



Strengthening Canada's Communities – Des communautés plus fortes au Canada

**Immediate Investment Options
to Maximize Economic Stimulus and Community Benefit**
Pre-2009 Budget Brief by the Canadian CED Network
December 2008

To: Rt. Hon. Stephen Harper, Prime Minister
Hon. Jim Flaherty, Minister of Finance
Hon. Tony Clement, Minister of Industry
Hon. Diane Finley, Minister of Human Resources and Skills Development
Hon. Michael Ignatieff, Leader, Liberal Party of Canada
Hon. Scott Brison, Finance Critic, Liberal Party of Canada
Hon. John McCallum, Chair, Leader's Advisory Committee on Economic Strategy
Hon. Jack Layton, Leader, New Democratic Party of Canada
Hon. Thomas Mulcair, Finance Critic, New Democratic Party of Canada
Hon. Gilles Duceppe, Leader, Bloc Québécois
Hon. Jean-Yves Laforest, Finance Critic, Bloc Québécois

Dear Prime Minister, Ministers, Party Leaders and Critics,

With our economy under stress from the global economic downturn, we are writing to offer practical and effective solutions to create employment and reinvigorate the economy through investments that can have immediate impacts and multiple benefits.

In communities where large companies are closing down or moving away, existing community-led enterprises and organizations remain rooted, delivering valuable services, creating opportunities, and maintaining jobs. They have existing community projects ready to go that would generate both economic and social benefits with strategic support from the federal government.

Our members in every region of Canada demonstrate how community economic development can help to create resilient communities. Social economy enterprises and organizations, both co-

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operative and non-profit, have been successful in responding to local needs, including housing, health, environment, agriculture, culture, recreation, tourism, and childcare. They are also the most effective vehicles for reaching those who are most vulnerable, such as the homeless, people living in poverty, people with disabilities, Aboriginal and indigenous communities, women, youth, the elderly, newcomers and rural residents.

Economic stimulus invested in building lasting infrastructure and community capacity will not only have immediate employment investment benefits, but it will also leave a strong legacy for the future.

A growing number of countries around the world have adopted policies to support community-based initiatives. These policies have demonstrated their effectiveness in implementing highly effective solutions driven by local innovation and entrepreneurship, addressing both economic demand, environmental challenges and social and cultural needs. Within Canada, provinces such as Québec have already launched action plans to strengthen the social economy in response to the current economic crisis, recognizing the direct economic and social benefits this sector provides.¹ Manitoba and Nova Scotia - along with municipalities such as Edmonton - already have policies and programs in place to strengthen the social economy and community economic development, and Ontario has identified it as a strategy in its poverty reduction plan.

The solutions below can be rolled out immediately: through existing programs to established projects and organizations. They offer the best social and economic return on investment for the federal government.

We recommend the following six proposals:

1. Expand the Communities component of the Building Canada plan. Currently, the 'Building Better Communities' section of the Building Canada plan does not include infrastructure projects for community organizations.² Providing the financial leverage for well-established community enterprises and organizations to develop community resource centres, daycares and other physical assets would create employment, expand locally controlled services, and enhance the wellbeing of citizens.

2. Enhance the Community Development Trust to provide new funds to regional development agencies for economic stimulus. As part of the 2008 election campaign, Prime Minister Harper promised \$300-million in increased funding for Industry Canada's regional development agencies.³ The regional development agencies have a number of programs that can be used to deliver investment quickly, including the cross-Canada network of Community Futures Development Corporations (CFDCs) and Community Business Development Corporations (CBDCs). Targeted funding through CFDCs and CBDCs to support non-profit and co-operative enterprises would have long-term benefits: they have almost double the 5-year survival rate of traditional small and medium enterprises (65% compared to 35%) and have the highest rate of

¹ http://www.mamr.gouv.qc.ca/regions/regi_econ_plan_acti.asp

² <http://www.buildingcanada-chantierscanada.gc.ca/plandocs/booklet-livret/booklet-livret-eng.html>

³ <http://www.conservative.ca/EN/1091/106814>

local ownership and local job creation. This maximizes the local economic spinoffs and makes for a smart long-term business investment.

3. Renew the Co-operative Development Initiatives. New and emerging co-operatives need assistance to get up and running. A key priority is to renew and expand the federal Co-operative Development Initiative (CDI). The CDI and the Agricultural CDI have helped fund co-op advisory services, started over 200 new co-ops and assisted more than 1,500 emerging ones. The CDI has been extended for only one year while its sister program, the Agricultural CDI, which provides assistance to new value-added agricultural co-ops, comes to an end on March 31, 2009.

4. Implement a targeted component of the Workplace Skills Initiative of HRSDC that would allow community economic development and social economy workplaces to develop skills resources to strengthen outcomes for disadvantaged workers, and enhance the skills of those managers and workers who are creating new forms of social entrepreneurship.

