ignore. Respondents repeatedly underlined the importance of innovative, collaborative, and high-quality leadership and skill from each sector/stakeholder to the success of CED.

8.4 Root causes of disinvestment

A multitude of dynamics were identified as root causes of North End disinvestment including: the North End's historical role as a landing place for newcomers (immigrants, refugees, and Aboriginal people from reserves) and other low-income people, cultural dynamics including racism, crime and safety concerns and the associated negative image, crumbling infrastructure and related government policy, urban sprawl, challenges to succession, and the lack of unity among the various stakeholders pursuing business revitalisation. New Economy challenges were also mentioned including: changing consumer patterns related to the emergence of the "big box" stores (the "Wal-Mart Syndrome"), the inadequate skill level of the North End population as compared to the labour demands of the New Economy, and the lack of technological expertise and capacity of North End residents and entrepreneurs in particular.

8.5 North End Community Renewal Corporation

In response to the inability of the government, the business community, and the mainstream neo-liberal free-market economy in general to produce the desired results of

a vibrant business environment and healthy local economy, third sector organisations committed to CED have emerged as an alternative, blended development vehicle. The North End Community Renewal Corporation has worked at revitalising the North End for five years and has accordingly engaged in several strategies and initiatives that have included: supporting existing business and residents' networks and structures while attempting to facilitate collaboration, the establishment of a North End Business Partnership to support business development, identifying development gaps and providing a community forum to explore the appropriate responses, employment facilitation, community event planning, real estate development, tax reduction initiatives, succession planning, and more broadly focused poverty reduction in the North End including the development of a North End Wellness Centre. Strategies that proved to be ineffective or not presently feasible included: networking with the wider business community in Winnipeg, business attraction, creating social enterprises, a "Heritage Shopping" marketing strategy, and business creation. Some of these strategies may have been successful had there been appropriate development tools in place to enable them.

Direct business development has been hampered by NECRC's and NEBP's staffing turnover and vacancy, as well as by the currently non-collaborative relationships with some of the relevant stakeholders. Perhaps NECRC's greatest success has come from the real estate strategy that has resulted in the purchase, renovation, and occupation of seven previously vacant buildings or properties. The spin-off benefits of the services offered in these buildings and the consumer traffic they create is significant. And while NECRC has not directly created many jobs, the creation of the PATH Centre as a resource for those looking for work and those looking for workers has facilitated considerable employment for North End residents. Although these initial impacts are real and positive, the full impact of NECRC's initiatives will only be realised in the longer-term. CED is a complex, holistic, and long-term process of community empowerment, wealth creation, and the development of community mechanisms that facilitate these goals. Therefore, appropriate evaluation needs to be understood as being incomplete after a few short years.

8.6 Case studies

An important component of developing a development strategy is to learn about what others have successfully done in similar circumstances. Gleaning knowledge and experience from those who have already wrestled with all of the challenges and options and realised productive outcomes diminishes the likelihood of selecting ineffective strategies.

One example of effective CED-oriented business development is New Dawn Enterprises in Cape Breton, which was established in 1973 to pursue CED-oriented economic development and did so through real estate strategies and social enterprise creation. By 1996, New Dawn had more than 250 apartments and commercial spaces, had assets of \$20 million dollars, and employed 100 people. New Dawn oversees eight companies in the real estate, health care, building construction and maintenance, volunteer co-ordination, and education and training sectors.

Another such example is Human Resource Development Association (HRDA) in Halifax, which was established in 1978 to reduce welfare costs by creating jobs through enterprise development. Funding was provided from welfare budgets in exchange for each successful welfare-to-employment transition. Research demonstrated that the public treasury gained \$1.83 for every \$1.00 invested through this arrangement. In the last decade, HRDA has moved 1,000 people off of welfare and into workplaces and assisted another 1,000 individuals through various training programs, including individuals from target groups such as former mental health patients or entry-level workers. By 1995, HRDA owned six businesses that turned a profit of \$500,000 and employed 135 people. Another four HRDA businesses had been sold to employees or managers while another four had been closed.

A third example is RESO in Montreal, which is involved in employability services that include training and education. RESO is directly or indirectly involved in the training of more than 700 individuals per year, training that tends to be tailored to identified labour demands ascertained by profiling business and labour market needs. RESO also established an early warning system that allowed the community and employees more time to pursue solutions to threatened job losses. As well, RESO offers a variety of business services that are designed to strengthen the existing businesses in the community.

