



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

**Pre-Budget Submission to the Honourable Stan Struthers, M.L.A.  
Minister of Finance  
Province of Manitoba**

**By the Canadian Community Economic Development Network - Manitoba**

**February 16th, 2012**

## **Background**

This brief has been prepared by the Canadian Community Economic Development Network – Manitoba for The Honourable Stan Struthers, Minister of Finance for the Province of Manitoba. The information contained in this brief responds to the Minister’s invitation to help the Province of Manitoba prepare Budget 2012.

The Canadian CED Network - MB promotes community economic development (CED) as a comprehensive and integrated approach to improving economic, social, and environmental conditions in communities. This approach understands that solutions to complex community challenges will be most successful and sustainable when they are community-led. Across Manitoba, CED initiatives foster economic revitalization, access to capital, local ownership of resources, labour market development, poverty reduction, social development, and environmental stewardship. Despite the proven impact of the CED approach, communities (urban, rural, northern, newcomer, Aboriginal, etc.) continue to lack the level of support they need from all levels of government to take innovative, sustained, and strategic action through a comprehensive approach. We believe the Province of Manitoba must take an active role in providing that support.

More than one hundred members are represented by the Canadian CED Network - MB including the Aboriginal Council of Winnipeg, Community Futures of Manitoba, Food Matters Manitoba, Manitoba Cooperative Association, Health in Common, Neighbourhood Renewal Corporations throughout the province, CCPA-Manitoba, Assiniboine Credit Union, SEED Winnipeg, and other social enterprise and CED organizations. Our members represent hundreds of community organizations that are working with thousands of community members across the Province. The Canadian CED Network – MB is also an active participant in many coalitions and working groups including Make Poverty History Manitoba, Right to Housing Coalition, Rural Team Manitoba, the Manitoba Co-op Vision Strategy, and the Social Enterprise Council of Canada.

## **Summary of Recommendations**

### **Co-op Housing**

- Invest in financing and capacity-building measures that support the creation and maintenance of housing co-operative units in Manitoba.

### **Community-led Development**

- Invest in increased core funding to existing Neighbourhood Renewal Corporations (NRCs) to strengthen their capacity to achieve community-led poverty reduction and development.
- Invest in ensuring that the multi-year, multi-program funding provided through the Province’s four-point strategy to cut red tape, reflects the annually increasing costs of program delivery for all current and future participants.

## **Poverty Reduction**

- Increase basic social assistance rates to the present value of 1992 levels and then index annually to inflation.
- Invest in extending income supports for all social assistance recipients who wish to pursue education and training beyond the current two-year limit for up to four years or aligned with an individual's learning goals.

## **Jobs**

- Ensure sufficient funds are available to account for the added marginal short-term costs associated with purchasing from ethical enterprises that generate long-term social and economic returns.
- Invest in the Social Purchasing Portal as a third party certifier of ethical enterprises.
- Invest in Local Food Plus as a third party certifier of local and sustainable food as part of a local and sustainable food procurement strategy inclusive of targets and timelines.
- Invest in skill development in social enterprises.
- Invest in strengthening the capacity of the social enterprise sector to create, grow, and strengthen social enterprise.

These recommendations have been endorsed by the members of the Canadian CED Network – Manitoba.

### **1. Cooperative Housing**

#### **Invest in financing and capacity-building measures that support the creation and maintenance of housing co-operative units in Manitoba.**

Manitoba is experiencing an affordable housing crisis. Winnipeg's vacancy rate is less than 1%. One third of Winnipeggers and Manitobans who rent are spending more than one third of their income on rent, and/or are living in inadequate or overcrowded homes. This puts them at significant risk of losing their housing, their health and their spirit. The demand for more affordable housing is evidenced by the ever increasing waiting lists to become residents in existing housing co-operatives.

Non-profit housing co-operatives are mixed-income communities offering safe, secure and affordable housing to their members at rates based on cost. They are member-led and governed, and they build members' capacity through their involvement in co-op governance.

Housing co-operatives need access to capital to finance major repairs, renovations and expansion so they can continue to provide safe and affordable homes to low and moderate income Manitobans. For example, housing co-ops need help to preserve the affordability of existing homes for low-income households when operating agreements end by creating a new rent supplement program. The sector also requires sufficient resources toward capacity-building supports that strengthen existing housing co-operatives, and facilitate the expansion and creation of new housing co-operatives.

The Province of Manitoba has already committed to co-operative development through the Co-operative Vision Strategy. Furthermore, it has created the Poverty Reduction Strategy Act to strengthen ALL Aboard: Manitoba's Poverty Reduction and Social Inclusion Strategy, the latter of which includes a commitment to create new social and affordable housing units across Manitoba. Implementation of this recommendation will help the Province meet these commitments.

## **2. Community-led Development**

### **A. Invest in increased core funding to existing Neighbourhood Renewal Corporations (NRCs) to strengthen their capacity to achieve community-led poverty reduction and development.**

A recently completed evaluation of the Neighbourhoods Alive! (NA!) program found that core funding contributed "greatly" to improved coordination of neighbourhood revitalization efforts. However, the level of core funding has not increased significantly since NA! was founded in 2000 while the costs of operating have increased due to inflation and the growth of Community Development and Community Economic Development activities in these communities.

NRCs play a critical role in promoting the well-being of the most vulnerable people and communities throughout our province. NRC activities help reduce poverty and revitalize communities by taking a long-term, comprehensive, and community-led approach. These activities effectively integrate CED principles and contribute significantly to achieving the Province of Manitoba's CED objectives as outlined in the CED Policy Framework.

