

**WRITTEN SUBMISSION FOR THE HOUSE OF COMMONS FINANCE COMMITTEE
PRE-BUDGET CONSULTATIONS IN ADVANCE OF THE 2026 FEDERAL BUDGET**

FROM:



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CCEDNet Recommendations

CCEDNet is a national network of organizations, networks, and individuals who are committed to building local economies that strengthen social and environmental conditions for everyone. Through our formal members and broader changemaker partners, CCEDNet reaches over 500 organizations and individuals.

Guided by principles related to Indigenous reconciliation, intersectionality, and co-creation, CCEDNet calls on the Government of Canada (GoC) to:

1. Launch a Social and Solidarity Economy (SSE) Ecosystem Program.
2. Implement framework legislation with specific mechanisms and measures to strengthen the Social Innovation and Social Finance (SISF) ecosystem in Canada, following the lead of jurisdictions around the world and in Quebec that are advancing an SSE agenda.
3. Integrate an SSE approach into the GoC's housing policies.

Transforming the Economy in Canada: Advancing a Social and Solidarity Economy

Communities across Canada are facing unprecedented social, economic, and environmental challenges. The current economic downturn in Canada, amidst global economic uncertainty, is contributing to increased strains on Canadians. Overcoming these challenges – rooted in economic systems which divide us and treat people and the planet as commodities – requires more than minor adjustments to current practices. To move towards a just and democratic society, we must transform the economy. We need approaches to economic growth which promote building strong, resilient, and sustainable communities and put people and the planet before financial profit. We need to advance a social and solidarity economy.

Recommendations

1. Launch a Social and Solidarity Economy (SSE) Ecosystem Program which:
 - Provides long-term funding for ecosystem-building in order to:
 - Improve SSE organizations' access to federal innovation, business development, and skills training programs which accelerate the development of Canada's SISF ecosystems
 - Coordinate a national SISF awareness campaign to increase understanding of Canadians' roles as innovators, volunteers, donors, consumers, and investors to create better outcomes in communities, e.g. highlight social innovations, foster cross-sector partnerships and multi-sector involvement, and support and reach youth and marginalized groups.
 - Create a research and knowledge mobilization initiative to expand the evidence base and coordinate data, research, and information-sharing across social innovation ecosystems in Canada.
 - Advance the Treasury Board Directive and Public Services and Procurement Canada's policy shift from lowest price to best value, by supporting education, technical advice, and intermediary services to Social Purpose Organizations and purchasers
 - Support business succession to co-op and non-profit models through access to existing funding programs and amendments to policies, legislation, and regulations and, in particular, ensure any tax or other incentives provided to the new Employee Ownership Trust model are also provided to worker-owned co-operatives and multi-stakeholder cooperatives with substantial worker control
With many small business owners preparing to retire, employee or community buyouts would preserve jobs and services as well as avoid disruptive closures of many small businesses. A level-playing field would enable employees buying the company employing them to have a choice regarding various models of employee ownership.
 - Is based in Innovation, Science, and Economic Development Canada (ISED) and includes activities related to access to business development programs and capital, capacity building, research and evidence, knowledge mobilization, and

awareness, akin to ISED's Aboriginal Entrepreneurship Program, Black Entrepreneurship Program, and Women's Entrepreneurship Strategy

- Builds on the successes and lessons learned from the Investment Readiness Program (IRP). Ending the ecosystem and capacity building IRP just as the Social Finance Fund (SFF) was launched reduces the pipeline of viable investments available for SFF capital. A viable and growing SSE sector requires co-ordinated and simultaneous skills development finance provision, market access, impact measurement, and networks.
2. Following the lead of jurisdictions around the world and in Quebec advancing an Social and Solidarity Economic agenda:
 - Implement framework legislation with specific mechanisms and measures to strengthen the SISF ecosystem in Canada
 3. Integrate a Social and Solidarity Economy approach in GoC's housing policies which:
 - Ensures housing policy ensures social and economic benefit, and sufficient financial investment
 - Challenges the commercialization of housing, given it is a fundamental human right
 - Prioritizes nonprofit, cooperative, community, and public ownership models
 - Ensures communities have access to high-quality social infrastructure
 - Ensures public land development includes more affordable housing and community benefit

What is the Social and Solidarity Economy?