8.7 Recommendations

Resources available to pursue strategies are finite and often quite limited. This reality, together with the impetus for new organisations such as CDCs to prove themselves to the other stakeholders, creates pressure to achieve real and visible success quickly and effectively. However, this is not a simple feat as societies, like poverty, are complex, interconnected, and multifaceted. But as a result, it is also possible that any one strategy has the potential to achieve multiple, far-reaching impacts.

The research indicates that the following actions and strategies are most likely to result in attainable, positive results for CED-oriented business development in Winnipeg's North End.

8.7.1 Ensure sufficient capacity for business development

Implementation of these strategies will depend on staffing capacity, without which little success is possible. In fact, this whole process may serve to further disenchant North End business owners and residents regarding processes of research, community consultation, and strategic planning if the lack of capacity results in minimal action. The more times they participate without seeing demonstratable results, the less likely they are to participate in the future. Alternatively, significant staffing capacity will mean that considerable work can be undertaken and the community will be more likely to participate in revitalization as they see demonstrated outcomes.

8.7.2 A central role for NECRC

North End business development stakeholder collaboration is important, and NECRC is best positioned to act as the convenor. The mandate of NECRC covers the whole North

End, the approach is holistic (CED), the structure is democratic and accountable to the community, and their charitable status allows them access to a wider range of resources. A CED approach is important as traditional economic development has often not brought the desired results to the disinvested communities, and community control is more likely to focus on ensuring quality employment, local employment, social and economically beneficial enterprises/goods and services, and economic retention.

Multi-sector collaboration is optimum as each stakeholder has a unique capacity and expertise that can be harnessed to achieve maximum benefit. There is currently some level of animosity, blaming, territorialism, distrust, and other conflictual dynamics in the North End that are the result of different ideas, ideologies, and interests. There is a need for clarity of goals and the facilitation of agreement and cohesion between all stakeholders. This requires leadership with expertise, vision, competency, and action. Altering policies regarding limited business representation from the BIZs on the NECRC Board of Directors might enable broader business participation in NECRC.

8.7.3 Continue real estate development

NECRC has already demonstrated effectiveness at real estate development and this strategy should continue. Properties are available and development/occupation increases consumer traffic, revives and renovates unused buildings, improves safety, creates work for local residents, provides services for the community, and much more. While NECRC properties do not currently house any businesses, real estate development can attract businesses and create space for business development tools such as business incubators and service centres. Recent changes to municipal regulations regarding codes on old buildings should be analyzed for potential benefits regarding this strategy.

8.7.4 Establish a North End business service centre

Existing and potential entrepreneurs require a “single-window” business support centre in the North End. Many business owners feel isolated from and unaware of available services, supports, opportunities, and resources available to them. There is a need for business management supports, assistance with succession planning, information regarding available resources for entrepreneurs, awareness of and connection to skilled employees, real estate inventories, and assistance with various business functions such as market research, promotions, business planning, advocacy, and negotiating various legal processes. This requires a physical location, a comprehensive inventory of resources, and an individual(s) with the capacity to provide at least preliminary technical assistance and referral services to entrepreneurs. The creation of, or access to, specific tools for the North End such as loan funds or equity capital would increase the impact a service centre could have in the community. For this strategy, the North End Business Partnership could be revived, a new mechanism could be created, or it could be developed as a program of the NECRC similar to the PATH Centre.

8.7.5 Create a business incubator

A business incubator will lead to the emergence and growth of more businesses than would develop on their own through the sharing of resources and technical support, and is particularly possible to create in tandem with a real estate and business service centre

strategy. The focus could be on youth, low-income individuals, North End residents, women, Aboriginal entrepreneurs, businesses that have the potential to great jobs, or simply be open. Partnerships should be developed with organizations that support the various entrepreneurs such as SEED Winnipeg or the Women's Enterprise Centre. Consulting the Social Planning Council of Winnipeg would be prudent, as they have previously developed full business incubator business plans that could be drawn on.

