

# The Canadian Community Economic Development Network-Ontario Region **CCEDNet Ontario**

## **A Communities Agenda for Strengthening Ontario's Communities**

Inequality is growing in Ontario. Our economy is prosperous, but the gap between the rich and poor continues to rise. Many rural, urban, northern, and aboriginal communities are struggling to stay afloat. Immediate action needs to take place to address economic disadvantage and implement a comprehensive poverty reduction strategy that incorporates Community Economic Development (CED) approaches.

CED is an increasingly useful solution to the economic, social, and environmental challenges facing Ontarians. CED enables communities to transform into attractive places to live and work through holistic, participatory development. The approach is proven to build wealth, create jobs, foster innovation and productivity, and improve social well-being.

### **Background**

The Ontario Region of the Canadian Community Economic Development Network (CCEDNet) is a bilingual network which represents over 400 hundred CED organizations and practitioners from every part of the province. We promote CED as an effective alternative economic development model that creates fairer, stronger, and more sustainable communities.

### **Recommendations**

CCEDNet Ontario advocates for a policy agenda that strengthens and develops the social economy and advances CED as a way to:

1. Build Fairer, Stronger Local Economies,
2. Tackle Poverty and Homelessness, and
3. Create Sustainable Communities

#### **1. Build Fairer and Stronger Local Economies**

In many rural and urban areas across Ontario local economies are suffering. They lack access to markets and sustainable business opportunities. CED presents an opportunity to reverse these disturbing trends. These efforts to rebuild and revitalize communities need legislative support.

Social enterprise and co-operative organizations across Ontario are contributing to a growing “social economy” that combines business and enterprise activities with social programs and goals. These organizations produce significant outcomes for reducing poverty and social disadvantage while increasing wealth and economic opportunities. We challenge regional development agencies and programs of the provincial government to stop subsidising large-scale industry and instead focus on supporting CED initiatives and activities that generate benefits for

rural, urban, northern, Aboriginal, francophone, and immigrant communities, communities of people with disabilities, and resource-based communities that are in need of revitalization.

**Recommended actions for the creation of an enabling environment for co-operative and social enterprise growth include:**

- a) *Supporting social enterprise development by investing in a social enterprise capital loan fund that is accountable to community organizations.* Recent research on social enterprise illustrates that one of the most serious barriers to sustainability is access to long-term patient capital. We are very pleased that the government of Ontario announced a \$20 million Social Venture Capital Fund. We would like to ensure that the fund will be directed by and be accountable to community based organizations to maximize the benefit to local economies. (See the attached document on the Ontario Social Enterprise Trust proposal.)
- b) *Creating a program to support the development and strengthening of co-ops and social enterprises.* This program should include funds for capacity building grants including start-up and technical assistance (\$1 million per year) as well as stable funding for community organizations supporting co-op and social enterprise development.
- c) *Implementing a provincial CED Tax Credit.* CED organizations need access to long term capital. To overcome this challenge we propose a provincial CED tax credit for Ontarians wishing to invest in CED investment funds operated by local non-profit corporations. We propose using the Nova Scotia CED tax credit program as a model.
- d) *Supporting local procurement policies.* In the traditional business model, profit rarely stays within a community. When regions implement procurement policies that purchase contracts, goods, and services offered locally, tax dollars reverberate instead of flowing away.
- e) *Striking a sector-led social economy advisory committee and a minister responsible for the social economy* to develop an ongoing action plan for strengthening the social economy in Ontario.
- f) *Creating a Provincial Co-operatives Secretariat,* modelled after the Federal Co-operatives Secretariat, to promote and develop Ontario co-operatives and act as a single voice to increase support for the co-operative sector. Over 2.3 million Ontarians belong to more than 1,900 co-ops, credit unions, and caisses populaires. From fledgling start-ups to corporations, co-operatives in Ontario have \$19 billion in assets and employ thousands of Ontarians.
- g) *Accelerating the implementation of funding reforms for the community non-profit sector* to limit the bureaucracy and impediments to the sector caused by resource draining funding procedures.

*h) Developing a Voluntary and Community Sector Accord* modelled after the Canada VSI accord and the British Compact model and focused on key issues such as economic and social inclusion.

## **2. Tackle Poverty and Homelessness**

Increases in wealth and prosperity have not benefited all Ontarians. Our members in many rural, northern, and Aboriginal communities have seen increased poverty, as have those serving urban neighbourhoods, including our largest and most prosperous city –Toronto.<sup>1</sup> Income inequality has grown and significant numbers of children and family households are caught in a poverty trap to which government regulations and policies contribute. In a nation as prosperous as Canada every citizen should be able to meet their basic needs for healthy food, safe and affordable housing, clean water, and access to education.

We are pleased that a commitment has been made to build a comprehensive poverty reduction strategy but believe that specific goals are essential. We support the Social Planning Network of Ontario which states that a 25% poverty reduction target over five years and a 50% reduction in ten years is an achievable goal which should be adopted. In addition, the poverty reduction strategy must acknowledge the racialization of poverty as outlined by the Colour of Poverty Campaign ([www.colourofpoverty.ca](http://www.colourofpoverty.ca)) and incorporate these issues in the solutions.

