

The Centre that works for work

By Murray MacAdam

Each day that goes by can be frustrating and demoralizing for the thousands of unemployed people in Waterloo region. But thanks to The Working Centre in Kitchener, jobless individuals can do something about their plight

As a self-help employment resource centre, The Working Centre supports hundreds of unemployed individuals in various ways. Career planning, ideas on job hunting and employment counselling are all offered. Workers from shutdown plants such as Domtar and Canada Packers benefited in the past year from the centre's services.

The Centre also runs a soup kitchen, called St. John's Kitchen. Funding comes from the provincial and federal governments, the United Way and individual supporters.

But The Working Centre is

much more than a service program for the jobless. It also combats unemployment from a community perspective.

The Working Centre was begun in 1982 by a group of church, labour and community people in Kitchener-Waterloo concerned about high unemployment from the 1981 recession, and determined to develop community-based responses.

That community focus has remained firm throughout the past decade. In its early years, The Working Centre educated people about the links between work issues, unemployment and community economic development. The centre brought together a group of people who formed the Community Economic Development Resource Centre of Kitchener. That group spawned Tri-Tech Recycling in 1988, a local non-profit com-

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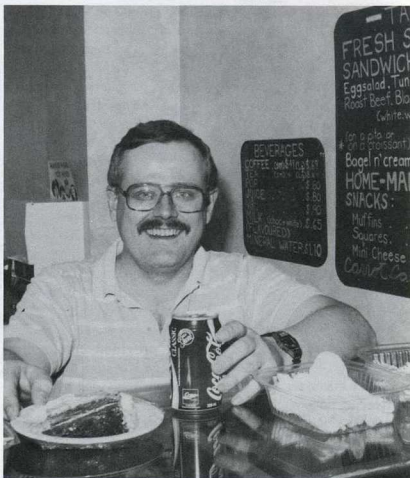


Photo: Murray MacAdam

Open for business: Keith Cuthbert of Quick Bite Catering and Take-Out in Brantford, Ontario, a business providing work for psychiatric survivors. See article on page 8.

Women's venture takes off

“Come to a meeting to stamp out sexism in Canada.”

That bold rallying cry went out in 1987 from a group of women concerned about poverty among women. They were concerned that less than two percent of grants from Canadian foundations went to projects specifically related to women and girls.

The result is the Canadian

Women's Foundation, the only national foundation designed to meet the special needs of women and girls. The foundation funds programs which help women achieve self-reliance and economic independence.

The number of women living in poverty has skyrocketed by 110 percent since 1976, compared with a 24 percent increase for men. The Canadian Women's Foundation heard firsthand

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pany.

Tri-Tech was set up to create local jobs, to achieve a community goal (diverting waste from landfill sites through recycling) and to develop surplus funds which could be used to develop job training projects. This unique venture offered the Kitchener-Waterloo community the opportunity to recycle a wide variety of items besides the usual paper, including metals, print shop wastes and used auto parts.

Tri-Tech grew quickly during the next two years, to the point where it recycled 400 tons of materials each month, most of it collected from companies. Staff grew from four people to 15 at Tri-Tech's peak.

But in May, 1991, the company was forced to close due to the recession, lower demand for recycled materials and inadequate cash flow. Working Centre director Joe Mancini also blames a lack of political sup-

port. "As soon as we set Tri-Tech up as a business, the region and large waste companies saw us as pariahs", he says.

Mancini remains positive about the Tri-Tech episode. "The experience was extremely helpful for The Working Centre. It has given us insight into the world of small business. It was also a demonstration of the problems community ventures can face. There is plenty of room in our economy for such creative ventures. A major question is how government bureaucracy and big business choose to direct their priorities."

He stresses the value of this form of economic development. "The workers on the Tri-Tech project were proud to become participating members of the community. They supported creation of a recycling program that provided employment through a venture that was not directly supported by government."

Besides the programs mentioned above, the centre now



Working Centre director Joe Mancini: following a vision of justice.

Photo: Murray Macdonald

puts much of its energy into education on broader economic issues such as free trade and the economic values around community. This education is done largely through a newsletter sent to more than 4,200 individuals and groups interested in economic justice.

The recession has left over 30,000 people in Waterloo region dependent on unemployment insurance or social assist-

ance. Our economy is not geared to ensuring a job for everyone. Increasingly, community standards for wages, welfare, environmental protection and conservation are being sacrificed to follow the individualistic values of prosperity at any cost, says Mancini.

The Working Centre promotes local strategies that recognize that it is through work that people can exercise their creative spirit and human dignity.

The centre actively supports organizations such as the local Coalition of Unemployed Personnel. An emerging Social Justice Coalition is linking the issues of the environment, peace, free trade and unemployment. Another group is planning a Kitchener-Waterloo Local Employment and Trading System, a form of barter.

The vision of a humane, people-centred economy and society inspires Mancini and the other 16 staff of The Working Centre. "CED's goal is to develop the local community, and people feel their communities are being pulled apart. Bringing people together is the big goal."

WHAT IS COMMUNITY ECONOMICS?

