



COMMUNITY ECONOMICS

FIRST ISSUE

THE ECONOMICS OF SHARING—THROUGH COMMUNITY PARTNERSHIPS

FALL 1991

Businesses spring up to counter recession

By Murray MacAdam

In an old building in Toronto's south Riverdale district, seven men and women who had been unemployed are hard at work building furniture. Together they own this furniture business.

At a large Toronto food bank, plans forge ahead for starting up community enterprises to counter the poverty and unemployment which force people to rely on food banks.

Twenty people from a range of social agencies and credit unions gather in a community college classroom to learn about "alternative" methods for financing community economic develop-

ment projects.

These are hopeful signs of the times, seeds of the growing community-based economy developing in Toronto. These business initiatives are one response to an economy in big trouble.

More than one million people depend on social assistance in Ontario. The number of Metro Toronto residents forced to rely on food banks has doubled to 120,000 in just one year.

Unemployment nationally is devastating the lives of one Canadian worker in ten—1.5 million people. Ontario has been particularly hard hit by the recession, having lost two-thirds of the 305,000 jobs that disappeared in Canada

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Kleinburg Craft Co-op founder Allan Reeve (right) and Stephen Clark proudly display the fruits of their labour.

Photo: Murray MacAdam

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Vision becomes reality as co-ops create jobs

I feel that God has provided us with a vision and here we're pursuing it", says Allan Reeve.

Visionary is indeed a word that springs to mind to describe Allan Reeve, the powerhouse behind Handyworkers Co-op, Kleinburg Craft Co-op and the Riverdale Economic Ministry, three ventures which are nurturing community economic development in Toronto.

With a background in hard-

rock mining and construction, Reeve is keenly aware of how important work is to our lives. A United Church minister, he's done urban ministry work with homeless people. After doing out thousands of bowls of soup, Reeve is convinced that foodbank-style charity is not enough.

"That kind of charity drains people's self-respect," says Reeve. "It means that Christians get to do all the giving. Yet all people need an opportunity to give of them-

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Community economy reflects humane values

continued from page 1

during the past year. The number of Ontario communities with food banks has tripled to about 90 during the past two years.

These cold statistics don't convey the human pain and hardship caused when people feel the shock and frustration of unemployment, or must rely on their charity to feed their families. Many of us know that our economy fails to meet the needs of huge numbers of people in Toronto and across Canada.

It's not just the terrible costs of poverty and unemployment which tell us this. We notice that the new "survival of the fittest" economic environment does not fit with our personal values. All around us we see urgent social and community needs which are not being met. The box on this page shows how out of sync the market economy is with our values.

What can be done?

More and more people realize that we should take the initiative ourselves, rather than relying on the big corporations. By working together to encourage community economic development, we can both create jobs and help meet urgent needs.

Community economic development (CED) is a process whereby people in a community organize themselves and pool their resources with available resources from government, churches and other groups to solve local economic problems. A local development organization is usually formed to plan and carry out a development program.

In Canada most community economic development initiatives have taken the form of small co-operatives or other non-profit enterprises. Skills training, daycare, cultural facilities, and environmen-

COMMUNITY ECONOMIC DEVELOPMENT

Market Economy Priorities

- responds to consumer demand
- highly competitive
- maximize profits
- flexibility of location
- high economic growth
- wealth creation
- maximize productivity
- reduce labour requirements

Community Economy Priorities

- emphasis on community needs
- mutual help/cooperation
- how to share profits/losses
- tied to community
- balanced growth
- quality of life
- community values important
- focus on employment creation

The Community Economy operates in tandem with the dominant Market Economy

tal preservation are examples of CED enterprises.

Today an estimated 2,000 community economic development projects across Canada strengthen local communities as well as provide jobs. Other articles in this issue provide examples.

Community economic development is a growing movement. Most of the initiatives have emerged in the last 10 or 15 years. Most of the more than 200 CED projects in Ontario got started in the past five years.

"There's now credibility within government and informed people in the private sector" regarding community economic development, says David Pell, who has worked in the CED movement for 17 years. "The growth has been significant, in terms of both numbers of businesses and the number of people involved."

Another change, notes Pell, is that people involved in CED are more sophisticated in terms of the skills and knowledge needed to be successful.

Yet much more needs to be

done to promote community economic development, especially given the waste of resources and people's lives due to the high rate of unemployment. A growing number of people in government, business, community groups and many other sectors of society realize CED's tremendous potential.

A first big step is to tell people about the exciting community ventures now underway—which is why *Community Economics* was published. If we learn about the many community economic development enterprises, we see that together they add up to a signifi-

small group of people. If it is to continue, we need to know that other people are concerned with the issues we are raising and that they are willing to support this effort. We hope this issue of *Community Economics* inspires you to become involved.

If you'd like to learn more on how to do this, please contact Rick Myer at 588-3667, or Allan Reeve at 461-8893, both members of Toronto's CED network. Or you can return the coupon on page 16 to: *Community Economics*, 49 Wellington St. E., 4th Floor, Toronto MSE 1C9.

"A growing number of people recognize CED's tremendous potential"

cant "community economy" alternative to the mainstream market economy.

This newsletter is an experiment. It represents the efforts of a

We're looking forward to hearing from you!

SOURCE: *Community Economic Development: A Roundtable Discussion*, Ontario Alliance for Community Enrichment.

Churches nurture worker co-ops

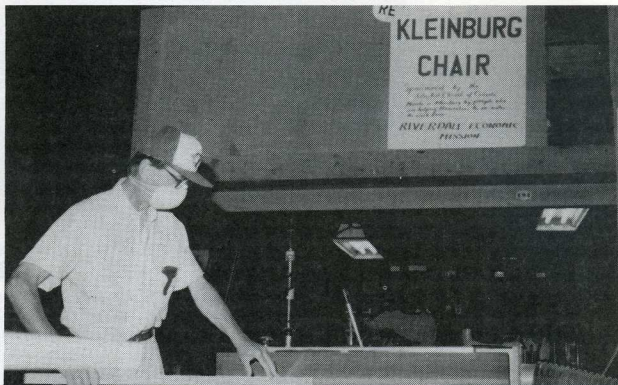
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selves, to work and gain self-respect. Everyone needs to be needed."