### **B. Invest in ensuring that the multi-year, multi-program funding provided through the Province's four-point strategy to cut red tape, reflects the annually increasing costs of program delivery for all current and future participants.**

Many community-based non-profits working toward poverty reduction and community renewal do not have access to adequate multi-year funding to take innovative, long-term, and strategic action through a comprehensive approach. This creates a need to search for multiple funding sources that can create an administrative burden leading to inefficiencies and less time to engage the community in the long-term thinking, planning, and action that is needed to achieve long-term results.

When funding does not reflect the annually increasing costs of program delivery, it can result in insecure, low-paying jobs with inadequate benefits. This in turn makes it difficult to attract and retain qualified staff, leads to turnover, diminishes organizational capacity and stability, and means that organizations fall further behind each year in their ability to pay the rising market costs of their operations. Multi-year, multi-program funding that reflects the increased costs of program delivery will enable community-based non-profits to plan and act long-term, attract and retain qualified staff, and improve overall organizational capacity, stability and efficiency.

### **3. Poverty Reduction**

#### **A. Increase basic social assistance rates to the present value of 1992 levels and then index annually to inflation.**

It is estimated that almost 60,000 Manitobans use Employment and Income Assistance as their major source of income. Current social assistance rates in Manitoba are not high enough to meet basic needs and enable recipients to participate fully in community-based solutions to local challenges. Many Manitobans receiving social assistance continue to live below the poverty line. Basic assistance rates have not kept pace with inflation and have seen their value fall by as much as 35% since 1992.

This recommendation is supported by the Poverty Reduction Strategy Act which commits the Province of Manitoba to implement a long-term strategy to reduce poverty and increase social inclusion by addressing various needs, including the need for income supports for persons who are unable to fully participate in the labour market.

#### **B. Invest in extending income supports for all social assistance recipients who wish to pursue education and training beyond the current two-year limit for up to for years or aligned with an individual's learning goals.**

The current two-year limit to training and education is not long enough for some social assistance recipients to build the skills and knowledge and receive the certifications they require to access quality jobs that generate a living wage for their household.

Extending the current training and education period limit to four years or aligned with an individual's learning goals will allow social assistance recipients to participate in university and other post-secondary programs. This extension is cost-effective in the long-term as recipients who participate in long-term training and education programs will be less likely to require assistance in the future.

Education and training opportunities that lead to quality jobs for marginalized individuals helps to stabilize communities, reduce poverty by creating economic opportunities, and enable greater participation in the local economy and community.

This recommendation is supported by the Poverty Reduction Strategy Act which commits the Province of Manitoba to implement a long-term strategy to reduce poverty and increase

social inclusion by addressing various needs, including the need for training that prepares persons for employment.

#### **4. Jobs**

- A. Ensure sufficient funds are available to account for the added marginal short-term costs associated with purchasing from ethical enterprises that generate long-term social and economic returns.**
  
- B. Invest in the Social Purchasing Portal as a third party certifier of ethical enterprises.**

The Province of Manitoba does not sufficiently recognize the social, environmental, and economic value of ethical enterprises in the valuation systems that are built into its tendering process.

Ethical enterprises use a business model that creates jobs and important community services, builds fairer and stronger local economies, reduces poverty, renews communities, and creates more sustainable environments. While purchasing from ethical enterprises may imply an added marginal short-term cost, the result will scale up these social, economic, and environmental outcomes and allow the Province to achieve a greater return on investment in the long-run.

By investing in the Social Purchasing Portal as a third party certifier of ethical businesses, the Province of Manitoba can secure access to a directory of businesses that it can purchase from to maximize its return on investment.

The Province of Manitoba is already signed on as a purchaser with the Social Purchasing Portal. Implementation of this recommendation will help the Province meet its commitment to sustainable procurement as outlined in the Sustainable Development Act.

- C. Invest in Local Food Plus as a third party certifier of local and sustainable food as part of a local and sustainable food procurement strategy inclusive of targets and timelines.**

The Province of Manitoba purchases significant amounts of food for institutions (hospitals, crown corporations, universities etc.) and their food services without an articulated strategy that ensures these purchases reduce the carbon footprint of our food system while simultaneously supporting local producers and strengthening the local economy.

By investing in Local Food Plus as a third party certifier of local and sustainable food, the Province of Manitoba will have an increased supply of certified local and sustainable food that will allow it to achieve purchasing targets established as part of a food procurement strategy.

The viability of local agriculture and rural communities is put at risk by the current food system. By re-localizing our food economy, we will create economic opportunities for local families, reduce the carbon footprint of our food system, and enhance the quality of food we eat.

The Province of Manitoba is committed to sustainable procurement as outlined in the Sustainable Development Act. Furthermore, it is committed to healthy communities through the Department of Healthy Living, and to the well being of rural communities and local agricultural producers through the Department of Manitoba Agriculture, Food, and Rural Initiatives. Implementation of this recommendation will help the Province meet these commitments.

**D. Invest in skill development in social enterprises.**

**E. Invest in strengthening the capacity of the social enterprise sector to create, grow, and strengthen social enterprise.**

Aside from recent initiatives in support of co-operative development and the Neighbourhoods Alive! Tax Credit, the Province of Manitoba currently does not provide adequate resources to ensure that the social enterprise sector has the required skills and capacity to create, grow, and strengthen social enterprises in Manitoba. While initiatives like the NA! Tax Credit create an incentive to support social enterprise development with much needed start-up capital and business mentorship opportunities, more remains to be done.

Social enterprises in Manitoba use a business model that creates jobs and important community services, builds fairer and stronger local economies, reduces poverty and renews communities, and creates more sustainable environments. By investing in the social enterprise sector, the Province of Manitoba can scale up these social, economic, and environmental outcomes.