Community economics is a diverse movement growing from the realization that "business as usual" is not meeting the needs of large numbers of Canadians. It's a response in which people from a community work together with available resources from government, churches or other groups to solve economic problems. Community economic development can take many forms, as the articles in this newsletter indicate. Many CED enterprises target disadvantaged people left out of the mainstream economy.

The priorities of the community economy are distinct from the conventional market economy, reflecting a vision of economic co-operation and mutual social support. We at the Alliance for Community Enrichment feel that the following are priorities for the community economy:

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

Barter beats Barrie's recession blues

The first issue of *Community Economics* profiled a barter system called LETS. In Barrie, a new barter system geared to low-income people is proving to be a resounding success.

"It's pretty overwhelming. We're really pleased."

Dean Leach's assessment of Barrie's new skills exchange is understandable. More than 250 people have already registered to trade their skills or services with those offered by someone else. No money is exchanged. Everyone involved is a user of Barrie's foodbank, called the Community Food Foundation.

The foodbank, which serves up to 2,000 people each month, launched the project after realizing that people use the food bank because they don't have money for other necessities. Leach, the foodbank's executive director, was looking for a way that low-income peo-



Photo: Bob Sturm

Fair exchange! Luella Jackson is providing meals and baked goods for George Stone's wedding, while he repairs her car. They're just two of many people benefiting from Barrie's Skills Exchange Registry.

ple could use their food budget for food, instead of car expenses,

clothes or something else.

When people enrol, the skills they can offer are noted. The registry, which is being called the blue pages, will list the skills with a registration number. Through the barter system, people can get a wide range of services: baking, daycare, hairdressing, home repairs, auto repair, plumbing and many others. Unlike other barter systems in which different services receive different values, with the Barrie system labour of any kind receives the same exchange value.

The basic rule is that anyone who uses one of the services listed must pay the system back by doing a service. If the user hasn't done so within six months, he or she is no longer allowed to use the registry.

The skills exchange has other benefits besides enabling people to be less dependent on food banks. "It's a nice way to encourage people back in the community," Leach says. "They want to participate. This is an alternative to the charity model. We're building good bonds."

Participation in the program is so high that some businesspeople in Barrie are concerned that it will drain business away from them. As well, some people who are not foodbank users are asking to be able to take part, something which is being considered, says Leach.

To learn more about the barter system, contact Dean Leach at the Community Food Foundation* of Barrie, (705) 725-1818.

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The Alliance for Community Enrichment is a Toronto-based group that works to promote community economic development as a viable strategy. Since our first newsletter last fall, we have held three public forums, lobbied with government officials on behalf of CED interests, and begun research. We gratefully acknowledge financial assistance from the Community Business Centre and Phoenix Community Works Foundation. Opinions stated do not necessarily reflect those of the Alliance for Community Enrichment.

Rising from welfare to well-being

By Murray MacAdam

“This is not just another program to keep you busy. We're seen to be real, and we have successes.”

The people around the table hear trainer Diane Warriner's words, and know the evidence backs her up. Meeting at the Cambridge Opportunities Development Agency (CODA), the 10 people present want to start their own businesses. All now live on social assistance.

Warriner leads them through the process which CODA offers through its SelfStart Centre to enable people to move from social assistance to self employment.

The track record of this unique small business management program is impressive. Of the 140 people who have completed the program, 35 percent are successfully operating 49 businesses. Another 40 percent are working in related business or are in training.

The SelfStart program covers the basics of starting and running a business. The first phase covers the management skills needed to run a business or hold a job, such as setting goals and time and money management. Besides evaluating one's product, customers, and other business essentials, applicants discover whether they are suited for employment, rather than for running a business.

Going into business is the next phase. It covers setting business goals, marketing, dealing with customers and employees, and other facts of business life. At the end of this six-week phase, fledgling en-



Diane Warriner leads a group of hopeful entrepreneurs through the steps involved in the SelfStart program offered by the Cambridge Opportunities Development Agency.

trepreneurs have a written business plan which can be used to raise funds. The business plan is presented to a group of local business people, an important ingredient in the SelfStart recipe for success. "They know what's out there," says Warriner.

If the business proposal is approved, staff of the SelfStart Centre work with the trainee to get the business up and running, with a small loan if he needs.

Besides the practical side of things, people receive lots of personal support and understanding. A former social assistance recipient herself, Diane Warriner tells her orientation group: "I've been poor. I know where you're coming from. Don't give up."

The SelfStart Centre is just one of many programs run by the Cambridge Opportunities Development Agency. CODA was formed in 1984 as the Cambridge and District Unemployed Help Centre to provide employment services for the growing

number of jobless people in Cambridge. Now it provides employment, self-employment and support services for people in Cambridge and the Waterloo-Wellington region.

CODA, with 26 staff, serves more than 4,000 people annually. Funding comes from government, the city of Cambridge, the United Way and community supporters.

The employment services offer job-hunters a range of services, including Handling Unemployment Groups to ease the strain of unemployment, as well as personalized employment and career counselling.