Reeve pursued his vision with community groups, forming Handyworkers Co-op, a worker-owned home repair business three years ago. A \$10,000 grant from an economic animation program of the United Church helped launch the co-op. Now four worker-owners jointly own the business, with up to six more people employed at peak periods. Handyworkers does housing maintenance, repairs and clean-up services.

The success of Handyworkers led to the next enterprise, the Kleinburg Craft Co-op, which builds quality garden/patio oak furniture, chiefly the Kleinburg Chair. Again, having a vision has been essential. This venture was launched early in 1989, as the recession began.

"Mentors", people who donate their time and expertise have helped make the Kleinburg Co-op viable. David Eadie, a retired United Nations development worker, designed the chair, helped train workers, and advised the new co-op about the machinery re-



Mario Fernandez of the Kleinburg Craft Co-op prepares wood for production.

quired. The machinery was paid for with \$10,000 in donations from church congregations. Toronto's Community Business Centre provided more than \$20,000 for business planning and marketing services.

The chair business is just getting underway. United Church support again was helpful, as the lumber comes from trees on a United Church camp. It's hoped that 1,000 of the chairs can be sold over the

next year, with annual sales rising to 5,000 chairs in a few years.

Nine people are employed by the Kleinburg Co-op, four of them part-time. As with Handyworkers, these workers previously been unemployed. Besides employing highly-skilled workers, both co-ops also try to provide jobs for people who have been unable to work due to physical or mental problems.

Reeve himself works for the Riverdale Economic Ministry (REM), a United Church outreach ministry which promotes church and community support for local enterprises, to create jobs for the unemployed. Financial support for the Riverdale Economic Ministry has come from the Fred Victor Mission, church congregations and individuals.

The Kleinburg furniture is marketed nationally through a sales agent now, but Reeve hopes that an alternative marketing system for the chairs and other Canadian justice products can be developed, similar to the Bridgehead Trading network used to sell coffee, tea and

other Third World products. Already some Toronto churches are promoting the Kleinburg furniture.

After being involved in community economic development for five years, Reeve knows that it's essential to have a clear sense of the market for one's product and to have a track record or good reputation, in order to obtain financing.

Confidence in one's product is also essential. The Kleinburg Co-op needs \$80,000 from partners and supporters over the next year to build up its inventory for next spring's sale market. The co-op expects to break even in another two years.

Starting a new business in these tough economic times is difficult, admits Reeve, who exudes confidence nonetheless. Yet new community enterprise is itself one way to counter the recession. "Communities are going to have to come up with strategies to keep people employed," he says, referring to Ontario's recent wave of layoffs and plant closures. "Local businesses with local markets are an answer."



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Milverton plant closing sparks new life

Like the Phoenix rising from the ashes, Milverton, Ontario, is pulling together to overcome the loss of 110 jobs due to the bankruptcy of the Deilcraft furniture plant. The closing in September, 1990 was a devastating blow to this community of 1600 people north of Stratford—equivalent to Toronto losing 100,000 jobs.

"There was a tremendous amount of pain, anxiety, disappointment and shock," says Neil Lackey, a local United Church minister. "It sparked the community to ask itself: are we going to take this lying down?"

The record of the past year provides a clear answer. More than 40 local residents became involved in searching for solutions, forming a revitalization committee and an economic development committee. Community meetings drew up to 70 people to discuss responses to the closing and what Milverton's future might look like. "There's been a tremendous amount of volunteer activity for a small community," says Lackey, noting that by mid-June the revitalization committee had met 33 times for at least two hours each time.

These efforts are paying off. A community corporation called MilMor Developments has been formed to take over the old Deilcraft property. While the corporation is made up of private investors, its philosophy is very much that of a community group. Annual returns to investors will be limited to 12 percent; profits above that will be reinvested in the community.

The goal is to attract business tenants to the former Deilcraft site who will provide jobs. In July, sale of the Deilcraft property and build-



Citizen action pays off in Milverton, Ontario. Jack Schiavone, left, Shelly Johnson, Ann Brailsford-Child and Neil Lackey worked hard to revitalize their community.

ings to MilMor Developments was completed. The first floor of the Deilcraft building has been leased to a woodworking operation which employed up to 16 people at times in the summer. The mill is expected to provide 25 full-time jobs within two years.

The revitalization committee hopes to obtain provincial government funding for skills training so that former Deilcraft workers can upgrade their woodworking skills and qualify for these future jobs.

The Milverton example is a sign of the tremendous potential for community economic development. A community that might have become merely a bedroom community for Stratford has taken on a new lease on life. "It's been one of the most positive experiences in my life," says Russ Christianson, referring to community efforts to regain control of their economic future.

Christianson, a management consultant who works with small businesses and community groups, has helped develop the plans for new businesses.

Besides the 40-odd members of the various committees working on the community economic renewal plans, many other people have pitched in to boost the community renewal efforts. Donations have come from the township, village and local church ministers. The provincial government is providing up to \$60,000 to kick-start small business initiatives, including research and a business plan. The United Church of Canada is providing a \$50,000 loan.

People from outside the community with skills in business, architecture and building renovations have travelled to Milverton and offered their ideas and advice to revitalization committee members.

Two of the community meet-

ings were facilitated by the Ontario Rural Living Association. "That process emphasized to me that communities do have local decision-making skills, and that our plans are good plans," says Lackey.

Problems remain in Milverton. About half of the former Deilcraft workers remain unemployed, and the new jobs being created do not compensate for all of the lost jobs. Yet this small village provides an example of what can be accomplished when people work together to gain more control of the local economy.

"It's possibly the biggest project ever attempted by our town," says Jack Schiavone, former union representative at Deilcraft and a member of the revitalization committee. "There's been all kinds of hurdles, but there was a real energy. It was a flame that grew."

