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MANIT**O**BA
RESE**A**RCH
ALLI**A**NCE

CED

IN THE NEW ECONOMY

**Potential of CED
as a Response to
the New Economy**

We are pleased to acknowledge the generous financial support of the Social Sciences and Humanities Research Council, grant #538-2002-1003, via the Manitoba Research Alliance on Community Economic Development in the New Economy, a consortium led by the Canadian Centre for Policy Alternatives – Manitoba.



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POTENTIAL OF CED AS A RESPONSE TO THE NEW ECONOMY*

The Manitoba Research Alliance on Community Economic Development in the New Economy (referred to throughout this document as the Research Alliance or the MRA) is a three-year research project to examine how communities might overcome obstacles and share in the benefits created by the New Economy. We identified Community Economic Development (CED), a development strategy that emphasizes local self-sufficiency, local decision-making and local ownership, as a strategic response to assist communities in taking up the opportunities and meeting the challenges created by the transition to a New Economy.

The Research Alliance brings together academic researchers from the universities of Manitoba, Winnipeg and Brandon; senior government policy makers; and practitioners active in Manitoba's dynamic CED community (and elsewhere). The lead organization is the Canadian Centre for Policy Alternatives-Manitoba, a community-based research institute uniquely positioned to make such community-university connections. The team's Principal Investigator is Dr. John Loxley, Professor of Economics at the University of Manitoba. The Research Alliance was launched in late 2002, and it funded and oversaw more than 40 individual research projects chosen to help meet the larger project's overall goals. This research was conducted by academics, students, and community researchers, in many cases working in teams. These

projects have been successful, not only in their particular research findings, but also in providing opportunities for students and community researchers to receive practical research training. And they have bridged the gaps between academic disciplines, and between the university and the larger community. While focusing primarily on Manitoba, the composition of the Alliance has enabled it to draw on experiences from across Canada and beyond.

This publication is one of ten summary publications prepared by the Research Alliance. These publications, which we have come to call "kits," describe the results of our research, and the kits are organized by audience or by theme. It should be emphasized that we are not — nor could we be — comprehensive in addressing these themes. Rather, we have identified a wide range of research results based on the specific research projects that we undertook. The themes and audiences for the kits arose out of the research, as we think these themes are the most effective way to organize the results.

The complete list of kits is as follows:

* We are pleased to acknowledge the generous financial support of the Initiative on the New Economy of the Social Sciences and Humanities Research Council; via the Manitoba Research Alliance on Community Economic Development in the New Economy. For further information please see: <http://www.manitobaresearchallianceced.ca>.

1. Assessing the impacts of the New Economy *A Scan of Community Economic Development Organizations, Rural Communities and First Nations in Manitoba and their Participation in the New Economy* (A Masters Thesis), by Carly Duboff
2. Evaluating the potential of Community Economic Development *Aboriginal Involvement in Community Development: The Case of Winnipeg's Spence Neighbourhood*, by Jim Silver with Joan Hay and Peter Gorzen
3. Examining government policy regarding Community Economic Development and the New Economy *Training Options That Would Increase Employment Opportunities for Local People in Resource Extraction Projects in Northern Communities*, by Nancy LeBlond and Sasha Brown
4. The role of gender in Community Economic Development and the New Economy *Community Initiation of Welfare-to-Work*, by Christopher Leo and Todd Andres
5. Aboriginal issues in Community Economic Development and the New Economy *Agricultural Land Trust Research Project*, by Blair Hamilton
6. Business issues in Community Economic Development and the New Economy *Economics for CED Practitioners*, by John Loxley and Laura Lamb
7. Education issues Community Economic Development and the New Economy (aimed at educators) *Young Women Work: Community Economic Development to Reduce Women's Poverty and Improve Income*, by Molly McCracken, Kate Dykman, Francine Parent and Ivy Lopez
8. Urban issues in Community Economic Development and the New Economy *Manitoba Alternative: Food Production and Farm Marketing Models*, by Kreesta Doucette and Glen Koroluk
9. Rural issues in Community Economic Development and the New Economy *Identifying Employment Opportunities for Low-Income People Within the Manitoba Innovation Framework*, by Garry Loewn, Jim Silver, Martine August, Patrick Bruning, Michael MacKenzie, and Shauna Meyerson
10. Northern issues in Community Economic Development and the New Economy *Government Policy Towards Community Economic Development in Manitoba* (A Master's Thesis) by Lynne P. Fernandez

These kits, along with the rest of the publications prepared by or for the Research Alliance, can be downloaded for free from www.manitobaresearchallianceced.ca. Much of the research has also been published by the Canadian Centre for Policy Alternatives — Manitoba (www.policyalternatives.ca/mb).

