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COMMUNITY ECONOMICS

VOL. 4 No. 2 - PROMOTING COMMUNITY ECONOMIC DEVELOPMENT

Northerners hungry for economic alternatives

By Ram Jagessar

Community economic development in northern Ontario took a leap forward when more than 100 people from across the region met to learn from each other at a Sudbury conference in February.

The community forum of Feb.24 and workshops on Feb.25 were the largest-ever gathering in the north of people seeking alternative ways of developing their communities.

Participants included representatives from 13 different native communities.

The workshop and forum were designed to provide an opportunity for people from the Sudbury

region and other communities across northern Ontario to meet and learn from CED organizers from

other parts of the province.

The events were organized by GEODE (Grassroots Economic Opportunity Development and Evaluation), a Sudbury CED group. They made up the second in a series of regional meetings co-sponsored with the Ontario CED Coalition.

Well over 130 people packed St. Andrew's Place in Sudbury for the forum, which featured a panel discussion on the need for and ways of developing a vibrant local economy. It presented an overview of CED principles, and surveyed some successful examples relevant to northern Ontario. Presenters

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The "Theatre of the Repossessed" popular theatre group is an example of Sudbury's new spirit of community initiative.

Barb Matthews photo

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Moving from welfare to well-being

Ottawa is buzzing with talk about a new community-owned business which will build residential furniture using local materials and create up to 29 new jobs.

"WoodCo", as it has been known informally, recently obtained a 16-month contract to produce furniture for regionally-supported social assistance recipients. The new company is being set up by the Community Enterprise Centre of Ottawa-Carleton as a for-profit corporation.

Some of the excitement about "WoodCo" comes from the prospect of new job creation in a period often described as

See WOODCO page 2 ➤

"WoodCo" creates 29 Ottawa jobs

► *WOODCO from page 1*

the "jobless recovery." This new business will provide opportunities for qualified social assistance recipients to re-enter the workforce and gain skills in wood products manufacturing.

When Regional Council voted in March to award the \$3-million contract to the as-yet unformed company, councillors were motivated by additional considerations, including the powerful economic multiplier effect generated by import replacement and local production.

In fact, industry specialist John Geddes of Planning Dynamics Inc. has estimated a net economic benefit to Ottawa-Carleton's economy of \$6.3-million. How is this possible? For several years the contract to supply this furniture had been supplied by companies which imported products from outside the region, and even outside of Canada. Few if any jobs were cre-

ated locally. Nor were local suppliers approached to provide materials. The new business will provide local jobs both directly and indirectly.

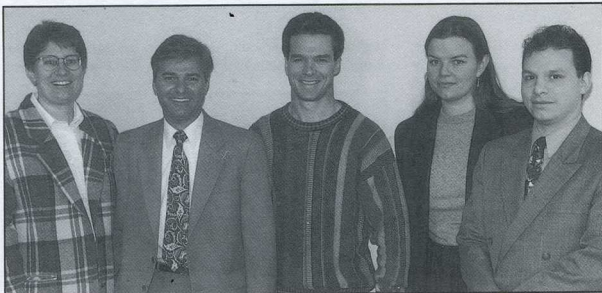
Another strength of the new business is its concern for the environment. Efficient designs and production methods, and the recycling of old or damaged furniture will reduce the environmental costs of the company's products.

Market diversification is a priority. Within the first year of operations, the company will be actively seeking out and developing new markets to ensure the long-term sustainability of the enterprise.

"This company represents a new way of investing in our community while providing quality employment to persons who face barriers to em-

ployment", says Jean Leroux, executive director of the Community Enterprise Centre. "We believe it will serve as a model for many new community-owned businesses."

Development funding for the new business was obtained from jobsOntario Training and start-up capital came from the jobsOntario Community Action program.



Good reasons to smile: WoodCo is coming to life thanks to hard work by Community Enterprise Centre staff and consultants. Left to right are Karen Snyder, Jean Leroux, Steve Mannion, Anne Gillies and Jim Scourges.

All roads lead to St. Catharines

Mark June 7-9 in your calendar, if you're interested in tapping in to the ideas and skills to be learned from more than 200 people active in CED.

During those three days, a Community Economic Development Conference will take place in Thorold, Ontario, near St. Catharines.

The conference will provide an opportunity to strategize about CED; discuss new skills for delivering CED; discuss the public

policies; network with colleagues; and shop for new ideas. Fifteen community development organizations are sponsoring the conference.

What strategies are working and why? How can our respective organizations work more effectively together? To what extent do we need a resource organization to provide training research services to CED organizations? These key questions will be debated at the Community Economic Development Conference.

Many other topics will be discussed, such as:

- 50 tactics for CED;
- Self-employment;
- Barriers to implementing CED;
- Leadership development;
- Measuring success.

The conference will wind up with debate on the possible formation of a CED Institute, as a repository of resources, research, new publications.

Keynote speakers at the conference include Marcel

Cote, author of *By Way of Advice: Growth Strategies for the Market Driven World*; Stewart Perry, author of *Communities on the Way: Rebuilding Local Economies in the U.S. and Canada*; and *Toronto Star* economics editor David Crane.