"There's no end to the potential for CED"

Another program helps people hit by the recession to develop the skills needed to find other work. About 600 workers benefited from this program in 1991 alone.

Paul Born, the association's executive director, is eager to expand its efforts to promote community economic development. He's a principal mover behind Jobs for Cambridge, a group trying to get municipal support for CED in place through a local CED corporation. Born hopes that this corporation can be formed soon and that it can help create 500 jobs during the next five years.

"We want to be the leaven in the community", says Born. "With legitimacy, people will accept that the concept (of CED) is a real alternative.

"When you can take CED outside of the granola crowd and capture the imagination of people with hardnosed business ideas, there's no end to the potential for CED."

Dreams come true with loan circle

By Megan McIlroy

Getting started in business is the dream of many low-income people.

But because they can't get loans, for most this goal remains just that—a dream. Yet some low-income people in Toronto will soon be making their business dreams a reality, thanks to an imaginative new loan fund.

Food Share, a hunger advocacy organization, and North York Harvest Food Bank recognized the barriers for low-income people and decided to do something.

The result is a \$25,000 revolving community loan fund. It will enable low-income people to secure financial support by granting small loans for busi-

ness projects. One of the goals, says Loren Freid, executive director of North York Harvest Food Bank, is "to grant small loans to people who are regarded as the most marginalized in our society, who without our help would not be able to access financial support."

This initiative has five major sponsors: Food Share, North York Harvest Food Bank, Stop 103, Kraft General Foods Canada and a major financial institution. Nada Ristich, corporate affairs manager of Kraft General Foods Canada, says Kraft is interested in the project because "it makes good business and gives something back to the community." While Kraft has actively supported food banks, it also wants to invest

money to help nurture a healthy community.

Loans ranging from \$50 to \$2,000 will be made available, using loan circles, a concept borrowed from a native CED program called the First Peoples' Fund. Loan circles are four to six loan recipients who form a union to support one another during the loan period. The circle provides borrowers with support, and builds community and a sense of responsibility. Loans will be made for 6 to 12 months, with refinancing available after the loan period.

Rick Myer, director of Stop 103, sees the loan fund as "a chance to help people establish themselves in a self-reliant way, and to reduce their dependency on government and private

handouts." Finally, low-income people will have an opportunity to gain financing for small enterprise.

Despite some administrative difficulties, plans for the revolving loan fund are progressing well. "The loan fund is a great idea and a well-needed project, but it has been difficult securing government and financial support. Now, with the support of a major financial institution and the Attorney General's office, we hope to have the fund operating by July 1992," says Loren Freid.

To learn more about the revolving loan fund, contact North York Harvest Food Bank at 746-8438.

• Megan McIlroy is coordinator of the Taskforce on Foodbanks.

Newcomers start new businesses

The Community Business Centre has helped more than one hundred immigrants establish new small businesses. The following are open to serve you.

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These newborns grow profits

By Ed Ungar

A newborn business is very much like a premature baby. Unless it gets special care, it will not survive. Unfortunately, most new businesses do not make it past their infancy. Up to 75 per cent fold before the end of their fifth year.

But some new businesses in the City of York, in metropolitan Toronto, are lucky. They get to work with the York Business Opportunities Centre and benefit from its outstanding track record.

The centre is a business incubator, which gives newborn businesses a protective environment until they can survive on their own. The centre gets involved with new businesses at the pre-natal stage. Before successful small businesses are born, they must have solid operational, financial and marketing planning. The centre



Pamela Richardson (left) of the York Business Opportunities Centre consults with Mary Shields.

provides this and more.

The centre is refitting an old factory for these new-born businesses, which are able to rent space cheaply. They also get office, accounting and business consulting services. The centre even has a day care facility on site.

As Pamela Richardson, the centre's manager says, other advisors to new small businesses

operate a kind of out-patient service. "But we keep them in the hospital ward until they're healthy."

The business incubator itself is run like a revenue-producing business. It expects to

break even on its operations through fees charged to clients.

The centre's track record in the midst of a recession is nothing short of amazing. Over 90 of the 100 businesses started with the help of the York Business Opportunities Centre are still operating, without subsidy. Those businesses have created over 500 jobs in the City of York. The businesses run the gamut from swimwear fashions to teleconsulting consulting. The swimwear company, Water Works, has grown from a husband-and-wife operation to a 15-employee business. At the other end of the scale, Back to Normal is a one-woman business that designed and marketed an innovative back rest.

** Ed Ungar is a staffperson for the Alliance for Community Enrichment.*

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Labour passionate about CED

By Russell Christianson

A unique community economic development conference was sponsored by the Canadian Labour Congress and the Ontario Federation of Labour from March 20-22 in Barrie. The conference, with over 40 members of Ontario Labour Councils present, was structured to resemble a community development process, encouraging the active involvement of participants.

The labour movement decided they did not need outside experts to tell them what CED is, since they have been practicing it for many years in their own communities. They drew resource people from their own ranks to tell stories of community development from their home towns and cities.

