

The Nuts and Bolts of Community Economic Development

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Introduction

Community Profit began with a phone call to the Edmonton Social Planning Council from Gerri DeHoog of the Calder Action Committee. In her capacity as regional representative of the Federation of Community Development Corporations, Gerri wanted to explore the possibility of holding a western Canadian meeting to stimulate and share ideas about community development corporations.

Staff at the Council were excited by the idea. The Edmonton Social Planning Council has a history of involvement in the area dating from the 1970's, when Council staff wrote a proposal for the establishment of a community development corporation in the Parkdale district of Edmonton.

In order to plan the conference, a committee of community representatives was formed, including, among others, representative

from the Credit Union, from the Alberta Federation of Labour, from DREE, and from City Social Services. Conference organizers hoped to bring together a wide range of delegates to share their experiences about community economic development, and also hoped to provide an opportunity to familiarize new people with the concept thus gaining it wider recognition and application.

Community Profit was able to draw together some two hundred people from across the country who were interested in the work of the Federation, including many staff, volunteers, and board members of CDCs. In particular, a wide range of delegates attended from Western Canada and the north. Speakers included key organizers of CDC projects from across Canada.

Community Profit provided an opportunity for organizations committed to the CDC concept, as well as those new to it, to re-examine the issues and renew their commitment. Groups working on their projects in isolation had an opportunity to make contacts with others who were aiming for similar goals and facing similar challenges.

Since the conference, the Edmonton Social Planning Council has received a steady stream of requests for information about community economic development. By publishing the conference proceedings we hope to help meet that need.

We have chosen to summarize the major themes and to reproduce a variety of papers representing each theme, rather than to follow the time frame of the conference. Throughout the literature, the terms CDC (community development corporation) and CED (community economic development) appear to be used almost interchangeably. For the sake of clarity, in our summaries we have used community economic development in a more general sense when referring to the process of revitalizing communities and have used the term community development corporation (or its abbreviation CDC) when referring to the specific vehicle by which this development is accomplished.

We hope that as well as providing valuable resource material about community economic development, these proceedings succeed in preserving some of the spirit of the conference.

The Theory

The practical focus of a community development corporation is the revitalization of the community through community-based economic development. This type of development may meet community needs in any number of ways - by providing economic strength which increases the power of disadvantaged groups, by creating community jobs and supporting community business, and by providing needed services or facilities - for example, non-profit housing to the community.

In most cases, community development corporations appear to have met these goals successfully by operating in the form of an umbrella organization which on the one hand may own profitable enterprises and on the other manages to operate non-profit social services. Although each CDC operates in a unique way, a number of theoretical questions can be addressed which are

important to them all.

While economic development in general will have a positive affect on any community, in what way do CDCs differ from private business? To what extent should decisions about their operation be ruled by the bottom line and to what extent should specific community needs be considered? Who should control the CDCs? Should it be “grassroots” members of the community, or members of the existing power structure? If community control is a goal, then what does this mean and how is it exercised?

CDC boards must also deal with the issue of employment policy. If one of the goals of the CDC is to create local employment opportunities, to what extent is it nonetheless legitimate to recruit needed expertise outside the community? To what extent is government involvement in the financing and planning of the CDC constructive? When does it promote conflict of interest and discourage independence?

Stewart Perry in his keynote address *Evolving a New Economic Perspective* provides a history and background on the CDC concept gleaned from his many years of experience in the U.S. movement. He also links the U.S. and Canadian experience and points the way to some future directions. Leslie Bella in her presentation on *Community Power* and Greg MacLeod in his discussion of *Community Control* address directly some of the important issues of distribution of power in communities and the way CDCs can be organized to efficiently use that power while at the same time redistributing it in a broader way through the community. Their papers are reproduced below.

Evolving a New Economic Perspective

by Stewart Perry

In a very real sense, this conference may be an historic occasion, unrecognized as such today, but to be remembered in the years to come, if we are successful here and carry forward our efforts in further collaboration. What can happen at our conference can be the beginnings of a new economic perspective for Canada — and encouragement to other nations, including your uncertain neighbor to the south. This new perspective can promote an economic environment that both values and understands what are the strongest building blocks of a healthy economy: I mean, the local, community-based businesses and the local facilities (the physical, social, economic, and cultural facilities) that support and guide those community-based businesses. And as we come to adopt this new perspective cross-nationally, we shall discover new opportunities for mutual benefit and move into an improved international economic order.

To this date, most of our economists and public leaders alike in the U.S. and Canada have somehow been bemused by the big-bang theory of economic development and national economic health, even exporting that theory to the Third World, telling lesser developed nations, “Build big if you want to be healthy and grow.” The big-bang theory urges a community or nation to create some enormous facility or attract a great corporation to start such a facility. I hear in Canada it’s called a “mega project”, but it can be a steel plant, an oil-cracking plant, an automobile factory, or any other big installation that is supposed to touch off a prosperous movement. But it doesn’t work that way, or only rarely so. The policies of the managers running the new facility get made on other considerations that what will be good for the community; the jobs created are too often filled by outsiders, especially because no one has thought to prepare local residents to fill them; and to a great extent materials and secondary supplies come from far away. And if that were not enough, when things go awry (and in life things will always go awry, at least temporarily), the decisions that get made then to cut the losses usually ignore losses to the community.

So our conference must refuse to accept the big-bang myth and must adopt the more valid perspective in which different sorts of community groups will sponsor, shelter, encourage, and build local community-run ventures and the necessary infrastructure. I hope you will not mind my using that grotesque word, “infrastructure”. There just isn’t another word that I’ve found to encompass the essential foundation of all business: the complexity of human institution, physical constructions, cultural patterns, and so on, upon which all business activity is essentially dependent. It is always important to emphasize that a business venture cannot begin and survive without a great deal of support

from the social, cultural, and physical environment of interested civic officialdom to roads, schools, hospitals, entertainment facilities, family patterns, and so on — all the surrounding paraphernalia of life to sustain the business process, the job creation process. In any case, it is the community base and the smaller venture that makes the difference.

Increasingly, new research is making the facts evident: in our Western economies (and even in Western Europe), we have been discovering that most goods, services, jobs, technological advances, and productivity come from the smaller little known enterprises rather than from the highly visible (and highly dangerous) multi-national corporations. I'm never good at remembering statistics, but I refer you to the work of David Birch at M.I.T., whose book "*The Job Generation Process*", lays out the figures for the contribution made by the smaller venture. On those sorts of facts we know the community-based approach is on the right track.

I do not take it as my task tonight to lay out those facts or to explain why it has been so hard to learn that lesson, to find those facts and make them a basis for public policy and local action. But that lesson is indeed not yet learned, and so we begin here an uncertain course of economic and political exploration to find the ways to construct a healthy, flexible economy founded upon **community** economic development strategies. The course, I emphasize, is not well laid out. There are very few unambiguous guides. But at least we can rest confident that we can start from a valid assessment of where we are now and where we want to go in the future. Within that context, my assignment tonight is both reasonable and necessary — to take a look at the history of the community economic development approach. We can learn from that history some of the clues to consider and test in action on the local level and on the national level.

To begin: I am apt to date the formal inception of the community-based economic development approach with the recent invention of an institution known as the community development corporation, or CDC, originating about 15 years ago. I do so because it was my personal good fortune to be a witness of those years. My U.S. government responsibilities at about that time led me to seek out and find cases of that institution so that I could design and launch a program of support for them, because I and others saw that new institution as an ingenious way to solve social and economic problems that up to then had been discouragingly recalcitrant. So I date the contemporary CED approach from that invention.

Yet, there were all sorts of precursors, both in the United States and Canada — for example the co-op movement, the **caisse populaire**, and so on. **And** if you really wish, you can pick up a thread that will take you back about 150 years into the utopian community tradition of post-industrial

revolution Europe. But that sort of scholarly review does not make the most sense for the purposes of this nuts and bolts conference. What we need to take a look at is the more recent history because that should tell us most about our own current condition and opportunities. So for pre-history we may begin no more than, say, 20 years or so ago. From my own view, we should begin in an unexpected almost exotic quarter, which is nevertheless specifically relevant. We start off with the experience of a particular economically disadvantaged group and what that group contributed — the U.S. urban blacks of the late 1950s, early 1960s. That may seem far away from your own experience but let me try to show the connections.

In the U.S. in those years, both the aspirations and the discontents of American blacks were rising, in tandem, just as the beginning successes of the civil rights movement took hold. Those successes did not by any means bring deep satisfaction to blacks; they merely highlighted how much was still wrong. And, as I say, they increased discontent while they also increased hopes for a new advance. Now, other social forces were at work, of course; and I think a good case can be made out of the single impact upon black discontent of the visual news and entertainment medium of television. In any case, the dissatisfactions rose and rose, and focused on the discrepancies of economic status, compared to whites, and on a recognition of the ghetto-like conditions of life for blacks in the major American metropolitan centres.

For some observers the black ghettos were obviously internal, exploited colonies, and so they preached a doctrine of revolution against the colonial oppressors. Others preached an inchoate separatism. But still others conservatively preached for continuing the strategies that had so far brought the civil rights successes — that is, for depending upon new access to the voting booth as the means to achieve economic opportunity. In fact, the latter strategy did actually force the beginning of the U.S. anti-poverty programs. But those programs only raised even more the consciousness of blacks, the aspirations, **and** the discontents. For poor blacks, the anti-poverty programs sharpened the contrasts between what was and what might be. And so came finally the terrible explosions of resentment in the ghetto riots of the mid-sixties. The anti-poverty programs of job training, youth recreational activities, senior citizen groups, and even community organizations to fight the issues with city hall seemed somehow irrelevant to too many young black males, and to others as well. Irrelevance exploded into the riots spreading and spreading. No sooner did the fires die down in one city than they rose in another.

Because of my government job I was personally a witness to two disorders - one in Cleveland and one in Washington, where I lived. No doubt those experiences have made it excruciatingly necessary for me to try to understand what was wrong and what could be done about economically depressed communities

and neighborhoods. All of us have seen a building or two on fire, but (for me) to look out my apartment window and see a huge wall of fire many blocks long and deep, flames hundreds of feet into the air — for hours and hours. And days later to feel my eyes smart from the tear gas still lingering in the neighborhood supermarket where I shopped — **that** stays with you. All those events may seem extreme here and now, but bear with me a while longer in the particular story, so that I can draw some more general implications that are real for Canada today.

Although many white citizens were shocked and not a little guilty (and perhaps frightened because of their guilt), it was the black citizen who suffered the most from the riots. The urge to burn was destroying their own neighborhoods. That is why middle-class and working-class blacks were swiftly mobilized by the riots into a new and different kind of struggle, joining welfare mothers and other poor folks' leaders in a reassessment of the black agenda. All over the stricken areas, independent neighborhood groups formed to piece out meaning from the events and to light a different beacon.

A black professional in Buffalo, N. Y., told me in those days, "My children asked me what I had been doing to prevent the riot here and help my fellow blacks, and there was nothing I could tell them." That was when he and others in Buffalo and the other riot cities shifted their perspective from an individuated concept of black civil rights to the social-economic concept of the black community. What happened spontaneously to each city began as neighborhood after neighborhood puzzled out the local scene, and the pieces of the answer fell into the same pattern: a community has to have its own institutions to deal with a comprehensive interlocking of economic activities as well as political, of new businesses as well as new voter registration, of housing development as well as integrated schools, or industrial parks as well as recreational facilities, of the sense of self-respect in a neighborhood as well as the dignity of a national citizen. And they came to the same general institutional innovation. Out of their recognition a new social and economic tool was **invented** - the community development corporation. The CDC would represent and direct a community approach to comprehensive revitalization of a unified neighborhood.

The terrible fires of urban desperation have called attention to the plight of minorities generally — not only black but brown and yellow neighborhoods eventually erupted in that period. But even more importantly the riots called attention to the bankruptcy of the older institutions of larger cities for dealing with neighborhood problems. A new kind of institution was called for, and so a new kind of institution was spontaneously invented, almost simultaneously in a number of different cities. The idea of the CDC caught on and spread quickly. It was really vague enough to fit each local situation, so local people

could fill out the concept with their own ideas and circumstances; but it was sharp enough to cut to the core problem of the depleted community. Within a few years the idea of the CDC had generalized from the northeastern urban black neighborhoods of its origin to be adopted and adapted by rural Hispanic districts in the Southwest, by Native American reserves in the Northwest, by Appalachian mountaineers in the border states, by rural blacks in Deep South backwaters, and by depressed Irish-American, Puerto-Rican, and Italian-American neighborhoods on the East Coast; and even a well-to-do Southern California city tried it out for combatting over-swift and exploitive development. Along the way, the CDC idea had also slipped across the border into Canada, where it was re-shaped to fit the realities of different depressed communities here.

When you take a look at the origin of each CDC in the U.S. or in Canada, in no matter what setting, there appears to be a general pattern. Here now let me try to show the connections, finally. First there is a history in the community of exploitation by outside ownership, which increasingly exports capital from the local area by unreplaced depreciation costs, by rents and profits that are never reinvested, and so on. A cycle of self-reinforcing deterioration and disinvestment takes over, in which human capital is also exported. As the physical and social environment deteriorates into poorly lighted streets, dilapidated buildings, deserted stores, and higher rates of crime and other anti-social behavior, many of the more skilled and/or more aspiring residents seek better neighborhoods for their jobs and for raising their families.

A very similar picture takes over in rural areas when agricultural or other resource exploitation ends in the played out fields and mines, in the disappearance of jobs and of supporting facilities and institutions, in the deterioration of housing and other indices of quality of life. And again human capital streams away. So in the first stage of this history, there is a long background of all types of disinvestment, whether in an urban or rural setting.

The second stage in the history of CED begins with some galvanizing event that mobilizes the remaining community leadership, who in turn mobilize others. The energy thus released spreads into a campaign to gain a very limited but highly salient goal. The goal is reached in a hot climate of activism, and flushed with victory, the community leadership looks about and concludes that something more definitive must be and can be done. The third stage will then begin with the organization of a CDC.

There does not have to be something as dramatic or destructive as a riot, but there does have to be some final straw that carries the people through the second and third stages. The residents are accessible to mobilization because they have a tradition of seeing themselves for many years with a common fate of disadvantage, injustice, and exploitation; and they share enough

experiences and values (usually a common ethnicity) that they can think together and work together easily. If the event that touches off the process is followed by some real success, then there is more energy released to invent new solutions.

Let me give you a couple of examples of this movement through the second and third stages. In the East Boston Italian-American district, near where I live, a process like this produced the first white ethnic CDC in the U.S. East Boston had been a stepchild neighborhood for generations as each new wave of immigrants displaced the previous one. Most recently it was Italian-Americans who built their way of life there; and they were being threatened not by a new wave of immigrants but by the boom of the post World War II era, in the growth of an adjacent airport. The airport is a major source of air pollution, of course. But even worse is the noise — especially with more recent expansions that direct the take-offs and approaches over the neighborhood. School classrooms simply suspend any activity for several minutes at a time during heavy periods of take-offs and landings. (I myself have been to meetings in East Boston in which we would just have to break off for a bit and wait till we could hear each other again.) But even worse in this period of years was the constant construction and expansion of this big-bang project. Finally, I guess it was a series of accidents or near-accidents, involving the construction trucks, that made the difference. Mothers of the neighborhood organized to stand in the streets to prevent the passage of the trucks going and coming from the expansion operations. Now, Italian-American women simply do not take public, visible action; their place is in the home. But this was threatening their homes and their children. The action of the women moved others to join them to stop the continued expansion of the airport, which year by year was encroaching on the neighborhood, destroying it by buying up and bulldozing more and more houses for more and longer runways.

Up to this time no one had bothered about the effect of the airport on East Boston, but this strange new activism began a new era in city political relationships as a CDC was formed to focus attention on broader issues of development and the role of the airport.

I think the same process can be seen in the Canadian core I know best. In Sydney on Cape Breton Island in Nova Scotia, a government announcement that the coal mines would all be shut down galvanized a coalition to do something about the loss of jobs. A Metropolitan Alliance for Development was formed to insist on alternative public investments — specifically, a regional vocational training facility, especially to re-train the miners and also to upgrade local skills. With success in bringing that facility and a Coast Guard Academy to the area, local leaders went on to other broader activities in housing and human resources that eventuated in New Dawn Enterprises. That

same kind of story of the immediate antecedents of threat and a specific limited early success can be seen in the origin of virtually all CDCs.

In the U.S. a **fourth** stage of CDC history was reached when local groups, like the East Boston CDC, recognized that however effective in mobilizing resources they might be from already established sources and programs, these are not really enough, nor are they targetted efficiently to local needs. At this juncture, people begin to think about changing public policy and law at the state level and at the national level. But that requires more than the work of one local CDC; it requires a coalition of other like-minded groups. At that point, U.S. CDCs begin to join together to get new state or national resources.

Again, this stage may not reach its successful culmination without some crisis. On the U.S. scene, the first major crisis was the threatened diversion in 1970 of federal government monies away from community groups; this brought the CDCs together to save the only pot of federal money they had access to then. Prior to that time, although a national organization of CDCs had existed, it had limped along without much energy or a meaningful program. But after the galvanizing threat which the CDCs were then able to overcome, it was thoroughly and effectively re-organized to go on to a broader legislative agenda and additional services to its members.

So it seems to me that on a national level as on the local level, a similar course takes place. There is a long history of impoverishment, but finally a rather specific incident mobilizes people who already feel a common identity to accomplish some particular specific and limited goal. With success in that campaign, sights are raised to a more ambitious and comprehensive set of goals, with an institution shaped to achieve them.

It seems that here in Canada you are at the beginning of the fourth stage. That is, local community economic development groups are beginning to be aware that their activities need specific federal and provincial resources that are directly targetted for locally-run CED strategies. And so around the country, we are seeing regional meetings like this, where one of the items on the agenda is the role of a national federation of CED groups.