8.7.6 Increase the number of Aboriginal-owned businesses

Given the significant Aboriginal population in the North End, the number of Aboriginal-owned businesses in the North End should be increased. Impacts could include increased local consumer loyalty and local entrepreneurship, increased Aboriginal employment opportunities, and more goods and services provided locally. An Urban Reserve or cluster of Aboriginal-owned businesses could be developed, although these require additional energies, time, and resources than would an enterprise support strategy. A business incubator or business support centre could prioritize service to Aboriginal entrepreneurs.

8.7.7 Increase local entrepreneurial capacity

The development of entrepreneurial capacity in a community will increase the number of enterprises that are created. This may be a longer-term strategy as this may require nurturing confidence, skills, general capacity, and providing capital. However, many communities have realized short-term outcomes by developing an enterprise development curriculum (with a community-oriented paradigm as opposed to simply an individualistic lens) and providing learning opportunities for both adults and also youth through their schooling. As part of this strategy, business plan "competitions" can be held where the most feasible plans are provided with seed capital to actually pilot their enterprises. A business incubator and business service centre would strengthen this strategy. Again, the focus could be on youth, low-income individuals, North End residents, women, Aboriginal entrepreneurs, businesses that have the potential to great jobs, or simply be open.

8.7.8 Aesthetics

Improving the aesthetics of the North End is important to the pride of business owners and the community, the image of the North End, and increases the likelihood that consumers will be drawn to the North End. Aesthetics will not quickly overcome the negative stigma of the North End including the safety concerns or the deteriorating infrastructure, but community pride is important and creating positive aesthetics can sometimes be a quick, easy, and visible way to improve the community.

8.7.9 Safety

Improving the actual and perceived safety is perhaps the least easily achieved strategy, but it must be mentioned as it clearly impacts every other potential strategy or action significantly. While not the mandate of a business development officer, safety must be a strategic priority as it impacts every aspect of the community including the local businesses.

8.8 Further research

Topics for further research in the North End might include identifying what the New Economy (and other) assets and capacities currently are in the North End, what the specific business opportunities currently are, and what specific types of tools have been most effective in seriously disinvested urban communities such as the North End.

Further research could also study the impact on the business community of bank out-migration over the last decade, with consideration given to the direct financial services previously provided to local businesses and also to the impact this phenomena has had on the purchasing power of the community as individuals now pay higher rates for financial services at the fringe financial service providers.

A final suggested topic for further research would involve studying how diverse groups of people are able to overcome barriers to collaboration and realise synergy. The complex dynamics in the North End are not unique to those individuals, organisations, or that community. Many, if not most, other communities pursuing revitalisation have struggled with similar conflicts. To understand and learn from their experiences, and to glean wisdom and insight into effectively dealing with these circumstances, would undoubtedly benefit North End stakeholders as they strive for the synergy inherent in effective collaboration.

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Appendix A

Interview Consent Form

I understand that the research team, under the supervision of Dr. Buckland, is undertaking a study of government and business participation in community economic development (CED). The team will develop a set of best practices for community agencies seeking to partner with business and government in their pursuit of sustaining local development. The purpose of the project is to develop a set of best practices for collaboration with business and government to be used by any interested CED practitioners and agencies. The project itself has no funds to help agencies undertake this collaboration.

I understand that my participation in this project is voluntary and, if I agree, it will involve the recording or the transcription of the interview. I understand that any time during the 30-90 minute interview I may refuse to answer any number of questions, or I may request that the tape recorder be turned off or withdraw from the project entirely without prejudice or consequence. If I request that the interview not be recorded, I understand that the researchers will be taking notes. I may be approached, in person, by phone or email, in the near future for follow-up questions.

I understand that the information I provide during the interview and survey materials will be held in strict confidence. Only the interviewers and the research supervisor (Dr. Jerry Buckland) will have access to the information. Confidentiality of private information and anonymity will be maintained at every stage of the research and in the publication of the results. Interview materials will be kept in strict confidence in the offices of the researchers. Once the survey is completed the interview materials will be stored and locked in a secure place at Menno Simons College.

I understand that to participate in this survey I must be at least 18 years of age. I understand what my participation will involve and that reports and subsequent publications will arise out of this research. I give permission to the researchers to use the content of our interview for research purposes, academic publications and conferences. I understand that my words might be quoted without attribution in the research report and in some academic publications. Should I have any questions concerning the nature or the legitimacy of the research, I am free to contact the research supervisor, Dr. Jerry Buckland at (204) 786-9171, Professor Paul Redekop, Chair of the Ethical Committee for Menno Simons College (204) 786-9102 or to contact Dr. Laura Sokal, Chair of the Senate Committee on Ethics in Human Research and Scholarship (204) 786-9915. Copies of the final report will be made available to the public. One copy of the report will be sent to the North End Community Renewal Corporation and one other will be made available at The University of Winnipeg's library.