The conference takes place at the Embassy Suites hotel, across the road from Brock University. The registration fee is \$295. To learn more call (905) 835-6741 or fax (905) 835-6584.

Grassroots projects blossom in north

► *Northerners from page 1*

outlined how various projects had been successfully developed.

Panellist Rick McLeod Farley of the Mushkegowuk Council, Moose Factory, James Bay,

pulp and paper mill after its planned closure threatened to destroy the town. He noted how well the community came together to support the project, but said he's also seen the

tend due to a severe snow storm.

People came from all over northern Ontario, including Elliot Lake, Onaping Falls, Whitefish, North Bay, Chapleau, Timmins, Thunder Bay and other communities.

Results from the conference are already apparent. Several communities have expressed interest in forming co-operatives. GEODE is preparing further workshops and seminars to advance these plans.

In Sudbury, efforts are already underway to set up a community-shared agriculture project of the type discussed in the workshop. The peer lending circle concept has attracted great interest, as has the LETS barter system in operation since last year in Sudbury.

GEODE is carrying out a series of workshops with the group Women Across Cultures aimed at exposing native, immigrant and visible minority women to alternative economic opportunities.

GEODE's plans for launching its own community loan fund are progress-

ing well. Local investors have committed significant amounts of capital to the fund.

What is especially heartening to CED veterans such as GEODE president Joan Kuyek is the noticeable change in attitude towards alternative economic development.

Organizations and individuals are looking at community economic development as a serious option. They are seeking to create their own opportunities. Governments at all levels, private sector groups and service organizations are taking a genuine interest - minus most of the distrust of the past.

And many ordinary Canadians, battered by the failure of the global economy to deliver, are knocking on the CED door and asking to sign up. As the Canadian economy gropes away from the worst of times, CED could be gearing up for its best-ever showing.

** Ram Jagessar is on staff with GEODE in Sudbury.*

People are creating their own opportunities

described the economic and social conditions of the largely native community in James Bay and the work of the council and the Moose Factory Corporation in developing community-based enterprises.

Robin Murray, adviser to the Ministry of Economic Development and Trade, looked at community-based economic initiatives in several European countries, and spoke about what is happening in Ontario.

Patti Lightning, administrator of Micro Enterprise Credit/Peer Assisted Lending in Birch Island, Ontario, discussed how this system works to give small loans to people interested in starting micro enterprises. Peer lending is helping people on social assistance to re-enter the world of work, with repayment rates for these loans running at 100 percent.

Peter Goth, general manager of the North Clay Belt Business Development Centre in Kapuskasing, gave an account of how the people of Kapuskasing managed the buyout of the

community revert to traditional ways of doing business now that people feel the crisis is over.

Ginette Lafreniere from the School of Commerce, Laurentian University, spoke about the principles that govern co-operatives and how they help local communities develop, pointing to major successes such as Quebec's Caisse Populaire and Spain's Mondragon co-ops.

The How-To of CED

Workshops on the following day were designed as "how to" sessions to present concrete examples of development projects, providing step-by-step methods for setting up such projects.

Workshops were held on co-operatives, community-shared agriculture, community-based businesses, community education programs, models for training, and the James Bay experience.

Here, too, attendance surpassed all expectations. More than 100 people were present; another 25 had registered but could not at-

Help build alternatives

to the mainstream banking system by joining a financial institution for "social change". Banking and lending services for individuals and organizations.



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Maritimers fight TINA syndrome

by Brenda Doner

We got stuck with the TINA syndrome — There Is No Alternative”, says economist Dr. Michael Bradfield, referring to the mainstream response to the unemployment and poverty caused by our economic systems.

But Bradfield and over 170 people spent two days sharing news of successful economic alternatives in the Atlantic provinces, including community loan funds, flour mills, barter systems and co-operatives that provide everything from marketing to funeral services.

People from across Canada, including several First Nations communities, as well as Asia and Latin America, participated in the Sustainable Communities Conference, held near Fredericton, New Brunswick, from March 24-28.

Bradfield, a Dalhousie University economics professor, argued in a keynote speech that the real constraints to alternative development are political, not economic.

If we had the revenue lost through unemployment and tax subsidies to corporations, we could more than wipe out government deficits, Bradfield says.

Success Stories

The rest of the conference looked at economic alternatives that are working. PARD, a community loan fund in Shelburne County, Nova Scotia, has been so successful that the group has generated its own sources of loan capital and will soon be independent of



Marcia Nozick shows her book *No Place Like Home: Building Sustainable Communities* to Michael Bradfield at the Sustaining Our Communities conference in Fredericton. Both were speakers at the conference.

the Calmeadow Foundation that initially funded the program. Similar peer lending groups are starting up throughout Canada.

In Cheticamp, an Acadian community on the north shore of Cape Breton, co-ops represent more than 25 percent of the economy and employ over 350 people. This community raised \$410,000 in donations from community members to buy an industrial lift for their fish plant co-operative.

The Cheticamp Development Corporation, a coordinating body for the co-ops, also returned \$200,000 to daycare and other community services last year, much of it funded from the proceeds of community television bingo.