On Saturday morning, the participants broke into small groups to define community economic development in their words:

- CED has a unique meaning in every community;

- CED determines the social, economic and environmental well-being of citizens;
- CED requires co-operation between citizens, government, public and private organizations;
- CED strengthens local decision-making, self-reliance and encourages broad participation;
- CED creates jobs and a better life for everyone;
- CED makes the economy service the community, not the other way around.

A panel discussion enabled several labour council members to communicate their CED experiences. Linda Torney, president of Metro Toronto Labour Council, began with her experience as a member of the Toronto Economic Development Corporation (TEDCO), a non-profit organization owned by the City of Toronto. It began with cultural industries and a \$1.5 million annual budget. TEDCO is now finalizing an arrangement to buy 230 acres of waterfront land to create a Center for Green Enter-

prises. The goal is to create 20,000-25,000 jobs within the next ten years.

Bob Richards, president of the Sault Ste. Marie Labour Council, provided the inside story on the Algoma Steel steelworker buy-out. The United Steelworkers of America and the Ontario Government were key players. Each worker sacrificed \$2.89 per hour in wages (\$6,000 per year) to provide \$10 million in bridge financing. In 1982, Algoma employed 12,000 steel workers in the Sault; now there are 4,000 permanent jobs. Sixty percent of the restructured company is owned by the workers and in Bob Richards' words, "we are taking control of our future".

Wayne McKay of the Waterloo Region Labour Council shared a more sobering experience. He was a labour representative on a Task Force on the Regional Economy, which included business, academic and government people. While the final report shows some areas of common agreement, labour strongly disagreed on some fundamental issues. Public sector wage controls, the privatization of Ontario Hydro and the withdrawal of proposed amendments to the Ontario Labour Relations Act (OLRA) brought dissenting votes from the labour representatives.

Gary Parent, Windsor Labour Council president, related his experience over the past five years on a board which created a plan for economic diversification and jobs in Windsor and Essex County. Their report was tabled 18 months ago, but they have been unable to raise the funds needed to implement the plan. He emphasized the im-

portance of maintaining labour's desire to move forward on a CED agenda without being intimidated by business.

Stephen Owens, MPP for Scarborough Center, discussed Bill 150, the Ontario Investment and Worker Ownership Program. It offers tax credits of

"We are taking control of our future"

40 percent for investments in Labour Sponsored Investment Fund Corporations, and a 20 percent tax credit on the first \$3,500 and 30 percent on the next \$11,500 invested annually in an Employee Ownership Labour Sponsored Venture Capital Corporation. This section of the panel discussion stimulated a lively discourse, drew out excellent questions and provoked soul-searching on the role of labour unions in creating venture capital funds.

It was rewarding to witness the labour movement's commitment to community development. People spoke honestly about their experiences and values. Most participants obviously found CED relevant to their work on local labour councils. The question that remains is whether the CLC and OFL will help provide create successful community development across Ontario.

**Russell Christianson is a member of Sumac Consulting, which helps develop co-operative businesses, and is president of Origins Co-operative, a worker co-op which sells organic food products across Canada.*

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Recession takes a toll, but CED creates

By Murray MacAdam
and Ed Ungar

Toronto's Community Economic Development Network has been active during the past few months. The group includes grassroots enterprises and the Bread and Roses Credit Union. Members meet to pool resources, discuss common problems and share information.

The network is applying for grants to hire an organizer to raise community awareness of CED and build the network. Recent seminars have covered marketing and social assistance regulations (there are financial disadvantages to working for people receiving family benefits).

SC Bike Co-op is a new member of the network. New members are welcome. Call Allan Reeve, 461-8893, for details.

The Riverdale Economic Ministry, which sponsors Kleinburg Craft Co-op, is working towards a Canadian Justice Products Network. It would operate along the lines

of the Bridgehead Trading network which sells coffee, tea and other Third World products. If you're interested, contact Carol Reeve, 694-2971.

It's a long way from El Salvador or Nicaragua to city life in Toronto. It's even harder to make the transition if you did farm work before coming to Canada. A unique small-scale farm project run by the Canadian Multilingual Literacy Centre is helping.

Taking advantage of donated farmland north of Toronto, last year 15 Central American refugees were able to get back in touch with the life they know best. They grew six acres of beans, corn, tomatoes and other vegetables.

The farm project complements the literacy work which the newcomers to Canada undertake besides their farm work. There is no better way to teach literacy than within the context of one's life. So as the refugees talk about farm tools, seeds, and planting, they are also learning how to read and write.

Manual Pinto, director of the Literacy Centre, has seen a



Len Cunningham (left) and Eric Kovacs of the SC Bike Co-op at work.

big change in the refugees since the farm project began. "When they came here they were shy," he says. "They had little confidence. Now their self-esteem is good. They are much happier."

That self-confidence is reflected in expanded plans for 1992. The farmers, who now number 20 former Latin Americans, have formed a co-operative. They plan to farm 20 acres of land this year, and sell the produce which they don't use for their own families.