A note on sources

This particular publication is informed by all of the research carried out, but in particular the information here has been drawn from the following individual projects:

Aboriginal Learners in Selected Adult Learning Centres in Manitoba, by Jim Silver with Darlene Klyne and Freeman Simard

CED-oriented Business Development Strategies for Winnipeg's North End, by Brendan Reimer

Social Housing, Neighbourhood Revitalization and CED, by Ian Skelton, Cheryl Selig, and Lawrence Deane

Implementing and Evaluating an Inner City Exchange Trading System, by Paul Chorney

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POTENTIAL OF CED AS A RESPONSE TO THE NEW ECONOMY

What is Community Economic Development?¹

Community Economic Development (CED) has been subject to an eclectic range of definitions. To some, CED covers any economic development initiative, be it private, public or community driven, taking place within some definition of 'community', usually a geographic one. According to this view, there is no necessary inconsistency between orthodox economics and CED. According to the more demanding definitions of CED now coming to dominate the literature, more radical departures from the orthodoxy seem called for. These define CED as a social process in terms of decision taking; they replace the individual 'consumer' with the collective community; they see the meeting of collective 'needs' taking precedence over the satisfaction of individual consumer 'demands'; they take a long view of economic activities as opposed to that of short-term profit maximization and they see economic decisions as being inextricably linked to social, environmental, political and cultural considerations.

Within this more demanding view of CED, there are two schools of thought. The first, associated with a more radical, communal, tradition, sees

CED as an alternative form of social organization to capitalism. The second has a more limited vision, seeing CED as a desirable and workable approach to dealing with particular problems facing communities. These problems are a direct outcome of the way in which capitalism differentially and unevenly affects certain communities and CED is seen as a way to help fix them. Adherents to the first school are often found working alongside those of the latter.

The most complete set of CED principles are those underlying the Neechi model of CED. Neechi Foods Co-op Ltd. is an Aboriginal worker-owned cooperative retail store in inner-city Winnipeg. The idea of this approach is to build a strong, inward looking, self-reliant economy which is based on goods and services consumed by people who live or work in the community. In theoretical terms it is a "convergence" strategy of economic development.² It favours cooperative ownership, small scale production and popular control over economic decision making. It is a holistic approach, in which the safety, health and self-respect of residents are of paramount importance.³ The principles on which it operates are as follows: production of goods and services for local use; use of local goods and services; local re-investment of locally generated profits; long-term employment of local residents; local skill development; local decision making; improved public health; improved physical environment; neighbourhood stability; human

dignity and solidarity among communities and businesses following these principles.

“The Neechi principles have been widely adopted as a benchmark in Winnipeg’s large and active CED community”

Notwithstanding the ongoing debates about how to define CED, the Neechi principles have been widely adopted as a benchmark in Winnipeg’s large and active CED community, and as a theoretical starting point by the MRA and most of the individual researchers working on projects under the MRA. Several researchers attempted to refine or re-state a definition of CED, but all of these re-definitions remained broadly consistent with the Neechi principles. For example, Friesen and Hudson extracted components from a number of works to define CED as “placing the community at the centre of economic development — such that the community is both the beneficiary and the prime mover. By matching local resources with local needs, community members are able to realize their higher-order non-economic needs, as well as their basic material needs.”³ Fernandez adopts a definition prepared by the BC Working Group on CED, which takes CED to be “a community-based and community-directed process that explicitly combines social and economic development and is directed towards fostering the economic, social, ecological and cultural well-being of communities.”⁵

The State of Community Economic Development in Manitoba

Many commentators have noted that Winnipeg is rapidly becoming a focal point in Canada for CED. In an address to the CED Gathering held in Winnipeg in 2003 on the theme of “Maintaining

Momentum,” Loxley listed reasons for this: CED in Winnipeg is guided by a clear set of principles (the Neechi Principles); CED activists in Winnipeg have demonstrated a willingness to engage nationally in promoting the philosophy and practice of CED; there is a strong institutional base for CED in Winnipeg, with the Community Education Development Agency, Assiniboine Credit Union, and SEED Winnipeg, among many other institutions; government support for CED has improved markedly since 1999; charitable foundations have become more active in supporting CED; there is a supportive academic environment for CED.

Manitoba Communities That Could Make Best Use of CED

The Manitoba communities for which CED would seem to hold the most potential for overcoming social and economic problems are listed below, with a brief description of key socioeconomic indicators, such as employment and education levels, in those communities.

Inner city communities

Conditions in Winnipeg's inner city are worse than for Winnipeg as a whole. For particular groups of people and particular neighbourhoods, circumstances are *very* bad. However, there are encouraging signs of improvement in socio-economic conditions, although the challenges — many of which are long-standing — remain severe.

Currently the inner city makes up just under 20% of Winnipeg's total population, but the inner-city population is shrinking. Its residents are also highly mobile — more people move more frequently in the inner city than in the rest of the city. These factors add to the challenge of revitalizing the inner city.