**Recommended actions to be pursued as part of a multi-year poverty reduction strategy in Ontario that involves setting poverty reduction targets, timetables, and financial commitments include:**

- a) Immediately increasing the minimum wage to at least \$10/hour.* This will bring a minimum wage earner up to par with the current Low-Income Cut Off (LICO). The Ontario government has committed to increasing the minimum wage to \$10.25/hour over the next three years. However, by 2010 this proposed minimum wage is estimated to be approximately \$1 below the poverty line.
- b) Increasing social service payments to at least the LICO level* and removing policy barriers that penalize welfare recipients from moving into the labour market. Fully indexed assistance rates should be included with annual increases of 3% above inflation and social service workers should work with community groups in re-engineering social programs to provide incentives for people to get out of poverty.
- c) Investing in children* through increased support for non-profit and co-operative child care centres and First Nations child welfare agencies. The new Ontario child benefit should be phased in at an accelerated rate from its current progress. Also, we need to end completely Ontario's clawback of the National Child Benefit Supplement.

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<sup>1</sup> MacDonnel, S. (2007). *Losing Ground- the persistent growth of family poverty in Canada's largest city.* United Way of Greater Toronto. Retrieved from <http://www.uwgt.org/whoWeHelp/reports/pdf/LosingGround-fullReport.pdf>

- d) Shifting the tax structure to benefit low-income Ontarians so those in poverty receive tax relief and are able to build assets, savings, and the capacity to escape the poverty trap.*
- e) Generating a comprehensive social housing spending program for low-income Ontarians with input from municipal governments and community organizations to correctly identify the causes within government social programs of increased vulnerability to homelessness among those people who are in government care. We believe that the commitment to creating a long-term strategy for affordable housing should be a top priority. The program should be backed by predictable long-term funding with a priority for non-profit housing units developed by community and co-operative organizations working closest to the homeless, the aged, and other vulnerable people who are in need of housing.*
- f) Recognizing CED and social enterprise development as an effective strategy for poverty reduction and a pathway to self sufficiency for people in poverty through creating the program and investment outlined in the first recommendation.*

### **3. Invest in Sustainable Communities**

We need to invest in the future of our communities so that we all benefit from Ontario's prosperity. CCEDNet encourages government to support CED initiatives that create social, economic, and environmental sustainability.

#### **Actions recommended to be pursued as part of a poverty reduction strategy to support employment development through CED approaches include:**

- a) Directing MTCU programs, policies, and investments to strengthen local CED initiatives and partnerships that integrate economic, social, and labour market development activities and respond to local skills gaps and development opportunities. Eligibility regulations need to extend eligibility to newcomers, women, and others who cannot access programs, and extend long-term support to Ontarians with low skill sets and multiple barriers.*
- b) Giving newcomers the tools to contribute by identifying, in collaboration with immigrant and refugee community organizations and immigrant settlement agencies, best practices in building community-led partnerships to enhance economic, social, and employment outcomes, and to build program support for replicating and expanding those practices.*
- c) Restoring funding for Adult ESL programs, including classroom costs.*
- d) Improving accreditation for foreign-trained professionals so that Ontario can begin to address skills shortages.*

- e) *Amending ODSP to provide more recipient support* by removing the onus on recipients to prove themselves employment ready, providing an appeal process for those denied employment supports, making the reporting process less onerous for the recipient, and making the calculation of benefits and deductions transparent and less complex. Social enterprises should be recognized as a valuable and even preferred employment option for many ODSP recipients.

Many of our members are deeply involved in developing “green” approaches to improving the health and well-being of their communities. These strategies range from alternative energy co-operatives to enterprises that help with energy conservation in homes and buildings to financing “green” businesses to diversify rural economies on a sustainable basis. These efforts at the local level add up to a significant contribution to reducing Climate Change and protecting the environment for future generations while creating tangible made-in-Ontario approaches to sustainable economic development.

**Recommended actions as part of a strategy to empower communities to tackle Climate Change include:**

- a) *Promoting local food production and distribution through increased support for Ontario ‘Buy Local’ campaigns*, promoting the reduction of food transportation and cutting carbon emissions.
- b) *Including local food security and agriculture interests in the development of Ontario’s agricultural policy framework* and creating a “sustainable community economic development” focus for that framework to achieve outcomes in enhanced food security, reduced climate change, and rural revitalization.
- c) *Developing an action plan that invests in community-led approaches to sustainable development*, contributing to carbon emissions reduction and tackling Climate Change including the development of a strategy to increase community-owned renewable energy. This strategy should involve the Ministry of Energy appointing a Chief Renewable Energy Officer, granting renewable energy priority access to the power grid, and raising solar PV tariffs and on-farm biogas tariffs to levels recommended by OSEA.
- d) *Contributing to the day-to-day operating costs of public transit to maintain ridership growth and expand service*. This contribution needs to include both municipal and intercity transportation.

**Advisable actions in recognizing the valuable contributions of non-profit community service agencies in supporting and building communities include:**

- a) *Increasing core funding and ensuring ongoing financial support is stable and fair*. This will allow agencies to adequately meet operating costs on a long-term basis and ensure that agency workers receive fair wages, benefits, and pensions commensurate with an increasing cost-of-living and have more stable, less precarious jobs along with professional career opportunities. Appropriate financial support will give agencies and their staff the stability they need to effectively support their communities.

## **Conclusion**

The collective voice of hundreds of community-based CED organizations, practitioners, researchers, and academics from every region of Ontario has been central to the development of our list of recommendations. We urge you to work with us to enhance the social and economic conditions of Ontario's communities by building fairer and stronger local economies, tackling poverty, and investing in sustainable local communities.

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