

The State of Community Economic Development in Winnipeg

by

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Keynote Address to Workshop on ‘CD/CED in Winnipeg: Maintaining the Momentum’ held at the Freighthouse, Winnipeg, 17 November, 2003.

The main concern of this meeting is that of maintaining momentum in the CD/CED movement in Winnipeg. The main purpose of my contribution is to reflect a little on the nature of that momentum and on what lies behind it. I will also suggest some of the measures that might be needed to maintain and strengthen that momentum.

It seems to me that Winnipeg is rapidly becoming a focal point in Canada for community economic development and I think there are eight reasons for this, seven of which I made in my original presentation and one of which was suggested from the floor after the presentation. These are:

1. CED in Winnipeg is guided by a clear set of principles, the Neechi Principles, to which almost all groups and activists adhere. These are clear, unambiguous and demanding. They have received national attention and were developed in Winnipeg by an Aboriginal workers co-operative.
2. Activists in Winnipeg have demonstrated a willingness to engage nationally, with people across the country, in promoting the philosophy and practice of CED. There has been an eagerness to learn from what others have done across Canada and internationally and we have benefitted from activists being willing to come to Winnipeg to share their experiences. The annual conferences of CCEDNET, CEDTAP and of workers co-operatives, which were held in Winnipeg in 2002, provided us an excellent opportunity to connect, constructively, with both theorists and practitioners from elsewhere. Our own practitioners are also actively involved in these national organizations. Recently, a regional representative of CCEDNET was appointed to Winnipeg and is based in the Canadian Centre for Policy Alternatives-Manitoba.
3. We now have a very strong institutional base for CED in Winnipeg, with several institutions now having a long track record. For animating both CD and CED, there is the Community Education Development Agency (CEDA), which celebrates its 25th anniversary this year. For financial support there is the Assiniboine Credit Union (ACU),

SEED Winnipeg, LITE, the Alternative Financial Services Coalition, The Jubilee Fund, Community Ownership Solutions and the Urban Entrepreneurs with Disabilities Program. We also have a growing number of delivery agencies on the ground which are maturing and making an impact, notably the development corporations in West Broadway, Spence and the North End. The number of CED-based housing institutions has proliferated, such as Inner City Renovations (which replaced Just Housing and the North End Community Renovation Enterprise), the North End Housing Project and housing associations in West Broadway and Spence, and the land trust in West Broadway. Housing is, in my opinion, particularly important to CED because it clearly fulfils a crucial basic human need, it provides opportunities for the acquisition of skills by local residents, it offers opportunities for well-paying jobs, it potentially helps create linkages with other service and production ventures (e.g. training and building supplies) and it can play an important role in helping promote neighbourhood stability which is crucial for long term CED. Winnipeg also has a multitude of employment and training agencies and of social service agencies and it also has an embryonic social enterprise sector which, together with housing, are the subject of four excellent background papers to be presented later today.ⁱ

4. Since 1999, government support of CED has improved markedly. The election of an NDP Provincial government in that year has led to a marked increase in support for CED, in a number of different ways. First of all, the creation of a Community and Economic Development Committee of Cabinet (CEDC) has elevated CED policy to an unprecedented level in the province. Secondly, and through CEDC, a CED policy lens has been introduced through which the contribution of all government activities will be evaluated. This lens is unique in Canada and is based on the Neechi principles which, clearly, now have the support of the provincial government. Thirdly, provincial financial support for CED has been increased markedly through the Neighbourhoods Alive Program, which provides core funding for many of the institutions mentioned earlier. The NDP government has also brought in legislation enabling financial contributions to CED to be eligible for tax credits. While many within and outside the provincial government would like to see it do more, this is an impressive start. The federal government has also made an important contribution to CED in Winnipeg through Western Economic Diversification (WED) which, for instance, was instrumental in helping SEED Winnipeg get off the ground. While the new super-Minister for Manitoba, Reg Alcock, is on record as wishing to abolish WED, it is not clear if he is aware of this contribution and, if he is, how he intends to maintain or strengthen it. The City of Winnipeg has done little recently on its own accord but Councillor Dan Vandal's Urban Aboriginal initiative offers some hope here. The proposed Urban Development Agreement, between all three levels of government, promises a significant boost to CED in the city by putting it front and centre in its planning document.ⁱⁱ
5. Winnipeg CED has also benefited significantly in recent years from the active involvement of a number of charitable foundations. The Thomas Sill Foundation and the United Way have provided important strategic assistance to a number of local CED

organizations, with the latter assuming an increasingly important co-ordinating role in the CED movement generally. Most recently, the Winnipeg Foundation has joined them, funding a large CED initiative in the hitherto relatively neglected Centennial neighbourhood. That these foundations would depart so significantly from a narrow charity model of assistance represents a remarkable transformation in approach over the last decade or so and is a great credit to their boards and leadership.