The project still faces challenges as we go to press, especially the need to get a van to transport the farmers to and from the farm. Yet the refugees' hard work is paying off. "This is a very strong group," says Pinto. "The fact they have the energy to organize a co-op says a lot."

The SC Bike Co-op is a new co-operative enterprise organized by three residents of StreetCity, a unique community of 60 low-income people housed in a former warehouse in Toronto's east end.

SC workers repair bicycles or refurbish old bikes. Business has grown rapidly, so that now

six people are employed.

SC Bike Co-op recently moved into the 761 Queen St. East community centre.

Recession-ravaged Brantford is a difficult place for anyone to get a job these days. Psychiatric survivors (former patients of psychiatric institutions) have an even harder time. That's why the jobs provided by Quick Bite Catering and Take-Out are so urgently needed.

"We want as many people as possible to experience this," says Keith Cuthbert, Quick Bite's assistant manager. "It gets them out of their rooming house or apartment, and gives them structure to their day."

The business located across from Eaton Market Square in downtown Brantford, employs 21 people. Each person works a five-hour day. The business is supported by the provincial Ministry of Health through its Consumer Survivor Development Initiative.

Quick Bite opened in July, 1991. On its first day, it took in only \$40 at the till, and people wondered about the business's viability. Now about \$150-200



Hard work pays off: members of a farm project begun by the Canadian Multilingual Literacy Centre on their land north of Toronto. Left to right: Dolores Salgado, Maria Salgado, Juan Vides, Cesar Guzman and Mario Hernandez.

jobs through community businesses

worth of sandwiches and snacks are sold each day, besides income from catering orders. Already nine people are waiting for jobs. One former employee got a fulltime job at Zellers.

Cuthbert notes that surveys have found that admissions to hospitals drop sharply when psych survivors find work. "It's better to pay someone to work, rather than be in the hospital."

Toronto's **Simon Bolivar Centre** is planning to set up a CED corporation involving five women who were highly-skilled fashion workers in their home countries of El Salvador, Columbia and Uruguay. But in Toronto, they find themselves having to subsist on welfare.

With the right machinery, these women can turn out everything from high fashion clothes to school and health care uniforms.

"We had this wonderful idea about organizing the women," recalls Ruth Herrera, director of the Simon Bolivar Centre. "We knew what we wanted to do. But we didn't know how to get started."

But then she met with the Community Business Centre at George Brown College.

The women brought to the business centre a budget and outline. Centre staff worked with them to develop a business plan. Now they are doing marketing research on boutiques, department stores, fashion designers and other potential customers. It will also survey Toronto's large Latin American community. "There are in Toronto Latin women who have the budget to have their clothes custom-tailored," says Herrera.

This fashion project has a way to go. But when it does go into production, it will do so with a solid business plan.

A similar enterprise called **Green Works Sewing** is underway in Ottawa, sponsored by **West End Community Ventures**. Green Works produces environmentally sensitive cloth items such as diapers, cloth lunch bags with school logos on them, and designer handbags made from scraps thrown away by fabric stores. "We've created a line of marvellous goods that would

sewing and language skills improved on the job. Manager **Anna Cioppa** got the chance to manage a business.

But now Green Works is at a crossroads. It must assess its chances of making the transition from training business to an unsubsidized, profit-making business. It's researching the market for a line of goods to design and produce.

With 60 youth it has sponsored under the Futures training program, **St. Christopher House** in Toronto is no stranger

business is one possibility, another is printing.

The business plans grow out of problems St. Christopher House has seen with the provincially-funded Futures program, says House staff person **Donna Danyluk**. Fewer and fewer employers can offer Futures trainees jobs, she notes. "They're competing for jobs with people who have been laid off. Young people are left out of the job market. Youth are telling us: we're desperate. Can't we start our own business?"

At the same time, the



Anna Cioppa of West End Community Ventures in Ottawa with trainee.

have been destined for waste sites", says Community Ventures organizer **Sandra Mark**.

Green Works, which received a municipal job creation contract, has provided valuable training. Four immigrant employees have received Canadian work experience in a supportive atmosphere. Both their

to community economic development. Now this social service agency wants to advance its CED involvement.

The House is working with the Community Business Centre to research three potential businesses, with the goal of having at least two businesses up and running soon. A catering

agency has found that half of the youth in the Futures program want to start their own businesses and that 40 percent of them have viable business plans.

"There are a lot of creative ideas," says Danyluk. "A lot of immigrant youth have family histories which included a business back home."

Public forums spark interest

“**T**he conventional capitalist system is not working.”

Greg McLeod's audience listened intently as the veteran of community enterprise delivered this verdict at a Toronto educational event sponsored by the Alliance for Community Enrichment in February.

McLeod is director of the Tomkins Institute in Cape

Brton, which promotes community work through economic development. He helped found New Dawn Enterprises, Canada's first community development corporation, and is a director of BCA Holdings, a finance company which raises capital for community projects.

ous groups in society to find solutions to Canada's economic problems. “None of us has the solution,” he said. “But we're in the mode of searching. The common thread is that the base must be the community. This thread runs through all the experiments. We go after profit as a means, not an end.”