Name of Participant

Signature of Participant

Date

Name of Researcher

Signature of Researcher

Date

Name of Research Supervisor

Signature of Research Supervisor

Date

Focus Group Consent Form

I understand that the research team, under the supervision of Dr. Buckland, is undertaking a study of business development strategies, particularly their potential for revitalizing Winnipeg's North End. The team has compiled an inventory of potential actions geared toward invigorating the North End's business environment. The purpose of this focus group will be to prioritize actions that are most achievable and would have the greatest impact toward the goal of business development. The project itself has no funds to help agencies undertake this collaboration.

I understand that my participation in this focus group is voluntary and that at any time during the session I may refuse to answer any number of questions, or I may withdraw from the project entirely without prejudice or consequence. I understand that the researchers will be taking notes. I may be approached, in person, by phone or email, in the near future for follow-up questions.

I understand that the information I provide during the focus group will be held in strict confidence. Confidentiality of private information and anonymity will be maintained at every stage of the research and in the publication of the results. Interview materials will be kept in strict confidence in the offices of the researchers. Once the survey is completed the interview materials will be stored and locked in a secure place at Menno Simons College.

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Name of Participant

Signature of Participant

Date

Name of Researcher

Signature of Researcher

Date

Name of Research Supervisor

Signature of Research Supervisor

Date

Appendix B

Schedule for Key Informant Interviews

Intro: ethical qualifier. Please provide as much detail as possible.

1. Key Informant Name:
2. Key Informant Organisation:
3. Key Informant Position:
4. Interview Code:

General Questions

5. What is your (personal/organisational) understanding of community economic development (CED)?
6. What is the root cause of the need for inner city business revitalisation? [low skills/education in community, urban sprawl, housing, poverty, free market economics, government action/inaction, lack of reinvestment, lack of CED focus, lack of coherent strategy, lack of community ownership/involvement, image, culture]
 - a) How important is business revitalisation to CED? How important is business revitalisation to CED in the North End?
7. What are the different potential components of business revitalisation? [succession planning, new business creation, business attraction/create environment that will attract business, strengthen existing businesses, real estate strategy]
8. What should the role of the business community be in terms of business revitalisation strategy in the inner city?
9. What has the business community done in the past (strategy and support) toward inner city business revitalisation?
10. Was it successful (explain)? Why or why not?
11. What should be the role of government (three levels) in terms of business revitalisation strategy in the inner city?
 - a) Why is this role important? Why is this role important for the North End?
12. What has the government (three levels) done in the past (strategy and support) toward inner city business revitalisation?

13. Was it successful (explain)? Why or why not?
14. What should the role of a CDC such as NECRC be in terms of business revitalisation strategy in the inner city?
15. What has NECRC done in the past (strategy and support) toward inner city business revitalisation?
16. Was it successful (explain)? Why or why not?
17. Is there a role for the community (general public and non CDC organisations such as schools, community groups, etc) in inner city business revitalisation?
18. What have they done in the past (strategy and support) toward inner city business revitalisation?
19. Was it successful (explain)? Why or why not?
20. Have government, business, CDC, and the broader community collaborated on inner city business revitalisation strategies?

[If yes] What was the initiative and was it successful?
21. Is it important for stakeholders to collaborate? What can the positive and negative impacts of collaboration be? [synergy, change accountability, dilute autonomy]

Personal/Specific Experience

22. [If not already answered] Have you or your organisation/business participated in inner city business revitalisation efforts or strategies?

[If yes] What was done? Was it successful (explain)? Why or why not?
23. Do you have any comments to add about developing a Community Economic Development focussed business revitalisation strategy for Winnipeg's North End?
24. Do you have any thoughts regarding business revitalisation strategies that address/incorporate "the new economy"?
25. Do you know of case studies or key informants around North America that could be contacted regarding CED business revitalisation strategies in disinvested neighbourhoods?
26. Can we contact you again for follow-up questions later in the summer?