“Incomes in the Inner City are Low”

The median inner city family income in 2000 was \$36,411, compared with \$54,724 citywide. While inner-city incomes remain below those citywide, the gap is narrowing. Inner-city median family incomes, as a proportion of median family incomes in Winnipeg, climbed from 61.2% in 1990, to 66.5% in 2000. Adjusted for inflation and represented in constant 2000 dollars, real median

inner-city family income increased by 7.0% between 1990 and 2000, while declining by just under 1% city-wide. Census data show that inner-city unemployment rates fell from 14.8% in 1991 to 9.0% in 2001. Over the past decade the number of employed adults in the inner city increased by almost 6.0%. This improvement is even more significant given that the number of working age adults in the inner city fell by 5.0% over the same period. Despite these improvements, the incidence of unemployment continues to be higher in the inner city than in the city as a whole.

“Poverty rates are high, though not rising”

Improvements in educational attainment in the inner city are also emerging. According to the 2001 census, 38.5% of residents 15 years of age and over in the inner city had less than a high-school education, down from 49% ten years earlier. And the number of inner-city residents who hold a university degree has grown by almost 23% over the same period, to more than 13,500 individuals in 2001.

The concentration of low income remains a challenge in the inner city. After peaking at 49.9% in 1995, the household poverty rate in the inner city, as measured by the Statistics Canada Low-Income Cutoffs (LICO), fell to 44.1% in 2000. This is an improvement, but the rate continues to be staggeringly high: almost double the citywide rate of 24.7%. Poverty rates climb even higher for specific types of inner-city households — lone-parents, and persons living alone, have poverty rates of 60% and 54% respectively — and for particular neighbourhoods. For example, the household poverty rate in Lord Selkirk Park is an astonishing 87.8%, almost nine in ten, while in Spence and Centennial neighbourhoods approximately two in every three households have incomes below the LICO. More than 25,000 inner-city households had incomes below the LICO in 2000, accounting for 40% of all households in Winnipeg in low income.

Manitoba, like much of the industrialized world, is facing a labour shortage, and in particular a skilled labour shortage. Loewen et al surveyed the literature on this issue. Winnipeg is especially likely to be a localized “hot spot” suffering from

“Manitoba is facing a skilled labour shortage”

an acute shortage of skilled workers. The lowest rates of unemployment in the country have consistently been found in Manitoba, and specifically Winnipeg.⁶ Winnipeg is a slow-growth city [increasing at an annual rate of 0.04%] in a province that loses about 1000 skilled young workers each year to provincial out-migration. Losing young people is contributing to the greying age structure of the city, where in 2001, 17.2% of residents were over 60 years of age.⁷ The tight labour market and demographic aging in Winnipeg point to looming labour shortages, the beginnings of which are already being felt by employers.

Rural Communities

Since the Second World War rural Manitoba has seen significant farm consolidation, but that trend — in which ever-fewer families rely on the family farm as their primary source of income — has been exacerbated in recent years.

“The family farm is disappearing and the rural population is not growing”

According to the 2001 Census, from 1996 to 2001 the total number of farms in Manitoba declined by 13.6%, while the average farm size rose. A farm-income crisis is forcing more and more farmers to rely on off-farm income. In general, the family farm is disappearing in the face of high capitalization requirements and the concentration of land

ownership. There seems little doubt that globalization and the structural adjustment of Canadian agriculture are affecting rural Manitoba. A parallel trend is that rural population growth is essentially stagnant.

Gardenton is a very small (estimated population just under 200) community in rural Manitoba. It has seen all of its businesses, including the post office, close since the railway went out of use in the 1960s and the track was officially decommissioned in 1977. Gardenton was the subject of a detailed case-study by the MRA (Heald), in which every household in the community was approached and asked to complete a survey (approximately two-thirds agreed to participate); the surveys were followed by twenty personal interviews. The pur-

“The New Economy has not eliminated the economic marginalization of rural communities”

pose was to discover and describe the ways in which one particular community is affected by, and responds to, recent economic changes, including those associated with the New Economy. The author of this study concluded that, while “regional, national, and international economic changes...had clear and indelible effects on what it is possible to do and be in Gardenton, there are also continuities which have a great impact on people’s lives.” Specifically, while Gardenton has experienced some changes in the occupations of its residents as a result of New Economy developments, a more fundamental reality is this: Gardenton was economically marginalized before the advent of the New Economy, and it remains so today. For the most part, this typical rural Manitoba community has remained at the margins of the changes wrought by the New Economy, changes which have done little to mitigate the community’s relative economic vulnerability.

Northern and First Nations communities⁸

Northern Manitoba is geographically vast and sparsely populated. According to the 2001 census, Northern Manitoba accounted for only 7% of the province's total population. Northern Manitoba

“The population in the North is young, and sparsely distributed.”

also has a very high proportion of Aboriginal people — 68%, according to census data. And the northern population is young — the greatest number of northern Manitobans fall within the 5–14 and 25–44 age categories. This means that there are a large number of youth who will join an already-young labour force within the next five to ten years.