Sandra Dobrowsky, director of the Ontario Network of Employment Skills Training Projects, told the meeting how

Mary Lou Morgan, a founder of Toronto's Big Carrot natural food market, told a fascinating story about that enterprise's development. A worker co-op, the Big Carrot now employs 78 people with more than \$5-million in annual sales.

Morgan now works as consultant working with new co-operative enterprises, as well as working with the Origins food co-op profiled in the last issue of *Community Economics*. She helped develop a new food co-op in a low-income area of London, which grew from 30 members at its outset to 450 now.

“There's no easy way around the money thing”, said Morgan, noting the financial difficulties which often impede new community businesses. A venture capital fund for new enterprises is needed, she said, along with access to entrepreneurial skills.

Other speakers included Peter Berg from the Planet Drum Foundation in San Francisco, environmental consult-

ant Sara Rang, and labour and environmental activist Brian Milani.

As part of a radical critique of the conventional economy, Milani argued that “the future

“The base must be the community”

of CED depends on its appreciation of ecology, and the future of ecology depends on its appreciation of CED.”

Noting that environmental protection is already a \$5-billion-a-year business in Ontario, employing 28,000 people, Rang focused on the job potential of a “New Green Deal” being promoted by the Coalition for a Green Economic Recovery. She cited the potential for large-scale production of solar water heaters as an example of an industry that could both create jobs while protecting the environment.



Making the connection: CED and ecology. Speaking at March forum in Toronto is Larry Rooney (standing) with, right to left, Peter Berg, Sara Rang, Mary Lou Morgan and Brian Milani.



Greg McLeod stresses a point at a February forum sponsored by the Alliance for Community Enrichment in Toronto.

Ottawa centre taps immigrant expertise

By Ed Ungar

One of Canada's secret untapped weapons in the international economy is its immigrant population. Newcomers to Canada have an intimate knowledge of their native countries and can use that knowledge to expand Canadian trade with those countries, if given a chance.

Now some new Canadians are getting that chance, thanks in part to the Community Enterprise Centre of Ottawa-Carleton. The centre helps establish community-owned businesses that provide jobs to disadvantaged people by providing an array of business advisory services.

For the past year the centre has worked with the Salvadorean Cultural Workshop to establish an import-export co-op. While centred in Ottawa, the co-op has links to people in five Canadian cities. It plans to trade goods and serv-

ices between Canada and much of Latin America and the Caribbean. Because the people involved know both the region and Canada, they can identify Canadian goods that will find a market overseas.

"I think the co-op is anticipating the international economy," says Enterprise Centre director Skip McCarthy. "It meets the needs of the individuals involved in the business as well as the provincial and Canadian economies."

The co-op should be incorporating and ready to go into business late this summer. Just as with other businesses the Enterprise Centre advises, the co-op had to go through a rigorous planning and marketing process before making the decision to go into operation. "We encourage conservative business practises for innovative enterprises," says McCarthy.

Until last year, McCarthy was director and sole staff mem-

ber of the centre performed what he calls "a one-man juggling act." The centre received initial funding from the city of Ottawa, but now has additional funds from the region, the province and the federal government. It has hired more staff, with promising results. Besides the co-op, several other projects are nearly ready to go.

The Somerset West Community Health and Services Centre has established a moving and cartage business. This operation holds a lot of promise, says McCarthy.

"The skills for this kind of business are readily available not only at Somerset West, but at other community centres throughout the capitol region. So the business can expand to a number of sites and share advertising, marketing and other resources."

The Enterprise Centre is also working with Ottawa's native, Afro-Canadian, Muslim

and francophone communities. Each project has its own circumstances. Relationships with the centre vary with each community's needs.

The Enterprise Centre is also looking seriously at the availability of capital in the capitol, and may start a revolving loan fund. "The lack of capital can spoil even the best-laid plans," notes McCarthy.

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NDP worker co-op record

By Fiona Connelly

The election of NDP governments in Ontario, British Columbia and Saskatchewan in little more than a year should augur well for worker co-ops in those provinces, given the affinity in the social objectives of both worker co-ops and the NDP. Yet, if the Ontario example is anything to go by, worker co-op activists in B.C. and Saskatchewan may find it difficult to transform that affinity into more worker co-ops.

Nearly two years have passed since the Ontario New Democrats formed the first-ever Ontario NDP government. Since then, groups such as the Ontario Worker Co-op

Association (OWCA) have met several times with government representatives. While the NDP caucus has affirmed its commitment to developing co-op options, the pace of that development has been glacially slow, some say.

"This government is very accessible, but it's taking a hell of a long time to get anywhere," says John Brouwer, OWCA president. "We've talked, but all the energy and talk haven't created one job."

On the other hand, the Rae Government has introduced notable new legislation. Worker co-ops are now recognized as legal entities through an amendment to the Co-ops Act, which means that

Law boosts worker co-ops

Just before we went to press, the Ontario Government announced an amendment to Bill 150, so that worker co-op associations will be able to sponsor co-op development under the provisions of the Labour-Sponsored Investment Fund. The Ontario Worker Co-op Association had been lobbying for this amendment for 18 months, but was as surprised by this sudden announcement as anyone.