Will Canadian groups move on to an effective national organization? Is there enough sense of urgency to mobilize community groups throughout the country to make their will known and felt in Ottawa and elsewhere? Objectively speaking, Canada (no different from other nations of the Western World) is suffering the worst economic crisis since the Great Depression. Further, each Western nation is trying to shore up its economic defenses by actions that threaten the economic defenses of its trading partners and the Third World. Thus, with beggar-thy-neighbor tactics, Canada, the United States, the European Community, and so on, may touch off a further downturn or, almost as bad, simply jell hard the current depressed flow of trade. Private international

banking and finance and the multinational corporations are offering just as many problems as they are offering ways out. And every so often, some authoritative figure warns us of imminent disaster. Is all this enough to galvanize the CED groups to put forth **their** potential as an alternative strategy, a strategy that will require crucial shifts in public policy? Is the current depression now affecting local communities **severely enough** to motivate them to insist on a different development approach?

The stakes are higher now because the stakes are not merely local, they are national and international. And no one can claim a sure solution. Yet I cannot help hoping that the clarity of vision that I have found over the years in leaders of CED groups in Canada and the U.S. will soon be directed to larger issues of economic health and illness. The processes that will build economic health are recognizably similar, whether on the local or national or international level. True, there are mammoth forces at work in the world — arcane things like wildly shifting international exchange rates, large trade deficits, investment shortfalls, declining demand for this or that commodity, and over all the dangerous ambiguity of nuclear war. Do all these things confuse the picture so that what is so clear at the local level disappears when one widens the lens to take in a broader scene? Are these conditions really so different from what we know we experience at the local level?

Recognizing that each level of economic interchange has its own features, let us remember that the basic building blocks of a healthy economy, locally, nationally, internationally, are local community-based ventures. If we concern ourselves with what can make **them** begin **and** thrive, we will have a guiding star for directing the other aspects of the economic enterprise. For example, if a proposed action or policy will not demonstrably support and facilitate the smaller localized ventures — quite directly, not in some hypothetical indirect fashion — then we must question the grounds on which that action or policy is justified. Taking that perspective, we will not allow the big-bang theories and strategies to draw off the resources of this world. Then indeed resources can be put to work in communities under local direction so that people will find jobs, produce goods and services that are truly needed, and approach a way of life that is productive and satisfying because it participates in the great exchange of what each can do for the other.

Many of you will wonder, nevertheless, how can local projects in CED make a difference? I can only emphasize that learning from each other (in this conference and elsewhere) the nuts and bolts of — namely the steady creation of meaningful jobs — success on the local level, you will demonstrate how to accomplish something that major government programs have failed in, not just in Canada but in the U.S. and Western Europe too — not to speak of the problems of Eastern Europe and elsewhere. For the Western World, you will

demonstrate how to do something that the major industrial corporations have failed in, too. You will, in short, demonstrate that the revitalization of a depressed community is possible without radical redistribution of populations and other great upheavals; that jobs can be created in new ventures and in infrastructure facilities; that local ideas, local energy, and local resources do make the difference for the economic health of the community **and** the nation. So your projects will demonstrate that those ideas, that energy, and those resources must be husbanded and promoted by the policies of the government and the policies of private industrial and financial sector. All of this will mean a gradual re-orientation in law and in practice. It is a long road to travel, but it is a road that leads to a real destination.

I see ahead a fifth stage in the history of community economic development, in which Canadian groups and U.S. groups will more and more reach across their borders to learn from each other and to grow together. And the fifth stage will begin to link CED groups everywhere in a search for further knowledge and new techniques appropriate to the community level. As that cross-national interchange takes place a new understanding can be built between peoples, based on the recognition of their common enterprise, their common experience, and their common (and noncompetitive) goals for local betterment.

In the workshops and group discussion of the next two days we **can** begin that journey. Here at this conference, we shall have a chance to look at local problems and to learn from each other about possible ways to attack those problems, but we shall not miss our chance at history if we see how what we learn locally **can** be used on a wider scene.

by Greg MacLeod

Community Development Corporations, as a movement, have developed as a result of political and economic alienation in depressed communities. Especially since the Second World War, Canada has become more urbanized, more centralized, both in government and in commerce. Citizens living in areas of social-economic decline developed a feeling of helplessness. The whole process was beyond the control of not only local citizens but also beyond the control of local authorities and local political representatives. It appeared that people had to wait for something to be done by the distant centralized government or the international economic forces. In some places such as the East of Quebec, Northeast New Brunswick, Newfoundland and Cape Breton actual plans were implemented to close out small villages which were not viable. Government manpower policy included mobility allowances to move people from their traditional homes to new centers of economic progress. Confidence in the workings of the large national and international systems decreased all the more when even the boom centres of Canada began to decline.

It is in this context that an almost spontaneous reaction occurred in the seventies. In different parts of the country citizens began to resent and refuse dependence upon unknown outside forces. Protest organizations such as "Dignité" in eastern Quebec protested and promoted alternative local economic organizations. In Cape Breton on a smaller scale, MAD objected to government neglect of the area and from this reaction, New Dawn, a local community development corporation was formed. Throughout eastern Quebec, in Calder of Edmonton, in the Indian community and in many parts of Canada, community development corporations have arisen as a positive reaction to outside forces which are blamed for the social economic decline in an area.

The Community Development Corporation is a cooperative attempt by local people to take control of the social-economic destiny of their community. The projects initiated by a C.D.C. will vary according to local circumstances. What they have in common is the determination to respond to local needs as community members perceive them. From their very source it is evident that C.D.C.s are a fundamental exercise in community control. Now the big question concerns how an organization can be structured to permit and encourage local control. Although many C.D.C.s are incorporated as a corporation for legal convenience, the spirit and intention is unquestionably cooperative. When it comes down to a concrete control structure a number of options are available.

I. Control may be mass based. In this approach all the residents of the target area are invited to become members with a vote to elect the board of directors.

The advantage of this approach is that everyone in the community has a legal right to intervene in the affairs of their corporation which they own. The disadvantage is that such ownership can easily be a token ownership and a token participation. Also the board selected by a mass meeting may not combine the array of expertise required for the board of a modern corporation. A consequence could be that a token board results with management and staff exercising complete control. To make such an approach effective would require a great deal of organized animation and education among the membership. Traditional cooperatives have tried this but have usually found that they could not afford the staff resources required. Especially new CDCs who are struggling for economic survival find it extremely difficult to assign staff to these functions.

II. Another approach is to organize a small group of local citizens who have already exhibited leadership and who possess a cross-section of expertise. This small group could consider itself a founding board of directors. To be effective this group would have to enlist the support and endorsement of the local community. In every community there are people who, through previous public service, inspire the confidence of others. These persons may be officers in well respected organizations such as labour unions, church organizations or service or business clubs. These people would view themselves as acting in the name of the local community and as reflectors of the local interest.

The advantage of this approach is that a balanced board encompassing legal, financial and other technical expertise can be handpicked. Other special committees can be recruited from the community at large. The disadvantage of this approach is that the board may become an elite using the power of the corporation for the benefit of it and its friends.

III. The third approach is a mix of the above. The corporation could be partially handpicked by the founders and partially made up of appointees by other organizations with a mass base. These organizations could be church groups, labour unions, senior citizen clubs, etc. The by-laws of the CDC could simply specify that a certain percentage of the board members be named by other specified organizations and that the remaining members be named by the board itself.

There is no ideal structure which will guarantee real local control. Perhaps the third approach is the most flexible. The board of a CDC is somewhat exceptional in that the diversity of the decisions require a board with diverse talents. A good board is difficult to constitute and once constituted it requires a long education process.

Whatever the structure used, it does not mean that the local community actually controls the corporation. A lot of people could have signed cards and attend meetings twice a year to hear reports and even to vote on approval of

projects. Token control is easy to organize. Effective control means that the board and committees must spend a lot of time in discussion and reflection. They must understand their local community so that their corporation will respond to legitimate needs. They must be able to evaluate a project not only from the point of view of commercial viability but also from the point of social impact. Otherwise, the corporation will be directed totally by the hired staff and board meetings will consist of mere rubberstamping.

Effective community control depends upon education of the board members and committees as well as the community at large. Each board should have a social development committee which is responsible for education. This is distinct from a social service committee which would organize social welfare projects. It is advisable for a CDC to institutionalize this educational aspect of its activity. A by-law could require a yearly or bi-yearly day-long seminar to discuss policy and future directions. Such a seminar should involve staff as well as board and committees.

A good CDC also sees the necessity of educating the public at large concerning issues of local development. The CDC is an exercise in local citizens taking responsibility for their own community. If successful this spirit of responsibility should be communicated to others in the community so that the CDC itself is a stimulus to general community animation. It could become a disease that is catching.

Community Power and the Community Development Corporation

by Leslie Bella

The distribution of power in your communities will either make possible the intentions of community development corporations, or will block them. You will either use the power structure, or be used by it. I therefore believe that it's crucial for you to have some understanding of how to discover the distribution of power in your community and also what to do about it.

Concepts of Power

Two concepts that I will use in this presentation are "power" and "influence". The definitions I will use are those used by Dahl, although there is some confusion between political scientists in this area;

"Power is a relationship in which one individual (or institution or group) requires or compels another to act in a way in which he/she would not otherwise have acted. It involves sanctions. (carrots, sticks)."

R. Dahl, *Modern Political Analysis*

Influence is a related concept:

"Influence is a relationship in which one individual (or institution or group) requires or compels another to act in a way in which he/she would not otherwise have acted, but without the threat or use of sanctions."

R. Dahl, *Modern Political Analysis*

An illustration may be helpful.

I have influence over you, but no power. You are here voluntarily, you do not require grades from me, or permission to leave the room. I cannot physically force you to stay. Now, if you were my students in a classroom at a university I would have some sanctions available to me if influence failed. If students weren't attending classes I could bar them from writing exams; I could fail students who didn't give me the answers I wanted on the exam. But, still, I would always prefer to use the influence, not the sanctions of power, because actually using those sanctions involves some loss for me: loss of credibility as an instructor, probably with both my students and with my chairman. So it's important to remember that while many people and institutions have sanctions available to them, we are generally reluctant to use them, preferring instead to use influence.

Measuring Power

There are three methods of measuring power that I want to introduce here today. They are:

1. Assessing power potential (i.e. resources).
2. Finding out who was involved in key decisions.
3. Asking people who they think to be powerful.

Assessing Power Potential

In this method of measuring power we look through the community and weigh the resources that each person has that could be used to bring sanctions against one another. We also look at those resources that do not support sanctions, but which could increase the level of a person or an organization's influence. What do I mean by a resource? Well, it could involve any one or combination of the following:

- * Funds
- * Personnel
- * Knowledge-information
- * Skill
- * Technology/equipment
- * Access to decision-makers
- * Physical Force
- * Position/authority
- * Numbers

Money is the most important of all these resources, for money can be used as a sanction itself - positive or negative - and can be used to purchase other resources needed to exercise power or to influence people. People can be hired; information, skills and technology can all be purchased. Organizations with a lot of money can hire professional lobbyists to ensure that they maintain good access to decision makers.

Physical force, at least in our society, is a legitimate sanction only for the state. However, we all know that it is used by parents against children, by men against women and by thieves against those they steal from. In many of these situations the realistic threat of force gives one person the power that compels the other to submit.

Position, bringing ultimate power - what some call authority - usually brings control of other resources - people, money, equipment, and sometimes the right to use force. Examples are the police, and with the support of the courts, child welfare officials, prison officials, and what we used to call truant officers.

The last resource on the list is important in a democratic system such as ours. A community group without money, hired staff, or expertise may require or compel a City Council to act just because of the numbers that appear to support the group. A packed City Council meeting, filled with citizens supporting their spokesperson on a particular issue, brings images to aldermen of crucial votes lost or won at an upcoming election. There is also that inevitable unspoken fear of the loss of law and order if many citizens physically refuse to comply, and either riot or become involved in passive civil disobedience. Numbers are the ultimate weapon of the community group.

Well - these are the resources that can be used to exercise power or to influence people. To use this method of studying power you weigh up these resources, see who has what resources, and map their distribution through the community. This shows you who could be powerful if they exercised power, and who has the resources to influence people if they choose to use them. However, that's not the whole answer, for some institutions or individuals may choose not to become involved; they may feel their stake in the outcome isn't big enough, and it's not worth the effort. To find out who actually becomes involved in using their power in a community we have to look at several community conflicts or controversies and do what political scientists call Decision Analysis. What we must look at is:

- * Who was involved in the decision?
- * Who used what resources to influence the outcome?
- * Who exercised power - what sanctions?
- * Who won/lost: who benefited from the outcome?

Let's think briefly about what kinds of issues these might be in a community. They could include the decision to build a new public building - a convention centre, a swimming pool, or a football stadium - its location, and who is going to pay for it; they could include planning decisions such as zoning changes, road-way widenings, parking restrictions or the location of rapid transit stations; human issues such as youth programs, shelters for battered wives, lack of opportunities for the dependent handicapped could also be the focus of community conflict. Then there's that basic contest in our democratic system, the contest to decide who will govern, who will sit in the mayor's chair or on the government benches. All of these issues can be the basis of a decision analysis study to find out who has exercised power. In a minute I will share with you the results of various studies using both power potential and decision analysis methods. But, before doing that I want to mention a third method for looking at power, a method that produces a slightly different answer from the above two. This is the measure of reputation.

To use this method one talks to a number of informants or local experts, to

ask them to list the people they perceive as powerful. These people are then interviewed to find out who **they** perceive as powerful, and the snowball effect continues until few new names turn up at each interview.

The problems with this approach are several; first of all we don't know why people perceive others to be powerful, or how accurate their perception is. They may, for example, name the richest person in the community, without any knowledge of that person's level of involvement or they may name the most active or vociferous participant in community affairs, without being aware that they have little support, and rarely come out on the winning side of any issue. We don't know whether their perception is based upon perceived power potential or upon past participation in a decision. However, this is a popular method; partly because it's easier to do than the other two, and partly because reputation for being powerful is a resource that people can use to affect decisions. To go further, a reputation for being powerful may allow someone to influence an outcome without even lifting a little finger. People in the community may act to avoid actions that would be opposed by a group or individual that was perceived as powerful. I've seen this kind of process at work in decisions on facility location, "We won't put the stadium here because the communities around are too strongly organized, and are bound to oppose. We'll put it here, where the organizations are weak or non-existent."

In conclusion, I believe that in examining the potential for C.D.C.'s in our own community, we should address these questions:

- * What kind of community power structure is there in my community?
- * Are existing power leaders involved in the C.D.C.?
- * In my community should the existing power leaders be involved in the C.D.C.?
- * Should a new power be developed among the less powerful?

The Model

It is difficult to define one model for community economic development because each time a project is begun, it is structured to respond to specific needs and goals. Thus each CDC is different. However it is possible to make some general observations about what elements CDCs have in common.

Wisner and Pell define CDCs as "small-scale, decentralized, frequently labour-intensive projects which are developed through finding new uses for available resources, both human and material, and which serve a variety of locally identified needs." This summarizes the major elements CDC groups have in common.

First and most important, CDCs spring from a local base. They are socially and culturally desirable to the community originating and controlling them. That community can be a

community-of-interest or special interest group in an urban or rural setting, or a rural municipality or region. The aim of a CDC is to increase community self-reliance and viability through a democratically operated process which seeks alternative solutions to community problems. Groups tend to evolve an integrated approach to development, addressing social, cultural and economic goals at the same time, and developing a broader definition of work and profit which includes social and "informal economy" rewards.

Urban and rural CDCs address different problems. Urban projects tend to be a response to inner-city community needs which have a large social/societal component; rural CDCs tend to address economic goals by focusing on the problems of depressed economic development in the area.

Whatever the impetus for instigating the community-based economic development process, it is, because of its flexibility, particularly well-suited to the needs of "marginal communities" wherever they occur. It provides the opportunity for positive action using a process which is attractive because of its responsiveness to diversity. Women, native people, people living in economically depressed areas, and program-dependent groups have all found CDCs rewarding. To serve these special interest group needs, CDCs try to redefine the standard societal economic model of acceptable activities and processes to include the priorities and cultural imperatives of the community, and redefine the measurement of rewards and results likewise. (At the **Community Profit** conference, Herb Schultz and Bill Hanson, who have introduced the CDC model to native communities, stressed its relevance to these communities. CDCs are a means of development which maintains the cultural identity of the community while allowing improvement in economic conditions and quality of life, and increased community strength and control).

Because there is no specific legislation addressing CDCs at any level of government, founders must work within a range of laws and policies. CDCs can use a number of legal structures in

order to match the goals of the community developing the project, and encompass a range of economic activities and socially beneficial projects. Groups should explore the alternatives with expert assistance in order to avoid future problems which might be costly and damaging to the project.

In the following papers, Susan Wismer and David Pell examine the elements and the problems CDCs have in common, and suggest some ways of alleviating the latter. Harold Baker develops "a partial framework for the consideration of community-based economic development" based on results of the SCRAD rural development project in Saskatchewan, and Jan Reimer comments on aspects of the urban experience.

Community Self-Reliance in the Age of 6 and 5*

by Susan Wismer and David Pell

These are troubled times in Canada - recession, depression, stagflation, austerity - it does not matter what you call it, it all boils down to troubles. More and more people are eating macaroni, squeezing their kid's feet into last year's winter boots, and running out of unemployment insurance. Our government admits quite openly that it is at a loss in the face of unyielding economic decline, and, as proof, urges '6 and 5' per cent wage controls on a populace in which large numbers have no wages left to control.

Those of us who work in communities are faced, just as much as are economic analysts and policy-makers, with re-evaluating our strategies in the light of current and apparently worsening economic circumstances. In particular, in this paper, we are asking the question, "Does it make sense to work toward community self-reliance in times like these?", and, further, "Does community-based economic development offer to communities strategies to deal with the recession, or will it become a victim of Canada's troubled economy?"

Community-based Economic Development

Community-based economic development (ced) is one group of strategies directed toward economic and social change at the community level. Ced has a long and honourable, if little-known, history in Canada. Its roots are in the co-op movement, but it has also been influenced by a number of relatively recent phenomena including: experiments in collective enterprise and self-sufficient community development which began in the late 1960's and early 1970's and somehow survived; the economic and social goals of various groups within Canadian society which have an explicit interest in gaining more control over their own lives - including quebecois, native and metis people, members of the environmental movement, and residents of communities in the hinterlands of the north, the west, and the Atlantic region; Canadian job creation programs such as LIP, LEAP, and OFY and, from across the border, the American War on Poverty and the programs of its descendent, the Office of Economic Opportunity.