From East to West: CED across Canada

This issue of *Community Economics* portrays some of the community businesses which have sprung up in Toronto and other areas of Ontario. But elsewhere in Canada, communities are pulling together to plan their own economies and work towards a sustainable future. Here are some examples:

Cape Breton is well known for its tragically high rate of unemployment, which has robbed many people of a future with hope. Yet Cape Breton has also given birth to Canada's first community development corporation, New Dawn Enterprises Ltd.

New Dawn has set up dental clinics, nursing homes and many other enterprises, some of which now operate independently of New Dawn. Its workforce of about 50 people work in construction, home care for the elderly, real estate, a tour company and a volunteer resource centre. The real estate company has \$10-million worth of assets.

CED efforts in Cape Breton are also promoted through the Tompkins Institute at the University College of Cape Breton. Under the leadership of Greg McLeod, a Roman Catholic priest and one of the founders of New Dawn Enterprises. The institute formed a finance company called BCA Holdings, which raises capital for businesses that are locally owned and controlled.

Other enterprises with which the institute is involved include

Bras d'Or Sea Products, which works with small fish processing companies; New View Productions, an all-female video production outfit; and the Tompkins Business Centre, which includes BCA Holdings and a credit union.

Fr. McLeod has led several study tours to the Mondragon cooperative complex in Spain, fa-

the Centre at Box 357, Sydney, Cape Breton, N.S. B1P 6H2.

With more than 600,000 people living in poverty, 20,000 homeless people and over 370 food banks and groups to feed the hungry, the need for economic alternatives in Montreal is painfully obvious. Yet already com-

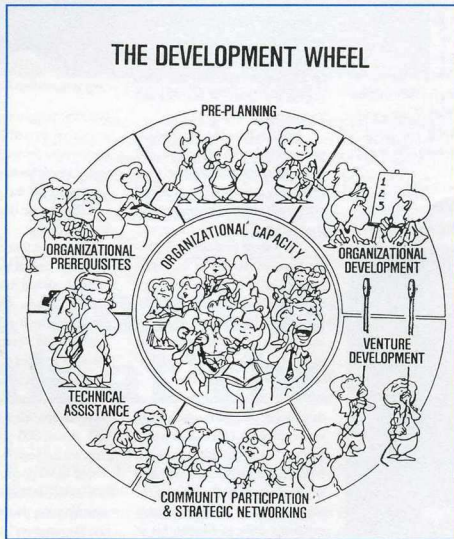
The experiences of community organizing efforts and development efforts have led to the formation of an organization for directing community renewal in southwest Montreal as whole, called RESO. It's made up of business, labour and community organizations, with community groups having control of the board.

RESO has become prominent in Montreal and has gained considerable government funding: \$800,000 annually from federal, provincial and municipal government grants combined. Job creation and training, and the sustaining of businesses are RESO's main goals.

Money inevitably crops up in discussions around the obstacles CED faces. In Vancouver, the VanCity Savings Credit Union has set up a community foundation to enhance CED. Interest income from the VanCity Foundation's \$1.2 million capital base will be used to provide disadvantaged groups and communities with loans, technical assistance or funds for community economic development and housing alternatives.

British Columbia also has a Worker Ownership Resource Centre, based in New Westminster. Begun by the New Westminster Economic Development Association, it provides information about worker ownership, training for worker-owners, and resources for developing enterprises.

SOURCE: *Transitions*, Vanier Institute of the Family.



mous among CED activists for its spectrum of community-owned enterprises which employ more than 20,000 workers, with almost \$2-billion in gross sales.

Cape Breton is also home to the Centre for Community Economic Development, based in Sydney, which publishes a newsletter. It's available by writing to

community efforts are benefiting the lives of people in some of Montreal's poorest neighbourhoods.

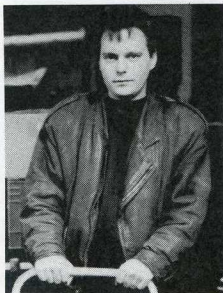
Montreal's first community economic development corporation was the Point St. Charles Economic Program. Five more have appeared since 1985 in communities hard hit by unemployment.

Booming Y program plus hard work brings success

After high school, Brian Smith held several conventional jobs, but dreamed of being his own boss. Smith's mother was in business and his father was a professional drummer, so Smith learned a lot about business and about being a musician.

"One of the biggest problems facing most musicians is getting their equipment on-site and set up for performances," says Smith. He saw the business opportunity and approached the YMCA Enterprise Centre in Toronto for help in writing his business plan. The plan was finished and Smith was given a Youth Ventures loan. He was in business.

Today, Brian Smith is the successful owner of the music equipment business which he dreamed



Brian Smith launched his business with Enterprise program help.

of, called Top Ranking Toronto, and employs a few part-time workers. His business is an example of how a simple idea and hard work, can pay off.

The YMCA Enterprise Centre program was another key ingredient in Smith's success.

Self-employment is risky. Over half of new ventures in On-

tario fail within three years of starting up. But over 70 percent of the more than 230 businesses started through the Enterprise Centre during the past four years have survived more than one year.

The centre provides free training to social assistance recipients and other unemployed people who want to start their own businesses. Through a series of 13 seminars, participants learn about the commitment and hard work demanded by the business world; meet YMCA staff and others who offer management expertise; and learn marketing, financial analysis and management skills.

Besides the seminars, participants consult with Enterprise staff about their particular business goal. Follow-up support is also provided after participants have begun their businesses.

"We want to make sure people have an idea about the actual running of a business and give them strategies on common problems involving in running a business, such as collecting overdue accounts", says Don Gill, an Enterprise Centre consultant.

Gill stresses the importance of developing a sound business plan, a core element of the Centre's program. "They absolutely need a business plan to attract funding of any kind", he says. Developing the plan also gives a budding entrepreneur a sense of whether his or her enterprise has a good chance of succeeding.

Some Enterprise participants discover that their plans are not realistic, and decide not to launch a business. In fact, only about 15 percent of those who go through the Enterprise program actually start businesses.