"This is significant progress," notes OWCA president John Brouwer. "In the long term, this amendment has the potential to boost worker co-op development in Ontario."

The amendment will mean that investors will receive the same tax benefits investing in worker co-ops as they would investing in other businesses, which gives the association more leverage in approaching the investment community.

The results won't be obvious soon. "It's a major job setting those things up; it could take years before the first worker co-op gets off the ground," cautions Brouwer. "But it is a signal that things can change."

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mixes hope and frustration

government programs can now be created specifically to benefit this sector. And significantly, the NDP government has initiated its own worker-ownership proposal allowing for labour-sponsored buyouts of businesses such as the Spruce Falls Power and Paper newsprint mill in Kapuskasing. Worker co-op activists believe these initiatives amount to one tiny step forward and a major step backwards.

The worker co-op critique of the current act is that it does not guarantee the fundamental principle of worker co-operatives: one worker, one vote. "A company could revert to single or corporate ownership after five years," notes Brouwer, "and subvert the social goal of worker ownership, which is the creation of permanent community jobs."

Not everyone is as critical of this legislation. "The Ontario Worker Co-op Association is pursuing too pure a model," says Jack Quarter, a University of Toronto professor specializing in the study of co-operatives. "The legislation has progressive features. First, it needs the support of workers and union locals, so it can't be forced upon employees. Secondly, there are voting rights associated with the shares, unlike many U.S. employee stock ownership plans. If the employee shares could be held within a worker co-op, then the Ontario legislation would lead to the same result as the employee shareholder co-operatives in Quebec. Essentially, there would be a worker co-op with an opportu-

nity to expand within a conventional corporation. This is popular in Quebec." The amendment to the Co-op Act allowing worker co-ops to incorporate could provide this mechanism.

The contentious issue could be reduced to whether partial buyouts of companies, in which only a minority of the company is held by workers, have social benefits. They now have certain advantages over wholly owned worker co-ops. Workers rarely, if ever, have access to the money needed to buy a large company, restricting complete worker buyouts to smaller companies which require only



Ontario Premier Bob Rae.

a few thousand dollars of investment, but result in lower-paying jobs. Partial buyouts allow workers to invest in larger companies, often with better-paying jobs. As in the Kapuskasing deal, partial buyouts can also mean not only the survival of jobs, but of communities.

The Ontario Ministry of Financial Institutions has promised a consultation be-

tween government and the co-operative movement to explore how more co-operatives can be developed in Ontario.

Meanwhile, worker co-op activists feel the NDP is missing opportunities to create badly-needed jobs in Ontario. A proposal to have the Worker Ownership Development Foundation spearhead

**"We have potential
to create at least
500 jobs"**

research on transforming failing small businesses into worker co-ops has met with silence. "We have the potential to create at least 500 jobs per year," says Brouwer. "If the government would modify existing programs and legislation to accommodate worker co-ops, we could immediately create 150 new jobs."

Hope in British Columbia

Members of the small worker co-op movement in British Columbia are optimistic about their NDP government. "We're hopeful that this government will look at new forms of economic development including worker co-ops," says Shane Simpson of B.C.'s Worker Ownership Resource Centre.

Past governments did not recognize worker co-ops for economic aid. "When we applied for small business development grants we were told that the department was in the business of business, not co-

ops," adds Simpson.

B.C.'s NDP government has no agenda for worker co-op development, but it has a strong community economic development agenda. Members of the worker co-op movement have formed an alliance with the community economic development sector, including the Social Planning and Research Council, CCEC Credit Union, the Downtown East Side Economic Development Society, Woman Futures (a women's economic development fund), Turtle Island Earth Stewards (an economic environmental group), and the community economic development departments of three post-secondary institutions.

The resulting proposal for a joint consultation between government and community economic development practitioners has been successful. With a \$55,000 government grant, the coalition is identifying urban and rural CED practitioners from across the province for a consultation in June.

"We see this as a first step in an ongoing process of developing a framework for partnership with the government in planning community economic development," says Simpson. Whether this first grant will be followed by legislation favouring worker co-op development remains to be seen.

** Fiona Connelly is a Toronto writer and popular educator with a strong interest in workplace democracy, community development, and social movements. This article first appeared in Worker Co-ops magazine.*

Foundation benefits low-income women

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about poverty in consultations it sponsored with women across Canada. "We heard about health, housing, child care and other issues", says Beverly Wybrow, the foundation's executive director. "But in every single group, women said everything would be easier if we weren't so poor. They all wanted greater economic self-reliance."

Community-based women's groups across Canada are already benefitting from nearly \$100,000 in grants from the foundation:

Aboriginal women in Winnipeg at the North End Women's Centre are recycling donated clothing into patchwork quilts, pillows and craft items. A business plan to explore potential markets for these products is being developed through a foundation grant.