Ced projects take on a variety of structural forms. They can be organized as co-operatives, community development corporations, non-profit corporations, or community businesses. Content-wise, they embrace a full range of economic activities and include manufacturing and processing plants, service

**This paper was presented concurrently at the Conference of the Ontario Community Development Society, Lake Couchiching, Ontario and has been included in the proceedings of the above conference titled Rethinking Community Development in a Changing Society.*

industries such as food stores and gas stations, construction companies, and financial agencies such as credit unions and community investment funds. On the social and cultural side, they are involved in everything from building ball diamonds, to running educational programs, to housing, to preservation of the family farm (Wismer, Pell, 1981).

What makes ced projects different from their neighbouring enterprises, social agencies and non-profit organizations in communities across the country are a number of guiding principles which inform their structure and operation and determine their relationships to the communities which have spawned them:

- there is a belief in and a desire to adopt an integrated approach to development; one which encompasses social, cultural, and economic goals within the same organization;
- the organization retains a not-for-profit status; that is, profits are used for the benefit of the community as a whole and are not solely for project members;
- there is a belief in the capacity of people to manage their own affairs;
- the community is in control of the development process;
- democratic processes are maximized in internal decision-making and in community mobilization;
- the activities of the development process are innovative, redefining social and economic problems and working toward alternative solutions;
- the development process recognizes and supports a broad definition of work, including paid employment, volunteerism, subsistence activities, and work associated with the 'household' or informal economy;
- the organization is capable of securing the necessary financing to cover operating and program development costs;
- community self-reliance is an operating principle and goal;
- there is a belief that community self-reliance can be best achieved by maximizing the use of local resources, especially renewable resources.

It is not our aim in this paper to analyze each of these principles in detail. Suffice it to note that they overlap and co-determine one another, integrating themselves into a coherent approach which has at its base the expressed goal of greater community self-reliance.

Community Self-Reliance

In general, when we talk about development aimed at greater community self-reliance, we are talking about development strategies which include the following elements:

- self-government, that is, control over the development process;
- a planned diversification of activities, based on the principle that

- diversification enhances resilience and innovative capacities;
- the development of local resources in the context of maximizing continuing local benefits and the conservation/regeneration of resources;
- maximization of a community's potential for meeting its own basic needs, such as food and shelter;
- self-finance, that is, the generation, to the greatest degree possible, of one's own financial requirements;
- a community learning process in which community members not only witness development, but also participate in it and understand it through a continuing interaction of personal involvement and reflection upon that involvement in a group context. (See Friedmann, Weaver, 1979 for a somewhat different definition).

Ced is not the only approach to development which has self-reliance as its goal (see for example, Colman, Nixon, 1978; Watkins, 1977). Within the family of approaches to self-reliant development, ced includes those strategies which are focused on locally-based socially and culturally desirable economic activities which are under community control.

Community-based Economic Development in Canada

Today in Canada, there are literally hundreds, more probably thousands, of ced projects in operation (Brodhead, et al. 1981). Through our own work and that of our colleagues, we are familiar with a number of these projects, and, although the sample is by no means scientific, it is representative of the variety of structures, activities and locations which make up Canadian ced. Their recent experience provides us with some indication of what the answer to our questions concerning the relevance of ced in today's economic context might be.

What strikes one first is the sheer volume of activity. Many projects are actually up and running. Some are into the second decade of operation (see, for example, Hanratty, 1979). Others are still in the midst of their first few years. Many more are in the planning or early organizational stages. Second-level provincial and national ced support organizations are being formed. Consultants like ourselves who specialize in providing assistance to ced organizations have begun to appear. A training program for native people, co-sponsored by Alliance Five, an Ontario-based native economic development organization, and Trent University, has ced as a major focus. This major conference is taking place in Alberta under the auspices of the Edmonton Social Planning Council. There is talk of organizing a national data bank to act as a technical resource and networking tool for ced projects. The list goes on ...

A few minutes of conversation is all that it takes, however, to find out that

life for the vast majority of these projects is not easy. Ced enterprises face all the difficulties of any small business and, as anyone who reads the business pages of the local newspaper knows, bankruptcies are spreading like a 'flu epidemic' through the ranks of small business. High interest rates, increased competition from major corporations which are also feeling pinched, customers with less money to spend, and the disappearance of long-established sources of supply and/or markets are making life hard for all small businesses, and ced enterprises no less. Ced projects are finding themselves tightening up operations, putting aside expansion plans, taking salary cuts, laying off staff and/or cutting back working hours, pleading with bank managers, and, if all else fails, shutting their doors.

There is an explanation to this apparent contradiction between lots of activity and lots of troubles, and in that explanation lies much of the answer to the question of the relevance of ced in today's economic context.

Marginal Communities and CED

The high level of activity is understandable once we realize that communities¹ which find themselves to be marginal to the economic mainstream, either through circumstance or design, often make ced their strategies of choice. Small wonder then that as the economy worsens and more and more communities find themselves to be marginal, more of them turn to ced. Ced strategies as a group tend to draw on the significant but often unrecognized strengths of marginal communities - such as available labour, idle resources, and a will to survive in the face of adversity - while placing less emphasis on those factors such as ability to attract capital investment, proximity to major markets, and administrative efficiencies which are the starting points for most more conventional approaches to development. But few of these communities recognize their own strengths, at least initially. Certainly, there are some groups which adopt ced because its strategies are consistent with their larger goals; however, many 'fall' into it. Some have never heard the phrase 'community-based economic development' before they begin their first project.

What is it about ced that makes it a natural choice for marginal communities? There are a number of factors involved. Many of these communities come to ced because other approaches to development have not worked. Maybe a factory closes; or a government grant runs out; the new highway runs five miles to the east; the local centre for social services is a town eighty miles away; the train no longer stops; or political promises for new growth and

¹ Our definition of 'community' here is not only locational, but also includes groups which are communities of 'interest'. We use the word 'community' to denote groups of people bound together by a common fate, or destiny (see also Friedmann op.cit.)

investment just do not come through. Other communities involve themselves with ced, not because other approaches have failed, but because they are unavailable. Women, for example, as a group in Canadian economic society, work long hours for low pay at demanding jobs. They are last hired, first fired, seldom unionized, and are given little recognition for their economic contribution - to put it more succinctly, they are marginalized (Armstrong, Armstrong, 1978). There are, of course, other groups which are also marginal to the Canadian economy, but women's situation is one about which I can speak with some authority. Our experience has been that ced **can** provide otherwise unavailable opportunities to women². Ced, then, offers opportunities for positive action to communities which find that other approaches to development are either unsatisfactory or unavailable.

The development process associated with ced also makes it attractive to marginal communities. For instance, the first critical moment in a ced process comes when a group of people meet and affirm their commitment to working together to overcome community problems. This decision to work "each for all and all for each", as the early co-operators said (McPherson, 1979), is the first step in any ced process. Without that commitment to work together, to overcome divisive influences, ced does not happen. A major change in a community's economic structure or the gathering impact of social problems brought on by chronic and widespread unemployment often creates just the kind of community-wide concern which provides the initiative for many a ced project. However, it is also true that many ced projects begin not with a particular crisis, but with the determined optimism of a few people who are willing to spend their time explaining to other members of their own communities why ced makes sense. This has been the case, for example, in many native communities where native leaders have decided that ced strategies are well-suited to their goals of self-determination (Stiles et al. 1980).

Although the gathering together of this group is seldom an easy task, and may take many months of hard work on the part of a few 'initiators', it is a task which does not require - although it may use - outside resources. We would argue that in any community where one or more people want to form such a group, it is possible to do so; although there will be much variation in how long it takes and in the group's subsequent ability to avoid disintegrating under the stresses and strains which are so much a part of life in marginal communities.

It is not just the first step - the joining together of a committed group - which is within the existing capacities of virtually every marginal community.

² Research to date on a study which we expect to complete in 1983, on women's participation in third sector development, appears to bear out our experience.

Ced's emphasis on integrated development and on goals of self-reliance provide a framework for the implementation and recognition of projects which are undeniably 'successes', because they make a contribution to the improved well-being of the community, but which would have no place in a program of conventional economic development. The development of new community services - such as accommodation for the elderly, or a second-hand store - which may make use of significant amounts of volunteer labour, be run on little more than a cost-recovery basis, and enable the maintenance within the community members and re-usable material goods) are common examples of projects of this kind. Similarly, we hear again and again from ced project members that the maintenance of existing small businesses and the fostering of new one or two person businesses based on ideas brought forward by local people are higher priorities than attracting industry from outside the community. These types of projects, although each one cannot by itself make major changes in a community, have many other values. Because they are building on what is already known and valued locally, they build local pride and confidence - two essential elements of any successful ced effort. Because they meet local needs, these activities are under a degree of local control. Because they can be worked on over relatively long periods of time, in small steps, with a variety of limited resources, their risks are limited. Most importantly, although each project is small, each makes a visible and real contribution to local well-being. For many communities such an approach contrasts favourably with the long and debilitating wait for an industry to come to town.

Ced's emphasis is on small-scale, decentralized, frequently labour-intensive projects which developed through finding new uses for available resources, both human and material, and which serve a variety of locally-identified needs. Most marginal communities possess available labour, a variety of idle or unused resources - usually in small amounts, a range of local needs which offer the possibility of providing the basis for enterprises which can become self-supporting through a flexible and efficient and often unconventional use of resources, and a will to survive. The match between the requirements of ced and the assets of marginal communities is a good one and is generating, as we have noted, large amounts of activity in areas all across Canada.

Problems: Management and Money

Amidst all this activity, there are problems. Ced is not easy. It is a longterm process; typically, it takes five years to get started, ten years before anyone can say with confidence that it is working. It requires a continuing commitment to strengthening one's community. Successes are small and incremental. Management

- both on boards of directors and within individual projects - requires an elegant blend of social conscience and fiscal commonsense which is learned by trial and error. Ced organizations must deal simultaneously with project identification and development, board and staff training, the management of ongoing projects, and the development and maintenance of community support - in a situation where supportive outside resources are largely unavailable.

What we have found, however, is that where ced projects face problems serious enough to close down or significantly curtail their operations, it is not because of a lack of community support. In fact, it is virtually unheard of for communities to withdraw support once a ced organization is up and running. Nor are problems based on a lack of feasible project ideas. There are some communities which suffer from such an absolute lack of available resources that a viable ced organization is impossible, but these are few. Overwhelmingly, problems arise from management difficulties and a lack of financial resources.

The management of ced projects at the board and project level is a little-known art. The balancing of social and economic goals is never easy and requires continuing attention through the life of ced organizations. Mostly it is a skill learned through experience, both good and bad. In the shaky first few years, one too many bad experiences can put a project under. It is not uncommon for management - both volunteer and paid - to turn over frequently during the first few years. Ced groups are often faced with the choice between hiring a local manager with little or no previous experience in the management of not-for-profit enterprises, or someone from outside the community who may have better qualifications, but may also be lacking the commitment to the community which will be necessary at those times when the going gets tough.

Management problems, fortunately, tend to grow less with time. As more and more people become experienced with working in ced projects, there is developing a larger pool of expertise to draw on for staffing and for advice. Also, as we mentioned earlier, some supportive resources, such as training programs, a national organization, a data bank, are gradually beginning to appear.

Lack of access to financial resources is, on the other hand, a problem which grows worse in a direct relationship with the worsening economy. In other ways, the impact of our declining economic fortunes on ced seems to be rendering its strategies more relevant and more potentially useful than formerly. Unfortunately, lack of access to capital is a very serious problem indeed. Community self-finance as a facet of community self-reliance is a concept that is, we believe, of great importance to the field of community development. However, unless we can relate that concept to strategies which are of practical value, then the concept ceases to be useful. It is for this reason that we have

been spending a significant portion of our research time lately in investigating alternative sources of funding for ced programs.

The situation never has been good. Ced organizations describe themselves as being part of the 'third sector' of economic activities - neither public nor private, but making use of the resources of both public and private sectors (McLeod, 1978). As such, ced organizations are able to make flexible use of a wide variety of funding sources: government grants for socially and culturally useful projects, job creation funds, government incentives and subsidies designed for business and industry, conventional bank loans and credit arrangements, and private donations from individuals, corporations, and foundations. It would seem that ced groups should enjoy a relative advantage over conventional businesses or non-profit agencies, but in fact they do not.

Being profit-making but 'not-for-profit' eliminates ced groups from many government programs for business and industry. Even the Federal Business Development Bank, the self-described "lender of last resort", has shown a marked reluctance to involve itself with any business that does not have an owner yearning for personal riches at its helm. Similarly, banks and lending institutions involve themselves only reluctantly in what they view as high risk operations, cushioning themselves with personal guarantees and strict low limits on credit.

On the other hand, being not-for-profit rather than strictly non-profit bars ced groups from support by most private foundations and many government programs designed for social service organizations. At the local level, fund-raising typically involves significant amounts of volunteer labour and donated skills and materials and often nets a very small return.

Faced with a lack of outside resources, and realizing that the greater their dependence on outside funders is, the more vulnerable they are, ced organizations have always sought to minimize their capital needs. They choose labour-intensive projects over more capital-intensive possibilities. They make extensive use of volunteer labour. They barter with neighbouring businesses and social agencies and with other ced organizations for services in kind. They scavenge assiduously and design creatively in order to make use of found materials. But virtually all projects find themselves confronted with cash needs that are greater than their available resources. The goal of total financial self-reliance is, in the vast majority of cases, very much of a longterm proposition. What is more, as ced organizations mature, their very success tends to bring with it greater needs for financial assistance to bridge gaps in cash flow and to provide start-up funds for new projects.

And so, a bad situation has become worse. Local pockets are emptier; bankers are even more reluctant and cautious and their money is even more expensive; and government programs, through cutbacks, ever-narrowing

criteria, and increased competition, are becoming even more inaccessible. Bills come in earlier and revenues later, making the cash flow problems which are the perennial companions of ced groups even worse.

Finding solutions

Our analysis is that the challenge posed by today's troubled economy for ced groups lies primarily in finding new ways to meet financial needs. There are two major ways to address this challenge. The first approach lies in finding creative ways to identify and secure locally-controlled capital. The second lies in finding ways to replace capital.

New Sources of Community Capital

In our recent research, in addition to analyzing the position of Canadian projects, we have begun a process which we will continue over the next several months of identifying strategies used by ced organizations in other countries. So far, we have been concentrating on the United States, Britain, Scandinavia and other parts of Europe in searching for strategies which may have relevance to us here in Canada. We have found a number of interesting possibilities. We must stress however, that we have found no 'miracle' answers and that government policy and regulations can have major impacts on the usefulness of particular strategies. We find, for instance, that the Caja Laboral Popular, the co-operative bank which has provided the impetus for much of the development of the Mondragon co-operatives in the Basque region of Spain, enjoys the advantage of legislation which allows co-operative banks to pay higher interest on deposits than can other banking institutions. Although this alone cannot account for the truly impressive growth of the Mondragon system of co-ops, the value of this practical incentive has, according to several analysts (see for example, Oakeshott 1981), been a major catalyst in their development. Needless to say, credit unions and community-owned savings institutions enjoy no such advantage in Canada.

Although most ideas which we have encountered are not complete strangers to Canada, many have been further developed elsewhere than here. What follows is by no means a comprehensive list of available ideas. It is a very brief survey of a few of the strategies which we have found to most interesting.³

³ Our intent in the coming months is to investigate these ideas further and to analyse them more completely in terms of their relevance to the needs of Canadian ced groups.

Of particular interest to us are the proposals to develop a **wage-earner fund** which have been discussed in a number of countries, but which have received the most serious consideration in Sweden. Although there are a variety of ways in which such a fund could be implemented, the basis of the proposal is that employers, employees, and possibly the state, would all contribute to an investment fund which would be organized probably on a regional basis. The fund would invest in new ventures on a shareholding basis. The proposals, although widely discussed in Sweden for a number of years, are as yet unadopted; principally because of resistance to the idea of a large-scale increase in worker-ownership of industry and business which would be the ultimate result of the wage-earner proposals. This may change with the results of the recent election, since implementation of the wage-earner proposal was one of the platforms of the winning party. In Canada, we have a number of precedents which suggest that such a proposal may have possibilities here. We have contribution systems, like our Canada Pension Plan, which work in much the same way that a wage-earner fund's contribution system might. The investment fund itself has been conceived in a number of ways, some of them bearing strong resemblance to such Canadian organizations as Colville Investments in Nanaimo, British Columbia (Mortensen, 1980); MCGDIL in Guysborough County, Nova Scotia (Pell, 1981); or the government-initiated Northern Economic Development Corporation, which, until the recent provincial election, was due to open its doors in Northern Saskatchewan in early 1983. (Skog, 1981).

Pension funds as a source of investment capital for communities have received attention in a number of countries, particularly Denmark and the Northeastern United States. Unions, which in theory control large amounts of pension monies, in fact typically give stewardship of these resources over to insurance companies and mutual funds. Workers in the Northeastern United States have come to realize that their own pension funds end up contributing to the decline of their communities and the loss of their jobs because these funds have been invested in corporate location and re-location of industry to the southern states where labour is cheaper and unions are generally weaker.

The proposal is to regain control over pension funds and to use them to invest locally in new higher-technology industries in such areas as biochemistry, energy alternatives and microcomputers, which can replace older low-technology industries (for example in footwear and textiles) which can no longer compete with imports and products from the southern states (Rifkin, 1980). In Canada, union support for worker investment in worker-owned industry is gradually growing, and there have been some discussion already concerning alternative uses of pension funds and cash settlements awarded to workers who are permanently laid off due to plant close-downs (Caloren, 1978).

Worker investment in ced enterprises through worker co-operatives and other forms of worker-controlled businesses is receiving increasing attention in Canada and elsewhere. Recently the OECD (Organization for Economic Co-operation and Development) and the EEC (European Economic Community) have begun to work together in developing a program of support and research for worker co-operatives. One point of interest is that despite the media attention given to worker attempts to take over and revive failing companies, the vast majority of worker co-ops in the EEC countries involve new businesses started 'from scratch' or buy-outs of existing healthy businesses from willing former owners (Mutual Aid Centre, 1981). From our experience, it appears that this is also true in Canada. Worker co-ops generate their capital through worker purchase of shares or through worker investment in a wholly-owned holding company. There are also plans such as ESOP's (employee stock ownership plans) which offer partial ownership to workers, although these are in many cases quite limited in scope. Unions tend to view such plans suspiciously, seeing them as instruments of co-optation which offer little real benefit to workers. There are some situations where such plans are used to gradually transfer total ownership to employees, but these are not the majority (Nightingale, 1982).