5. Increase funding for the Social Development Partnerships Program of HRSDC to support the promotion, evaluation and documentation of innovative community economic practices, ensuring that the most disadvantaged populations are not being further left behind during this economic downturn, and supporting networking, information sharing, learning, and opportunities brokering nationally of most effective practices within the community economic development sector.

6. New measures to support the growth of the community economic development and social economy sector could include accessible procurement policies, allowing social enterprises to access existing tax credit programs, and the creation of a one-time repayable capital pool that can be used and leveraged as patient capital or quasi-equity funding for non-profit operated enterprises.

Attached are some short profiles of the types of projects that could be supported through an economic stimulus package supporting community economic development initiatives and the social economy.

We would be happy to meet with you to discuss any of these ideas further.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Toye', written in a cursive style.

Michael Toye
Executive Director
The Canadian Community Economic Development Network

APPENDIX – EXAMPLES OF POSSIBLE IMMEDIATE COMMUNITY INVESTMENTS

PARO Centre for Women's Enterprise, Thunder Bay, Ontario

PARO Centre for Women's Enterprise (<http://www.paro.ca>)

has been a recognized leader in women-centred community economic development (CED) for the past 14 years, bringing innovative programs and services to women in Northern Ontario who seek to build sustainable livelihoods for themselves and their families. The PARO Centre has

helped thousands of women across Northern Ontario to start, grow or build new business opportunities. Looking ahead to the next decade, PARO will enhance and expand women's access to services and their geographic reach through the proposed *Into the New Decade: Innovative Economic Opportunities for Women* project. With sufficient support this project will use innovative technology and programming strategies to provide business and employment counselling, skills development and training, and initiate an innovative *Placement Agency* social enterprise.



Budz'n Bloom Daycare Centre, Neepawa, Manitoba

Almost all of Canada's licensed childcare centres are owned and operated by community-based or parent-run non-profit organizations. Canada-wide, 80% of spaces are delivered by the voluntary sector. Non-profit groups have a very hard time accessing capital dollars to build or renovate their facilities. In the small town of Neepawa, Manitoba, for example, Budz'n Bloom Daycare Centre must pay \$3,000/month rent. With access to capital, they would be able to make a down payment on a building which they could own, contributing to their long-term stability. In Thompson, Manitoba, where three daycare centres have closed over the past decade, a community group has raised over \$50,000. Their dream of building a childcare centre for local families has been stalled for two years due to lack of capital. The childcare sector is worth investing in. Every \$1 of childcare sector spending creates \$1.58 worth of local economic activity. Childcare has an employment multiplier of 1.49 - every 2.0 jobs create another full-time position. Childcare is green, sustainable, and labour-intensive. Childcare also provides jobs to women - who are shut out of many traditional infrastructure projects.

Station 20 West, Saskatoon, Saskatchewan

Members of Saskatoon's core communities have been working to develop a *community enterprise centre* on 20th St. called Station 20 West (www.station20west.org). This initiative to build a \$3-million, sustainable, integrated centre - located in the centre of Saskatoon's poorest

neighbourhoods - will bring together a wide range of services, including affordable housing, a co-operative local grocery store, a library branch, health care, dental services, community based organizations and community development offices. With a federal investment Station 20 West will go a long way to alleviating the conditions suffered by the poorest residents of Saskatoon.



This initiative is being hailed as a national demonstration project for what is effective in reducing poverty and addressing the root causes of the health disparities experienced by many core residents.

EnviroSafe Cleaning Worker Co-operative, Winnipeg, Manitoba

EnviroSafe Cleaning Worker Co-operative is a worker-owned and managed cleaning company that uses only environmentally friendly cleaning products and equipment. The Co-operative was started by a group of Congolese newcomers who put aside a small amount of money each month to start a business that would provide new opportunities and better working conditions for themselves and others. In keeping with these values, they selected to incorporate as a Worker Co-operative, where all the workers would be equal owners, where the profits would be distributed to all of them, and where they could continue to create more employee ownership opportunities for other newcomers in similar circumstances. The Co-operative recently received a "Business of the Year" award at the Government of Manitoba's Sustainable Development Awards (<http://www.gov.mb.ca/conservation/susresmb/mrtsd/ mesa/index.html>). Renewed Co-operative Development Initiative funding would allow EnviroSafe to expand and solidify the benefits it provides to the economy and the environment, while also providing employment opportunities for immigrants who typically face barriers to labour market participation and risk facing some of the worst effects of this economic downturn.

The Potluck Café and Catering, Vancouver, British Columbia

The Potluck Café Society (<http://www.potluckcatering.com>) grew out of a youth-at-risk employment initiative in 2000 and now operates a café, in the Downtown Eastside of Vancouver. Potluck provides full-time training employment for ten formerly at-risk Downtown Eastside residents, and is committed to employing staff until they are ready to move on. The café also provides nutritious meals to area residents and a discounted daily breakfast, lunch and dinner for low-income diners. Potluck is a social enterprise, relying on catering revenues and limited fundraising to help subsidize their programs. Enhanced federal support would create more sustainable jobs and provide more meals to area residents in need.