Appendix C

Summary of Business Development Strategies

Business Attraction

Benefit is instant jobs and income, good and services, taxes, and an active presence in the community.

Conditions needed: attractive location, infrastructure, community, consumer power or an available and skilled employment pool.

Potential Tools: tax breaks for relocation, investment zone or urban reserve, CED Tax Credit, equity fund to assist in investment, and international sponsorship program.

Potential Actions:

- Research and promote strengths of community (spending power, population, market/consumer gaps, inexpensive infrastructure, new developments and consumers, transportation numbers and where, anchor businesses, etc), find out why existing businesses locate there and what they see as strengths
- Keep inventory of available lots/buildings, as well as skill pool
- Develop “single window” resource centre to assist potential businesses
- Get international business sponsorship program to promote your area
- Develop more attractive real estate
- Create an urban reserve
- Support emerging CED Equity Fund and CED Tax Credit program

Support Existing Business

Secure or expand jobs, as well as goods and services, work with what is already there.

Conditions needed: willingness of owners to be supported in pursuing efficiency improvements, a trusting relationship between owners and support providers, potentially viable or expandable businesses.

Potential Tools: “single window” business service centres, such as Canada/Manitoba Business Service Centre and Louis Riel Capital Corporation, including both financial and non-financial supports. Early warning systems can detect possible closures/moves so that preventative measures can be taken (local purchase, worker buy-out, support to business).

Potential Actions:

- Facilitate access to skilled employees (strategic employment development)
- Explore succession planning
- Facilitate better access to existing resources, tools, and supports
- Provide management supports through counselling or mentorship
- Assist with transitions to new markets (explore export or consumer attraction through research, feasibility studies, business planning)
- Explore potential technological improvements for businesses

- Assist with individual or group marketing
- Look for ways to build collaboration and a sense of community among businesses, as done by BIZ groups and the Chamber of Commerce
- Find resources for and facilitate individual or group infrastructure improvements

Create Business

Riskiest (may actually drain money from org) and most demanding (you are responsible for all steps and resources), but as a social enterprise you can control the shape it takes (target hiring, control products) and realise maximum benefit (stay local, training, local reinvest profit, income for organization).

Conditions needed: Equity, expertise, and the capacity to create a business. Also need a market for the goods and/or service.

Potential Tools: financing and non-financial tools, particularly those targeted at social enterprise such as Jubilee Fund, Community Ownership Solutions, co-op development funds, and perhaps the emerging federal Social Economy initiative.

Potential Actions:

- All steps of normal venture development including market research, feasibility studies, business planning, and so on.
- Could be solely organization-owned, set up as cooperative, or as a joint venture with private investor. Joint ventures (Community organization – private sector) have demonstrated considerable success in some communities.

Facilitate Business Creation

New entrepreneurs, jobs, and goods and services without the direct organizational risk.

Conditions needed: entrepreneurs and a market opportunity for goods and services.

Potential Tools: financial and non-financial tools/supports, business incubator, and “single window” business resource centres.

Potential Actions:

- Develop a case for a business plan (identify consumer spending and wants, identify available products and gaps, identify external spending that could be captured for local benefit, do preliminary feasibility study)
- Find new entrepreneurs (high school, university/college, resource centre, adult ed)
- Support enterprise development through “single window” resource centre
- Create incubator for new businesses
- Hold business plan contest in various settings such as high schools, support winner(s) with financial and non-financial resources

Real Estate

Allows community organisation to control the development process, build equity, and diversify its assets and income. Turns community liabilities into active, productive

centres providing vital community services, businesses, or green spaces. A real estate strategy can be used to attract businesses, support existing businesses, attract new entrepreneurs, and create a better business environment by occupying property and increasing consumer traffic in the community. Even the attraction of social services as tenants must be recognised for its positive impact on the community in general, the aesthetic and infrastructure improvements in specific, as well as the additional students, staff, and consumers that populate the business district as a result.

Conditions needed: vacant and available properties, financial capacity/resources, real estate development expertise, and demand for real estate.