In Summerside, PEI, a community took the experience they gained from a craft co-operative and applied it to a funeral service co-operative they formed when they became unhappy with the service they got from a multi-na-

tional company. A Micmac community in PEI drastically reduced unemployment on their reserve by cooperating with other co-ops to market blueberries and peat moss.

In other workshops,

A Micmac community reduced unemployment by cooperating with other co-ops to market goods.

people shared their experience with building participation in organizations and outlined some of the values and human needs that alternative organizations need to embody. They also discussed the positive and negative roles that technology can play in local economic development, and formed plans for developing local trading networks.

Restoring ecological capital was another goal. Time and again, the crisis in the Atlantic fisheries reared its head — as a source of devastation for

Atlantic communities, as a concrete example of the results of traditional development, and as a rallying point to develop alternatives.

Follow-up from the conference includes the de-

velopment of local alternative trading networks, more trade between co-operatives and alternative organizations, and increased communication of “success stories” around the Maritimes and across Canada.

For more information about community economic development organizations in the Maritimes, contact CUSO Atlantic, #508-1857 Barrington St., Halifax, N.S. B3J 2A1

* Brenda Doner is a program officer for CUSO in Toronto.

We're moving - and growing

Community Economics is moving! We're still based in Toronto, but are going from 49 Wellington St. East, to 130 Spadina Avenue.

But it's much more than a move across a few blocks of downtown Toronto. The newsletter will be headquartered at the offices of the Ontario CED Coalition, reflecting the growing partnership between *Community Economics* and the Coalition. Our hope is that the newsletter will become more than ever the voice of Ontario's movement for community economic development.

We want to express our thanks to David Walsh, CED advocate and part owner of the historic Flatiron Building at 49 Wellington, for his support during the past three years. Without it, *Community Economics* would not exist - it's as simple as that.

Back in the spring of 1991, David came up with the idea for a newsletter to link the various fledgling groups working for community-based economic development. His vision sparked a group which put out the first issue that fall...and the rest is history.

Now *Community Economics* is linked to an Ontario-wide network of groups and individuals. Our goal for the months ahead is that the newsletter becomes the voice for a growing number of CED initiatives and projects around the province. You can help make that happen. We welcome your letters, comments and suggestions for articles.

And we welcome your financial support. The newsletter has received a jobsOntario Community Action grant, part of which is being used for marketing

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and other efforts to put the newsletter on a more solid financial footing.

But, ultimately, the survival of *Community Economics* depends upon

a broad base of supporters - individual, business and organizational. Please contact us to subscribe, make a donation, advertise or to order bulk copies.

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North Yorkers count themselves in

Community economic development "is about shaping economic opportunities around people's lives and needs", Jennifer Cobb told a group of 50 people in North York on April 15.

Cobb, from Toronto's Street Community Enterprise Centre, and other resource people provided insights into CED at the event, aimed at nurturing community initiatives in North York, in the northern part of metropolitan Toronto. Many of those present were from social service agencies considering developing their own community-based projects. The event was organized by the North York

A panel presentation in the morning explored various aspects of what community economic development can mean - positive and negative.

CED has become a "buzzword", noted Diana Capponi of the Consumer Survivor Business Council, which supports businesses throughout Ontario employing survivors of the mental health system.

Capponi challenged service agencies to become partners with groups of people



The Salem Group, a successful CED organization, provided lunch at North York's CED event.

"For people who have been in poverty for years and years, CED works."

- Diana Capponi

Inter-Agency Community Council and sponsored by the Jane/Finch Community and Family Centre and the City of North York.

wanting to launch their own businesses, noting that new groups need access to places to meet, and facilities.

Mike Crawford described

his journey from being living on the streets, to getting into business for himself, based at 761 Queen West. Active in the Street People's Association, he noted that many of the returns of being involved in community businesses are not financially rewarding, but are vastly satisfying nonetheless, such as helping a formerly homeless person open a restaurant.

A sobering look at the reality of CED was provided by researcher Kathryn Church, who is undertaking an in-depth study on the links between health and community businesses, as described in the last issue of *Community Economics*.

Speaking as one who has carried out research with many people involved in community businesses, Church noted the difficulties involved. "Most people (in CED businesses) are living hand to mouth.

Yes, people are creating jobs, but it's tough."

Jennifer Cobb, who works for the Street Community Enterprise Centre, described how a former United Church building at 761 Queen Street West is now home to a number of CED enterprises: the SC Bike Co-op, the Consumer Survivor Business Council, Seeds of Hope Foundation, as well as the centre itself.

Her work involves helping low-income people meet and work together on projects. A 43-year-old woman told Cobb she had done "nothing" in her life. It turned out she had raised children, made clothes and done many other things.

"So many people out there have been told they are useless," said Cobb. "Yet everyone of us has skills. Everyone has intrinsic value. The point is to turn that into a way to make a living."

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130 Spadina Ave. · Suite 402
Toronto · M5V 2L4
Phone: (416) 594-2351 · Fax: (416) 594-0552

Managing Editor: Murray MacAdam

Business Manager: Barbara Matthews

Editorial Committee:

Donna Danyluk, Barbara Matthews,
David Pell, Lynne Markell, David Walsh

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Correction

Making Waves is published by the Westcoast Development Group, not by the Social Planning and Research Council of B.C., as reported in our last issue.