Community Development Corporations, community co-operatives, and other similar umbrella organizations in Canada, the United States, and Great Britain attempt to accumulate capital by placing profits in a form of community trust fund which is then invested or loaned out to new projects (Wisner, Pell 1981, Stein, 1973, Derrick, 1981). The concept is an exciting one, but these organizations typically find themselves in a cart-before-the-horse position, in that there is a significant initial investment necessary before profits sufficient to support new projects start to come in. As a result, most community development corporations and community co-ops have in practice relied on lump sum seed funds coming from governments and foundations.

These are just a few suggestions for the creative accumulation of community-owned capital. The list is by no means exhaustive, nor are we endorsing each item on it wholeheartedly. Each has its pitfalls. However, we feel that all are of sufficient merit that they deserve serious consideration by Canadian ced groups. We are a nation of savers. Now, more than ever, people are saving what money they have, avoiding the purchase of unnecessary consumer goods. Each ced group must consider carefully what it will take to cause its community members to re-think the ways in which their savings might be used to the greater benefit of themselves and their neighbours. Perhaps one or more of these ideas will have relevance.

Replacing Capital

The second approach to the problem of meeting financial needs is equally as important as finding creative ways to identify and secure community-controlled capital, perhaps more important. It involves finding avenues of capital replacement, that is, minimizing the need for capital. So far, our research into other countries has yielded very little in terms of ways that groups go about doing without money. In Canada, and in other countries, very little seems to have been written about the practicalities of this area. There is no lack of theory. We have Illich (1978), Schumacher (1973), Robertson (1978), Gilman (1966), the work of the Vanier Institute of the Family (1982), among others, to provide useful analytical frameworks. And we have some descriptions of the subsistence activities of the alternative movement in industrialized countries (see, for example, Rigge, 1981), of agricultural groups (eg Boserup, 1970), and of various traditional cultures (eg Snowshoe, in Watkins, 1977). The majority of these accounts, however, are anthropological and historical in perspective. The development of the informal economy - the non-cash-based economy - which is necessary for ced groups is not an historical process. There can be no myth-filled harking back to a back-breaking pioneer past. Rather, it is a process of education and attitude change based on reflection on the probable shape of the future. What it involves is the recognition on all sides that the lending of machinery, the provision of volunteer labour, the acceptance of services in kind as payment, are investments as real as money in the bank; and that they yield a return not only in terms of short-term reciprocation, but also in terms of the longer term survival of the communities to which we each belong.

We have already mentioned that ced organizations purposely develop skills in the creative use of idle, discarded, or otherwise unused resources, both human and material; that through trade and barter and the judicious use of volunteer labour, they attempt to maximize their access to the resources of the 'informal' economy. Although this is done with considerable pride in the resourcefulness of the group, there is still the attitude, often, that such activities are not as 'good' as cash-based exchanges and the day when they will no longer be necessary is looked forward to with anticipation. Such an attitude is not conducive to the nurturing of what Illich calls "vernacular values" (Illich, 1980) - the careful nurturing of the skills and attitudes of self-reliance. It is, we believe, just that kind of careful nurturing which is of critical importance to ced groups.

Conclusion

Problems with access to capital are not unique to ced groups. They are shared by nearly all business enterprises, including the large transnational

corporations, and have been variously described as a cause or a primary symptom of crisis in the global economy (Wallerstein et al. 1982). Although the clear priority for ced groups lies in finding ways to meet immediate needs, we must also keep in mind that we may well be entering a time when our definition of the economy and our understanding of what makes that economy work is undergoing a gradual but radical transformation. Whether this is in fact the case, and what the transitional role of ced organizations can be in assisting people to 'de-link' from the economy as we know it, in order to build new more functional economic relationships, is a debate beyond the scope of this paper. But those of us who spend our time on concerns related to macaroni and winter boots need to keep the debate in mind, in order to avoid basing our planning on assumptions which may well be of decreasing validity.

In an era when an economy based on dependencies - on the world prices for our resource exports and on the profit needs of the transnational corporations which control over seventy per cent of our industry (Caloren, 1978) - is letting us down, development approaches directed toward greater self-reliance may well have an important place. In particular, ced can offer new opportunities to communities which are on the down side of unequal development. We believe that the group which can say with pride, as did a farmer we know who spent his life scraping a living out of the rocky soils of the Northern Ontario Shield country, "We don't make much and we don't spend much", may have the key to the survival of its community well in hand.

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I. Introduction

Thank you for your kind invitation to participate in this conference.

My objective in this presentation is to use information derived from community leaders in Saskatchewan to help design a framework for considering community-based economic development.

The information has been documented from the experience of a two-year project in Saskatchewan. The project, entitled "Community Viability and Rural Survival," provided opportunity for a province-wide dialogue on the settlement patterns of Saskatchewan over the next couple of decades. Its emphasis was on the factors affecting the viability of small-to-medium-sized urban centers.

II. General Socio-economic Circumstances in Rural Areas

We are in a time of relative optimism for larger villages and medium-sized towns. Generally, the population of these centres is on the increase in Canada, and the rapid out-migration of the 60s and 70s has slowed down and to some degree reversed. According to Hodge and Quadeer¹, between 1971 and 1976, there was a population increase of nearly 141,000 residents in the 1486 incorporated small centers of less than 10,000 population, a rise of 6.3%. This growth rate exceeded the overall national growth rate of 4.6% in the same five year period. The 1981 census indicates that this trend in favour of small centers is continuing.

At the same time, almost half of the smaller unincorporated centers in the country declined in population between 1971 and 1976. Communities under 150-200 population appear unlikely to survive the next couple of decades, unless they are uniquely located, e.g. near natural resources, on primary highways or situated sufficiently far from competing communities.

With modern transportation opportunities, people seem less concerned about the survival of their immediate community (if it is small and offers a limited range of low-quality services) than they are about the viability of the system of communities that provides them with a range of services, i.e. from "convenience" to "downtown" services. Hodge and Quadeer have found that beyond thirty miles of metropolis, there is a falling off of growth prospects for towns and villages. However, from 30 to 200 miles of a metropolitan center there tends to be an equal number of towns and villages experiencing growth and decline. Beyond 200 miles, there is a slight upswing in the growth prospects of small centers.

It should further be recognized that the great achievements in agricultural technology, the improvements in food production, and the accompanying

predominance of concern with rural economic development, have helped lead to certain well-known consequences, some good and some not so good. For example, this economic emphasis has led to a decrease in welfare², but also to decline in communities, and the migration of displaced rural workers to locations where only menial work is available to them. Further, especially in agriculture, where land and wealth is becoming concentrated in the hands of fewer individuals, managers tend to operate much like successful business executives, and go far beyond their local community to seek the lowest cost inputs and highest prices for outputs. This often means that the local small town entrepreneur gets bypassed.

Perhaps two critical questions facing us as we deliberate in this conference are: As we consider community-based economic development, what assumptions are we making about its inseparable partner "social development"? What societal values and aspirations foster the effective management of our resources and institutions, so that some appropriate level of local ownership and control is effected?

III. THE CASE: Community Viability and Rural Survival

The project was sponsored by the Saskatchewan Committee on Rural Area Development (SCRAD)*. SCRAD was initiated at the request of participants in a provincial conference on rural development issues held in February, 1979.

The overall aim of SCRAD is to provide a forum for the expression of views on rural development. More specifically, it attains its aim through the holding of conferences and seminars, the preparation and presentation of briefs and papers, and the provision of clearing-house functions relating to policies, programs and research.

The membership of SCRAD is comprised of two categories: sponsoring and supporting. Current **sponsoring** members include: Association of Rural Municipalities, Urban Municipalities Association, National Farmers' Union (Sask. region), Federation of Agriculture, Wheat Pool, Chamber of Commerce, Women's Institutes, Federation of Labour and Federated Co-operatives Ltd. **Supporting** members include: Government of Canada (through DREE), Government of Saskatchewan (through Agriculture, Rural Affairs and Urban Affairs) and the University of Saskatchewan. The Division of Extension and Community Relations, University of Saskatchewan, provides secretariat and programming services to the Committee.

The Committee met first in December of 1979, and during the winter of 1980 planned the Community Viability Project. The purpose of the project was to obtain the considered opinions of farm and town people on the future

* The author has served as the Chairman of SCRAD during its two years of operation.

of their communities, and to guide local, provincial and national leaders on policies and programs affecting rural participants.

Resource materials were prepared for use by participants in the project. A videotape, entitled "A Town Like Elrose," portrayed twenty years of change in three Saskatchewan communities. Twenty-two brief papers were prepared by specialists on various topics relating to community viability.

The public participation process commenced in the fall of 1980 with a public awareness campaign. The member organizations of SCRAD promoted the project through their local units, e.g. municipal councils and Wheat Pool Committees.

The second and third phases were organized collaboratively with twelve regional community colleges. Phase two involved the organization of about 75 local study groups throughout the province that met on selected topics relating to community viability. About 1500 people from 90 communities participated. The local study groups met throughout 1981, each producing a report of their discussions.

Phase three was the organization of eleven regional public forums during the January to March period of 1982. Each forum brought together participants from local study groups, together with regional leaders. Each forum produced a report with recommendations on community viability from the region. Approximately 450 leaders from about 165 communities formulated more than 800 recommendations. These were then consolidated by the SCRAD Committee to produce a report consisting of 398 recommendations.

Phase four was a three-day provincial conference held on the campus of the University of Saskatchewan in June, 1982. Delegates from the eleven regions participated, together with selected provincial-level leaders and a special youth delegation. The 398 recommendations, circulated as a pre-conference report, were fed into twenty conferences workshops on fifteen topics relating to community viability. Workshop topics included agriculture, health, education, transportation, information and adult education, industry and job creation, regional and inter-community co-operation, recreation, centralization/decentralization, environment, small business, land use, organization and leadership, housing, and cultural services. The conference thus produced a further consolidation of the recommendations, and the conference report included 98 final recommendations.

Phase five, the last of the project, was left as a responsibility of SCRAD, and involved conveying the recommendations to the institutions and organizations to which they were directed by the conference. Some forty national, regional and provincial organizations received recommendations, including the federal and provincial governments.

IV. Some Economic Generalizations from the Project

1. The community's access to capital was recognized as the raw material for development. Little can be done without money, especially in the maintenance of modern technology and services, and in job creation.
2. Local equity is often important to a community's access to external funding or resource provision, and can often be a pre-requisite to attaining it.
3. The community's ability to gain access to capital, both internal and external, is dependent upon the perceived importance of the development program by those with the dollars. It is also dependent upon the effectiveness of the organizers of the development activity.
4. Community leaders readily place blame upon, while seeking help from, sources external to the community, especially government. In certain instances, central governments are encouraged both to stop interfering with, and to get more involved in, local community affairs.
5. The concerns of community leaders extend far beyond economic matters. In fact, economic matters may not predominate. In the community viability project a majority of the recommendations, roughly two-thirds, did not have any obvious economic content in terms of the application of capital. Many recommendations had to do more with social policy and planning, public participation, leadership, community promotion and so on.³
6. There appear to be two primary categories of factors to consider in community economic development - internal and external. The internal factors roughly equate with "community equity", or with what the community is prepared to put up as an investment in a particular project, or enterprise, or in the development of the community-as-a-whole. The external factors roughly equate with "capital accumulation," the acquisition of loan funds (or in some cases grants), or the community's ability to draw on outside resources.

V. A Tentative Framework For Discussion

With these general observations in mind, I should now like to suggest a partial framework for the consideration of community-based economic development. I have intentionally made the framework rather broad in nature. It may be narrowed down or broadened further, depending on circumstances.

INTERNAL (EQUITY) FACTORS

Component	Objective(s)	Mechanism(s)
Organization	1. Community economic development/local government collaboration	Community development companies; (corporations or co-operatives) Regional councils/boards; cost-sharing programs Shares; bonds; subscriptions Incentives; public education Community profiles; advertising; trademarks Preferential tendering Local exposure (purchase and advertising) of services and artifacts Feasibility studies; compare with similar projects Collaborative planning with central agencies; advisory groups Supply management Share costs over largest possible population; use of local labour ("sweat equity") Job-sharing; job enrichment; new enterprise(s); attraction and maintenance of public services, e.g. schools, hospitals
	2. Regional and inter-community development projects, with support structures and specialized staff	
	3. Community equity; capital assembly	
	4. Conservation and good management	
	5. Inventory of assets and liabilities	
	6. Purchase of major goods and services locally	
	7. Support of creative enterprise	
Promotion	8. Risk reduction on development projects	Determine potential capital and operating costs; reduce capital requirements Economy of production; distribution of goods Maintain control of costs and of profit margins; pass increased costs to consumer Reduce costs; increase access to product or benefit Sustain or increase population; increase cash flow
	9. Infrastructure development and	
	10. Viability of development projects	
Management	11. Rural/urban co-operation	Share costs over largest possible population; use of local labour ("sweat equity") Job-sharing; job enrichment; new enterprise(s); attraction and maintenance of public services, e.g. schools, hospitals
	12. Job creation and growth	

EXTERNAL (CAPITAL ACCUMULATION) FACTORS

Component	Objective(s)	Mechanism(s)
13. Enterprise/project development	Encourage and initiate enterprise and projects	Reduce interest rates; tax relief
14. Inter-community co-operation and	Provision of quality services; cost reduction	Loans and grants based on regional objectives
15. Enterprises in communities with extra-ordinary need	Sustain services and employment	Grants and loans based on negative discrimination
16. Facilitate enterprise and property transfer within family or community	Encourage growth in the enterprise; reduce capital outflow	Reduce or eliminate capital gains tax; tie capital gains tax to inflation
17. Intervention of new enterprises	Job creation; reduce regional disparity	Tax reductions and exemptions
18. Capitalization in equipment	Eliminate or reduce over-capitalization	Provide business investment tax credit on used equipment as well as new

Financial

Taxation

TECHNICAL/MATERIAL RESOURCES

Component	Objective(s)	Mechanism(s)
19. Specialized resources	Increase efficiency; reduce training costs to enterprise/community	Public provision of field staff; cost of staff shared among enterprises/community
20. Materials provision	Gain price advantage; ensure supply	Local production; quantity purchase

Continued from Page 43

The purpose of this tentative framework is to help us better cope with that amorphous concept we call "community-based economic development", by breaking it down into some of its component parts. The framework is intended to be used as a check list by community leaders, or by those involved with community development corporations or related bodies, in planning for or assessing a community-based economic development program.

It should be recognized that the Community Viability and Rural Survival Project was prairie-based, and may reflect that bias. In this regard, it is assumed that there are many similarities among communities across Canada in their economic development.

The project was also regional in nature, with the province as its territory. However, in the nature of things today, community-based economic development is more than a local phenomenon. Given the external influences and opportunities at work on it, regional as well as local levels of conceptualization and organization are useful to consider and perhaps apply.

Although those who participated in the project and provided the background for the framework were largely community leaders, few if any were knowledgeable in the operation of community development corporations. This may have limited the components of the framework.

With these thoughts in mind, I do not pretend to suggest that the framework is either comprehensive or entirely comprehensible. It is merely a beginning, intended to initiate discussion at this conference. Your suggestions and criticisms will be welcomed, and I look forward to our exchange of viewpoints over the next two days.

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The CDC and the Municipality

by Jan Reimer

When I was first asked to address the conference on the subject of CDC's and the municipality, I must admit that I was a little at a loss about what I was going to say to you. When you look at the literature and the discussion that has taken place on community development corporations there is really little that is said about the role of the municipality and its relationship with CDC's. There are of course the general statements and overviews about the failure of big government to respond to the human needs and maybe that's one of the reasons why that we've lumped local government into that category. But to be fair, that really isn't true and I think many of you come from municipalities where it isn't big, it's rather small. So then I thought, what else could it be? Perhaps it could be that it is just not considered important enough, that it has been overlooked, and that's not really true either and I think all of us, if we've taken a political science course or even high school social studies, have learned that municipal government is important because it's the level that is closest to the people and is therefore the most responsive.

Then I started getting a little bit cynical and wondering why isn't municipal government really thought of that much and I thought maybe it is because municipalities don't have the bucks for the seed money. It may be cynical but it might be a little bit true because if a local economy is suffering then so is the local government and we're all in it together. We also have something that is really in common with one another and that is that local government may not be referred to because it's the provincial and the federal legislation and the fragmented policy direction that has created so many of the obstacles in the evolutionary paths of community development corporations. That also holds true for the municipality. It was then that it struck me that there are a great many parallels between local government and CDC's.

Indeed, the definition of a community development corporation as a non profit, multi-purpose organization, incorporated, managed and controlled by local people to solve local social and economic problems, could indeed be part of one's definition of local government. There is one part of the definition I missed out and that's being independent of all levels of government but there is a wish I think by many municipalities to be as independent as possible from provincial and federal authority.

When we look at some of the prerequisites for a successful community development corporation, and that is some success in a joint endeavour, recognized leaders and established organization with some credibility and readiness to co-operate with local business, a moral commitment and a readiness for hard work, that too I think could be applied to many municipalities.

Municipal governments across the country have persistently attacked the federal and the provincial government for failing to develop programs to enable municipalities to control their own destiny. Instead we are faced with a centralized and bureaucratized system that is unable to fine tune its policies to local needs. Where have we heard that before? I think it is in the development of community development corporations. There are some basic similarities and I think they are important similarities. Because of that I think we can work very closely together in developing a working relationship. For local government can be a key factor in developing the necessary climate for CDC's as it is the level most responsive to change. I believe government can be the vehicle by which we achieve the necessary shifts in socio-economic policy.

When I talked about some of the prerequisites for successful CDC's, there is one I didn't mention and that was the intention and the motivation to carry out community based economic development. That is one area where I think the municipality has fallen down. Many municipalities have business development offices but whenever a group comes to council or we talk about community planning, we don't look at that aspect of it. We don't look at community based economic development. I think part of it is what Dr. Perry referred to on opening night, that politicians at the municipal level and the departments that are to carry out policy have ascribed to the big bang theory, the trickle down effect. The idea is that the municipality must make itself attractive in order to entice and to lure big business to set up in its own boundaries, it sounds a bit like prostitution to me. But it's this approach that we've been tied to and I think it's time that we have to change it, and now is the time to do it and municipalities all over this country and indeed over the world are feeling the pinch and are reeling from global recession. So now is the time, I think where citizens can come forward and say "let's look at this extra dimension".