Education levels in the North are lower than in the province as a whole. The 2001 Census revealed that 46% of Northern Manitobans over 20 years of age have not completed high school, compared with 28% province-wide. Where 19% of Manitobans have attained a diploma or certificate from a university, only 10% of Northern Manitobans have done so. Lower education levels make it more difficult for Northerners, on average, to find a job, and overall economic growth is hindered by these

“The population in the North is relatively under-educated”

lower average education levels. Employment levels have fallen slightly between 1991 and 2001; employment levels fell during the same period in the specific category of agriculture and resource-based industries, which includes fishing and trapping, logging and forestry, and mining. The fall in this category has been offset slightly by a rise in employment in manufacturing and construction.

Aboriginal⁹

The three categories described above are all geographic communities. The most important cultural community when it comes to the use and potential of CED in Manitoba is the Aboriginal community, which cuts across a number of geographic communities, but in particular inner city Winnipeg and the North.

Almost 38 percent of Aboriginal people living in Manitoba, or more than one in every three, reside in the City of Winnipeg. This is the largest Aboriginal community in the province, and the largest urban Aboriginal population in Canada. Nearly half of Winnipeg's Aboriginal population lives in the inner city. As in other metropolitan areas, Winnipeg's inner city has been declining

“Winnipeg's Aboriginal population is young and has relatively low levels of employment”

for decades, and has become an area with concentrated poverty, unemployment, and social problems. Manitoba has one of the highest proportions of Aboriginal residents in Canada and Winnipeg has more Aboriginal residents than any other Canadian city, making up 8% of the population in 2001¹⁰. It is this component of Winnipeg's population that holds the key to turning around the city's demographic fortunes. The Aboriginal population is much younger than the population as a whole, with a median age of 24.7 years in 2001, notably younger than the median age of the general Winnipeg population, 37.1 years.¹¹ So while Winnipeg's general population begins to age, the growing Aboriginal population will slow that aging down, and provide large numbers of young new entrants into the labour market in coming years. Although Aboriginal children represent “the economic future” of the province, the Aboriginal population in the past has been sig-

nificantly under-represented in the labour market.

Northern Manitoba has a high percentage of Aboriginal people — about two-thirds of Northern Manitobans.

CED Opportunities Identified in Our Research

Use of technology by CED organizations

Computer and information technology can be used by CED organizations to enhance their own activities while also supporting community development. Software such as The Exceptional Assistant (TEA) is marketed at community development lending agencies such as CFDC's, who use it for client and data management. Other tools, such as video conferencing and training, can also provide efficiencies and support networking and the sharing of information. However, it is important not to overlook the benefit that CED organizations can offer to their communities by providing public access computers. Typically the clients of CED organizations, as well as local residents, need help applying for jobs and government services, among other things, and do not have access to a computer of their own. CED organizations need to increase their participation in the New Economy, but they should try to do so in ways that allow the members of the communities to become active participants as well.¹²

Creation of some separate Aboriginal CED organizations¹³

The focus communities for CED in Manitoba are both geographic (such as inner city) and cultural (such as Aboriginal). This reality causes some complications. A report prepared for the MRA by Silver with Hay and Gorzen used the Spence Neighbourhood Association as a case study to investigate how and why (or why not) Aboriginal people are participating in CED organizations. The Spence neighbourhood is in the inner city, and has a large proportion of Aboriginal residents. The authors found that most Aboriginal people were not active in the organization — despite its

efforts to attract them — because they do not feel fully a part of the community. Indeed, while the Aboriginal people interviewed think of themselves as a community, they do not act as a community. The authors recommend the establishment of a parallel Aboriginal resident’s group in Spence to achieve greater Aboriginal participation in CED and the process of capacity building in the Aboriginal community.

Take advantage of looming skilled-labour shortage in Winnipeg

As described above, Manitoba is facing an oncoming skilled-labour shortage. This represents opportunities for CED, or at least the possibility of systematically connecting skilled jobs with communities that currently have limited connection with the paid labour force. In particular, there would seem to be greatest potential to realize such goals in two sectors: advanced manufacturing and information technology. The proposal by Loewen et al to establish a labour-market intermediary in one or both of these sectors could help get low-income people into good jobs and help industry meet its staffing needs.

Introduce CED elements into government welfare-to-work schemes¹⁴

A report prepared for the MRA by Leo and Andres considered if and how it might be possible to incorporate CED elements into government programs to move people off of social assistance and into stable employment. This issue takes on particular importance in the context of a widespread reorientation of welfare measures in the 1990s from “passive” to “active.” Active programs, which include “workfare” and “welfare-to-work,” link qualification for benefits to participation in employment programs. Workfare programs are characterized by being coercive and punitive, leave the individual no choice about the kind of job they end up with, and typically lead to jobs with little or no opportunity for skill development. In contrast, welfare-

to-work programs are voluntary, and focus on providing training for jobs that are of benefit to the community and that might lead to long-term employment at a living wage.