Serving up lunch and self-esteem

Customers may not realize it, but simply by buying lunch, they are making a world of difference for people working at three unique downtown Toronto cafes.

The three cafes, run by Trinity Square Enterprises, provide work and employment training opportunities for people who have experienced mental health difficulties. In a field where new restaurants often go belly up, these three have benefitted from careful planning and support from other agencies, community support and Ministry of Health funding.

The first restaurant, Trinity Square Cafe, is based at the Church of the Holy Trinity, located beside Toronto's busy Eaton Centre. Formed in 1981, it grew out of a soup kitchen based at the church, and reflected a revamped training program at George Brown College for psychiatric survivors, as well as church support for a self-help restaurant.

The second, Cawthra Square, began in 1984 and is located at the 519 Church Community Centre, a large community centre. Cawthra also has a large catering business. Third Square, the most recently-formed cafe, was launched in 1990 and is based in a provincial government building whose employees wanted to maintain an on-site restaurant.

The cafes strive to provide a supportive work environment and general employment training for people wanting to re-enter the work force, who are called "students." Some stu-



Serving lunch at Trinity Square Café

dents have long work histories. Others have done little work, and their biggest challenge is dealing with messages they've learned to believe about themselves and their potential to work.

Personal support and work-related lifeskills are key aspects of the Trinity experience. "Many of the students feel so much better about themselves after being here", says Cawthra Square manager Heidi Larman. "Having the opportunity to come into a supportive work environment provides an opportunity to prove to themselves that they can re-enter the work force."

About 40 students work at the cafes at any given time, working between two and five days per week. The students receive a \$15 per day training allowance, up to \$120 a month. Most students work at a cafe for several months. Some move on to work in other restaurants, although the number has dropped due to the recession.

Another goal is to run

a business that is, as much as possible, as viable as other businesses. Because of the lifeskills and intensive staff support provided, Trinity Square Enterprises requires outside funding. An annual Ministry of Health grant of just under \$300,000 funds staff salaries. Annual revenues exceeding \$100,000 from the cafes

cover student allowances and other business-related costs.

Trinity Square Enterprises is a non-profit, registered charity and an incorporated business. Its board of directors includes representatives of mental health agencies, psychiatric survivors, and community partners.

CED store opening

Toronto's first retail store featuring goods produced by communities involved in CED opens in June at 761 Queen Street West. With the evolution of a variety of CED ventures at 761 Queen and in the community, the store is the next step in developing these initiatives.

The store will serve as a venue for training in retail business management; a joint marketing initiative for established CED ventures; a centre for information on services provided by community businesses; a contact

point for information on CED; and a stimulus for developing community businesses through the provision of a market.

The store is sponsored by the Street Community Enterprise Centre, which is interested in hearing from groups and individuals with products they would like to sell in the store, or with information they would like to display. You can contact the Centre at (416) 363-5459 and spread the word about this opportunity to other interested groups.

Bringing a community approach

How will social security reform affect community economic development?

This article is one contribution to a growing debate. The lofty goals expressed below from the Liberal election platform already appeared doomed in the face of massive public debt.

Starting with the 1995 budget, Finance Minister Paul Martin has indicated that transfer payments to the provinces under the Canada Assistance Plan will be frozen. The "domino effect" of cuts from the federal government, to provincial governments, to social service agencies and others who deliver human services, will be even more devastating than previous cuts.

With a major restructuring of public services on the horizon, we need a vision of how a community economic development strategy can be fed into the debate.

By Mike Lewis

How will the federal government's reform of Canada's social security system affect CED efforts?

The positive vision driving the reform effort is perhaps best captured in the Liberals' election platform book "Create Opportunity: The Liberal Plan for Canada":

"We want a country whose people live in hope, not fear. We want a country where all of us see ourselves as contribu-

tor. Underneath these broad motivations for reform other factors are contributing to the context for policy change:

- Global economic restructuring, fuelled by escalating capital mobility and technological change, is leading to a dual economy characterized by increased polarization of wealth and opportunity.

- Along with the restructuring is a localization of the labour market, where entrepreneurial innovation depends more and

more on the quality of local skills. This trend is accompanied by a growing gap between the jobs available and the skills of the people who need work.

and incentives to the private sector, are not producing results. They do not reach the chronically unemployed and economically dependent populations. All these trends suggest a blurring of distinctions historically made between social, labour market and economic policy. They also appear linked to a broadening awareness that social and economic goals are interrelated, goals which have historically been considered the basis for separate bureaucracies to deliver social or economic programs.

A recent comment by Federal Policy Advisor Guy Brethour brings into focus the inadequacy of old approaches:

"In Canada almost all approaches (and public expenditures) aimed at eradicating poverty have focused on individuals rather than communities. Programs such as employment training, guaranteed income supplements, social assistance and subsidized work initiatives have targeted individuals. There has been growing public awareness that individual-centred approaches have not adequately addressed these problems. At times, such approaches have reinforced already desperate situations by promoting dependence rather than independence."

Together these trends create a context within which the results of the last 20 years of community economic development initiatives are receiving increased attention. While this is encouraging, increased attention alone is insufficient. Policy must be designed around the major principles of best CED practices, much of which emanates from distressed neighbourhoods and communities.