About 22 percent of participants are social assistance recipients, a fact that refutes the percep-



Enterprise graduate Andrea Webb began a counselling service.

tion that people receiving social assistance are unlikely to go into business for themselves. "The biggest obstacle for them is where am I going to get the money?" says Gill. Enterprise does not provide start-up capital.

However, the centre helps people attract capital by helping them prepare sound business plans. Banks, friends, family and two provincial loan programs, New Ventures and Youth Ventures, are the chief sources of funds for Enterprise program participants.

Demand for the program has been "overwhelming", says Don Gill. About 300 people took the program last year. Participation has soared to 90 people for June and July alone, in 1991. "People are pounding the doors trying to get into the program", says Gill.

Core funding for the Enterprise Centre is provided through the Canadian Jobs Strategy program of the federal government.

Interior design, photography, desktop publishing, and home repair are examples of businesses begun by Enterprise graduates.

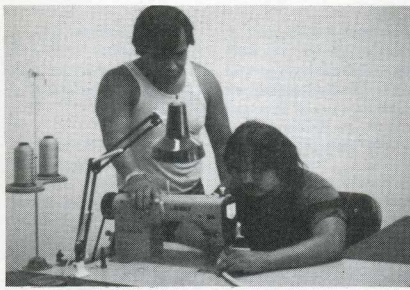
To learn more about the YMCA Enterprise Centre, call 651-0010, or write 15 Robina Ave., Toronto, Ont. M6C 3Y4.

New fund nurtures native enterprise

Native groups across Canada recognize community economic development as a powerful tool for rebuilding their communities.

The Kitsaki Development Corporation (KDC) of the La Ronge Band in Saskatchewan is a sparkling example of native CED success. The KDC had sales of \$10.5 million in 1989. Its projects include a smoked meat business, auto repair, a marina and truck transport. Band council members sit on the corporation's board to ensure accountability to the band.

The federal government encourages native CED through the Canadian Aboriginal Economic Development Strategy, a five-year \$860 million program. It promotes aboriginal economic self-reliance



A First People's Fund loan helped Jim George (right) establish a re-upholstery business.

through business development, community economic planning and skills development. Funding goes to native economic development corporations and decision-making rests largely with aboriginal communities.

The First Peoples' Fund helps native communities run small-enterprise loan funds. The Fund is a program of the Calmeadow Foundation, a Toronto-based non-profit foundation which encourages economic self-reliance among the

self-employed poor in Canada and the Third World.

Loans of \$300 to \$3,000 are offered for 6- and 12-month terms at commercial interest rates to self-employed people, who then join borrowers' circles of four to seven people who approve and guarantee each other's loans.

The First People's Fund has mushroomed in recent months. It's helping 25 native communities in Ontario and western Canada to start and manage their own small loan funds. 1990 was the first full year of operation for the Fund, but already positive results can be seen in the loan repayment rate of 97 percent.

"The main reason communities like the program is that it's small scale," says First Peoples' Fund manager Shelle Brant. "It's community-driven."

Photo: First Peoples Fund

You don't have to bank at the bank

Your involvement in community investment begins when you choose a financial institution for your personal banking needs. Are you currently using a bank? Or a local credit union that is co-operatively owned and democratically controlled by the local community? Unicoll Credit Union is a financial co-operative providing its 25,000 members with a full range of banking services. If you're still using a bank, it's time to consider the alternatives.



Unicoll Credit Union

College & Spadina, 978-5525; Coxwell & Sammon, 469-5329; York Campus, 736-5052; Ryerson Campus, 979-5130; Humber Campus, 675-5086; Toronto Gen. Hosp., 340-3888; and 230 Brown's Line, 252-5621

Street kids, low-income people land



Fresh Start Cleaning means a new start in life for people such as Angel Jardine.

By Murray MacAdam

Across Toronto community enterprises are springing up. Here's a sampling.

From 10 employees and 25 customers four years ago, A-Way Express courier service has expanded to 50 employees serving 600 customers today.

Nearly all of the employees are former psychiatric patients, and most work part-time. A-Way is funded both by revenues from its courier business and from Ministry of Health grants. Deliveries are made by TTC and by foot.

Future plans are exciting. "We want to keep the courier end strong, but we also want to provide marketable skills and upward movement for our staff," says A-Way director Jill Thomas. By only

remaining a courier company, options for employees are limited. New enterprises being considered include desk-top publishing and consulting services for groups which want to start their own community development enterprises.

"Work is a human need," says Father Roberto Ubertino. "Yet a lot of people are unable to keep a job." In response, Fr. Ubertino's St. John the Compassionate Mission, a Byzantine Catholic mission in east Toronto, has begun a small enterprise to provide work to people left out of the market economy.

Up to ten people work making peanut crisps and granola bars for Jubilation Bakery, another community enterprise. The food business is just part of the mission's work to build a community which embraces the whole of a person's life. The mission is located in an Ontario Housing project, but community members come from throughout Toronto.

Having been established to promote social change, Toronto's Bread and Roses Credit Union has helped community enterprises through financial support. Nine worker co-ops are members of Bread and Roses, and worker co-ops have benefited from Bread and Roses loans for buying equipment or to enable individual co-op members to buy their shares in the co-operative.

The credit union is also active in the network of groups promoting non-profit CED in Toronto, and can offer advice about business plans. Bread Roses manager Tony Farebrother cautions that the credit union cannot provide the initial equity financing and grants required by new enterprises,

nor does it get involved in profit-making businesses.

Bread and Roses has more than 1300 members, with assets of \$5.3 million.

Fresh Start Cleaning and Maintenance is giving some people the opportunity to do something they've never done in their lives: work.

Fresh Start began late in 1989 when low-income people from the Parkdale Activity and Recreation Centre and Dixon Hall began seeking ways to supplement their incomes. Funding came from the City of Toronto, Fred Victor Mission and the Ministry of Health.

The result is a cleaning and maintenance business which employs 15 people, many of them psychiatric patients or other low-income people. Everyone works part-time due to Family Benefit Allowance rules. Work hours depend on each person's abilities; some people can only work 2 hours a week, while others put in 10 or 20 hours weekly.