6. There is also a very supportive academic environment for CED in Winnipeg. All three universities have an interest in CED and a good track record of research in the field. The approach to research is both interdisciplinary and participatory. Research findings and non-academic participants in CED are brought into the classroom to strengthen teaching and to bring the subject alive for students. Many academics are actively involved in CED ventures. In 2002, the three universities co-operated with the Canadian Centre for Policy Alternatives-Manitoba, a number of community organizations and the provincial and federal governments, to form the Manitoba Research Alliance and obtained an \$895,000 SSHRC/INE grant to conduct research into CED and the new economy. This is a unique project, led by a non-academic community-based research organization and supported by such CED agencies as the North End Community Renewal Corporation, the West Broadway Development Corporation and SEED. This alliance is based on co-operation between academics and non-academics interested in CED and will push back the frontiers of knowledge, examining what works and what does not and what are the best practice opportunities for promoting CED. It gives unprecedented opportunities for a number of young people to become involved in CED through research and, in the process, is likely to be important in helping create the next generation of CED activists and intellectuals.
7. Winnipeg is fortunate to have a fairly large number of remarkable people involved in promoting CED. Many of these have slogged away in the trenches for years when there was little to show for these efforts. Some have stayed involved with early CED initiatives, such as Neechi or SEED, over many years, through thick and thin. Many have cut their teeth in CEDA. For over a decade now many have hung in with ACU, watching it grow from strength to strength. Many more have sat as volunteers on CED boards, receiving little thanks or acknowledgement for their efforts. Without such people, and my sense is that Winnipeg is unusually well endowed with them, CED would not be as well developed as it is.
8. There is, therefore, a strong cultural foundation of CED in the City, underpinned by a widely held view of the need for and importance of collective action to improve social well being. It is based on an irreverence towards the establishment and a willingness to challenge it to address issues of poverty, deprivation and exclusion. It is also based on mutual respect for fellow CED activists, even though they may often draw their inspiration from quite different ideological perspectives. It is quite pragmatic, building on what works, working with the establishment where it helps and doing what it takes to get things done, but all generally within the framework of the Neechi principles.

It is this combination of factors that makes Winnipeg such a dynamic place for CED today. Many of them are difficult to replicate elsewhere because they originated, uniquely, in the history, politics and sociology of the city. Nonetheless, we can expect interest in our CED experience to grow as successes in the city are consolidated. Which brings me to the second part of my presentation, dealing with the challenges we face to maintain the momentum of the CED movement. I believe we face seven major challenges, as follows:

i. **The Training and Replacement of People.**

The challenge here is one of succession and growth; to produce a sufficient number of people trained in CED to provide both for the replacement of current practitioners and for the inevitable growth in CED activities in the city. This challenge was recognized some time ago and over a period of a couple of years provision was made for coordinating existing and developing new CED training programs. This was a cooperative effort involving many CED groups in Winnipeg. A full-time staff person is now in place in the Winnipeg Education Centre implementing the training initiative.

ii. **Stabilizing and Diversifying the Funding of Operations**

It is generally acknowledged that the success of CED in recent years in raising grant funding from the government for operations also contains the seeds of a potential vulnerability should government or government policy change.ⁱⁱⁱ It is one thing to recognize this danger, quite another to address it. Three possibilities are a) reducing dependence on any single grant source by diversifying funders as much as possible b) seeking to build an endowment or trust approach which, in effect, means obtaining funding up-front for use in future years, and c) building up personal or corporate donations through the new tax credit program. Each of these presents its own challenges, but pursuing them is worthwhile given what is, potentially, at stake.

iii. **Funding Capital Expenditures**

It is also generally acknowledged that there is currently a crucial gap in CED financing in Winnipeg, that dealing with capital spending. There is a need to build an equity fund or to secure grant financing for long-term capital expenditures if the development of social enterprises, in particular, is to be achieved. There are tentative beginnings in COS and, to a smaller degree, in SEED and the issue has been studied systematically.

iv. **The Promotion of Social Enterprises**

There is a widely held view in Winnipeg that for CED to make a big impact, we must move aggressively into building commercially viable social enterprises. It is recognized that this is not an easy challenge, as suggested by the cautious progress of social enterprises in the city to date; it is, nonetheless, a necessary one if CED efforts are to be scaled up significantly. There are, however, a number of unique opportunities on the horizon which could make this moment in

history a pivotal one for social enterprises in the city. The Winnipeg flood way extension is about to begin, the largest civic infrastructure project by far. A new Hydro building has just been announced for downtown, presenting potential social enterprise opportunities for both construction and maintenance. A new spate of hydro dam building is about to start in the north. Provision has been made for partnerships with local First nations communities. There may be logical extensions to social enterprises in Winnipeg. A new wave of infrastructure spending is about to commence in the city, funded in part by senior levels of government. Each of these may present economic opportunities for social enterprises. There are proposals for building a road up the east side of Lake Winnipeg and, again, the potential spin-off benefits for companies in Winnipeg are huge. Momentum is also building for expansion of programs to provide accessible housing, especially for recent immigrants and possibly on a co-operative basis. There is a growing interest in alternative delivery mechanisms in the social service area which might be ideal for social enterprises. Finally, the Urban Development Agreement currently on the table, cries out for fresh ideas on community economic development and could help finance pursuit of social enterprises in areas outlined here.