Community economic development:

- Recognizes the entire community to be disadvantaged, not just individual residents;
- Develops and strengthens community-based economic organizations that are accountable to the community; able to cooperate with outside business and governments to maximize community benefits; able to manage the overall development process.
- Invests in businesses to increase local ownership in the economy, capturing profits, management opportunities, jobs and training benefits.
- Works to improve the local environment for business: the skills, organizations and services which support business investment and operations.
- Respects cultural values when shaping community choices and indicators of successes, and
- Recognizes that social and economic development go hand in hand. Without one or the other, enduring development cannot be fostered.

What is critical in the next two years of legislative and policy reform is that the learning and best practice of CED becomes part of the mainstream debate and integrated into the overall social security reform package.

Reform and the Liberal Agenda

The 1993 Liberal election platform gives us important clues as to the government's thinking. The "Red Book - The Liberal Plan for Canada" promised:

"We will work with the provinces to redesign the current social assistance programs...to

We need a shared vision of how CED can contribute to a new social security system

tors and participants, not liabilities and dependents. We want a country whose adults can find good jobs and whose children can realize their potential."

However, the flip side driving the reform effort appears to be the mounting federal deficit.

Another factor propelling change is the growing perception that programs born in the 60's are no longer working in the very different context of the 90's. More and more people believe that the present social security system is not sustainable and is not yielding results.

more on the quality of local skills. This trend is accompanied by a growing gap between the jobs available and the skills of the people who need work.

- Governments at all levels have less capacity to deliver services directly. The result, at least stated, is a new emphasis on the need for partnerships which cut across government, private sector, and community organizations.

- Substantial evidence indicates that mainstream approaches to worker retraining, which rely on government programming

to social security reform

help people on social assistance who are able to work, to move from dependence to full participation in the economic and social life of this country.

"Jobs and growth depend upon making the necessary investments in ourselves and our children. Consequently, we will better prepare for the transition from school to the workplace; provide a constructive outlet for the skills and talents of younger Canadians; enhance the opportunity for job training and improve literacy and numeracy skills of Canadian workers; and improve the access to employment for women and single parents by making quality child care more available."

Other than suggesting that community labour force boards help plan local efforts to develop the human resource base of communities, there is little concrete strategy that illuminates the role of the "community."

The exception is the section on aboriginal peoples, which says: "Aboriginal-controlled

community enterprises and...community development institutions will be supported as the main engines of economic growth for aboriginal peoples."

In the section on community and regional development, the Liberal plan becomes very thin. It talks vaguely about community conditions becoming the determining factor in business location decisions and therefore the "Liberal approach is to encourage the spirit and capabilities of our communities. Entrepreneurship will follow where there is dynamic local government, as well as excellent educational institutions, sound provincial planning, rich economic potential, and lots of vitality."

Very nice...but what about all those places in Canada that lack many or all of these assets? What about poor neighbourhoods and hidden pockets of poverty through urban Canada? How is the vision of moving people from dependence to participation in society going to oc-

cur? By relying on private business, which is attracted to the entrepreneurial heartland of the country?

Translating Intentions into Workable Policy

Reform of Canada's social security system is not going to be easy. However, our learning from the last 20 years of CED practice can contribute to the growing debate.

Community or neighbourhood economies which are in distress due to economic restructuring, or are chronically marginalized, cannot be "straightened out" from the outside in. Bureaucratized delivery systems are not organized to be the proactive entrepreneurial engines for innovative development.

Local development organizations are crucial to mobilizing the resources required to integrate social and economic development. The best models emerging from the CED field

have demonstrated the ability to get things done.

If the government wants reform to breed innovation and generate results, it must invest in local capacity building. Secondly, if it wants these efforts to become self-sustaining over the medium term, it must enable these organizations to invest in assets that generate the economic base necessary to maintain organizational infrastructure.

Community economic development organizations, systematically supported, could be expanded into a major strategy for labour market and economic development. Such a strategy could have important implications for welfare reform.

** Mike Lewis is executive director of the Centre for Community Enterprise in Vancouver.*

This article is excerpted from a submission to the parliamentary committee working on reform of Canada's social security system.

Coordinator off to running start

Lynne Markell brings a wealth of hands-on experience to her new job as coordinator of the Ontario CED Coalition.

Markell's 24 years of community development work and training will benefit regional networks and fledgling community businesses across the province.

Helping to launch the Ottawa Women's Credit Union in the late 1970s launched Markell into CED. Feasibility studies, volunteer participation, and financial education were all part of Markell's work.

Green Works of Ottawa,

a sewing business sponsored by West End Community Ventures, came to life with Markell's support.

Through her last job with the Ottawa-Carleton Economic Development Corporation, Markell did business counselling, arranged joint ventures between community groups and private businesses, and designed a business volunteer program.

"I really enjoy helping people get started, clarify the nature of their business, and how it will be organized, and what markets it will have," says Markell.

"I bring to this job a knowledge of what others have done and a real passion for CED."

Markell strongly believes that community businesses should be open to joint ventures with existing business people, pointing to the benefits the new furniture company "WoodCo" in Ottawa has gained by working with the regional municipality. Joint ventures "can add a lot of power to things people are trying to do."