The social and solidarity economy (SSE) refers to a diverse range of organizations and enterprises which prioritize social, environmental, and community objectives over profit maximization. It encompasses various forms of economic activity, including cooperatives, mutual societies, associations and nonprofits, foundations, and social enterprises, all of which aim to address social challenges, promote democracy and inclusion, and foster sustainable development. The SSE is advanced by community economic development. The SSE has been recognized by the United Nations as playing a crucial role in achieving the Sustainable Development Goals by fostering inclusive economic growth, reducing inequalities, and promoting responsible consumption and production.

What is the Social Innovation and Social Finance Strategy?

In Canada, the social and solidarity economy has always existed under different labels. Québec is recognized globally for its leadership in the social economy, and the Government of Canada (GoC) has started to move in this direction with the Social Innovation and Social Finance Strategy (SISF).

In 2018, following a year-long engagement process, the Government of Canada (GoC) appointed a Co-creation Steering Group (17 social innovation and social finance leaders, practitioners, and experts from community, philanthropy, finance, and research) which released a federal Social

Innovation and Social Finance Strategy entitled, *Inclusive Innovation: New Ideas and New Partnerships for Stronger Communities*.

However, implementation of the 12 recommendations has been slow, with action on only three to date. The 2018 Fall Economic Statement announced a \$755M Social Finance Fund (SFF) and \$50M Investment Readiness Program (IRP); the 2021-22 Federal Budget re-affirmed commitments to launch the SFF and renew the IRP for another \$50M over two years; and in 2023, the Social Innovation Advisory Council was launched and the SFF fund managers were announced. In 2024 the Pilot Social Equity Lens Investment (SELI) Coding System was launched to define, assess, and track progress toward the Social Finance Fund's investment targets of advancing social equity and gender equality.

How can the Social Innovation and Social Finance Strategy advance the Social and Solidarity Economy?

Around the world, momentum is building for better economic practices. International organizations, such as the United Nations (UN) International Labour Organization, the UN Research Institute for Social Development, and UN observer Organisation for Economic Co-operation and Development, have declared support for the SSE. The European Union supports SSE through programs like the European Social Fund. Argentina, Brazil, Colombia, France, Italy, Japan, Portugal, Senegal, South Africa, South Korea, and Spain support the SSE through various policies, programs, and institutional frameworks. In Canada, Quebec has a robust framework for supporting the social economy.

The SISF Strategy is the primary path by which the GoC could accelerate this transformation across Canada. SISF business models and activities create value by providing needed goods and services while transforming social and environmental costs into assets.

Guiding Principles for Transforming the Economy in Canada

The shift towards resilient economies starts with community-driven processes which advance local action to create economic development opportunities while enhancing social and ecological well-being. Concrete efforts are made to include people often excluded from decision-making processes which directly impact them.

CCEDNet's efforts are guided by the following principles:

Acceleration of Reconciliation with Indigenous Peoples

Indigenous Peoples have long been advocating for a new and just relationship. The GoC committed to achieving reconciliation with Indigenous peoples through renewed, nation-to-nation, government-to-government, and Inuit-Crown relationships.

CCEDNet advocates for all orders of government to respond to the following calls and principles from the Truth & Reconciliation Commission, National Inquiry into Missing & Murdered Indigenous Women & Girls, and United Nations Declaration on the Rights of Indigenous Peoples Act:

- Recognize and respect Indigenous Peoples' right to self-determination including the inherent right to self-government in the pursuit of economic and social development which will require: a renewed fiscal relationship, developed in collaboration with Indigenous nations, promotes a mutually supportive climate for economic partnership and resource development; economic and social progress and development on an equitable basis; community-based supports and solutions designed to improve social and economic security; and long-term, sustainable funding
- Commit to meaningful engagement/consultation, build respectful relationships, and obtain the free, prior, and informed consent to actions which impact Indigenous Peoples and their rights, including land, territories, and resources, before proceeding with economic development projects
- Ensure Indigenous Peoples have services and infrastructure meet social and economic needs, and have access to safe housing, clean drinking water, and adequate food
- Ensure Indigenous Peoples have equitable access to jobs, training, and education opportunities, and Indigenous communities gain long-term sustainable benefits from economic development projects

Integration of an Intersectional Approach

Intersectionality is concerned with institutional and systemic barriers to equality. In 1989, Kimberlé Crenshaw coined the term "Intersectionality" in "Demarginalizing the Intersection of Race and Sex", to help explain the oppression of African-American women arguing the experience of being a Black woman cannot be understood independently of being either Black or a woman, but rather include intersections between the two identities (race and gender).