Potential Tools: loan or equity funds, Centre Venture model (manage/develop government owned properties), CED Tax Credit

Potential Actions:

- Create inventory of available properties
- Acquire and develop properties, then use them, rent them out, create an incubator, sell them, or turn it into green space
- Work with owners to access resources for infrastructure improvements
- Push the city to take down derelict buildings
- Get city to adopt a community-first property sale policy
- Get others to develop the properties (WEC, Urban Circle, MCC)

Improve Business Environment

A healthier and more vibrant community is in itself beneficial for improving the business environment in a community. This strategy may bring less direct/slower results to area businesses, but the benefits are real and will impact existing and new businesses, as well as business attraction efforts. These strategies may improve the community environment as a whole (safety, aesthetics, etc) or specifically the environment as pertaining to businesses (taxation, supports, etc).

Conditions needed and Potential Tools: The conditions are simply the existence of a community, improving the community can be done anywhere at anytime. Tools are as diverse as potential actions, which are as diverse as the multiple dynamics that can be found in a community.

Potential Actions:

- Increase consumer traffic through: events, advertising, tours, workplace and schools relocation, improved transportation and parking, or providing goods and services that are unique or of exceptional quality
- Improve safety (real and perceived) and cleanup of garbage/derelict buildings
- Housing stock improvement and homeownership (retain/attract consumers to live there, thereby increase spending and community tax base)
- Greening, sidewalk/storefront improvements, murals, etc
- “Single window” resource centre with training/supports for employees/owners

- Improve policies (zoning, building codes, taxes, etc) and assist entrepreneurs manoeuvre through these processes
- Re-acquire tax dollars for the community
- Create networks for solidarity, efficiency, sharing info and resources, creating linkages and opportunities.
- Create flexible manufacturing networks
- Develop entrepreneurial spirit in the community through education and competitions

Appendix D

Stakeholder Meeting Action Selection Tools

Potential Business Development Actions

Notes

<p>1. Business Attraction: Research and promote strengths of community (spending power, population, market/consumer gaps, inexpensive infrastructure, new developments and consumers, transportation numbers and location, anchor businesses, etc), find out why existing businesses locate there and what they see as strengths. Perhaps get International Business Sponsorship program to promote the North End.</p>	
<p>2. Use the above information to build a business case and offer it to anyone willing to develop it (identify consumer spending and wants, available products and gaps, external spending that could be captured for local benefit, do preliminary feasibility study),</p>	
<p>3. Increase consumer traffic through: events, advertising, tours, workplace and schools relocation, improved transportation and parking, or providing goods and services that are unique or of exceptional quality</p>	
<p>4. Focus on strengthening or creating more Aboriginal-owned businesses, perhaps create an urban reserve to attract and nurture businesses</p>	
<p>5. Facilitate access to skilled employees through strategic employment development - maintaining an inventory of the local skill pool and labour demands and providing employment follow-up supports</p>	
<p>6. Develop early warning system to detect possible closures/moves so that preventative measure can be taken (local purchase, worker buy-out, support to business) including succession planning</p>	

<p>7. Develop “single window” business service centre for the North End that provides and facilitates better access to existing financial and non-financial resources, tools, and supports. Could carry out many of the other actions listed here</p>	
<p>8. Provide management supports to businesses through counseling or mentorship, assist with marketing, explore technological improvements and transition to new markets (explore export or consumer attraction through research, feasibility studies, business planning) for businesses.</p>	
<p>9. Look for ways to build collaboration and a sense of community among businesses, as done by BIZ groups and the Chamber of Commerce. Create stronger networks for solidarity, efficiency, sharing info and resources, group marketing, creating linkages and opportunities.</p>	
<p>10. Create flexible manufacturing networks – look for forward and backward linkages in the local economy and create and/or connect related business to each other to strengthen them and the local economy</p>	
<p>11. Aesthetics: greening, sidewalk/storefront improvements, murals, individual or group business infrastructure improvements</p>	
<p>12. Have community organizations (such as NECRC) create a business/social enterprise. Venture development includes market research, feasibility studies, business planning, etc. Could be solely organization-owned, set up as cooperative, or as a joint venture with private investor.</p>	