Indeed in these economic times we are witnessing the collapse of our entire economic system. We could go one of two ways - we could go into a corporate type of state where business predominates or we could go the role that you are discussing today and through the week and that is of a community based economic development strategy. One book that I read quite some time ago, about business civilization in decline, pointed out that civilization built on business alone can't survive, because the profit motive doesn't make allowances for human needs. We see that today with some of the problems of pollution, unemployment and how unemployment is viewed as an acceptable solution to inflation.

We're all looking for new answers, and I think if we stand together, we have a much better chance of seeing this come about for indeed there is a vast difference between economic development and community based economic development and somehow that message has to get across to our elected

officials and I think it should start at the municipal level. Beside parallels and similarities with community development corporations and local government, I think we have to be concerned about a rivalry that could develop. I think a lot of traditional municipal politicians see the entire community development process as a threat to what they believe are their rightful powers and the powers of an elected municipal council. Care must be taken to show that we can co-operate with the use of power and that it doesn't have to be co-opted.

Another aspect with regard to municipalities and CDC's is that community development corporations can learn a lot from municipalities and I think Edmonton is a good example. Maybe way back when, I don't know how many years ago it would have been, the city of Edmonton, developed a philosophy quite similar to that of a community development corporation. The original idea was to have cheaper power and cheaper telephone services by owning and operating these utilities. It would be the citizens that would own and operate them and the profits made from these would be challenged into our recreation pursuits, our cultural pursuits, and keep the taxation level down. This worked for quite some time and even today Edmonton has one of the lowest taxation rates in Canada. But in some respects we have become trapped by the desire of the provincial government in particular to centralize power. It's the old argument of decentralization vs. centralization. Our telephone company is now subjected to an act which treats Edmonton Telephones differently than any other telephone company in North America and it results in a theft each year of some \$30 million.

Our power is now subject to a provincial policy of developing uniform rates across the province of Alberta. So success in community based economic activities can become targets for action and for reaction. CDC's have to take cognizance of this and it's important in what was referred to as the fourth and the fifth steps in the community development corporation movement, and that is to establish ties with other CDC's and communities on both a national and international basis. While CDC's may strive to be independent of government, government may not want to be independent of CDC's.

We do live now in a global village where we have an inter-dependence upon one another and there is the desire to have equality. I think we have to work at strengthening networks and linkages between and betwixt ourselves so that we don't become too inward looking and can fall into some of the traps that we have experienced, for instance with the utilities and the companies that the city of Edmonton has produced. I think a municipality also stands to benefit a great deal from community development corporations within them. The first spinoff is that of an increased citizen awareness; people working towards the betterment of their community undergo a valuable educational process. They

understand and indeed they are often shocked about what is really happening in their world and they learn to participate, they learn to raise their voices, they learn to stand up and be heard, and that can only enhance our democratic process.

I think a CDC can also help to cure the fragmentation that we see at the municipal level as well as at the federal and provincial levels. The medical profession, for instance has recently made a discovery. They found out that you can't just treat the heart and the liver in separation from one another, you have to treat the individual. You have to look at that person as a whole. The same is true with CDC's, they may be a cure to an approach that we have been taking at the municipal level. We have a cultural community, we have a business community, we have a social services community, but there is very little interaction between one another in delivering the services and accessing the needs of those communities and how they will apply to the city or the community as a whole.

The entire philosophy behind CDC's maintains that the healthy development of a community demands action on problems which have an economic, social, and a cultural dimension. Community development corporations active in a large city such as Edmonton can also add stability to those communities and I think that definitely is a saving for providing municipal programs and that type of thing. If the people in the community are taking that action then it certainly saves on the municipal coffers.

There is also the important element and it's something I mentioned when we opened the convention on Thursday night, and that's conviviality, which is the invitation to join together in the art of living. It is this kind of positive approach, particularly in days of negative thinking like we have today, that can only benefit the municipality.

In conclusion, may I wish you all the energy and the enthusiasm that it takes to get a CDC going, we're depending on you to lead the way.

Funding

It goes without saying that money is the essence of any economic endeavor. To function successfully, CDCs must attract financial resources with which to develop their enterprises. But because CDCs differ so radically from traditional means of stimulating economic growth, organizers must convince those with the dollars that this innovative approach will yield superior results. Conference speakers suggested a number of arguments to illustrate that CDCs provide better value for dollar from the perspective of attracting government financing. Unlike traditional make-work programs, CDCs are designed with long term goals. Their aim is to produce self-sustaining economic growth, not just to provide employment for the short term. CDCs also provide significant advantages over funding of private enterprises in that their programs are geared directly to improving the

community, not only to making a profit.

Unfortunately, governments, while interested, currently do *not have the apparatus to fund this type of integrated approach.* Current programs for which communities might apply are generally aimed specifically at short-term job creation. Thus the programs provide little or no capital development, offer salaries suitable only for unskilled workers, and emphasize short-term projects that have a finite "beginning" or "end" beyond which funding will no longer be required. Workers in this type of program have little incentive to perform well since they know that their jobs will be quickly terminated, regardless of their performance.

To streamline government funding, Dal Brodhead has suggested a developmental system comprising four components:

1. a national corporation, the Canada Community Opportunity Development Corporation, which would provide funds based on performance and act as a catalyst to CDC development.
2. a community level corporate vehicle, the Opportunity Development Corporation which would be established using criteria under new federal legislation,
3. support services made available by the government from third parties.
4. an Opportunity Development Bank which would act as a banker to the CDC community enterprises.

Because CDCs uniquely straddle the line between "charity" and "business", they can compete for funds from both public and private sectors. Conference workshops provided specific information on preparing grant proposals and on approaching charitable foundations. Other speakers stressed the need to approach traditional investors such as banks and businessmen, and to utilize tax shelters and similar vehicles to attract investment.

While community development to be successful requires long-term integrated funding, it is essential that the ultimate goal be self-sufficiency. Otherwise true community control cannot exist. We must go beyond saying government won't do it - and say we

as a community will do it - if we are to develop our co-operative potential.

In the papers and panel excerpts included in this section, Dal *Broadhead stresses the need for long term investment by government into communities vs short-term dollars.* Stewart Perry makes a case for extensive private sector funding such as American CDCs have effectively utilized. Lastly, R.W. Crowley outlines government programs which CDCs can utilize to obtain funding.

Excerpt from the Panel Discussion - “Funding: The Buck Starts Here”

by Dal Broadhead

I would like to think that what we're talking about has to do with being in the ball-park when the restructuring of this economy takes place. It isn't just a question of bucks. I'm going to review my sense of what the bucks have looked like over the last fifteen years. What's the reality of the nature of that buck? What are the limitations of that dollar? Why do we need that dollar now and where should it come from? What can we do about it?

We are dealing with the short-term dollar, over the last 10 or 15 years in the general area of development, a dollar that has encouraged community people to rush into writing proposals twice a year in a panic, trying to search their imaginations to find a new set of fences to paint or a new set of snowmobile trails to build. Communities groups of one kind or another are being forced to establish a multitude of bank accounts to accommodate government approaches to giving money. Community people are forced to humour visiting civil servants, to endure all sorts of strange audits, while somehow trying to carry on their day-to-day activities, their actual work. All along they are trying to figure out what the criteria are that they are expected to meet.

I am talking about the period of 1971 to 1980, a period of \$2 billion in job creation programs. That comes, over those ten years, to about 260,000 person-years of jobs created, at an average cost of about \$7,500 a year. Of that, \$175 million was supposedly spent on programs with long-term objectives.

'Way back as far as 1972-73, the Economic Council, the National Council of Welfare, the Canadian Council of Social Development and internal government reports have all said "We've got a problem with these dollars. Why?" They are being used for all sorts of purposes, to tackle short-term and long-term unemployment, to respond to cyclical, counter-cyclical, single sector community problems. We have vague objectives, which cannot be evaluated properly. They are not viewed in any kind of long-term context of development. In addition, that \$2 billion does not appear to have been related to the money spent by other department.

What happened? There were a lot of jobs created cheaply and quickly. That's all. What information has come out of the use of that buck, to tell us something about where we should go? We know that communities have built up a high level of cynicism, a lot of frustration. They have felt distracted from the tasks that they wanted to tackle. We know that these resources in a fair measure have been spent on harmless kinds of things - non-profit, non-competitive. They seldom funded training, or management assistance. They've seldom been used to develop capacity to plan, to evaluate, to manage. Dollars have seldom been available for feasibility studies, venture capital development,

planning, technical advice, in a coordinated fashion. In fact there have been situations where giant lapses of three or four months or a year or even longer have occurred in between stages of the development of the communities. Nonetheless, happy accidents have happened. People have been able to use some of these resources for activities they have defined as development. Those projects that have used that money, that short-term money, effectively have already been ongoing, have already got their plans and priorities at least to some extent sorted out, already know what to do with short-term kinds of money. They can speed up the process, but the process they are involved in has not been dependent on short-term money.

In the context of the present period of restraint, we have to make a case that in fact existing dollars must be recycled, reused, used differently, used more wisely. My bias is to say funds should be invested within a long-term perspective. There is a growing recognition that government economic policy is in trouble - government, not just any government. Which is not to say that everything that went by in the past wasn't worth a damn. We have a new situation and it calls for looking around to see what is more appropriate. Most of us who are dealing with the federal structure know that it is under considerable strain, and reorganization. Some people call it improvement. There is a possibility that the industrial mandate will have much more predominance than the development mandate of the old DREE department. Indian Affairs, which has made its own economic development initiatives over the years, is under considerable fire. Manpower and Immigration is beginning to recognize that the limits of its mandate, in terms of this kind of work, are leader and led. The Federal Business Development Bank has tried to look around for a new mandate. These are some examples. I guess I am suggesting that we have a lot of frustrated community people and we have a lot of civil servants who know that things can be done in a different way. We even have government ministers who are unhappy with the existing situation. But how to change it? I think that we are in a position to argue for a more balanced approach, building on the experience and the infrastructure we've developed over the last 10 or 15 years. I think that is called community-based economic development and I think I am talking about integrating comprehensive development which has social, cultural and economic objectives.

The buck starts here. By the buck, I mean that we here, those of us who subscribe to some of these ideas, have got to recognize the reality that there are not in fact effective mechanisms to support this kind of community-based economic development. We need those. Accept the limitations of the short-term or individual entrepreneur orientation, of existing resources but don't depend on them. Innovate, accept that in fact there isn't an open economy in most places, even in the urban centres. The tax laws and so many other items

are manipulated sufficiently that we can't talk about an open economy any longer. I think the buck starts here in the sense that we should study and prepare and advocate for revised program criteria, for new financial institutions, for access to existing capital, for access to pension funds, for reinvestment by the banks, the local banks in local communities. We've got to build a case through documentation for that. We've got to build an economic base, strengthen the economic base that exists in community development corporations. Politically, there's got to be an advocacy in terms of selling the concept, making it credible, because that case has not been made. We must make linkages between community groups across the country which are doing these kinds of things, for information, for technical assistance, even for investment purposes. It is possible that the banks could be influenced, in terms of the kinds of criteria they use now in dealing with local level development. We have got to be more disciplined. We have got to be more performance-orientated, more open in terms of profit and loss. It isn't just simply a question of cash, but of initiative.

Excerpt from the Panel Discussion - "Funding: The Buck Starts Here"

by Stewart Perry

I don't think from my experience with community groups in the States and in Canada that many of you are very serious. I don't think you worship that buck enough. We were talking this morning at breakfast about the perspective of community groups who are concerned with providing service to the community, who are so concerned with doing something that community needs done, and about the giving aspect of what needs to go on, that the whole notion of an income-generating activity which is necessary for a community economic development approach, necessary to establish a constantly self-renewing, self-regenerating process of investment and reinvestment in the community, gets lost. Because from the human services point of view the business community, the business perspective, the income-generating perspective is wrong, black, evil. It is that sort of perspective, that need to look at where the money is going to come from on a long-term basis, that I think is too often missing. Greg emphasizes over and over again the perspective of New Dawn. All right, we are non-profit but we are up there on a business basis to try to generate funds, to make every piece of activity that we can, pay off in dollars. If you don't have that perspective of the need to generate income, you can not get involved in community economic development because there's no way that you're going to be able to succeed with a short-term perspective, using LEAP grants and so on. We just heard yesterday about another one of those programs, \$1/2 billion for projects which can last a maximum of 12 months. That kind of short-term perspective is engrained in community groups. Perhaps we can look ahead as much as three years on a grant basis but often it's only 12 months. That experience of short-term support ought to stimulate people into thinking - "Are we going to continue this way or are we going to try to ingeniously invent another way so we will no longer be dependent on that grant-writing process every six or twelve months?" This attitude is not peculiar to Canadians. The same lack of perspective exists in community development activities in the States. To give you one example, the Minnesota CDC in its beginning year or two had planned out a few things to do on the social service level. Because they had gotten some bucks for business development too, they looked around and discovered a potato chip factory that had gone out of business. They were able to buy it cheaply and start the factory over again and create jobs in the community. Well, they did it and the factory turned out to be a real gold mine. So what did they do? They sold it for \$20,000. They had had the capacity there to generate their own income, to be independent of government grants and to plan for a long-term future, but they frittered it away.

Let me emphasize to you that community economic development has to be a long-term perspective. We're not talking about 5-year programs or even 10-year programs. We have to talk about at least 20-year programs. If we're talking about a community that has been sucked dry in one way or another, which has been bypassed by the mainstream economy in one way or another, it is a long-term process to bring it back, to revitalize it. The very nature of community economic development requires a concern for a long-term picture and that requires concern with the income-generating potential of the activities you are engaged in. If you want to call that pursuing the almighty buck, go ahead, but then you're not going to be engaged in community economic development very long. The money is going to run out and you're not going to be doing the work that you should be doing to revitalize your community. The two ways to start looking seriously about serious money for the long-term are first, within the private sector and second, within the public sector. I can find very few attempts on the part of community groups here in Canada to use the private sector as a way of long-term generation of funds. First you reject the business perspective and the development of the business process. But secondly, what is neglected is the whole aspect of linking onto all the ingenious ways in which the private sector itself raises capital. Specifically, the private sector, generally speaking, does not use the grant process, does not use the government process. For the most part, they couldn't be bothered with writing those proposals, with those audits coming in all the time, with the people on their doorstep nosing around and so on. We have a lot of CDCs in the United States who are dealing with entrepreneurs to help build their communities who keep very quiet about having government money. They don't want to scare away their potential partners. They play down the social service aspect, because they want their business partners to recognize that they are there for the long-term. The American private financial scene has been simply ingenious in developing peculiar and inventive ways to raise money. The people in the private sector know how to do that. They may not use government grants but they do use the government. They use the government through the tax system. There are all sorts of incentives secretly built into the tax laws of Canada and the U.S. which are there just so private enterprise can take advantage of them. There is no reason why CDCs and other community groups can't take advantage of them too. If you're concerned with income-generating, then you will get into the game of needing profit-making subsidiaries which will be in the tax arena. Even if you're not, you can link up with people who need tax advantages and will be glad to pay through the nose to a community group in order to get those advantages. To link up to the tax incentives that are there in the law requires that you begin to seek out the expertise that the private sector uses. Those corporate taxation lawyers are high-priced for a reason. They

can make money for their clients by showing them ways in which not to evade taxes, but to avoid them legally. If you are able to link onto the needs of people who are vulnerable to high taxes, the 50% tax bracket people and sell them their tax shelters, then you have a very, very useful and continuing source of funds for your CDC. There are plenty of tax incentives available but I don't hear any community groups talking about how to use the tax system.

The other direct source of money is the government. If people are serious about the long-term process of community economic development in their community they cannot be concerned with the kinds of government programs that are on the books now. They have got to be concerned with developing a program which is appropriate for their own purposes. That doesn't mean going to government agencies and saying "We need money for community economic development. Start setting up a program for us so that we can have specific money available for our purposes on a long-term basis" That's not the way to go about it. If you're serious, you don't want to leave it up to the government to design your program. You have to design it, you have to do the research, the thinking, the figuring out of exactly how a program that would best serve your needs ought to be designed. To design your own program and to sell it is the political task that is there and the technical task is to get the bucks going in the right direction. But it's not enough to design it, and it's not enough to sell it, it's not enough to have it in place, it's not enough that the bucks begin to flow from it because time has a funny way of changing everybody's plans. Perhaps our designs were not as good as we thought they were when we first put them into effect and we are finding all kinds of things wrong with them. It is necessary to monitor that program, to keep it from getting out of hand and to modify it. There must be a long-term institutional watchdog coming out of the community development corporation people themselves to ensure that the program fits community needs as the years go by.

You have to have that program in place for those who come after you, for the short-term in order to get seed money to generate the kinds of projects which will support you if the program is repealed, or even if your project does not qualify. The perspective of long-term generation of funds is that perspective which any business is concerned about.

Community Futures: How Can Government Employment Programs Help?

by R. W. Crowley

A. INTRODUCTION

The Report of the Task Force on Labour Market Development, more commonly known as the Dodge Report, is no doubt well known to all of you. A little over a year old, it has become one of the basic references on labour market policies. I think it is appropriate, therefore to begin my comments today with a quote from the Report:

"The focus of community based development is on the greater use of underutilized local capacity through more productive use of the existing labour force and increased local opportunities in slow growth areas, both urban and rural ... A working definition of community based economic development would be the creation or strengthening of economic organization controlled or owned by the residents of the area in which they are located or exert primary influence."

The above is, I believe, a fair definition and statement of objectives. I do not want to dwell on it as you will be hearing from one of the architects of the Report, Dal Brodhead, who I understand will be talking about this in terms of the technical paper he prepared for the Task Force. But I did think it important that we have a common debarkation point for my comments.

Let's start with a question: What are the problems of small communities? I don't wish to sound negative by posing the question that way. We all recognize that there are considerable strengths to small communities, not the least of which is the very sense of community and sharing which so often seems absent in larger cities. But by their very nature, small communities have a problem of breadth and depth of opportunities, skills, and, perhaps most of all, entrepreneurial abilities. There is often, in other words, a lack of supporting structures necessary to make local economies work effectively. At the most general level, I think it is not unreasonable to conclude - as does the Dodge Report - that what is needed in this circumstance is some way to tap the skills and the potential of the private sector and of individuals in the private sector by bolstering basic community infrastructure. This is a point to which I will return in a few moments.