"This is a move for empowerment," says manager Marc LaFontaine. "You see a lot of per-

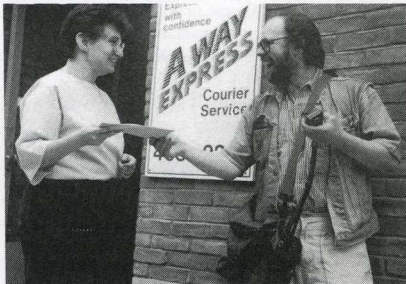
sonal growth in people as they work. If people are seriously interested in reducing the number of people on social assistance, they should support organizations like this."

The business has grown sharply. Social service agencies have been the big customers so far, but socially conscious businesses increasingly support Fresh Start's services.

The business is run with a co-operative spirit, with half of the board of directors made up of Fresh Start workers.

The **Rupert Hotel Coalition** is pushing to ensure that some of the work involved in a multi-million dollar program to rehabilitate 420 rooming house units goes to community groups. The coalition represents over 30 organizations advocating for upgraded, well-managed rooming houses as affordable inner-city housing.

Michael Shapcott of the coalition says that the types of work done by community enterprises would depend on the skills required and on what community businesses can provide. Members



Richard Smith and Heidi Van Son prepare to hit the road for A-Way Express courier service.

Photo: Murray MacAdam

jobs through community businesses

of these businesses may be hired to do lesser-skilled jobs such as painting and general labour. Final details of the project remain to be worked out.

Desk-top publishing is a new enterprise of the **Fred Victor Mission**. The business was begun in the spring and so far involves three people. Fred Victor also provides jobs for members of its low-income community through a restaurant and snack bar. As with other Fred Victor programs, workers have a voice in how the businesses are run.

The mission is also part of a **Community Economic Development Network**, whose members meet to share information and discuss issues such as funding, marketing, legal structures and lobbying on the rules which govern how much money people receiving family benefits can earn.

Other members of the CED Network include Kleinburg Craft Co-op, Handyworkers Co-op, A-Way Express, Fresh Start Cleaning and Maintenance, Bread and Roses Credit Union, StreetWorks, Partners for Employment and Stop 103. New members are welcome to join the network. Call Allan Reeve, 461-8893, for details.

"In our work with street kids, we were finding that kids were trapped on the street," says Elizabeth Leake. "They couldn't get a job because they had no job skills, and couldn't get job skills because they couldn't get a job."

To help overcome this Catch-22 situation, the **Yonge St. Mission** launched a business to equip street youth with job and life skills. The result is Hallelujah's Muffin and Coffee Emporium on Yonge Street.

Since its founding in 1988, 46 street youth have gotten a new start by being hired to work at Hallelujah's. It's much more than a job. "We're a ministry to the whole person," says the shop's manager, Gail Meats. Youth are helped to get housing and with basic life skills, such as budgeting, which means confronting the "live for today" mentality of the street.

The stability and life skills offered to the youth through work means so much. Most of the staff working at the muffin shop are high school dropouts and work at

After working at the muffin shop, some youth advance to other jobs or to school. A few have gone back to the street. "A lot of these kids have had years of abuse," says Meats. "A four-month stint at Hal's isn't going to solve everything."

The enterprise is a program of the Yonge St. Mission, which is supported by churches, foundations, companies and individuals. The mission also operates the Christian Community Centre near Regent Park and Genesis Place, a non-profit housing project.

Hallelujah's losses about

the costs to society if those youths ended up in jail instead, she notes.

The **Social Investment Organization** helps connect potential investors with social investment needs and opportunities. Its aims are to promote the growth of alternative and ethical investment. It sponsors conferences on such topics as: "Investing in the Environment", "The Role of Government in CED", "Investing in Third World Projects which Promote Economic Self-Reliance", "Literacy, Adult Education and CED", and "Credit Unions and Commu-



Stewart King (left) and Kevin Lawrence have been able to beat the street, thanks to Hallelujah's coffee shop on Yonge Street.

Hallelujah's for about a year, longer than most of them have worked anywhere. "It helps people if they're serious about getting their life turned around," says Hal's employee Kevin Lawrence.

\$20,000 a year, says Leake, assistant director of the mission. It's a "reasonable investment" in the lives of the street kids who benefit from the business, she says. It's also a small sum compared with

community Development".

For more information contact Marc de Sousa-Shields, (416) 360-6047, or write: 366 Adelaide St. East, Suite 447, Toronto M5A 3X9.

Business development for community development" is more than a catchy slogan at Toronto's Community Business Centre. It's a way of providing jobs and enabling businesses to survive.

"The city saw that it was increasingly difficult for many types of small businesses to survive," says David Pell, the centre's director and a veteran of CED activity. "It also saw that small businesses are important for creating jobs."

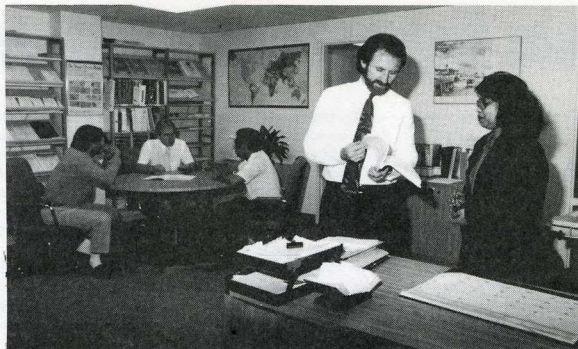
At the same time, provincial and community agencies recognized that while significant numbers of new immigrants were setting up small businesses, there was no resource centre to help meet their specific needs.

The result, nestled in Toronto's multicultural Kensington Market neighbourhood is a resource unique in Canada: the Community Business Centre. It focuses on businesses that are community based, and thus works with co-operatives, trade unions and community agencies.

Reflecting the desire to help immigrants, a major program of the centre called the Newcomers Enterprise Centre has helped more than 500 immigrants in the last

four years establish businesses. Counselling, workshops and help with raising capital are provided.

