



CCEDNet National Policy Priorities

Why Community Economic Development?

Complex social challenges like unemployment, urban and rural decline, poverty, reconciliation with Indigenous people and climate change require comprehensive responses. Across Canada, community economic development (CED) initiatives foster inclusive economic revitalization, access to capital for business development, local ownership of resources, job creation, poverty reduction, and environmental stewardship.

CED is community-led action to create economic opportunities that improve social and environmental conditions. By

using the economy and marketplace in innovative ways, it improves well-being and maximizes benefits to community by accelerating business growth, meeting community needs, and increasing the income of residents. It includes a variety of activities, such as community-based business development, local investing, and employment training for vulnerable people. By tapping into the leadership and ingenuity of community members, CED creates opportunities that become pathways to resiliency and renewal.

Strong communities exist where inclusion, diversity, equity, and access are prioritized. Power and privilege must be acknowledged within communities, organizations, policy, and government. Active efforts to build more participatory and inclusive communities where diverse and traditionally marginalized voices lead are essential.

Members of the Canadian Community Economic Development Network (CCEDNet) have developed a wide range of innovative models stimulating community action for inclusive economic development. CED tax credits, new hybrid legal structures, community impact investment funds, neighbourhood revitalization programs and innovative procurement practices are a few examples.

The Government of Canada has the opportunity to scale up these effective approaches. Working together, CED initiatives and governments can overcome complex social challenges with community-led solutions, creating inclusive, resilient communities and economies that strengthen the well-being of current and future generations.

Key Policy Recommendations for CED

Social Innovation and Social Finance

The federal government took a bold step when the 2015 Ministerial mandate letters directed the creation of a Social Innovation and Social Finance Strategy. The subsequent co-creation process with stakeholders across Canada produced *Inclusive Innovation: New Ideas and New Partnerships for Stronger Communities*, a comprehensive report with 12 key recommendations from the Social Innovation and Social Finance Strategy Co-Creation Steering Group. The 2018 Fall Economic Statement launched a \$755M Social Finance Fund, but a full strategy has not been released.

Social Innovation and Social Finance are multi-faceted approaches requiring wide-ranging changes to business-as-usual. The 12 recommendations require simultaneous action. The Social Finance Fund is an important first step, but the impact of improved access to capital is diminished without skills development, increased social procurement, regulatory change, knowledge transfer and awareness raising. The 12 recommendations all have mutually reinforcing impacts -- implementing some elements of the strategy and not others weakens them all. A full strategy is urgently needed.

The implementation of a strategy should be guided by the groups it seeks to serve, especially historically disadvantaged and equity seeking groups. Building on the expertise of diverse community leaders and organizations will leverage extensive assets and foster truly innovative local creativity and action.



Recommendations

- 1. Produce a Social Innovation and Social Finance Strategy implementing all 12 recommendations of the Co-Creation steering group.**
- 2. Ensure equity seeking groups play a leading role in the implementation and subsequent evolution of that strategy to build on existing local capacity and strengthen the expertise of the community economic development, non-profit and co-operative sectors.**

Investing in Fair Economies

Recent years have seen an explosion of interest in strategies that can add social value to existing purchasing and redirect investments to community benefit. Social procurement, community benefits and community investment practices are expanding throughout the country. The federal government can take proactive steps to foster the further development of these practices.

Community Benefits Agreements are a practical tool for CED initiatives to engage with development projects and create local opportunities. We congratulate the government on the Community Employment Benefits requirement announced as part of the Investing in Canada plan, which is an important step forward. But the absence of basic benchmarks or targets in the bilateral agreements with the provinces and territories means that the potential impact of the program is weakened. Additionally, a common set of metrics across provinces and territories would facilitate comparisons and tracking progress. Engagement with stakeholders across sectors, including community leaders, could co-create a strong national strategy that sets clear targets, common measures and, if necessary, incentives for ambitious action.