But first, let me digress and give you a brief synopsis of what I plan to talk about this afternoon. First, I want to say a few words about the government's commitment to regional economic development, its origins and some recent

history. Then, I want to examine CEIC programs that relate directly to community development, and some that could relate - including the recently announced NEED program. Following that I will make a few comments on where there are some policy/program gaps, and finally conclude with a few perspectives on the future.

B. REGIONAL AND COMMUNITY DEVELOPMENT:

GENERAL BACKGROUND

There is an old saw that Canada exists in spite of geography. It is possible to turn this on its head and say Canada exists **because** of geography. Since Confederation, regional economic development has been recognized as an important dimension of Canada. At least since the 1960s - with programs such as ARDA - the Federal Government has taken an explicit role in promoting regional development. By 1965, the Economic Council of Canada has added "regionally balanced growth and the reduction of disparities among the regions of Canada" to the more traditional and agreed upon objectives of Government. (The other goals of course were full employment, reasonable stability of prices, a viable balance of payments and a sustained and high rate of economic growth). And this concern at the Federal level has been paralleled by a concern at the Provincial level of government since provinces saw themselves as one step even closer to the opportunities (and problems) of community economic development. The result was a clear identification of regional - and hence community - economic development as a goal for national action. It followed that governments as a result would institute various programs: at the Federal level these were available from a number of Federal departments and were directed to specific aspects of community economic development. The Department most clearly identified with regional development programs has been the Department of Regional Economic Expansion (DREE) which was created in 1969. Regional development programs under DREE had mainly the following characteristics:

1. Incentives for the location of industry often resulted in industries locating in the most advantaged parts of specially designated areas;
2. Job creation aspects of DREE programs were often stressed at the expense of longer term viability; and
3. General development agreements, which were geared towards development of certain industries and infrastructure, had limited funds and were restricted in the number of communities which could be assisted.

All in all, these programs had a great impact to the good but by the early 1980s there was concern that program co-ordination could be improved and

program impact enhanced.

Three recent developments in Ottawa have helped to improve on this situation. The first was the introduction of the "envelope system" in 1979. This is a system for allocating funds which allows Ministers more opportunity to see the trade-offs involved in spending in one area as opposed to another. With reasonably clear objectives, it is obvious how this would improve co-ordination at the program delivery end of the system. The second development was the combination of the Department of Industry, Trade and Commerce and the Department of Regional Expansion which was announced by the Prime Minister in January of this year. This should lead to more integration of the programs and policies for assisting industrial and economic development with programs for assisting lagging regions and communities. Finally, the third initiative was also announced by the Prime Minister in January of this year and that is the creation of what has been affectionately labelled "Fedsees" (FEDCs or Federal Economic Development Co-ordinators). As part of the Ministry of State for Economic and Regional Development, the FEDCs - very senior public servants representing and co-ordinating federal activities in each province - will be responsible for ensuring compatibility among federal programs and co-operation with provincial departments to ensure complementarity and mutual support between federal and provincial programs. The FEDCs will also play a critical role in ensuring that monies allocated in the economic and regional development envelope are allocated on the basis of the combined focus of industrial and regional development. While these may seem like only bureaucratic matters - after all they are matters of bureaucratic organization - they are also important signals of the Federal Government's intention to improve its focus in the delivery of all programs representing community economic development.

There are now senior federal representatives in each province whose primary task is to co-ordinate the delivery of programs and to ensure the appropriate input of regional perspective into policies developed by the Federal Government. It is obvious that within this framework, community development can be enhanced through the co-ordination of programs and the emphasis on development rather than the more traditional ad hoc support measures and alleviation of specific adjustment problems.

Employment and Immigration Canada is obviously one of the federal departments being co-ordinated within this framework. I think it would therefore be appropriate at this juncture to turn to look at some of the CEIC programs that have a substantial focus on community economic development. To state the obvious, virtually all programs have ramifications for community economic development, but some have a particular focus and it is the latter that I will deal with today.

C CEIC PROGRAMS RELATED TO COMMUNITY DEVELOPMENT

1. Community Development Projects (CCDP)

This program which began late last year is designed to provide unemployed Canadians with jobs which would not otherwise be available, particularly in areas of high unemployment. Community development associations or corporations, co-operatives, established organizations, individuals, Indian band councils and, subject to agreement with provincial government municipalities, are eligible to apply. There are two streams: the General Stream and the Developmental Stream.

The General Stream provides a universal allocation, with each constituency guaranteed a level of funding. Projects are selected to further establish national and provincial government priorities, including the special employment problems of particular groups in the economy. Projects are generally for twelve months but may be for up to 18 months where conditions warrant.

The Development Stream applies only to Native communities and to constituencies where labour surplus rates have averaged more than 12% over the past four years. Otherwise, the objective is the same: to develop high quality projects supportive of longer term goals and integrated with planning for community economic development.

The budget in 1981/82 was \$76 million and this fiscal year it is \$209 million. With that amount, 26,241 jobs were created in 1981/82 and for 1982/83 there have probably been about 65,000 - 70,000 jobs created.

2. Community Services Projects (CCSP)

Closely related to the above are community services projects, with the objective of creating jobs for the unemployed, particularly women, natives, youth and the disabled, in established non-profit organizations. The program assists organizations to provide needed community services such as day care, community health care, crisis and information services, home care services and so on. Funds go to established non-profit organizations for one, two or three year projects. To avoid on-going community dependencies, emphasis is placed on activities with a finite life, activities where other potential funding sources are assured, activities where fee for service potential is being developed, or activities where simply there is a once and for all strengthening of on-going services. The budget in the last fiscal year as in this fiscal year is about \$13 million and there have been about 1,700 participants each year.

3. Local Economic Development Assistance Program (LEDA)

The objective of the program is to accelerate the process of community economic development by providing financial assistance to local economic

development assistance corporations. Non-profit locally owned development corporations are created to provide counselling and technical advice and assistance to local businesses that will create new and continuing jobs. In addition, these LEDA corporations have the capacity to invest directly in local businesses if necessary, either by lending money or buying shares in the businesses. This program, which was initiated in September 1980, is still in the experimental phase. The budget for the current fiscal year is \$3 million. Thirteen communities - three in the West - are now in the operational phase. The Western projects are LEDA corporations for the Dakota-Ojibway Tribal Council in Brandon, the Indian Business Development Group and the Inner City Core of Winnipeg and the Northwest Economic Development Council in Saskatchewan. Investment activities are under way in all 13 and the LEDA corporations are actively seeking and providing support to local enterprises. Jobs for about 250 persons are involved.

4. Local Employment Assistant Program (LEAP)

This program looks to increasing the self-sufficiency of workers who are unable to compete for regular employment and are chronically unemployed. The program provides funds to individuals, groups or organizations who either provide the chronically unemployed with the work skills necessary for them to find and retain jobs or by creating long term jobs that such individuals can fill. Sponsors may be non-profit organizations or community groups, commercial companies that are worker owned or community owned, volunteer agencies, co-operatives or community development associations. Costs other than wages, employee benefits and capital items are limited to 50% of the amount contracted and contributions for capital items are limited to \$30,000 per operational project. The budget for 1982/83 is \$71 million and about 10,000 individuals have participated. LEAP has been in effect since 1973 and has proved effective in the past for those who experience difficulty securing and maintaining regular employment. A national evaluation prepared in 1977 showed that one in two participants increased their earning power and employability following participation in a LEAP project.

5 New Technology Employment Program

More tangentially related to community development, this program provides jobs for post-secondary graduates who are recent labour force entrants and who have been unable to find employment in their discipline. A sub-objective is to stimulate innovations in manufacturing and in the application of conservation and alternative energy techniques and programs and thereby to support small entrepreneurial initiatives. Small firms, individuals, associations, research institutes and community organizations creating additional

employment are eligible for contribution of 75% of wages paid for a maximum of twelve months. The budget for 1982/83 is \$7 million and the number of participants is about 700.

6. Industrial and Labour Adjustment Program (ILAP)

This program does not fall quite in the same category as the others but it is directed to groups/industries/workers in communities most adversely affected by the decline of permanent jobs. A battery of programs - portable wage subsidies, training, early retirement, aid to industry is available for designated communities (which are currently Windsor, Chatham, Brantford and Kitchener-Waterloo in Ontario; Tracy/Sorel, Port Cartier/Sept. Isles, L'Islet/Montmagny and Asbestos/Thetford Mines in Quebec; Sydney, Nova Scotia; and McAdam, New Brunswick). \$350 million is available over the three year period 1981-84.

7. Others

All of these programs are directed to a greater or lesser extent to community based initiatives. However, it is important to point out that initiative does rest with communities to take up these programs and to realize their potential. Some larger communities may be able to form economic development communities made up of local government, business, labour and other interests in order to promote a development strategy consistent with local priorities.

Over the past few years, interesting community based development projects have been undertaken, either with or without government assistance and some of the successful ventures provide useful indications on the types of structure, funding and other assistance which can support local initiatives. Let me cite just two examples.

One is the incorporation of Slave Lake Developments in 1969 following the development of the Lesser Slave Lake area as a Special Rural Development Area under ARDA. Local residents wanted to participate in development of their region through ownership as well as employment, and this organization later became a public company. An associated private company was formed so that financial and management help could be made available from several large private sector companies. Projects have included rental housing, an office building and commercial development.

Another example: In 1974 the Province of British Columbia was intending to let a major timber berth in the Burns Lake area. Proposals were received from a consortium of wood product companies and the native people of Burns Lake. The province facilitated the two groups in getting together and the Burns Lake Native Development corporation was formed to hold shares in a joint venture with the private sector. A community association was also

formed to assist native people in employment with the consortium and to provide a number of family services. Other similar organizations have been formed to assist development, such as the Alberta Indian Equity Foundation and the Federation of Saskatchewan Indians Economic Action/Resource Management Program.

As well, while not directly related to community development, one should not lose sight of some of the more general programs that are available and exist to serve Canadians and hence the communities in which they live. I am thinking of programs such as those in support of the National Training Act which was just recently passed by Parliament or various job creation programs. The National Training Act, as most of you will know, provides great opportunity for identifying those skills and occupations which will require concerted effort to fill as a result of anticipated shortages in the years ahead. We in the Federal Government are attempting to fine tune our training monies to make them more effective in meeting the needs of the Canadian economy and Canadian society.

With respect to job creation programs, no better example can be found than the recently announced NEED (New Economic Expansion Development) program. The NEED program is designed to assist Canadians who are hardest-hit by the current economic situation. The federal government has allocated \$500 million and there have been consultations with the provinces, many of which may also allocate funds.

NEED is designed to create new productive employment for persons who are unemployed and have exhausted their entitlement to UI benefits or are in receipt of social assistance. Particularly disadvantaged individuals - youth, women, and natives in particular - who did not have the required "weeks worked" to qualify for UI will be eligible.

NEED Advisory Boards in each province and territory will recommend regional strategies designed to ensure that the employment created matches regional requirements. NEED Boards will be composed of community representatives, federal officials and officials of participating provinces. Project originators may be provincial governments, municipalities, employers, volunteer groups and individuals. Projects could include such things as tourism development, housing, conservation, reforestation, site development for future construction, infrastructure and a multitude of others.

NEED funds will contribute to the wages of eligible workers up to an average of \$200 per week with extra for key supervisory personnel. These wages may be "topped up" by the project organizers. In addition, up to \$125 per week per worker will be available for unions, non-profit groups, municipalities and federal departments to help cover capital costs. These may also be augmented by participating organizations. The minimum duration of

projects will be 12 weeks and the maximum, 12 months. Projects may go beyond this if other funding is made available.

There is therefore great potential for communities to identify projects which will help with their future developments and also result in the employment of individuals who meet the appropriate criteria. Communities should organize to take advantage of these sorts of programs which in the final analysis can serve their ends.

The CEIC has had a long standing commitment to programs that stress human resource development, adaption to change, and the better deployment of individuals for both personal enrichment and the development of Canadian society. But all in all, you will be drawn to the conclusion that the Federal Government may have been involved in community development indirectly for a very long period of time, but that programs specifically geared to support community development in terms of employment are still in their infancy. Several of the programs I have described are still experimental and we are trying to test just what the effects of particular program designs are. Others such as community development projects (CCDP) and LEAP have more substantial funding and are more engrained in the battery of programs that can be relied upon. But much more needs to be done in this area if we are to meet the challenges that are likely to occur within the next decade.

D. THE FUTURE

What the above suggests is that Government initiatives that are currently in place provide a net of social programs for a healthy Canadian economy and society. However also suggested is that these initiatives may be less than what is necessary to realize the full potential of Canadian society. One of the lessons of which we in government must continually remind ourselves is that to make policies work, let alone be effective, governments must find ways to co-opt the natural forces at work in the economy and society. Not to tap the initiatives and potential which rests with individual entrepreneurs and individual citizens is not only wasteful, but it is also likely to lead to incredibly ineffective programs. Programs which have firm roots in communities and community development have a solid base. And like the parable of the house built on sand and the house built on rock, programs firmly rooted in the community are like the latter and more likely to be impervious to ill winds.

In order to do this, community development programs are going to have to be designed to take account of the basic weaknesses inherent in small communities. And as I stated at the beginning of my remarks today, this means emphasis on basic entrepreneurial skills, the basic infrastructure, the basic fabric of organization at the community level. If we can build programs that enhance co-operation among economic partners, we will be designing

programs that are effective in meeting the needs of Canadians. If we can design programs that build on the existing strengths of communities in support of community institutions then we will have a series of success stories. The result will be permanent jobs that serve the long term interests of Canadian society. We should not forget that too many of our programs for job creation - while serving the immediate interests of getting Canadians back to work - have not addressed the longer term problems of generation and regeneration of jobs in the private sector.

There is an old trichotomy in economic analysis - where I find my own personal roots - among the so-called Allocation, Distribution and Stabilization functions of government. The stabilization function is that dealing with the level of overall activity in the economy. And in a Keynesian sense this is directed towards ensuring that overall levels of demand are adequate. Most of our job creation programs have been of such a nature that they have addressed this particular aspect of government's role. The allocation role of government pertains particularly to the production of goods and services in sufficient quantities to satisfy the needs of Canadian society. While job creation programs have been directed towards this objective, they have been directed to it more in the short run than in the long run. We need in the future to be more concerned with programs that enhance the creation of permanent jobs in permanent economic activity rather than transient jobs in transient activity. The distribution function of government is one that is concerned with ensuring that there is an equitable distribution of the fruits of a modern industrial society. Some of the programs I have outlined today are specifically directed to certain groups in our society that some would label "disadvantaged". They have contributed to the distributive function of government but we must be increasingly concerned that our job creation programs address explicitly the longer term distributive function.

I am certain that some of you were expecting Dr. Dodge, if not myself, to comment on a new federal commitment to community economic development. I am not about to do that but it should be obvious that there has been an ongoing commitment to community economic development. We in Employment and Immigration are committed to involving Canadians and Canadian communities in programs to enhance the level of economic activity in Canada. The Government of Canada is committed to exploring ways to involve all of the partners in the development of new approaches to basic economic problems. The Dodge Task Force is now a matter of record and we in the Canada Employment and Immigration Commission are exploring ways of implementing some of the many recommendations contained in it. In co-operation with other federal departments, we are hoping in the near future to develop expanded and perhaps new programs to enhance community economic development. We in Ottawa welcome initiatives such as this conference, to promote a healthy exchange of ideas but more importantly to generate an impetus to action.

No matter how it is organized or what its goals, people are what make a CDC work. Any organization based in the community cannot succeed unless its organizers are able to motivate a base of community members willing to be involved. In the presentations reprinted below, Leslie Bella looks at some of the factors that predispose residents toward and against participating in efforts to change and improve their communities, and Hayden Roberts examines the same topic from the perspective of education and its relationship to community development.

On a more practical level, volunteers, board members and paid staff must be recruited, trained and supervised. Community development corporations must deal with the same issues as all volunteers agencies. How should board members be recruited? What should the relationship be between board members and

staff or between paid staff and volunteers? Should staff be hired only from within the community or should "outsiders" be recruited because they offer much needed expertise?

Karen Hill's paper provides some practical information on the recruitment and retention of the volunteers so essential to a third sector enterprise.

Excerpt from the Panel People: The Greatest Renewable Resource

by Leslie Bella

There are two related problems I would like to deal with. First, why do people get involved in community affairs, such as the CDC, and then, how do we get people involved? I'm dealing with how to get people out to their community meeting so that you can have a relationship with them that will guide your community organization.

I want to briefly talk about general patterns in citizen participation in Canada. We are influenced by the greater emphasis on participation in the US, and we are influenced by the values attached to citizen participation which we have seen in the peace movement, in the environmental movement, and in the youth and black movements in the 1960's and 1970's. Although Canadians have experienced the impact of these ideas we still have less enthusiasm about becoming involved in the decisions that affect our lives. This lower level of enthusiasm creates some problems for us when we start to accept or try to adapt American models such as the CDC. The core of the problem is what political scientists have described as our political culture. Ours isn't a participatory political culture, it's not the kind of thing that we feel comfortable doing in Canada. We have a spectator political culture. Canadians sit and watch the political game. Mostly they leave it to politicians to make the decisions. We are a nation that watches politics on television without any further input to the programming other than the opportunity to change channels occasionally. We have no control over the programs. With this kind of political culture, what kind of hope is there in Canada for a project such as a CDC? Will people become involved in something like this? The answer is a very cautious and modified "Yes". Yes, if there's a hook that pulls at people where they really feel it.

Good hooks are: money (the strongest hook of all, we're a pragmatic people). For instance, threats to property values or to the actual loss to physical property will bring out people to oppose development. There's another element in using financial gain as a motivation to get people involved in things. To be a sufficiently powerful pull, that financial gain must be perceived by the resident as outweighing the personal costs in time, effort, out-of-pocket expenses and lost opportunities such as seeing the end of the hockey game. There must be a perceived net benefit.