Each of these opportunities offers the possibility of pursuing social enterprise on a scale large enough to promise viability, the possibility of decent wages and salaries, the potential of significant linkages among a number of social enterprises and a degree of stability which can only be envied by existing social enterprises that struggle for survival in the highly competitive and fickle commercial service sector.

v. The Aboriginal Challenge

Some 50,000 Aboriginal people currently live in Winnipeg and by the year 2016, 1 in 5 children in Winnipeg will be Aboriginal.^{iv} An outrageously high proportion of Aboriginal people in the city live in poverty, almost two-thirds and that rises to over 80 per cent, 4 out of 5, in the inner-city.^v If this outrageous situation is to be addressed, CED must also play a part. Solutions will call for early childhood interventions, educational reform, improved housing and recreation and greater neighbourhood stability, a larger training and apprenticeship initiative and training geared more directly to future employment needs. CED can play an important role in many of these areas and the Aboriginal factor must be built into all CED approaches and recognized in the opportunities outlined in iv above. The issue of whether Aboriginal needs should be met through separate Aboriginal institutions or through integrated ones is a tough one to deal with. The needs are so great that a mix of both is probably needed. This will require changes in the way several CED institutions operate. It will require greater attention to recruiting, training, advancing and retaining Aboriginal staff. It will also require a greater Aboriginal presence on Boards of Directors. Each CED institution probably needs to develop an Aboriginal Advancement plan dealing with these questions.

vi. Humanizing the Management of CED Organizations

If CED is to truly offer a more socially acceptable, people-centred, alternative approach to development, then we must address the issue of management of CED institutions of all types.

We cannot replicate the top-down autocratic management styles of the private sector, driven by the bottom-line pursuit of profit. We must demand the highest standards of honesty and integrity, financial or otherwise, of managers. We must allow and encourage democratic structures of management with genuine worker input and horizontal decision-taking structures. We must seek out and promote democratic, participatory, management styles. We must change the way several of our organizations deal with staff, governing through threats, intimidation, unilateral direction, arbitrary control and the threat of dismissal. Even where union agreements are in place, they are often unilaterally abrogated. These approaches promotes insecurity and fear. They should be replaced by a more nurturing and supporting style of management and staff difficulties should be addressed more compassionately and more constructively. There should be clear, representative, structures for dispute resolution and the provision for mediation. Staff should be encouraged to join trade unions.

The kind of autocratic management behaviour referred to should be condemned wherever it occurs. In this respect, Aboriginal organizations or those with Aboriginal leadership have, on occasion, been as guilty as non-Aboriginal ones.

Now that CED has reached a degree of maturity in Winnipeg, we must begin to pay more attention to these issues and be more demanding of management. We should also begin to pay more attention to the provision of adequate salaries, benefits and terms and conditions of service. We should pay particular attention to working hours and pension provision. We cannot allow CED to become just another source of cheap labour. We should also begin to judge CED workers by what they accomplish, and not just by the hours they put in. This points to developing and encouraging flexi-working arrangements.

vii. Responsibilities of Boards

Boards of directors have a crucial role to play in CED organizations. That role must be clarified and board involvement must increase if the other challengers outlined above are to be met. Boards have a responsibility to ensure that organizations are managed efficiently and that funds are spent wisely and as approved. They must ensure management honesty and accountability, whatever management system is in place. In relatively small organizations they must also maintain contact with staff to ensure that all is well. Ideally, this could be done through having staff representatives on the executive committee and/or board. The issue of management accountability is a complex one which, potentially, can be made more difficult with participatory management structures, but it needs to be addressed. The fact that managers often play an important role in recruiting Board members also complicates the accountability question and helps explain why arbitrary management styles are sometimes not held in check by boards. Ultimately, it is the board which is accountable to funders and clients for the performance of CED organizations and we need to rethink the role of boards in Winnipeg to ensure that they are performing this function satisfactorily.

These are the main challenges as I see them and they can and must be addressed if the remarkable progress of CED in Winnipeg is to be sustained and if the alternative vision of

society that CED offers is to be fully realized.

Endnotes

i. The four papers are:

ii. Proposed Urban Development Agreement

iii. See John Loxley, 'Financing Community Economic Development in Winnipeg', *Économie et Solidarité*, 2003.

iv. John Loxley and Fred Wien, 'Urban Aboriginal Economic Development', in David Newhouse and Evelyn Peters, eds, Ottawa, 2003.

v. Lezubski, Darren, Jim Silver and Errol Black, 2000, 'High and Rising: The Growth of Poverty in Winnipeg', in Jim Silver (Ed), *Solutions that Work: Fighting Poverty in Winnipeg*, Fernwood, Halifax and CCPA, Manitoba.