<p>13. Create business incubator to support new businesses through lowered/shared costs, mentorship and technical assistance, and peer support</p>	
<p>14. Develop entrepreneurial spirit in the community through education and competitions – develop self employment curriculum for youth and adults and hold business plan contest in various settings, support winner(s) with financial and non-financial resources</p>	
<p>15. Real Estate Strategy: create inventory of available properties, acquire and develop properties (use them, rent them out, create an incubator, sell them, or turn it into green space), or get others to develop the properties (as done with WED, Urban Circle, MCC, etc).</p>	
<p>16. Work at policy changes: get city to adopt a “community-first” property sale policy so that community organizations have first rights to acquire a public property. Also influence policies around zoning, building codes, taxes, derelict buildings, etc</p>	
<p>17. Improve safety (real and perceived) and cleanup of garbage, graffiti, and derelict buildings. Develop greater “patrol” presence either with community or police.</p>	
<p>18. Support enterprise development: support aspiring entrepreneurs with financial and non-financial resources, tools, and other supports including technical assistance, mentoring, and peer support</p>	

Business Development Actions

Process

Discuss the actions assigned to your group and rate their achievability and potential impact on a scale of 1 to 4. The action number will then be placed on the action grid according to the determined coordinates. Each group will rate six assigned actions and then select another three to rate from the remaining twelve. A group spokesperson will then report the results to the larger group.

Examples

- 1, 1 most difficult to achieve; lowest impact
- 2, 2 somewhat easier to achieve; slightly higher impact
- 3, 3 easy to achieve; high impact
- 4, 4 easiest to achieve; highest impact
- 1, 4 most difficult to achieve; highest impact
- 4, 1 easiest to achieve; lowest impact

Assigned Actions for Groups

Group A: Actions 1, 4, 7, 10, 13, 16 & three others

Group B: Actions 2, 5, 8, 11, 14, 17 & three others

Group C: Actions 3, 6, 9, 12, 15, 18 & three others

Impact and Achievability Grid

Impact and Achievability Grid

High Impact (4)

Low Impact
(1)

Not Achievable (1)

Very Achievable (4)

Appendix E

Stakeholder Meeting Notes and Results

January 20, 2005 at Urban Circle Training Centre

1. Opening Remarks (Richard Sawchuk - Facilitator)

- Each participant here was invited because of their knowledge, position, or experience as a stakeholder in CED in the North End
- This meeting is part of a journey: there has been work going on here for a long time, then a year ago some research was initiated, and now you are being asked to give feedback on what the research has found
- You will be asked to evaluate the potential actions and strategies in two ways: how achievable is it and how much impact could it have in the North End

2. Meeting Context (Brendan Reimer - Researcher)

- A healthy business community is part of a healthy community; business development is part of building a good community because it means available goods and service, jobs, and local economic activity
- The research consulted all three levels of government, community developers, business owners, and literature looking for potential strategies; what has worked and what has not worked for revitalizing business sectors in urban communities
- Based on that research a report has been put together describing all potential strategies. The task now is the first step in turning the research into something real that will impact the community by selecting priority actions. Of course, the step to follow that is also critical and that is to put those selections into action.

3. Process (Richard Sawchuk - Facilitator)

- The many potential actions and strategies have been condensed to 18; some strategies are blended into one, some are standalone, while others may overlap
- Individuals have been pre-assigned into one of three groups to ensure representational diversity within each group
- Each group will look at 6 assigned strategies and then select 3 others of their choice that appeal to the group. Spend 10 minutes on each item and record key information emerging from the discussion.
- Make sure everyone understands the strategy, briefly outline what success of this strategy would look like in the community, think of what would need to be done to advance this strategy, evaluate it in terms of achievability and potential impact each on a scale of 1 to 4, and then plot the strategy on the grid.
- Be respectful, be creative, share the air time, “seek first to understand and then to be understood,” and remember “when you change the way you look at things, the things you look at change.”

4. Group Reporting Session

This section lists each reviewed strategy with the ranking number (achievability, impact) on a scale of 0 for low and 4 for high. Comments and explanations are also included. In

the case the more than one group reviewed a strategy, the rating numbers are averaged and the comments are integrated. A graph of the results is provided at the end.

1. Business attraction (1, 4)

- This could have a great impact, but attracting businesses is very difficult right now. Many bigger picture issues such as safety need to be addressed first.

2. Build a business case and offer it to anyone willing to develop it (2, 3)

- Discussed in terms of compiling favourable evidence that setting up a business in the North End is a great idea and promoting these advantages and opportunities. Seen as somewhat achievable with some moderate potential impact. Again, safety, aesthetics and social development are required to make this case.