There's a second major hook, in some ways, it's more powerful than the first and that's the perception of family need. Threats to children from dangerous intersections produce communities to get Stop-Walk lights. Threats to children produce Block Parent programs. Similarly, increasing the opportunities for one's children provides the driving force behind many voluntary organizations. Examples are non-profit daycare centres and minor sport associations.

There is a third element that's necessary. Extensive involvement in a particular community, at least in the Canadian setting, is only found when there is a sense of crisis. It's a crisis that's perceived as existing when either or both of the financial and family hooks are found acutely present in a community at the same time. The kinds of situations that produce this sense of crisis are private or public urban renewal proposal, a new freeway route shafting through an urban community, the closure of a railway station or a grain elevator in a rural setting, an ominous increase in the crime level, the unexplained disappearance of a child, the closure of a plant providing many jobs. To generate widespread citizen involvement, there has to be a sense of crisis over these issues.

There is a fourth factor and it can assist all of you in developing the awareness necessary for the sense of crisis to become evident. I refer to the presence of somebody I could call the community worker, the facilitator, the animateur, the organizer. This is the person who rubs raw the sores of discontent, who stimulates the non-acceptance of events that eventually stimulates community members to act to change the things that threaten either their pocketbook or their family.

Still another factor, a source of inertia that I want to discuss, has to do with something called efficacy. It's a word that political scientists use to describe one's own sense of the ability to have an effect on things. If a person has been convinced that nothing he will do will ever have any effect on anything, then there is little chance that even in a sense of crisis he will turn out to do anything about anything. Low feelings of efficacy which are quite characteristic of many people in many Canadian communities come partly from our home environments where children are not expected to challenge or question what their parents suggest or demand of them. Our own education system which has emphasized learning facts rather than solving problems is reinforced by political, social, religious and economic institutions that are structured to discourage participation of any real kind in decision making. In my years as a community worker, I have worked with many people who seem to have a low sense of efficacy. In many cases, those same people from small beginning on tangible issues related to money or family develop a sense of efficacy, a sense that they could make a difference, that their input was worthwhile, that it was worth coming out to that meeting. In slow steps people learn that they can make an impact upon their environment, that they can change a bus route, that they can halt or modify a proposed development for their community, that they can organize and obtain a recreation facility or design a recreation program for their children, that they can improve their community or set up a new industry to provide jobs. However, when beginning work with people who begin with a low sense of efficacy, it's important to begin with small, successful steps. It's important to know as an organizer that it's not

possible to get everybody to turn out to that first meeting. If you aim for a first, large-scale meeting, there's going to be some problems. You need to work first at the more intimate level of neighbours, friends, colleagues, fellow workers. People need to talk together and gain confidence at that more intimate level before they will have the confidence to initiate and make a success of a large venture or a broader issue. Beginnings in these circumstances must be appropriate to the sense of efficacy in the community. Otherwise we risk reinforcing senses of helplessness rather than building strengths, ties and organizations - organizations such as CDCs that'll provide the economic and social improvements that are needed for an improved quality of life for individuals and their families.

Excerpt from the Panel People: The Greatest Renewable Resource

by Hayden Roberts

I want to approach the issue of what the whole business of learning and education say to the process of social change. When I started doing adult education in Africa, I had been an economic guru for years and suddenly I was dumped in the deep pool, the deep end of adult education. I didn't know a thing about it. A few years after I had begun working with native groups there, someone said: "Really what you're doing is community development". That for me linked the two together. What does the process of learning do to us and what are its outcomes?

There was a book produced several years ago called "No Lineage to Learning"; part of a Club of Rome series. It talks about two kinds of learning. One is maintenance learning which is that kind of learning which helps us to maintain the existing system, a kind of education in coping that we get in the educational system, in the family and in the kinds of places that Leslie alluded to. It's the kind of education in which we learn the rules and the methods to avoid rocking the boat. That is fundamentally the basic character of our education system. It is designed not to disrupt the existing way that we go about things.

The obverse side of maintenance learning is shock learning. What happens is that while we learn the recipes and the solutions and the strategies which are always worked out by the experts somewhere else, something happens in the world, the oil countries get together and they suddenly form a cartel and suddenly the whole economic situation is broken wide open and we are not ready for it, we've not learned to cope. We have learned to exist with the status quo and then something happens which the learning process has not taught us to deal with and that is what shock learning is. It is the learning which comes out of suddenly finding that the solutions worked out by the experts are simply not appropriate to the new conditions. We can see this in our economic life in Canada, North America and the world today. All the hot-shots who are working on econometric models of what should be happening in our economy, they are always wrong. They simply do not have the answers and we are puzzled. That is shock learning. So we have to turn to another way of learning.

Now the trouble is that in the world today we are all interlinked - communities, countries, there are even interplanetary linkages. So the shocks are getting bigger, fatal, catastrophic. It's a very dysfunctional way to go on learning. We have to look at other ways of learning and other outcomes of learning.

There's another aspect to this which relates particularly to the process of learning through the formal education system. It has been called by one adult educationist in a recent book "Learning by the Back Door", surrogate learning. What he says happens is that in the formal school situation, the learner

is put into a dependent relationship to the teacher, system, government, to the curriculum formers. What happens is that the learner becomes subordinate to that whole system of which the teacher is a part. Therefore a whole dependency grows up. The spectator political culture which Leslie was talking about is partly a result of this.

The phrase "People a Renewable Resource", the words may be better than the reality. I think we have to be cautious and not be sentimental. We have to realize some of the realities in which we live, not only as kids in school but as adults. My perception of adult education in North America as a whole is that it is very prescriptive. The living needs of the students, the people are prescribed by the government, by employers, by professional associations, by whatever. So often when we talk about adult education, we talk about the felt needs of the learners and that is hogwash. Most of the time we are giving people what the system thinks they need to cope. If you want to become a supervisor, you better go and do a course in supervision ...

Some of us in the field of adult education are worried about what we call mandatory continuing education or compulsory lifelong schooling. We are being obliged to continue in this same educational process because someone else says so. I think we'd better be very careful about what getting into an educational process means and what the limitations are and what we've got to do as learners to change it. I have been doing a fair amount of research into adult education, comparing it in Alberta and Quebec and I find very much we are dealing with coping mechanisms, rather than creative new mechanisms. This places some limitations on the whole concept of people as renewable resources. We have to not take it for granted that as people get better educations, they become more independent, more counter-dependent and more creative.

There is another aspect to this. Learning takes place in an environment, in a certain time, in a certain place. I believe the environment has a big effect on the process of learning. Let's face it, the big surge in cooperatives, in grassroots political movements, much of the steam has gone out of these movements. One has to look at the environment and how to react realistically to it. Alberta is not the best environment in which to get people all stirred up. But shock learning is operating in opposition to this trend. People are being shocked out of their pants. In the States the CEDC and CDC movements were set up by people who were reacting to very critical situations. The breakdown of a business provides an opportunity for this kind of movement to get going, setting up workers' co-ops for instance.

There has been an initiative in B.C. The B.C. government has initiated a set of consortia headed by adult education agencies who are attempting to bring together the BC Federation of Labour, employers, local adult educationists to do community studies, to try and find solutions to local community unemployment.

There are some dangers to this approach. As in 19th century Britain, the kind of middle class liberals go down among the people and do good things to them. But on the other hand, this initiative was part of a whole movement which the co-ops and the trade unions and the Labour Party got going. I am not so worried about the danger as I am excited about the possibilities.

What I have been talking about so far is our emergence from a situation where we're dealing with what Maslow calls "deficit needs" into a more positive and long-term growth situation. This very conference is a sign that people are concerned and are beginning to link and coordinate their thinking and action. Most of you have probably read Marilyn Ferguson's "Aquarian Conspiracy" in which she draws together a lot of the threads of the exciting things that are going on in a far-out kind of science as well as technology and politics. I hope that is a sign that people are beginning to listen and are beginning to say "Hey, yes, there are alternatives". The workers' co-op movement seems to be burgeoning again, not in Alberta, but elsewhere. I think there are things that are going on in Quebec in terms of workers' co-ops that are exciting. The trouble is we in Alberta don't know what is going on in the rest of the country. I think in adult education there are beginning to be more signs of an awareness that there are alternatives. One of the exciting things has been the development of Indian Cultural-Educational Centres across the country. These are attempts on the part of the native people to say that there is an alternative. I call this counter-cultural adult education. It's what some of the writers talk about when they say education is a subversive activity. There is another example. The Social Planning Council of Edmonton is working on a program called Project Involvement with Seniors. The older people are saying "To hell with this. We are being done to all the time. It's about time we did something." I still want to invite you to be cautious about the relationships between education and ability of people to be recycled.

Volunteers: How To Get Them and How To Keep Them

by Karen Hill

Volunteers are the ingredient that will make or break your organization. Your task of promoting Community Economic Development is one of building "Community"; and I believe that volunteers working together can successfully build a community, regardless of their economic output.

So, if you look at volunteers as a vital asset, it makes good sense to treat volunteers as an investment, to choose them carefully, to nurture them, to use them wisely, and to take good care of them; and, as with any resource evaluate carefully and replace them if necessary if you think you've made a mistake in your choice.

Those of you who have had bad experiences as a volunteer, or who have seen volunteers in the image of the blue-haired Lady Bountiful who ever-so-graciously stuffs envelopes once a month will recognize that that is not exactly the kind of resource I'm talking about; and that organizations I'm talking about will have to do more than sit on their hands and wait for that extra-special asset to fall into their laps. What to do? I want to credit material prepared by Diane Abbey-Livingston as the basis for much of the following presentation.

There are six essential components to getting good volunteers, keeping them, and using them to their capacity and to the organization's benefit - a plan, recruitment, selection and placement, orientation, supervision, training are all parts of the process of successful volunteer utilization.

Lets begin with pre-recruitment - how to get ready to get good volunteers. As you know from your own experience, volunteers do not work for pay - they seek other kinds of rewards and the challenge for organizations who want to get and keep good volunteers is to match reward with the needs of the individual and with the attributes and skills the organization requires - it's a three-way fit, and acquiring a good match isn't easy - what needs to be done first is to make a profile of the components of each job that the organization needs filled, and to list the rewards that flow from each job component. As an example, look at the **setting** in which a job is to be performed - does the person work alone or with others; is the time flexible or fixed; is the place private or crowded; is it a pleasure **setting** or not? You can rate each component and get a picture of some of the rewards a job might offer. You can also look at job **content, purpose, authority** and **benefits**. As a further example, look at the job of treasurer for the organization - the benefits, some status, some training, moderate visibility to the community, and good possibility for advancement. For the volunteer who has some advancement goals, the job of volunteer treasurer might be more rewarding than would the job of serving on a personnel

committee, and probably more rewarding for a person who likes to work with numbers than for someone who can't balance his check book. Listing and rating job components and then matching them with volunteer interests will help you get and keep better volunteers.

A second aspect of recruitment is for you to know specifically what you want the volunteer to do. Today's volunteers are busy people, they expect you to make good use of their time; and that involves providing them with jobs that are relevant to their interest and abilities, and jobs for which they can see a pay-off if not for themselves, for someone else. What do I have in mind? If I return to the example of the envelope-stuffer, you'll agree that few people would see that as especially relevant to their interests, or would see any kind of reward to the work. The challenge is to mix low-satisfaction tasks with challenging and rewarding ones, so people can see a pay-off for what they do. This means that the development of a specific **job description** - including goals, activities, time (amount and when) skills required, and reporting relationship - that is who supervises the volunteer.

So at this stage in the development of our volunteer program, we've put together job descriptions, and job component profiles - this takes time, but they are the essential tools for the next steps - recruitment, selection and placement, orientation and supervision.

As you get ready to recruit volunteers, there are some things you may want to consider - first is who you will work with. In the Statistics Canada Survey of volunteer workers, it was found that of the people who didn't volunteer, most did not do so because they were not asked. That says a lot about us and about our organizations. It also points out that perhaps we need to work more to take advantage of the people who are out there - are we willing to work as partners with people of different economic, educational, cultural and political background? Are we willing to accept competence and experience as valid credentials? Can we work with the disabled, the aged, the poor? Can we deal with our volunteers as valued partners, not mindless cogs in a bureaucratic machine? Can we use human relations skills as we would with friends, and not use top-down, one way management methods?

So now that you know who you're willing to work with, why your people want to volunteer, what rewards you can offer, what you want them to do, and you've developed clear ideas about all this, you're ready to recruit.

How to start? First recognize that you'll have to use different strategies according to whom you want to reach, and according to the make-up and size of your individual communities. Also recognize that methods that work today may have to change as your needs change, and as the community changes. Here are some suggestions - develop a case study, and a request for volunteers, and display it in the grocery store, the school, the laundry room, the newspaper.

Try using volunteers from the highschool as people to do your publicity; get the business association to sponsor a volunteer day; ask your neighbour, or the teacher, or the public health nurse who might help. In short, take a wide-eyed look at your community and its communication facilities and use them creatively (and if you can't see a way to do it, get a partner - two heads always have more ideas than one!)

Now that you've got a pool of people who've responded to your recruitment campaign, it's time to select and place the special people you want. The old-fashioned way of getting people - "it won't take much of your time, Joe"; or "come on, Doris, be a pal", these methods don't make for getting the best people.

Your best bet is to first get a volunteer who will take interviewing and placement on as a task - and train them to do it effectively - this is a crucial job for your organization, and some investment in it will really pay off. For training, ask if the personnel office of a nearby industry will donate some help (and maybe a volunteer too!), or ask at the college in your region; or volunteer bureaux can often help. (I know the volunteer bureaux in Vancouver, Edmonton and Winnipeg do a lot of this kind of training - call or write and see what they'd recommend.) Remember that special skill is required to match volunteer needs and competence with job requirements and satisfaction.

You'll also have better results in the long run if you are realistic with the potential volunteer - don't exaggerate the rewards; don't underestimate the time required; and above all listen to what he or she says. Asking the potential volunteer to fill out one of the job component sheets will help both of you identify a job in your organization that is suitable for all involved.

Having selected your volunteer, the next step is **orientation**. Tell the person what the organization does, and why. Tell them how their particular job fits in with the organization, and their orientation will be an on-going process. It's not a one-shot deal.

Now the volunteers are at work - and like any other people in the organization they need to be supervised - that is they need to get feedback on their accomplishments; they need to be told where their work needs to improve; and they need help in upgrading their performance. Supervision of volunteers requires special skills, as does selection. Make sure that appraisal of performance is a skill you have on top, and that you use. Also ensure that the climate of the organization is such that people feel good about what they do, and you'll be encouraging them to improve.

As part of their process of improvement; and general growth, the training and further development of volunteers will increase the likelihood that you'll get and keep good people. Set some money aside for training, and be sure there is time enough to help people add to their skills.

So, there you are. I've identified the requirements for the successful use of volunteers - a pre-recruitment plan, a recruitment strategy, skilled selection and placement, on-going orientation and supervision; opportunities for training and development. As you can see, both time and money are required to get and keep good volunteers and volunteers - people helping each other - is what building a community is all about!

The Future

CDCs provide an opportunity for communities "to do something exciting with less cash." In a time of decreased cash supply one of the most attractive features of this grassroots economic development may be the ability to innovatively utilize alternative resources which in fact may be more readily available in times of economic hardship. The community economic development movement can learn from looking at failed projects as well as successes. Projects must fit to the local situation. CDCs may encompass a variety of forms and worker opportunities,

including worker management and other alternative structures. These would be developed according to the resources and opportunities available in the community in question. Community economic development would take a priority status in the so-called marginal communities (such as northern, native, disadvantaged, and minorities) because development in these communities can most effectively use the flexibility and innovation of the CDC process.

While there is continued discussion among community economic development groups and advocates about the role of government, all agree that legislation and policy must be developed to allow all levels of government to respond usefully to community initiatives. It is recognized that whatever measures result must reflect the need for flexibility and adaptability. In addition, community groups seeking economic independence must guard against becoming dependent on government programmes and grants to structure and support their original initiative, otherwise the goal of community self-sufficiency will remain unmet.

Community economic development in Canada needs to develop in four areas: the organization of projects; the establishment of working relationships between and among projects; the co-operation of project groups to lobby for supporting legislation and policy; and the encouragement of research into the development process at all stages.

A "grassroots" organization of community-based economic development groups (the Federation of Community Development Corporations) could be in a position to provide mutual support and express their perspective to government.

The "Community Profit" conference summarized the state of the art in community economic development in Canada. Through discussion, conference delegates established a consensus on their model and theory of community economic development and CDCs, and considered the importance of funding and staffing strategies. The conference concluded with a look into the future. In addition to the general trends summarized above, the delegates

used a questionnaire format to establish priorities and directions. (A detailed summary of their recommendations and intent for future action is shown in Appendix D.)

Delegates rated as a priority the need for improved communication and exchange of ideas among CDC groups through meetings, workshops, training sessions, and newsletters; they agreed on their support of an umbrella organization (the FCDC); and they called for lobbying at the federal level.

All agreed that the future of community economic development in Canada depends in part on the continued motivation of communities and community groups, and in part on the development of thoughtful government policies and legislation which will create and support a CDC paradigm.