"I also believe in forming specialized community economic development organizations to carry out CED work,



Lynne Markell

rather than using existing non-profit structures. It's more effective in the long haul."

Markell will be based in Toronto, but will travel throughout the province.

Building social capital in York

By Joan Roberts

CED is different from our traditional concepts of economic development at the municipal level.

Traditionally local economic development is about selling the particular benefits of locating in our municipality, as opposed to everyone else's municipality. Recent debate at Metro Council has embodied this theme as other municipalities are crying foul at the low-ball tactics of the City of Vaughan at advertising the taxation breaks that Vaughan enjoys in relation to Metro Toronto.

In using this example I am not trying to diminish the importance of its impact on attracting business investment but am trying to point out that we have ignored other partners and processes that can be utilized for growing businesses and job creation in our economy.

CED is based on new assumptions around economic development:

- > It is possible that the community can take some responsibility for the economy, instead of traditional assumptions that decisions are made by the entrepreneur in the context of the macro level as determined by national governments' monetary and fiscal policy.

- > A strong community infrastructure leads to a high level of social capital. The more interaction people have with each other, the more economic activity is generated.

- > CED recognizes the existence of the social economy, that some businesses have both social and economic goals.

- > Community involvement is crucial, especially to

the development of various sectors i.e. tourism, community image and identity issues.

- > Community buy-in and participation around decision-making is key to CED.

- > Public investment can be invested strategically to support the goals of community economic strategic planning.

Why is the City of York involved in CED?

We have always had limited resources to apply to economic development.

Early in 1992 our mayor hosted a round table with stakeholders in our local economy. Participants identified areas that needed to be addressed but were not under the direct jurisdiction of the city. Other problem areas needed the broader community to buy in, like our identity and image problems.

With limited initial resources we created our Community Economic Development Advisory Committee (CEDAC). It evolved into a network.

The committee's first task was to assemble as much material on our local economy as we could. Through focus groups, stakeholder interviews and all the printed material we could get our hands on, we assembled a community profile.

The most interesting side effect was the activity happenings between network participants. They started creating new networks to support each other's organizational and

project mandates. Our jobsOntario brokers started matching up job opening with participants of other programs and organizations.

Proposals started to develop for more services. CED Committee members hired each other for special projects.

Entrepreneurs linked up with local bank managers and got funding assistance. New businesses were created and supported by other CEDAC members.

We used the community profile as a common database of understanding to build a vision of the kind of economy we want in York. We went on to identify obstacles to our vision and created taskforces that are developing strategies to deal with our priority concerns.

The Eglinton subway line was identified as the most pressing priority for our attention. CEDAC was most helpful in mobilizing for the subway line. We communicate with most CEDAC mem-

bers through a fax network. We were able to use the fax network to contact people and urge them to write letters of support and make deputations at public meetings. As you know, it paid off for us.

Now after mobilizing our CED Committee network we are facilitating workshops for the broader community to make the vision of the economy as inclusive as possible, with the assistance of the provincial government. We are building social capital. Along with dozens of new initiatives, Caribana partnerships, fostering niche development, developing international links, building a new image and in general consciously rebuilding our local economy.

Our experience has shown us that even though we are a complex economy, individuals from different sectors can understand the concept of what an economy is.

Our residents in Metro Toronto are prepared to invest their time, energy and resources to assume ownership of our local economy.

** Joan Roberts is a Councillor for the City of York, a community of 140,000 people in the northwestern part of metropolitan Toronto.*



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Starting a small business on FBA

By Jennifer Cobb

Sixty-five individuals interested in running a small business while on family benefits allowance (FBA) gathered at 761 Queen St. W. on March 2.

Hosted by the Toronto Women's CED Network, the workshop featured entrepreneur Willi Nolan, on FBA worker Susan Butcher and chartered accountant Fred Birnbaum. Over a potluck dinner the trio wove together the pieces needed by anyone on FBA to start a business. (FBA is a form of social assistance).

Willi Nolan talked about her frustrations as a sole-support parent living in poverty on FBA, contrasting it with her experiences now as owner and operator of BIO Business International, im-

porting and distributing environmentally safe tampons and washable menstrual pads. Willi talked about the training, business consultation and assistance with accounting she was able to access through FBA. Once she started to declare income to FBA staff, she was viewed as a sound investment for training and business development. Willi introduced Susan Butcher, whom she described as a "guerilla welfare worker."

Susan reiterated the advantages to declaring some income to FBA. "Once you have income you are entitled to government support systems, such as access to child care. You can also claim business expenses like cards and letterhead, and re-

quest the business start-up benefit." She emphasized the necessity of getting an advocate within the system to help you move through the bureaucratic red tape, publicizing the names and numbers of FBA advocates in various area offices.

Fred Birnbaum went through basic accounting and taxation procedures for small business. His clear and effective presentation covered the financial information usually required by the government from individuals, budgeting, record keeping, reconciliation, cash flow, calculation of gross profit, the differences between incorporated and unincorporated businesses, and how to decide what is best for you.

Those present at the workshop received written materials outlining accounting practices, contact numbers related to business and revenue, guidelines to FBA policy and procedures, and the numbers to contact for an advocate in their area office.