The centre's Community Economic Development Program was begun early in 1990 and provides business planning, management consulting and research. Most of the business consulting work with clients is contracted out, as the Community Business Centre operates with a small staff. Services are provided free of charge.



Community Business Centre consultant Art Seib meets with budding entrepreneurs while director David Pell consults secretary Kamala Paramjothy.

Photo: Suresh Babu

Business centre boosts entrepreneurs

Jubilation Bakery was one of the first businesses to benefit from The Community Economic Development Program. It needed to expand, but also needed to know its market. A consultant from the Community Business Centre helped them review how they'd developed, where they wanted to go, and develop a marketing plan.

Arranging financing for new businesses is "really difficult", admits Pell. The Community Busi-

ness Centre has good relationships with some banks and two credit unions, and also makes good use of some alternative investors, including foundations, to raise money.

The Community Business Centre is a non-profit project of the George Brown College Foundation and has received support from the City of Toronto, the provincial government, George Brown College and volunteers.

Non-profit housing promotes CED

One of the largest areas of community economic development is in the housing sector. In Ontario, there are over 700 private community and cooperative non-profit housing groups which hold hundreds of millions of dollars in assets, and employ thousands of staff.

These organizations are only beginning to realize the economic spin-offs from their operations. Several resource groups are interested in

relating housing to CED:

- **The Housing Development Resource Centre**, 106 Danforth Ave., Suite 300, Toronto M4K 1N1, tel. 462-9534;
- **The Cooperative Housing Federation of Toronto**, 22 Mowat Ave., Toronto, tel. 538-7511;
- **The Ontario Non-Profit Housing Association**, 20 York Mills Rd., Third Floor, Willowdale, Ont., tel. 392-3613;
- **The Cooperative Housing Association of Ontario**, 2 Berkely, Toronto, tel. 366-1711;

• **The Canadian Non-Profit Housing Foundation**, 315 Dundas St. East, Toronto, M5A 2A2, Tel. 363-7655. It is exploring ways to give residents of non-profit housing a greater economic stakehold through the "community land trust", a model successful in the United States.

The MoCreeBec native community in Moose Factory, Ontario is one group which has successfully incorporated community economic development aspects into a recent project involving the construction of 12 houses. Their housing group was

able to operate as a general contractor, responsible for hiring and training local people.

Through this project, native people developed electrical, plumbing, and carpentry skills. Administrative and managerial skills were also learned, as MoCreeBec Housing was responsible for the project from start to finish.

"As a result of this project, there will be short and long-term benefits to our communities, especially in terms of future housing projects", says Randy Kapashesit, of the MoCreeBec community. "By localizing this project local businesses experienced increased sales."

LETS: Bucking the system through barter

What better way for beating a made-in-Canada

recession than a made-in-community method to keep the economy rolling—even when people have little cash?

A growing number of people in Toronto and across Canada are finding the answer in a new way of doing business which revives the old art of barter.

It's called the Local Exchange Trading System (LETS). Unlike conventional bartering, LETS is

not limited to one-on-one trades of goods and services. Rather, it's a debit and credit system whereby members use a hypothetical currency of "green dollars" for transactions, or a mix of green dollars or federal dollars (cash). Transactions done solely in green dollars mean that no cash is exchanged.

Every new member comes in with a zero balance and a skill or service. A member wanting to buy a service calls a number, gives his or her account number and the account number of the service provider. Green dollar accounts in the LETS system are adjusted to re-

flect transactions. Each member gets a statement of his or her balance every six weeks.

Metro Toronto's LETS system was founded in July, 1990, and has grown to include 110 members who offer each other a wide range of services, including dental treatment, carpentry, painting, catering, acupuncture and home repairs.

Local interest in LETS mushroomed after the Toronto Star featured an article on it in June. In response to numerous requests for information, LETS organizers scheduled a series of well-attended

workshops in July to demonstrate how the bartering system works.

LETS began in Canada a decade ago in Courtenay, B.C. This initial project failed to survive, but it provided lessons for people elsewhere. Now about 14 communities in Canada have LETS networks, including Guelph, Kitchener-Waterloo, and the Uxbridge-Port Perry area. Ottawa's LETS network has grown to include more than 300 members during the past four years.

To learn more about the Local Exchange Trading System, call 944-8048.

Central American women need your support

We need your help to make a new enterprise linking Guatemalan Indian widows with Central American refugee women in Toronto a success! Through the Central America Project, handwoven cotton cloth is being imported to Toronto and made into colourful wristbands, scarves, bags and other products for sale by Pakistan Products, a network of Anglican and United Church women.

We need your active support, especially if you have skills in printing, promotion, retailing or financial planning. Financial donations are welcome, and will receive tax receipts.

To learn more, contact the Parkdale Business Development Corporation, 197 Macdonell Ave., Toronto, M6R 2A4, Tel. 532-8397.

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Commentary: BY DAVID WALSH

Looking beyond the bottom line

As the forces of the market economy sweep through our communities we can see gaps that the market system does not meet, particularly relating to basic human aspirations – for meaningful work, fair wages, food free of dangerous chemicals, adequate housing for people on low incomes, etc. We see more clearly that the economic and social well-being of families and communities are intimately connected; and that relying on government and volunteers to deal with the fall-out of the market system is unrealistic and leads to unhealthy dependencies. We gain a greater appreciation of the importance of having a local economy which operates at a more manageable level and one that reflects our values: concern for our neighbour, sharing our skills with others, concern for the quality of our communities.

It is clear that to achieve these goals, we need to see where and how we can influence the economy. People are describing this level of economic activity as the "community economy", a term which many people are struggling to define and understand. Most importantly, it is an evolving concept which will be shaped over time in many different ways by different communities. Sometimes the community economy and the market economy will overlap and complement each other; at other times they will be at odds.