3. Increasing consumer traffic (2, 3)

- One statement was that it was easier to get people into the area than to get them to spend at the business in the area. The other two groups said that getting consumers into the area was not easily done for a variety of complex reasons, but that if it were achieved it would have a big impact.
- Some noted comments included: the need for a parking strategy, advertising packages, safety and cleanliness, extended hours, restaurants, special events, quality goods and services, and establishing a niche market.

4. Focus on strengthening or creating more Aboriginal-owned businesses (3, 4)

- One group noted an emerging energy that would make it fairly achievable to create a cluster of business with an “Aboriginal flavour”, but also to create generic Aboriginal-owned businesses in general, and that this would have a very high impact for the community. The other group focused on an urban reserve, but also agreed that it was fairly achievable and would have a high impact - although acknowledging that creating an urban reserve was a long-term process.
- Noted comments: there is a need for education on Aboriginal issues for non-Aboriginal people on things like treaty and status issues.

5. Facilitate access to skilled employees (4, 4)

- This was seen primarily as making sure businesses know about the skill development that is going on (and available skills) and the related opportunities, supports, and resources. Seen as very achievable and as having great impact.

6. Develop Early Warning Systems (2.5, 4)

- Many at-risk businesses in the North End need a transition plan; succession planning is important but is difficult when businesses have deteriorated or are not meeting emerging demands. As well, developing the trust whereby owners will open their books to get help will be difficult. Achievability is mid-range, but the impact if achieved would be very high. Need staff capacity to carry this out.

7. Develop “single window” business service center (2.5, 2)

- Saw that this was somewhat achievable, but that attracting financial institutions would be difficult and that impact was low. Seen not to be a primary strategy.

8. Provide management supports to businesses (4, 4)

- This was seen as very achievable and as having high impact. There were mixed views on how useful present services are. Stated that the necessary information on supports and resources is not flowing to the business owners, particularly new businesses. Mentorship from experienced owners would be good.

9. Building collaboration (4, 3)

- Very achievable (does not require big grant or policy change) with good impact. It was noted that this was already being done by the BIZs, but that a paid staff person to work on this could do much more.

10. Flexible manufacturing networks (1, 1.5)

- Seen as not achievable given that you can't force people to do business with each other locally (it may be more expensive) and commitment to price over local loyalty would diminish any impact as networks would not last.

11. Aesthetics (4, 3)

- Seen as very achievable as it was straightforward with good impact, although there was varied opinion on the impact as some felt that superficial beauty could not overcome serious issues such as safety, crime, and stigmatized reputation.

12. Create a business/social enterprise (2, 3)

- Difficult to achieve as it is a long and slow process, but that the impact can be good as they create jobs, empower individuals, and provide goods and services.

13. Business incubators (3.5, 4)

- Providing shared space and services as well as mentorship for new businesses at a reasonable price was seen to be very achievable (lots of available land and buildings) with great impact.

14. Develop entrepreneurial spirit (2, 3.5)

- Difficult to achieve as it is a long-term process of changing confidence, skills, and capacity – which likely means working with youth. The impact is lower if this developed spirit is individualistic rather than community-oriented.

15. Real estate strategy (3.5, 4)

- Very achievable with great impact. Specific comments: need to clean up vacant lots, need policy change to support real estate strategy, need accessible (perhaps online), and this will lead to quicker uptake of properties from the private sector and improve moral in the North End. Centre Venture model would be great.

16. Working at policy changes (2.5, 3.5)

- This is difficult to evaluate in one category as various policy changes have varying potential. Real estate policy is high on list and would have good impact.

17. Safety issues (1, 4)

- Not easily achieved, but would have very high impact. Youth issues of self-esteem are critical for the future. Need to develop better relationships between youth and adults/those in authority/business. It was noted that perception of safety was not always the same as the reality of safety, and that both need addressing.

18. Support enterprise development (2, 4)

- Not easily achieved but the impact is very high. Showcasing a handful of successful business owners (especially if new/young) to the city would have a good impact on business attraction and boosting local moral. One target group might be ethnic groups who are represented in the North End population

Impact and Achievability Grid

High Impact (4)	#1 #17 #18 #14 #2 #3 #12	#4 #6 #16 #13 #15 #5 #8 #9 #11
Low Impact (1)	#10	#7
	Not Achievable (1)	Very Achievable (4)