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Appendix A

Conference Agenda

NOTE: Agenda as distributed to conference participants

"COMMUNITY PROFIT"
The Nuts & Bolts of Community Based
Economic Development

Northwoods Inn
 Edmonton, Alberta

Thursday, November 18

- 5:00 REGISTRATION
- 7:00 OPENING - Collingwood Ball Room
 Official Greetings
 - Bob McKeon, President ESPC
 - Gerri De Hoog, Conference Chairperson
 - Greetings from the Government of Alberta
 (Ron Cooksley, Alberta Tourism and Small Business) and the City of
 Edmonton (Jan Reimer, Alderman)
- 7:30 OPENING ADDRESS
 "History of Community Economic Development"
 - Dr. Stewart Perry, Institute for New Enterprise, Cambridge, Mass.
- Abstract: The history of community economic development can be seen in microcosm in the individual history of each CDC, wherever it may have arisen - in the U.S. or Canada. There appears to be a common pattern on the local level that translates to an analogous story line for a national program.
- PANEL RESPONSE
 Moderator: Peter Faid
 Panel: Greg MacLeod, Don McMillan
- 9:30 WINE & CHEESE RECEPTION

Friday, November 19

- 8:00 REGISTRATION
- 8:30 OPENING REMARKS - Collingwood Ballroom
 - Gerri DeHoog, Conference Chairperson
- 8:45 "EXPLORING THE MODEL"
 Harold Baker
- Moderator: Pat Ryan
 Panel: Harold Baker, Greg MacLeod, Stewart Clatworthy, Thomas Owen
- This session will focus on specific CDC models and options. Following the themes of structure and function within a political context, experiences in rural and urban settings will be examined and discussed. (Video presentation: 45 min., panel discussion 45 min.)
- 10:30 COFFEE
- 10:45 CONCURRENT WORKSHOPS
 Urban Experiences - Mahogany Room
 Stewart Clatworthy
- Abstract: This workshop seeks to provide the participant with an appreciation and understanding of the opportunities for and difficulties facing community based corporations which seek to accomplish economic development and neighbourhood revitalization goals in an inner city environment. The workshop's presentation will include a brief review and critique of the experiences of urban community development corporations and an in-depth discussion of the Winnipeg Core Area Initiative and the role and experience of CDCs in this unique inner city revitalization strategy.
- Native Economic Development - Collingwood Ballroom
 Moderator: Hayden Roberts
 Panel: Dal Brodhead, Larry Clark, Bill Hanson, Herb Schultz, Jerome Slavik
- Oblique overview of past major training (employment), relocation and economic development initiatives and the identification from a native point of view of essential elements required if future CDCs are to succeed.
- methods of determining the aspirations and capabilities of the various consensus groups in Indian and Native communities.
 - clarification of "barriers to development" as seen by external agents and the "defense mechanisms" applied by the local people to retain their identity and their practical sense of future.
 - stress the imperative need to recognize that future development initiatives must reinforce and complement the dynamics and goals expressed by the various segments of the target group.

Marketing the CDC - Maple Room
Hugh Bodmer

Abstract: 1. History
2. Terms of reference
3. Progress to date
4. Role of the local development company

Rural Models - Fern Room
David Pell

Abstract: Our workshop will survey projects from across Canada, looking at their backgrounds, activities, structures, and sources of support. We will compare the Canadian situation with community development efforts in the United States and in Europe and discuss the applicability of foreign projects and proposals to our own Canadian development initiatives.

Legal Ramifications of CDCs - Pine Room
Joan Riddle

Abstract: This session will concentrate on the various legal structures which can be used for CDCs. While Alberta will be used as a focus, there will be some discussion of the structures available in other jurisdictions.

Community Control - Cedar Room
Greg MacLeod

Local control is central to the CDC concept, but how is it achieved? Through an understanding of the rationale of community control, this session will develop a working definition of the concept and explore the political implications of various models.

12:15 LUNCHEON - Timberline, Birchwood Ballrooms
"Community Employment Futures"
Ron Crowley, Executive Advisor,
Strategic Policy & Planning
Employment & Immigration Canada

2:00 PEOPLE: THE GREATEST RENEWABLE RESOURCE
Collingwood Ballroom
Moderator: Peter Faid
Panel: Leslie Bella, Karen Hill, Hayden Roberts

A panel discussion will highlight the issues related to human resource and organization development. Special attention will be paid to the particular concerns of the third sector.

3:00 COFFEE

3:45 CONCURRENT WORKSHOPS
Third Sector Management - Pine Room
Thomas Owen

Abstract:
Objective: to highlight key issues and processes in Third Sector management
- definition of Third Sector
- who controls
- efficiency vs. democracy
- maintaining the momentum
- what price selling out?

Community Power Structures - Maple Room
Leslie Bella

Abstract: Knowledge of a community's power structure can assist those concerned with economic development, enabling the choice of appropriate strategies for recruiting the influential or for challenging the opposition. The concepts of power and influence will be introduced, and the sources of power will be reviewed. Various ways of measuring power will be discussed.

Needs Assessment & Issue Identification - Fern Room
Michael Clague, Karen Hill

This session will examine needs assessment models most compatible with the CDC. Workshop participants will discuss the information requirements of the CDC, how to obtain this information and its application in planning.

Lifelong Learning - Timberline Ballroom
Hayden Roberts

Abstract: Through a kind of nominal group process, we will identify the kinds of learning appropriate and required for working in a CDC / CED in terms of knowledge, skills, and attitudes. We will discuss these in the context of the concept of life-long education - how it is translated into organizational structures or into self-directed learning processes - the roles of certain kinds of adult education institutions.

Staffing the CDC - Cedar Room
Larry Clark

Staffing policies which reflect CDC principles require special attention. This workshop will focus on personnel policy issues and implementation. Specific topics to be discussed include staff qualifications, salary grids, and employee benefits.

Untapped Municipal Resources - Mahogany Room
Jack Skolfsky

Abstract: There are untapped municipal resources available for community economic development. The grass roots level of government, i.e. municipal government, can increase the scope and impact of community initiatives. However there is little precedent in municipal government/third sector relationship building in Canada. Given this background, this workshop focused on where we can start. The workshop will concentrate on

1. Introduction: untapped municipal resources for community economic development
2. Existing municipal government/third sector relationships
3. Problems in municipal economic development
4. Planning and decision-making strategies: how to influence change in the third sector
5. The decision plan: how to build trust and credibility in a later dependent system
6. Where do we start?

Community Perspectives on Northern Economic Development
Collingwood Ballroom
Ron Kinney, Terry MacDougall, Robbie Jamieson

Abstract: Over the past 20 years there has been an economic trend to overcentralize our means of production in the name of "economics of scale". This process has been accelerated due to the availability of relatively cheap energy to transport products to a large and widely dispersed market. This has tended toward a decrease in community economic self-sufficiency enjoyed in earlier times.

Now with more expensive energy and hard economic times, it is time to rethink our economic state and perhaps strive toward greater economic self-sufficiency at the community level.

Saturday, November 20

9:00 FUNDING: THE BUCK STARTS HERE
Collingwood Ballroom
Moderator: Sheila Flagal-Henry
Panel: Dal Brodhead, Stewart Perry, Herb Shultz

The financial realities of starting, developing, and maintaining a CDC will be addressed by the panel. Particular attention will be paid to the role of public sector start-up funding and the issues related to community self-sufficiency.

10:30 COFFEE

10:45 CONCURRENT WORKSHOPS
Project Proposals - Collingwood Ballroom
Herb Schultz

Abstract: Proposal writing should not be viewed as a mindless exercise that invokes bureaucratic corporate procedure. The written proposal is not only

a filing place for your message; it is your agent that accesses people who will act, and who must be kept informed of planned action, progress and results. The presentation will deal with the purpose of a written proposal and its production.

Financial Management - Cedar Room
Rob Fricker

The basic financial management requirements of a CDC will be examined in this workshop. In discussing such topics as investments and economic expansion, the value base of the CDC will be given special consideration.

Fundraising Strategies - Maple Room
David Pell

Abstract: Our workshop will take as its starting point the local community, and will discuss how to make direct and indirect use of resources close at hand to generate financial support for community economic development projects.

Developing Third Sector Funding - Pine Room
Dal Brodhead

Abstract: Intended in presentation to

1. shed light upon the rationale and meaning of the development systems proposal contained in the background paper by Brodhead, Decter and Svenson.
2. link the options in the background paper to the current funding realities and to note some of the implications.
3. to examine some of the directions which could be undertaken to promote the future of community-based development in Canada.

Approaching Foundations - Mahogany Room
Judy Padua, Ken Hodgson

The resources available through Canadian Foundations will be the focus of this session. Topics include how to research foundations, appropriate approaches, preparing proposals, and the decision making process. In addition, resources other than money that may be available through foundations will be discussed.

12:15 LUNCHEON - Timberline, Birchwood Ballrooms
"The CDC & The Municipality"
Jan Reimer, Alderman, City of Edmonton

2:00 THE FUTURE OF CDCs - Collingwood Ballroom
Moderator: Pat Ryan
Panel: Bill Hanson, David Pell, Stewart Perry, Greg MacLeod

Appendix A

3:30	COFFEE
3:45	REGIONAL DISCUSSIONS
4:45	WRAP-UP PLENARY SESSIONS - Collingwood Ballroom
5:15	CONFERENCE CONCLUDES

Appendix B

Conference Resource People

HAROLD R. BAKER, Professor of Extension, Division of Extension and Community Relations,
University of Saskatchewan

After receiving his Ph.D. in Extension Education from Cornell University, Mr. Baker worked exclusively in the field of rural community development and adult education. The author of numerous papers in this area, he has played a major role in the success of the Saskatchewan Committee on Rural Area Development (S.C.R.A.D.) which focusses on ensuring the viability of rural communities in the Province.

LESLIE BELLA, Associate Dean, Faculty of Physical Education and Recreation Administration,
University of Alberta

Dr. Bella received her Ph.D. in Political Science from the University of Alberta, and is the author of several articles and reports relating to social policy. She most recently completed a series evaluating Alberta's Preventative Social Services Program. A former President of the Edmonton Social Planning Council, she has also served on the United Way Board of Directors. Apart from her administrative duties at the faculty, her teaching responsibilities include recreation administration, planning and community organization practice theory.

HUGH BODMER, Project Co-ordinator, Regional Resources Project #1, Alberta

In 1971, Mr. Bodmer was a member of the Task Force on Urbanization and the Future, which examined the impact of growth on smaller communities in Southern Alberta. Since that time he has worked extensively in the community economic development field, and is currently the Past-President of the Economic Developers of Alberta.

DAL BRODHEAD, Advisor, Temporary Assignment Program, Treasury Board Canada

Mr. Brodhead has extensive experience as a community development worker in isolated northern areas. He has been National Director of the Company of Young Canadians and Director General of Broadcasting and Social Policy with the Department of Communications.

MICHAEL CLAGUE, Chairman, Executive Committee, Canadian Council on Social Development

Formerly the Executive Director of the Britannia Community Centre in Vancouver,

Mr. Clague is currently a private social planning consultant. He brings to this conference his varied experiences as both an adult educator and a social worker.

LARRY CLARK, Director, Rural Community Resources Centre, Brandon University

For the past seven years, Mr. Clark has lectured in Community Development and Native Studies at the University of Brandon. His research interests include community impact assessments of government programs. His previous experience in human, regional and community development includes program administration in Northern Manitoba.

STEWART CLATWORTHY, Manager, Evaluation, Core Area Initiative, Winnipeg

Stewart Clatworthy is presently manager of evaluation for the Winnipeg Core Area Initiative, a \$100 million tri-level government strategy aimed at revitalizing the city's inner city area. Prior to joining the Initiative staff, Mr. Clatworthy was employed as the Senior Research Officer and Assistant Director of the Institute of Urban Studies and as a part-time staff member of the University of Winnipeg's Department of Economics. He is the author of several publications on the subjects of inner city socio-economic conditions, the employment circumstances of urban native peoples and the inner city housing market.

RON CROWLEY, Executive Advisor, Strategic Policy and Planning, Employment and Immigration Canada

Currently on leave from the Treasury Board, Dr. Crowley was previously a member of the first executive group for Senior Management Training Program in the Public Service Commission. He has held a number of senior management positions including Director General, Policy and Research, Ministry of State, Urban Affairs. Dr. Crowley, an honoured faculty member in the Department of Economics, Queen's University, has lectured widely in Canadian Universities and is the author of numerous books and articles.

ROBERT FRICKER, President, Business Assistance for Native Albertans Corporation (BANAC)

Mr. Fricker was Manager of Socio-Economic Affairs for ESSO Resources in Calgary before assuming his current position at BANAC. BANAC is a private, non-profit corporation whose purpose is to assist Indian and Metis people of Alberta to develop and maintain profitable business ventures of which they are managers and major owners.

BILL HANSON, Executive Director, Interprovincial Association on Native Employment, Saskatoon

Bill Hanson is a consultant who specializes in Northern Development and native affairs. He is a native of Northern Manitoba and recently retired from the Federal Public Service. During his career with CEIC and DREE, he was involved in the majority of initiatives directed toward the socio-economic development of native people in western Canada.

KAREN HILL, Program Director, Social Planning and Citizen Participation, Canadian Council on Social Development

Formerly the Executive Director of the Burlington Social Planning Council in Ontario, Ms Hill has also served as a Social Planning Consultant to the Ontario Social Development Council. She received her M.S.W. in Social Planning and Social Policy from the University of Michigan, and is the author of several articles on social development, and voluntary sector policy and programs.

KEN HODGSON, Executive Director, Muttart Foundation

Mr. Hodgson has been with the Muttart Foundation for the past two years. He is the former director of the M.S.I. Foundation of Alberta.

ROBBIE JAMIESON, Director, Boreal Institute

RON KINNEY, Associate Professor, Faculty of Extension, Earth Science Studies, University of Alberta

Ron Kinney is director of the Urban and Rural Planning Studies Section of the Faculty of Extension at the University of Alberta. He is also Head of the Earth Science Studies Sector. As well, he is Co-ordinator of the University's Northern Schools. Professor Kinney served five years as General Manager of a Regional Development Corporation in Manitoba and was at one time acting director of Regional Development for the Manitoba Dept. of Industry and Commerce. He is a professional member of the Canadian Institute of Planners and the Canadian Institute of Food Science and Technology.

TERRY MACDOUGALL, Planning Director (Northern Region), Stanley and Associates Engineering Ltd.

The author of several professional articles on community planning in northern Canada, Mr. MacDougall is a member of the Canadian Institute of Engineering of Alberta. A former member of the Edmonton Social Planning Council Board of Directors, he currently serves on the Board of Catalyst Theatre in Edmonton.

GREG MACLEOD, President, Federation of Community Development Corporations in Canada

Mr. MacLeod is the founding chairman of New Dawn Enterprises Ltd. of Sydney, Nova Scotia, one of Canada's oldest and best known Community Development Corporations. A prime mover in the community economic development field, he is currently an Associate Professor of Philosophy at the University of Cape Breton, and has served as a major catalyst for this conference.

DON MCMILLAN, Nanaimo Community Employment Advisory Society

During the past 14 years, Mr. McMillan has worked in a variety of community development projects. More recently he has been involved with the Nanaimo Community Employment Advisory Society, which provides venture capital and professional assistance to local enterprises.

THOMAS OWEN, Thomas Owen Associates Ltd.

Dr. Owen received his Ph.D. in Public Administration from Syracuse University, and is responsible for **Community Economic Development in Rural Canada: Handbook for Practitioners**. As a private consultant, he works with local communities as well as provincial and federal governments in economic and employment problems.

JUDY PADUA, Clifford E. Lee Foundation

As a Board member of the Clifford E. Lee Foundation, she currently co-ordinates the sub-committee on child care and international assistance. Receiving her Masters degree in Sociology from the University of Alberta, she has worked extensively with international assistance programs.

DAVID PELL, Wismer, Pell and Associates

David Pell is an experienced development planner, specializing in community-based economic planning and human resource development. He is co-author (with Susan Wismer) of **Community Profit: Community-Based Economic Development in Canada**, and they currently divide their time between researching a second book, consulting, and teaching at the University of Guelph and Waterloo.

STEWART E. PERRY, President, Institute for New Enterprise Development, Cambridge, Massachusetts

A noted lecturer and consultant in the community economic development field, Dr. Perry brings to this conference thoughtful insights into the history and future of Community Development Corporations. His previous experiences include launching federal and state community economic development programs, and he has served as Director of the Centre for Community Economic Development.

HAYDEN ROBERTS, Professor, Faculty of Extension, University of Alberta

Over the past 20 years, Prof. Roberts has worked extensively in the adult education and community development field. His international experiences include training and work in economic planning and administration.

JAN REIMER, Alderman, City of Edmonton

Prior to her election to City Council in 1980, Ms Reimer served as the Citizen Co-ordinator of the Calder Action Committee in Edmonton. She worked as a Welfare Officer in Darwin, Australia, and has also served on the Board of Directors of the Edmonton Social Planning Council. Her major interest is in citizen involvement in the planning process.

JOAN RIDDLE, Legal Research Co-ordinator, Legal Resource Centre, University of Alberta

Ms Riddle received her law degree from the University of Alberta, and practiced law in Edmonton before joining the Centre in 1980.

PAT RYAN, Director, Edmonton Savings and Credit Union

Originally from Quebec, Mr. Ryan has spent the major part of his life in Western Canada. He has been extensively involved in the Labour, Co-operative, and Credit Union Movements for the past 20 years.

JACK SKLOFSKY, C.P.M. Planning Services Ltd., Edmonton

Jack Sklofsky, a principal with C.P.M. Planning Services Ltd., has had 12 years of experience with municipal, provincial, and federal governments and with the Federation of Canadian Municipalities. He specializes in strategic planning, public sector management, and inter-system relations.

HERB SCHULTZ, Manager, Canada, Manitoba Special ARDA Program

The main element of Mr. Schultz' current responsibility is the management of a financial incentive program for mature people, corporations and community groups, in order to foster economic development in remote rural communities.

JEROME SLAVIK, Jerome Slavik and Associates, Edmonton

Currently completing a law degree at the University of Alberta, Mr. Slavik's previous academic credits include a Master's degree in Political Science from the University of Toronto. He has had 10 years experience working in native communities throughout Western Canada. Having worked as a consultant to government and individuals and native groups, his primary focus rests in the economic development area.

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List of Conference Participants

Appendix D

Survey Results Summary

Based on a questionnaire used during the regional discussions at the **Community Profit** conference, group responses were noted as follows, with strong recognition of the need for networking amongst C.D.C.'s. The following summarizes reports from groups:

British Columbia

Representatives intend to organize a regional meeting in January, 1983 in order to determine local needs and assess the virtue of a national association. Don McMillan will continue as an F.C.D.C.C. contact.

North of 60

Territorial representatives were primarily band managers and were therefore unable to determine a position regarding a national association. However, they do hope to organize a northern conference. Their primary concern is with mega projects and local involvement in them.

Manitoba

Representatives of seven organizations participated in the discussion and determined there was a need to organize regionally and then consider joining the national association. They were interested in more information and discussion regarding F.C.D.C.C. activities, and were prepared to appoint a liaison person to the Federation. Hope was expressed for a conference in the future. It was recommended that the F.C.D.C.C. develop a position paper and circulate it to conference delegates for feedback.

Alberta

This group also identified the need, primarily due to geographic distance, for regional organizations and meetings. In addition, they suggested that any organizations formed should include government and education representatives as associated members.

The following definition of a C.D.C. was suggested by respondents:

- an appropriate, community owned business
- addresses socio-economic problems
- deepens the sense of community