In Winnipeg in the 1990s there was a small but successful initiative in which social assistance recipients were trained to fight Dutch Elm Disease in the City’s trees. This, along with a demonstration project that attempted to move people off welfare into good jobs in infrastructure renewal, showed the potential for government training programs that meet a number of CED goals. Those municipal-government programs were discon-

“A few municipal welfare-to-work programs have met CED goals”

tinued and, in 1999, the province of Manitoba took over responsibility for Winnipeg’s social assistance programs. However, given that the province has since adopted the CED Lens (discussed elsewhere in this paper), there is potential to incorporate CED principles into provincial welfare-to-work programs.

CED programming aimed at young women¹⁵

McCracken did a report for the MRA based on interviews with young women to gauge how they might participate in CED projects. A list of potential programs that might be used to link young women with CED is below. Wherever possible and appropriate such programming should include:

- Aboriginal cultural teachings led by members of the Aboriginal community
- Basic needs such as childcare, transportation, and nutritious food
- No cost to participants
- Economic literacy and career guidance

- Mentorship/role modelling

Young Women’s Computer Club: Build a computer lab in a family centre or local community-based organization. Create a training program, which teaches basic computer skills, and marketable job skills for young women at no cost.

Young Women’s Website and Graphic Design Worker’s Cooperative: As a next step to the Computer Club, create a social enterprise — a worker-owned cooperative with interested young women. Local organizations could contract with this cooperative for the design and maintenance of web sites and graphic design work.

Young Women’s Home Construction Training and Building: Train young women on the job in home construction using an all-woman crew so as to be non-intimidating for women. This could start with one house in the inner-city as a pilot, and could piggy-back on existing CED housing-renewal initiatives.

Worker-owned Child Care Coop: Provide loans for young women with low incomes to be trained as Early Childhood Educators. Loans are forgivable if young women start a worker-owned Child Care Coop in the inner-city and are working members for two years. Proper supports and infrastructure would have to be provided to train worker members and help them to set up the centre and get capital for building. Additionally, continuous work would have to take place to advocate for higher wages for Child Care workers.

Use Social Housing as a CED tool⁶

Winnipeg’s inner-city neighbourhoods have deteriorating housing stock: of Canada’s 25 metropolitan areas, Winnipeg has the highest proportion of dwellings in need of major repair, at about 10 percent. Winnipeg has designated specific neighbourhoods as Housing Improvement Zones, qualifying these areas for housing program funds through the tripartite Neighbourhoods Alive!

program. In order to secure government funding, neighbourhoods must adopt a legal entity, and the most common model is the community development corporation (CDC).

A report prepared for the MRA by Skelton, Selig and Deane surveyed and examined the processes of housing production as part of larger neighbourhood revitalization initiatives in several of Winnipeg’s inner city areas, with an eye to determining whether the current programs — including housing initiatives and the CDCs formed to support housing projects — meet CED criteria. The authors concluded that the housing programs they studied were far from perfect examples of progressive CED, but they did contain and encourage a number of elements consistent with CED. The authors surmise that some of the gaps between CED theory and actual practice may reflect the current government policy context — in particular, in the areas of decision-making, employment

“Social Housing could be adapted to meet CED goals”

and training, and the disposition of housing resources. One way in which, in the view of the authors, current housing programs fall particularly short of CED goals is in what they call social capital development. They conclude that the development of social capital through housing programs is impeded by policies that strongly favour owner occupation. It is recommended that social housing policy be adjusted to provide support to cooperative, non-profit and condominium models, in addition to owner-occupied. And, where owner occupation strategies are used, they must be implemented in ways that do not appear to value owners over people in other tenures.

There are many unrealized opportunities for social housing projects to increase internal linkages, both economic and social. In particular:

- more local goods and services could be purchased — currently housing organiza-

tions are only willing to do so if prices are competitive.

- there is still limited participation in daily decision-making and in the involvement of residents in the management and running of housing projects and CDCs.
- It is recommended that social housing policy be adjusted to provide support to cooperative, non-profit and condominium models, in addition to owner-occupied. And, where owner occupation strategies are used, they must be implemented in ways that do not appear to value owners over people in other tenures.

“Adult Learning Centres are an important addition to the tools available to the province to build a better future for Manitobans”

Adult Learning Centres

In a report prepared for the MRA, Silver with Klyne and Simard investigated the nature and potential of Adult Learning Centres in Manitoba. They investigated closely five Adult Learning Centres, chosen specifically because they had a relatively high proportion of Aboriginal learners. The demographics of Manitoba are such that the education of Aboriginal adults will in future be a central concern for all educational institutions.