Bill C-344, which passed the House of Commons in June 2018 but did not pass the Senate, would have given the Minister of Public Services and Procurement the authority to require community benefit information from prospective bidders on government contracts, and then report on those benefits to Parliament. Although the legislation did not pass, this requirement can and should be implemented as policy.

Based on the proven success of Nova Scotia's CED Investment Funds, five provinces now have CED investment and tax credits programs, and communities across the country are organizing to redirect capital to local needs. However, these programs can be undersubscribed due to a lack of technical expertise and capacity among community leaders. A program to leverage existing expertise and transfer knowledge would dramatically increase subscription rates and corresponding inclusive economic growth opportunities.

Recommendations

3. Require bidders on contracts for the construction, maintenance or repair of public works and federal property to provide information on the community benefits generated by the project, as described in Bill C-344 which passed the House of Commons in June 2018 but did not pass the Senate.

4. Engage stakeholders across sectors, including community leaders, to co-create a strong national strategy for Community Employment Benefits, with clear targets and common measures.

5. Establish a national program to grow community investment funds in each province.

Workforce Development

A rapidly changing labour market marked by skills shortages creates opportunities for broader workforce participation. This includes the identification and removal of institutional and systemic barriers to workforce participation by groups such as low-skilled individuals, immigrants, Indigenous persons, and the long-term unemployed. Integrated training models have shown demonstrated success connecting people with barriers to employment to the labour market through a combination of foundational skills training; technical, job-specific skills training; and experiential learning with employers.

There is an opportunity to improve the effectiveness of workforce training dollars through the Labour Market Transfer Agreements (LMTAs). For example, while provinces are no longer required to offer the Canada Job Grant, many still do. This program has failed in its goal to increase labour market attachment for under-represented groups and has mixed results in its goal to increase employer investments. To date, in the vast majority of provinces and territories, individuals supported through the Canada Job Grants in 2017-18 were already employed prior to participating in training (ranging from 85%-100% of participants). These funds could better be directed at foundational and integrated training opportunities for marginalized or vulnerable Canadians.

Recommendations

6. In partnership with provinces and territories, scale up integrated training approaches.

7. Improve the efficacy of Labour Market and Workforce Development dollars to reach vulnerable groups seeking workplace skills and training, and ensure that an increased percentage of LMTA funding is directed at vulnerable groups.

Making it Happen

Canadians should have a direct say in decisions that affect them. By using grassroots community organizations in design, planning, and policy we can ensure that decisions made by governments are guided by those who know the issues the best. Government and community co-creation and consultation in programming and policy is crucial to community economic development.

Too often, the end-users or stakeholders affected by policy and programming decisions are rendered entirely passive in their design and implementation process. The consequence of this is that high-value and grassroots expertise is missed, thereby decreasing the efficacy and ultimately value of government investments. The challenge of policy-making that does not meaningfully engage stakeholders is compounded when it intersects with marginalized and dispossessed communities.

A co-creation approach, building on the models of the Social Innovation and Social Finance Co-Creation Steering Group and the Québec Partners Table on the Social Economy, will help ensure that policy development and implementation will be most effective.

Visit communityeconomies.ca
for tools and tips to make action for community economies a priority



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About the Canadian CED Network

The Canadian Community Economic Development Network (CCEDNet) is a member-driven, not for-profit, charitable organization made up of community-based organizations, co-operatives, social enterprises, practitioners, active citizens, researchers, and other organizations involved in community economic development (CED). Throughout Canada, CCEDNet members are helping local residents take action to build healthy, inclusive and vibrant places by creating economic opportunities that improve social and environmental conditions.



Promoting Community
Economic Development

Le promotion
du développement
économique
communautaire

Strengthening Canada's Communities
Des communautés plus fortes au Canada

The Canadian CED Network
Le Réseau canadien de DÉC



Community economic development
(CED) is action by people locally to
create economic opportunities and
better social conditions, particularly
for those who are most disadvantaged.

Le développement économique
communautaire (DÉC) est une
approche locale visant à créer des
débouchés économiques et
de meilleures conditions sociales,
en particulier pour les personnes
et les groupes les plus défavorisés.

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