Many questions arise when we examine the concept of the "community economy":

The community economy involves elements which are difficult to measure, but which should be identified if they are to have value. For example, as described elsewhere in *Community Economics*, the Origins food products company buys its blueberries from a native community in northern Ontario, and its strawberries and raspberries from local farmers. Yet it's possible to buy berries from California for two-thirds the price. What value do we give to support for the native and rural communities

which supply an organic food product?

Another company, Kleinburg Craft Co-op, invests heavily in management skills, marketing and group dynamics training for its staff, as well as woodworking training, so that all staff can make educated decisions about how to run the business. Should the lawn furniture made by this co-op compete directly with other "market products"? How do you give a value to the social component of a product so it competes on an equal footing?

It's clear that the market economy is governed by forces which limit the potential for meaningful employment for many people. The impact is greatest on people who are disadvantaged due to disabilities of various kinds. Yet meaningful work is a basic human need. And many types of work which we value, such as child care, learning, healing the environment and cultural programs, tend to be downgraded by market forces.

Many companies operating in the market economy try to affirm the values of such activities, but their ability to stray from their primary profit-making mandate is restricted by the levelling effect of the market, namely competition. As market trends become more powerful, the importance of the community economy becomes more clear.

If we want people to support community economics, then we have to be more explicit about their role. Support can happen at many levels:

- People can make more of their economic choices based on criteria that give greater consideration to their personal values.
- People in government can become more aware and more sympathetic to the local community economy.
- We must look for links between the community economy and the market economy to gain a more integrated vision of how wealth creation can support our personal values.
- Those who have skills and resources must be more open to sharing and contributing to the community economy, which is difficult for all of us given our individualistic culture.

These are issues which we have to struggle with. But how do we involve more people from the community in even looking at such issues? Newsletters such as this one, and the discussion which it provokes, can play a role in reaching more people who share these concerns.

David Walsh is a Toronto businessman actively involved in supporting community economic development.

Fashioning jobs through cooperation

Jobs are disappearing in the Toronto textile industry in the face of fierce competition from low-cost manufacturers abroad, and nothing can be done about it. Right?

Not necessarily. An experiment in the heart of Toronto's historic Spadina Avenue garment district may set an example of how different groups can work together to preserve jobs in this threatened industry.

Toronto Sews is a new non-profit fashion business launched with support from the International Ladies Garment Workers Union, the City of Toronto Fashion Incu-

bator, the Community Business Centre and others. It reflects a new approach about how to preserve textile industry jobs.

As its name indicates, the Fashion Incubator nurtures budding fashion entrepreneurs. It houses ten fashion designers who are developing their own companies and labels. "New designers need small volumes of production," explains Carol Outram, administrator for the incubator. "Yet existing contractors are loathe to take on new small orders. And when large orders come in, the smaller orders are put aside."

Enter Toronto Sews. Using a skilled unionized workforce of gar-

ment workers who've lost their jobs due to plant closures, a designer who needs to manufacture 20 suits can quickly fill such an order.

Toronto Sews is in its start-up phase and currently employs as

many as ten workers, depending on demand. Time will tell whether it succeeds. Yet its very existence is a sign of hope, given the often tense relationship between the fashion industry and the garment workers union.

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Immigrants earn while they learn

New to Canada and new to the English language. It's a formidable challenge, and one that makes the job hunt even more difficult for someone who's recently arrived in Toronto.

But for hundreds of immigrant and refugee women, the transition into the workforce is eased through Skills for Change. This 39-week program is unique, combining the teaching of English with vocational training

Women receive training in

office procedures, bookkeeping, computerized accounting, keyboarding and word processing. An hour is set aside each day for life skills. Before the women graduate, they receive intensive training in job search strategies.

Skills for Change began eight years ago, and has expanded to the point where 2800 immigrants and refugees will benefit from the program in 1991/92. The program is funded by the federal government through Canada Employment and Immigration.

To accommodate women who cannot take the full-time train-

ing program, skills training and English classes are also offered on evenings and weekends.

Women gain the Canadian work experience so important in landing jobs through Access Data Services, a business run by Skills for Change. This bookkeeping, mailing list and word processing business serves many non-profit organizations in Toronto. Every dollar of profit made from the business goes back into training unemployed immigrant women. The trainees earn a wage for this work. The success of Access Data Services is critical to the future of

Skills for Change.

Skills for Change can be contacted by calling 658-3101 or by writing 791 St. Clair Ave. W., Toronto, Ont. M6C 1B8.

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Community Business Centre

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OUR PURPOSE

The aim of the Community Business Centre is to reduce unemployment and to assist with the development of community employment services and business opportunities within City neighbourhoods.

THE CENTRE'S PRIORITY INTERESTS INCLUDE:

- ☛ new small businesses which will provide jobs for unemployed residents
- ☛ "economically disadvantaged" immigrants who are or wish to become self-employed
- ☛ community planning and research projects aimed at improving local economies
- ☛ small ventures which will introduce new innovative products or services.

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Entrance on Baldwin St.

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Origins: Co-op unites farmers with consumers

Origins is a new co-operative enterprise formed by Russ Christianson and Mary Lou Morgan which enables consumers to support sustainable agriculture by buying the organic food products developed and sold by Origins.

Origins produces apricot, strawberry, raspberry and blueberry jam, using fruit grown by Canadian farmers. The blueberries are supplied by native people near Dryden in northwestern Ontario. Cheaper fruit from California could be used instead, but Ori-

gins wants to support our own farmers. "If we don't support local farmers now, there won't be any in the future," says Christianson. "Where are we going to get our food from?"

Another product line is flour and other food products made from spelt, through a joint venture between Origins and a co-operative of 60 farmers from Ontario's Grey-Bruce region. Spelt is a high-protein grain similar to wheat and grows well in Ontario. The farmers supply the grain, which Origins then transforms into food products and sells.

Origins has also helped sell

jute string bags made by village women in Bangladesh who belong to a co-operative which promotes self-help and fair trade. Jute is a strong fibre which lasts longer than cotton and does not require pesticides, unlike cotton. Marketing the bags has been difficult, says Morgan. Food stores who've been approached to stock the bags

are only interested in a cheap product, rather than factors such as the fact that the bags enable poor Bangladeshi women to help themselves. The jute bags are also sold through Bridgehead Trading.