Today, the analysis has expanded to include (but is not limited to): class, sexual orientation, gender identity, ability, age, culture, and language. Intersectionality:

- Starts with practicing equity, inclusion, and diversity

- Moves from merely describing similarities and differences distinguishing systems of oppression to focusing on how these systems interconnect and interact
- Sees privilege and power as an interactive system: a matrix of domination, exploitation, and oppression where, depending on the context, one may benefit, be penalized, or (most likely) both benefit and be penalized by a system of oppression

Pursuit of a Just Transition

Community economies can be sites of transformation and offer practical opportunities to address the ecological and climate crises in ways which enhance equity and well-being for all.

Transformation can include creating new and stronger relationships to foster innovative and sustainable economies. While a focus on physical infrastructure is necessary for the transition away from fossil fuels, a lack of focus on social infrastructure may exacerbate underlying inequities in the labour market and the broader economy, undermining the potential to deliver on a physical infrastructure agenda.

Hadrian Mertins-Kirkwood outlined five principles for a just transition in Canada (2021):

- Recognizes and respects rights including human, labour, Indigenous, and those of future generations
- Involves affected workers and communities as partners in determining their own paths forward
- Expands the social safety net to ensure affected workers and communities don't bear an unfair burden
- Creates new economic opportunities for affected workers and communities
- Includes workforce development and integrates historically marginalized and equity-seeking groups to ensure the economic benefits of transition are widely shared

CCEDNet Member Recommendations:

Cooperatives and Mutuals Canada (CMC)

CMC's top 6 budget priorities revolve around strengthening the impact of co-operation in Canada by:

1. Making the Tax-Deferred Co-op Share Program permanent.
2. Expanding the Small Business Deduction access.
3. Launching a Co-op Capacity Building Program and a Co-op Investment Plan.
4. Strengthening co-op housing and renewable energy co-ops.
5. Aligning Employee Ownership Trusts (EOTs) incentives with worker co-ops.
6. Establish a Co-op Centre and Knowledge & Innovation Hub.

Canadian Worker Co-op Federation (CWCF)

CWCF'S top 3 budget recommendations are:

1. That the Government of Canada implement the tax incentives announced for worker co-operatives in harmony with incentives provided to Employee Ownership Trusts permanently or at least for 2026 through 2028.
2. That the Government support CWCF's *Building Community Resiliency* Program to maintain and create jobs and businesses, primarily through conversions to worker co-operatives, with a focus on equity-denied groups.
3. That the Government amend the *Income Tax Act* to create tax fairness for worker co-operatives.

Buy Social Canada (BSC) & Social Enterprise Council of Canada (SEEC)

BSC and SECC have 4 key recommendations for the upcoming budget:

1. Recommend that all Federal Ministries, especially the Ministry of Innovation, Science and Economic Development (ISED) and all regional economic agencies, recognize the non-profit social enterprise business model as a strategic means for government to meet its economic, social, and environmental goals, and expand and fund government support for non-profit social enterprise business capacity including in relation to start-up, succession, scaling, and access to finance.
2. Recommend Public Service and Procurement Canada (PSPC) ensure the inclusion of social enterprises in the implementation of the [Federal Social Procurement Policy](#) as a strategic means for government to meet the policy's objective of enhancing best value in procurement.
3. Recommend that Employment and Social Development Canada (ESDC) support and fund the implementation of the entire [Social Innovation and Social Finance Strategy Recommendations](#), to invest in the people and businesses that will build one Canadian economy and scale community-driven, outcomes-focused solutions.
4. Recommend that Infrastructure Canada require the implementation of the existing [Community Employment Benefit Initiative](#) or Community Benefit Agreements on all federally funded infrastructure and construction projects to ensure investment into infrastructure projects build resilient and connected communities and build a strong economy that works for everyone.