A written report on the event will soon be available; call 462-0539.

The Women's CED Network was thrilled by the response to this event and plans to hold similar practical workshops in the near future.

** Jennifer Cobb works for the Street Community Enterprise Centre and is a member of the Toronto Women's CED Network.*

An Introduction to the

Community Business Centre

The Community Business Centre was established by the George Brown College Foundation - an organization managed by a board of volunteer directors. The Foundation has been the Centre's sponsor since 1989.

Located in downtown Toronto, the Community Business Centre focuses on three priorities:

- New small businesses which will provide jobs for the unemployed.
- Unemployed immigrants who are or who wish to become self-employed.
- Community planning and research projects aimed at improving the local economy.

Community Business Centre

145 Front Street East, Suite 102
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Our Services Include:

- In-depth counselling and training on business planning, marketing and operational problems.
- Information on business opportunities and resources.
- Training programs on business development management.
- Assistance with financing small business projects.
- Assistance with planning business development programs for neighbourhood economic development groups.
- Special business development programs for individuals and groups interested in establishing community and cooperative businesses.

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Co-op businesses provide

By Russell Christianson

One of the most common causes of failure for small businesses is insufficient capital.

This is particularly true for fast-growing, successful businesses. "Raising capital is a difficult, exhausting job for small businesses," says Mary Lou Morgan, a founder of The Big Carrot food store in Toronto and Origins Co-operative.

Besides investing in your own businesses before approaching others, the first place most entrepreneurs look is right at home. "Love-money" is given by family and friends to show their support for your business. Like all investors, however, even family and friends will want to see a sensible, well-developed business plan.

While all of this is true for any type of small business, co-operatively-owned businesses offer several ad-



Pablo Molina, right and Miguel Gonzalez of Co-operative El Sembrador, an import-export business which benefitted from Unicoll Credit Union's Community Loan Fund.

vantages in raising capital. The most obvious one is the pooling of resources that co-operatively-owned businesses inherently offer. With three or more co-owners, there is a synergy created both in digging into their own pockets and in multiplying the number of potential contracts and investors. Investments in

worker co-ops may also be RRSP eligible.

Mary Lou Morgan offers her experiences: "The nine founding members of The Big Carrot were able to scrape together \$45,000 and an additional \$30,000 from friends and family. We then approached a number of banks with our

business plan and finally found one to lend us the additional \$50,000 we needed for start-up. Without the support of the other co-owners, I wouldn't have been able to stick with it, given all the frustrations we experienced over the nine months we raised the money."

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capital advantages

Possibly the most significant advantage for co-operatively-owned businesses has been negotiated by the Ontario Worker Co-op Federation. It has an agreement with New Ventures and Youth Ventures to increase the matching loan guarantees for co-operatively-owned businesses. The usual loan limits of \$15,000 for New Ventures and \$7,000 for Youth Ventures have been increased to \$75,000 and \$22,500 for a worker co-op business that is a federation member.

While co-operatively-owned businesses are eligible for loans from Community Loan Funds, the OWCF has also been setting up an Ontario-wide pool called the

Co-opportunity Loan Fund. It will offer members of co-operatively owned businesses individual loans up to a maximum of \$6,000 (\$3,000 for each \$1,000 invested from their own pocket) to invest in shares in their business. The business itself will be eligible for an additional loan up to \$25,000. These loans will be available through local credit unions. The OWCF will work closely with the business to ensure their business plans are strong enough to qualify for the loans.

The federation is starting a Community Investment Share Corporation to provide an additional pool of capital for co-operatively owned businesses. The ini-

tial CISC will support the capital needs of a number of small enterprises. "We will also set up CISCs for individual worker co-ops as required", says OWCF executive director John Brouwer.

The most ambitious and long-term capital source being developed by the federation is a Labour Sponsored Investment Fund. "We are working with the Canadian Co-operative Association and a group of labour unions to develop a venture capital fund which will truly fill the capital gap for co-operatively-owned businesses", says Brouwer. The goal is to raise \$100 million within five years.

The OWCF is also in

touch with some ethical and social investment funds which have made loans to co-operatively-owned businesses. According to Miguel Gonzalez, a founding member of El Sembrador worker co-op, "besides helping us successfully apply for individual loans from Incolll Credit Union's Interim Community Loan Fund, the OWCF helped us contact the Co-operators group for additional money to start our business."

** Russell Christianson is a business developer at the Ontario Worker Co-op Federation and president of Origins, a co-operatively owned business which markets organic food products.*

Zap - we're in touch, with CEDRIC

By Martin Luymes

The vast distances between Canadian communities, which isolate CED groups from each other, are vanishing, thanks to CEDRIC.

No, CEDRIC is not a modern-day Goliath.

Rather, it's the short form for the CED Resource and Information Clearinghouse, sponsored by the Toronto-based Social Investment Organization. It's a new computerized data and networking system, based on Web, Canada's non-profit communications network.

Members who use this computerized system are able to communicate with other parties (or simply re-

quest and access information) throughout the country at any time, 24 hours a day.

CEDRIC users will access the system using "Messenger", an easy-to-use offline reader service developed by the Nirv Centre. Services provided include a central information storage and delivery system; an electronic data exchange service; and an electronic conference service. Access to other services on the Web network is another benefit.