Origins was begun in September, 1990, and expects sales of \$100,000 for its first year, rising to \$250,000 next year.

Alliance links CED groups

Connecting people involved in community economic development, and seeking ways to strengthen CED are the ambitious goals of the Ontario Alliance for Community Enrichment (OACE)—the folks behind *Community Economics*.

The alliance was formed late in 1989 when people involved in CED, representing business, labour, government, foundations and CED resource groups met to discuss how CED could enrich the economic and social health of more communities across Ontario. OACE, a non-political alliance of individuals and organizations committed to supporting CED in Ontario, was born.

The Alliance is now made up of a small group of people, but hopes to grow. It has contacted more than 200 people involved in CED, besides compiling mailing lists and surveying community economic development organizations.

The Alliance organized a roundtable discussion last February involving 40 people from business, government, CED organizations and other sectors to discuss ways in

which community-based development initiatives could play a larger role in the Ontario economy. The event's report, *Community Economic Development: A Roundtable Discussion*, has been circulated widely.

So far the Ontario Alliance for Community Enrichment has operated on a volunteer basis with support from the Laidlaw Foundation and the Community Business Centre of the George Brown College Foundation. The Alliance is seeking institutional support so it can do more to:

- Identify areas of potential for community economic development in Ontario;
- Explore the potential for partnerships between groups on CED projects;
- Interest government departments in CED;
- Examine ways of overcoming obstacles to faster CED growth, such as financing bottlenecks and changing laws to encourage CED.

For more information about the Ontario Alliance for Community Enrichment, contact David Pell, 867-2370 or David Walsh, 361-1124.

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Stop 103 charts new course

Toronto's Stop103 foodbank is launching into community economic development, thanks to a \$120,000 donation from a supporter earmarked for this new program.

A paper recycling business is being pursued as an enterprise to both produce jobs and protect the environment. Scrap paper would be gathered from churches and other supporters of the Stop and sold to paper producers. Stop 103 staff are seeking business partners and possible government support for this venture.

Other CED ventures in the works or being considered include:

- A revolving loan fund for new community-based enterprises;
- Partnerships with existing community enterprises. The Stop has approved a partnership with the Kleinburg Craft Co-op, whereby a low-interest loan would be provided to the co-op and the

David Alexander, the Stop's community economic development worker, is researching and testing the various proposals, working with clients of the Stop and board members. Fundraising is another task. While \$120,000 may seem like a large sum, Stop 103 activists quickly realized that it's not a lot of money for starting three or four ventures.

The CED work grows out of the conviction shared by many Stop 103 supporters that giving out groceries isn't enough. "It creates dependency," says Rick Myer, executive director of the Stop. "Charity means that power stays with the giver. It's not a solution for people."

The Stop has already branched out beyond food distribution. It offers pre-natal care for pregnant women, provides low-cost housing through a non-profit housing project funded by the Ontario Ministry of Housing, and is involved with a plan to provide more housing.

"We're investing in people, which goes way beyond the bottom line."

Stop would help promote the chairs built by the co-op. Two clients of the Stop will be hired by the co-op.

- An idea centre where working people who have lost their jobs could receive counselling, support with resume preparation, help in starting small businesses, and other support.

- Funding to enable people to take advantage of a YMCA program which provides funding for new small businesses. Participants need to provide some funding themselves; the Stop could provide this for people cannot do so.

Myer is somewhat frustrated with the slowness involved in getting the Stop's CED programs off the ground, but feels that it's worth it. "It's easier to decide things in an arbitrary way, but that doesn't give the community a sense of ownership. That's essential."

Another challenge, says Myer, is to educate people to see beyond the bottom-line of a community venture. "We're investing in people, which goes way beyond the bottom line. Profit is good, but it's more important to help people."

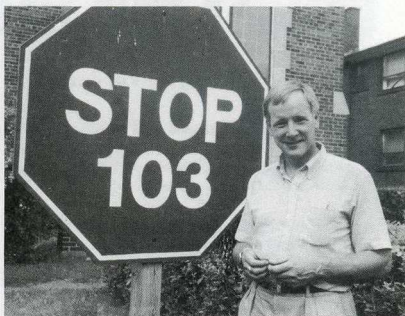


Photo: Murray Macadam

Rick Myer of Stop 103: handing out food is not enough.

Government plan boosts worker ownership

The shift towards a more community-based economy in Ontario got a mid-summer boost when the provincial government announced plans to encourage worker ownership of industry.

Provincial Treasurer Floyd Laughton said legislation to be introduced in the fall will encourage employee ownership of Ontario companies through tax breaks to workers.

The employee ownership program would provide tax credits to employees who invest in their corporations, which would strengthen rescue plans for companies in trouble, such as Algoma Steel in Sault Ste. Marie.

The second major aspect of the program would involve a tax credit of 20 percent of a donation by workers to funds sponsored by

unions used to invest in small and medium-sized businesses. Such funds could operate similar to the Solidarity Fund of the Quebec Federation of Labour (QFL).

Indeed, the provincial government's program seems to be heavily inspired by the success of the Quebec Solidarity Fund. That fund was set up in 1984 with assets of \$16 million. When it was established, the QFL said its goal was to preserve the jobs of workers in companies which needed new investment to maintain their workforces.

Since then, the Solidarity Fund has grown dramatically to include \$330 million in assets. Much of its success rests on the tax benefits available to union members who support it. Someone earning \$25,000 a year who invests \$1,000 in the fund can get about \$800 as a credit on his or her tax return.

Count me in!

Please send me _____ copies of this newsletter to distribute.

- I'm interested in having a speaker talk about community economic development to my community group or church congregation.
- Here's a donation to help pay for the printing of *Community Economics*, made payable to Ontario Alliance for Community Enrichment and earmarked "Newsletter."
- I'd like to volunteer to assist a group or promote CED in other ways. My phone number is _____ and my particular interest or area of expertise is _____.
- I would like to know more about community economic development.

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