The authors conclude that Adult Learning Centres are a very exciting educational innovation, and an important addition to the tools available to the province to build a better future for Manitobans. The approaches of Adult Learning Centres provide can assist Aboriginal school leavers to overcome educational barriers and find a path toward employment. Generally speaking, the regular school system has not yet made the changes needed to reflect Aboriginal educational needs.¹⁷

Local Exchange Trading Systems¹⁸

Local currencies have been around for longer than national ones. The primary difference from the point of view of CED is that, unlike national currencies which can easily leave the region in which its value is created, a local (or regional) currency circulates only in a limited area. Local currencies could not travel to financial centres. In a report prepared for the MRA, Chorney examines a LETS project in Winnipeg’s West Broadway neighbourhood. He concludes that, while a LETS-type system has a strong ideological resonance, it does not seem to be an intervention that will assist low-income communities to get stronger.

Opportunities in Rural Communities

In a report prepared for the MRA, Duboff expressed optimism about the economic opportunities that new technologies offer rural communities. The internet potentially allows rural businesses to reach a global market.¹⁹ It should be noted, however, that such an approach is only partially consistent with CED — for example, it does not meet the first criterion of the Neechi Principles — production of goods and services to meet local needs. Nonetheless, there is nothing to say that rural (and northern) enterprises could not use new technology to meet a number of other CED goals, such as local education and training, local skill development, and local employment creation. Three key opportunities are:

- The need for new technology itself. Communities can create companies that will offer IT services to neighbouring First Nations and rural communities.
- Call centres have proven to be a useful industry for communities with limited other options. Manitoba already has a strong call-centre industry — concentrated in Winnipeg — thanks in part to its central North American location, the “neutral” accents of Manitobans, and government targeting of the industry as a priority for subsidization.

- Manufacturing can now operate in rural areas, receiving orders electronically and shipping the goods to customers directly.

Agricultural Land Trusts as a tool to save family farms²⁰

A number of writers have pointed to agricultural land trusts as a way to mitigate the harmful effects of market forces on land use, while enhancing the affordability of land, access to land, sustainable

“Small family farms are assumed to be more consistent with CED”

use of land, and a belief in a broad community interest in how the land is used. The land trust is a legal vehicle to assemble land that is literally “held in trust” for the community in perpetuity. Typically the land trust is made up of both donated and purchased land. Funds to purchase the land can come from donations by individuals or foundations, or from government sources. (Land trusts are usually registered charities, and can is-

“Residents were receptive to a CED message, but have not internalized it”

sue tax receipts for donated land or money.) The trust then makes land available for specified uses — these uses vary depending on the trust, but they always have an accepted community benefit, and would not generate enough revenue to allow the land user to buy the land on the open market.

There is an assumption that smaller family farms that are financially viable will be more likely to pass the farm on to their children, and more

likely to use environmentally sustainable farming techniques. This approach has been used successfully in a number of jurisdictions in Canada and the US. For a case-study report prepared for the MRA, Hamilton investigated the potential for the agricultural land trust model to be used in the RM of Franklin. He also conducted meetings in the RM to find out what the response to the idea might be from community residents.

His research revealed that this rural community has suffered the effects of structural adjustment in agriculture — family farms are disappearing — that the agricultural land trust model would appear to be an appropriate strategy for Franklin, and that land distribution in the area is such that it is still possible to preserve small farms. And some local residents expressed support for the goals of land trusts. However, Hamilton concludes that, while Franklin residents seem receptive to a “CED message,” they have not internalized that way of thinking. They did offer insight into how the model might be applied in their community, and where the difficulties would be.

Policy changes that might help support small-scale agriculture, as identified by Doucette and Koroluk, are as follows:

- Manitoba should endorse Canada’s Action Plan for Food Security and also develop a provincial food policy that places greater reliance on food self-reliance and sustainable food production systems.
- Manitoba should keep better track of its food economy, in particular the analysis of inter-provincial flows of food. This is needed to allow for policy development that maximizes the value added on food products and minimizes environmental impact of food production, as well as policies that more directly support small farms.

What Is Needed to Realize the CED Opportunities Identified?

CED initiatives are typically developed outside of the state by small, grass-roots organizations. Yet they are frequently dependent on state investment in order to be viable.

The communities in which CED strategies are

“The role of government is crucial”

employed are, almost by definition, under-resourced, and because CED is a non-market intervention, the role of government is crucial. (It should be noted that governments also support mainstream businesses in many different ways. For example, government assistance has been crucial for the garment industry in Manitoba, and has taken many forms, from direct grants to subsidized training programs.²¹)

Government supports for CED may take any number of forms, ranging from direct financing of CED initiatives or helping to secure third-party

“Most CED projects need some subsidization”

financing, through research, training and strategic planning, to comprehensive efforts such as the CED lens developed by the province of Manitoba.