In Vancouver, a group of low-income women formed the Entre Nous Femmes Housing

Society and sponsored the construction of six buildings to house low-income people. A Canadian Women's Foundation grant is financing staff training and an evaluation of this group's remarkable success story. "This is a great example of community economic development, in terms of women analyzing their needs and what they could do about them," says Wybrow.

Many immigrant and refugee women who worked as engineers or in other professions in their home countries are unable to get work here because of language barriers, racism or a lack of familiarity with accreditation procedures in Canada. The Times Change Women's Employment Service in Toronto is developing a support group to help women break through these barriers and get jobs in their field, again with the foundation's support.

Women who want to start



Beverly Wybrow and Alexandra Horsky of the Canadian Women's Foundation display a blanket made by native women in Winnipeg supported by the foundation.

their own businesses but need information about marketing and other business essentials are being helped through a Self Employment Development Initiatives program, supported by the foundation. It benefits women in Halifax, Montreal, Edmonton and other locations. "We're trying to direct our money to women who are poor or disadvantaged in other ways, such as aboriginal women," says Wybrow.

Fundraising to raise the money for these grants is a major task for the foundation. It has already raised \$1.6 million of a \$5-million goal including \$100,000 from the Bank of Montreal for small enterprise development among women.

Groups interested in the Canadian Women's Foundation grants program can contact the foundation at 214 Merton St., Suite 208, Toronto, Ont. M4S 1A6.

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Understanding our success

By David Pell

While writing *Community Profit* in 1979, I was impressed with the number of communities which had assumed responsibility for the development of their local economies. Despite the lack of government programs designed to help community economic development (CED) organizations, several hundred projects were operating in virtually every region of Canada.

Today, the number of projects exceeds several thousand and is growing. During the

past 12 years I have admired how these organizations have contributed to their local communities. These include the Nanaimo Community Employment Advisory Society in B.C., the Human Resources Development Association, and New Dawn Enterprises in Cape Breton.

Yet despite the fairly high number of community economic development projects in Canada, there is very little information which systematically analyzes our experience with this approach to development.

CED is a strategy which

stresses community participation, making use of local people and financial resources, and acknowledging the links between the economy, the environment and social conditions. CED initiatives established in response to labour market issues like high unemployment benefit a wide range of people.

Some CED programs help small business owners, others support jobless people who were employed in manufacturing or resource industries, while a third group has targeted disadvantaged people such as social assistance recipients, immigrants and aboriginal people.

Governments throughout Europe and North America have recognized CED's potential for solving local problems. However, despite 30 years of history in Canada, the full value of this approach to local development is not well understood. CED's effectiveness in reducing unemployment and reducing dependency on social assistance is particularly unclear.

Thereasons for this are complex. One reason is a lack of agreement on the outcomes to be expected from CED initiatives and on what costs are justified in achieving these outcomes. As community organizations, CED groups depend on public funds, and agreement between government and CED groups on performance targets is essential.

A review of the literature on CED does not provide definitive answers. It is impossible now to know whether the contribution of CED in solving local economic problems is accept-

able. So it's not surprising that there is confusion among CED business people, government resource people and interested observers about the merits of individual CED projects. Fortunately, agreement on some key points is emerging:

- First, CED initiatives are most effective when designed to address the shortcomings of the market system such as its failure to provide investment capital to small businesses.
- Second, creating or maintaining local jobs should be the priority for CED projects designed to address labour market problems such as unemployment.
- Third, the cost of job creation should be competitive with the private sector or a public sector program with similar goals.
- Fourth, indirect benefits from a CED initiative (e.g. community confidence-building) should be recognized as an investment in the community's future development.
- Fifth, government has a responsibility to provide long-term funding to enable CED groups to achieve the above goals.

Examinations of CED work in Canada have relied on descriptive information which is not very helpful. As a result it is impossible to know the impact of these initiatives or the value of specific elements of their operations. A more analytical approach based on clearly identified social and economic frameworks is required.

Some attempts to assess CED on this basis have occurred during the past 10 years. These

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More research on CED needed

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include an evaluation of the Human Resource Development Association by the Atlantic Provinces Economic Council in 1981; *Loan Funds for Small Business: Lessons for Canadian Policy Makers* by Baron and Watson for the Economic Council of Canada, 1989; and a review of the YMCA's Youth Enterprise Centres, by Kubiski and Associates.

These three assessments judged the CED initiatives to be providing a valuable, cost-effective service. This is not to say CED is always successful. Some programs established by government departments and community groups fail to achieve their goals. Yet it's apparent from the studies identified and others that CED "works" under certain conditions.

It's essential, that CED organizers and supporters learn how to plan and evaluate this approach. In particular, they need to learn what the elements are which enable a particular initiative to succeed, and what experiences can be transferred to other communities.

Evaluations which examine CED's job creation/retention potential, its impact on so-

cial conditions and its contribution to environmental protection should be developed. Only then will we be able to determine when the community economic development approach is the appropriate strategy for solving local problems.

• David Pell is a partner in Development Initiatives and the director of Community Business Centre in Toronto.

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