However, the main feature of the system will be a regularly updated database on CED. The benefits of this system to organizers and supporters of commu-

nity economic development are numerous. Individuals and organizations which subscribe to the service are able to:

- > Gather information on available sources of investment capital;
- > Communicate with other organizations for planning and problem-solving purposes;
- > Exchange information regarding financial planning and project development;
- > Research information on other groups.

Resource providers and investors are able to obtain information on investment opportunities while spreading information to local

groups about programs and services. All CEDRIC users are able to access international networks and information sources.

CEDRIC is being implemented by a coordinating committee representing the Ontario CED Coalition, Our Local Economy and the Social Investment Organization. The project has benefitted from a generous donation of computers from the Institute of Chartered Accountants of Ontario.

For more information contact Martin Luymes at the Social Investment Organization, phone (416) 360-6047, fax (416) 861-0183.

Mobilizing Local Capital: A CED Investment Manual

By Robert C. Walker

Emerging from the work of the Social Investment Organization and Self Employment Development Initiatives, *Mobilizing Local Capital: A CED Investment Manual* aims to help groups across Canada establish financing strategies to support community economic development initiatives.

CED financing is necessary because of a "credit gap" resulting from the reluctance of conventional financial institutions to provide loans to CED initiatives. Echoing the concerns of small business, CED proponents claim that banks, trusts and credit unions, in

general, are primarily concerned with maintaining profit margins in order to ensure returns to their shareholders, the high administrative costs associated with reviewing and monitoring the relatively small loans -- often under \$5,000 -- required by micro-enterprises and community-oriented businesses, automatically reduces the attractiveness of CED initiatives.

To help communities establish their own mechanisms for financing community enterprises, the manual defines CED and provides an historical context; identifies the key stakeholders involved in CED financing

institutions; details three common types of CED financing mechanisms; and helps communities get started on their own financing strategy, by describing the development of a fictional loan fund.

Loaded with detailed examples of illustrations of successful projects and programs from across Canada, this publication

will be of interest to investors who wish to see their money help regenerate their local economies and help repair the damage inflicted by the recession.

Available for \$19.99 from *The Social Investment Organization*, 366 Adelaide St. East., Suite 447, Toronto, Ont. M5A 3X9, or phone (416) 360-6047.

Revitalizing Canada's Neighbourhoods: A Research Report on Urban Community Economic Development,

by Stewart Perry, Mike Lewis and Jean-Marc Fontan.

This detailed report tells you what is actually going on at CED in Canada's cities and towns. It's based on research done on 44 CED initiatives in urban Canada, 10 of which were selected for more in-depth analysis.

Revitalizing Canada's Neighbourhoods paints a rich tapestry of grassroots initiatives dotting the country which, reflecting Canada itself, are varied indeed. The size of projects varies greatly as well -- from the Quebec Workers Solidarity Fund, which has over \$550 million in assets, to Toronto's Mosaic Desktop Publishing, a two-person outfit which produces this newsletter. After describing the projects, the report outlines six major findings with related policy recommendations for government.

This research report has value for both policy-makers and CED organizers. Organizers will learn what features and conditions have created successful urban CED initiatives. We should use this information as we plan new CED projects.

Government bodies will learn what they need to contribute in order to support community economic development.

This report offers hope, as well as practical inspiration.

A project of the *Centre for Community Enterprise and the Community Economic Development Training Institute*, 160 pages.

Available for \$20 per copy, plus 15% shipping and GST from *Westcoast Development Group*, 2905-31st St., Suite 5, Vernon, B.C. V1T 5H6, tel. (604) 542-7057.

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Early Registration Discounts

Community market drums up sales

An exciting networking and marketing venture is underway which may overcome the difficulties in marketing faced by many community-based enterprises.

It's called the Ontario Community Market - a new sales and marketing organization committed

to CED and to expanding the market for co-op and community-based products through collective marketing and production.

The Market will specialize in market research, product design, marketing, sales and distribution.

"If small businesses, especially those committed to

including people left out of the mainstream workforce, are going to survive in a global market economy, they must link together in a common sales and marketing network", says Sandra Mark of West End Community Ventures.

This organization is one of many CED organizations which is helping to develop the Ontario Commu-

nity Market. Others include Toronto Community Ventures, the Ontario Worker Co-op Federation, the Ontario Crafts Council, the Canadian Crafts Council, Women in Rural Economic Development and the Canadian Co-operative Association.

Several retail chains and independent retailers have expressed interest in purchasing CED

products. Working with them will be a top priority for the Market. Other goals include establishment of an Ontario-wide CED sales and marketing network, and other pilot projects such as publication of a business directory and a mail order catalogue.

Development of the Market is proceeding with support from a jobsOntario Community Action grant.

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 - Employment - Community Support Services -

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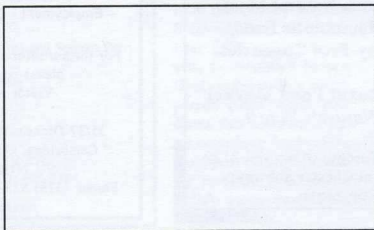
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