Underlying most approaches to CED is the philosophy of self-reliance and community independence. In reality, however, CED ventures have to compete with other, often monopoly producers, many of whom enjoy much larger scales

of production and pay wages close to or below subsistence levels.

The following recommendations regarding government programs and policies on Community Economic Development in the New Economy are drawn from the research commissioned and supervised by the MRA.

Increase core funding for CED organizations

CED organizations need stable, predictable core funding to allow them to create plans and initiate applications. This is a major concern on the part of practitioners, and those in the voluntary sector. Longer-term, stable funding allows CED organizations to think long-term and to spend time building community, vision, and initiatives that would otherwise spend writing (and reporting on) proposals. Community change happens over years, not in 12-month blocks.

Establish and support urban business revitalization tools

In a report prepared for the MRA, Reimer identified a number of tools that have strong potential to support business development in targeted Manitoba communities.

- Inner-city “tax holidays” (may or may not include the urban reserve concept), or tax credits. The successful New Hampshire model gives up to a 75% tax credit to corporations that invest in CED activities.
- CentreVenture has helped reinvigorate downtown Winnipeg. A version could also work in the North End, Spence, or West Broadway neighbourhoods. Such a program would provide publicly owned buildings to a CED enterprise.
- Create an urban Grow Bonds venture capital program similar to the current programs available in rural municipalities. Under this

program the premium is guaranteed by the government. An individual investor may make a return, but if not, their initial investment is not at risk.

- The province could hand over the ability to issue grow bonds to CED organizations, who could then raise the capital.
- Business development centres operating as one-stop-shops to provide business planning and counseling, financing or financing facilitation, networking opportunities, and other such resources and technical assistance. These already exist in Winnipeg, but they would be much more effective in the inner-city if they were physically located there.
- Establish community development corporations in targeted communities.
- Locate more government office space in targeted communities, so as to occupy now-vacant properties, provide income to community-based organizations who own commercial property, and locate public services in the communities that use those services.

and community-based organizations for additional community-delivered programs aimed at young adults and adults, in communities not currently serviced. These programs should include basic literacy and numeracy skills, academic upgrading, employment/job readiness skills, testing and assessment programs, technical training directly linking high-demand occupations and local employment opportunities. Similarly, it is recommended that government work with industry to design training programs and encourage industry partnership in these programs.²³

Social Housing should be a priority area for the adoption of CED

The provincial department of Family Services and Housing is one of the departments that has not conducted an audit of its programs using the CED Lens. Yet there is great potential that could be realized if CED were to become a guiding principle in the provision of social housing. Training in CED should be provided for civil servants in the department through the department.²²

Training in the North

Many northern communities want to have access to basic skills training within their own community. It is recommended that government continue to develop partnerships with community colleges

Other Supports and Strategies

Support the Creation of a Workforce Intermediary in Winnipeg²⁴

The provincial government should partner with the business community, educational institutions, unions, and community-based organizations to create a workforce intermediary for advanced manufacturing industries in Winnipeg.

Employment development: building on CED strengths and best practices²⁵

Winnipeg's employment development environment would benefit greatly from being made more systematically networked. In particular, workforce intermediaries would achieve this goal in targeted industries. Such organizations would be charged with bringing together diverse stakeholders from across the region, organizing, supporting planning, and overseeing multiple partners and funding streams toward common goals.²⁶

The employment development environment should also become:

- **More employer-driven.** Experiences in Winnipeg and the evidence from elsewhere show that employer involvement in training frequently leads to good jobs. The employers interviewed by Loewen et al identified a number of characteristics of potential employment development programs that would make such programs more appealing to employers. Those characteristics include: a co-op or internship component; training allowances or subsidies for employers; the full involvement of any unions from the first stages; financial assistance to support students through the training period.
- **More interventionist.** If employers restructure jobs, qualifications, and recruitment processes to better meet the needs of disadvantaged

workers, they are much more likely to integrate those people into the workforce.

- **More culturally competent.** A large proportion of Winnipeg's low-income population outside the labour market are Aboriginal. Cultural barriers need to be overcome if bridges to good jobs are to be built.

Additionally, any employment development programming should take into account the following **best practices**:

- Focus on good jobs (full-time, permanent, paying a living wage and with some opportunities for advancement).
- Simulate the workplace by holding similar expectations in terms of punctuality, attendance, and teamwork.
- Provide post-employment supports.

Community Renewal Corporations (or similar organizations)

CED in the North End is benefiting from the existence of the North End Community Renewal Corporation, which has a mandate that covers the whole North End. Its employs a holistic CED approach, democratic structure, is accountable to the community, and has charitable status, which allows access to a wider range of resources. Such an organization can provide coordination and facilitate collaboration across sectors.²⁷

Real Estate Development

In Winnipeg's North End, the North End Community Renewal Corporation has headed up the purchase of vacant or under-used properties for CED purposes. Enhancing development and occupation in this way increases consumer traffic, revises unused buildings, improves safety, and creates employment opportunities for local residents.²⁸

Business Incubators²⁹

Business incubators are designed to nurture enterprises during the earliest and most vulnerable stage of development. Incubators provide all the services available through government programs and business service centres, but most also provide subsidized office space and access to specialized facilities that might otherwise be unavailable to new enterprises. Incubation has become a pervasive phenomenon. Survival and success rates for incubated companies are much higher than for non-incubated start-ups. Each incubator offers specialized services but the primary purpose and method is generally the same — incubators provide extensive services and expertise to emerging and vulnerable enterprises. They ‘incubate’ or protect young companies from the market until they are mature and stable enough to go out on their own.

Incubators could develop useful partnerships with organizations that already support CED, such as SEED Winnipeg or the Women’s Enterprise Centre. Their focus could be on target communities such as youth, low-income people, local residents, and Aboriginal people.

Conclusions

- Compared with the City as a whole, inner-city Winnipeg is characterized by high levels of unemployment, low levels of income and education, housing in need of repair, and a very mobile populace. These are very serious challenges. However, in recent years there have been improvements in several areas, including employment and educational attainment.
- Winnipeg has low unemployment levels, and is facing a looming skilled-labour shortage.
- The exception to the above point is Winnipeg’s Aboriginal community, which has relatively high levels of unemployment and low levels of education.
- CED organizations can benefit from new technologies, and can also benefit their clients by providing more public-access computers.
- Aboriginal people may not feel comfortable participating in CED organizations, and so in some cases Aboriginal-only organizations may be a useful way to overcome this cultural barrier.
- A looming skilled-labour shortage in Winnipeg presents an opportunity to move people who currently have no connection to the paid workforce into good jobs. A workforce intermediary could play a key part in realizing this goal.
- CED elements could be introduced into government welfare-to-work schemes.
- CED programming aimed at young women would likely be well received, and could include such projects as a young women’s computer club, young women’s website and graphic design cooperatives, and a program to train young women in home construction.
- Social housing could be used as a CED tool. Two immediate priorities for social housing initiatives should be increasing local purchas-

ing (especially of labour, with though given to how best to achieve skills development and job creation in targeted communities) and moving away from an emphasis on owner-occupied housing. The latter would enhance social capital.

- The role of government is crucial in CED. Most projects needs some degree of subsidization (though not always, or entirely, from government).
- Core funding to CED organizations should be increased.
- In northern Manitoba, government should partner with community colleges and community-based organizations for community-delivered programs in communities not currently serviced. These programs should include basic literacy and numeracy skills, academic upgrading, employment/job readiness skills, testing and assessment programs, technical training directly linking high-demand occupations and local employment opportunities
- A number of business revitalization tools, including government-supported financing measures, real-estate development, and Community Renewal Corporations, could assist targeted communities.

Notes

- 1 This section draws most on Loxley and Lamb, Friesen and Hudson, and Fernandez.
- 2 Thomas, 1974, cited in Loxley and Lamb, p. 2.
- 3 Loxley, 2002, cited in Loxley and Lamb, p. 2.
- 4 P. 4.
- 5 P. 1.
- 6 Manitoba Intergovernmental Affairs and Trade, 2004, cited in Loewen et al, p. 9.
- 7 City of Winnipeg, 2004, cited in Loewen et al, p. 10.
- 8 This section is based on LeBlond and Brown, Duboff, Northern E-Biz Centre, Cameron, Annis, and Everitt, and Martin, Falvo and Chotka.
- 9 This section is based on Silver, Keeper, Mackenzie, Loewen et al, and LeBlond and Brown.
- 10 Mendelson, 2004, p. 9, cited in Loewen et al, p. 10.
- 11 Statistics Canada 2003b, 2003c, cited in Loewen et al p. 8.
- 12 See Duboff 4.3.
- 13 Silver with Hay and Gorzen
- 14 Leo and Andres.
- 15 This section based on McCracken et al.
- 16 This section based on Skelton, Selig, and Deane.
- 17 Silver and Mallett, 2002, cited in Silver, Klyne and Simard.
- 18 This section based on Chorney.
- 19 Duboff 3.2.1.1.

- 20 This section based on Hamilton.
- 21 Ghorayshi 1990: 228, cited in Wiest, 19.
- 22 See Skelton, Selig, and Deane for a discussion of social housing and CED.
- 23 LeBlond and Brown ii.
- 24 See Loewen et al for more information on workforce intermediaries.
- 25 Loewen et al pp. 48–50.
- 26 For a longer discussion, see Loewen et al, p. 17.
- 27 Reimer p. 91–92.
- 28 Reimer p. 93.
- 29 This section based on Mackenzie, Sheldrick, and Silver, and Reimer.

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