

In our last issue, Paul Born took issue with the marginal role which community-based economic development continues to play in our national life. What will it take to corral for proven CED strategies a significant portion of the resources which the nation routinely dumps into conventional (and dubious) schemes of economic development?

MORE CONFESSIONS FROM A PILOT PROJECT JUNKY

by Paul Born

I have here a 4-point strategy for investing in CED, a strategy which I believe can be catalyst for the expansion and increased effectiveness of the sector across Canada.

1. HELPING MORE GROUPS DO CED

The introduction last year of the Community Economic Development Technical Assistance Program (CEDTAP) was one of the most important boosts for CED in Canada in the last 20 years. CEDTAP is a tool designed to help emerging CED organizations develop and grow. The result, hopefully, will be more organizations doing CED in Canada, and doing it more effectively thanks to the expertise that CEDTAP provides.

The CEDTAP vision has been an organic one from the beginning: to enable the grassroots movement emerging around CED by teaming up new organizations with seasoned professionals who would inspire them and help them grow. If CEDTAP works, it will be because there was a demand for it at the grassroots level; organizations needing the help would drive the process, not the experts providing the assistance.

Some long-suffering CEDers, who felt that they had driven the movement thus far and should now be commissioned to grow it, met this vision with resistance. They felt that CEDTAP was ignoring their expertise and was operating in an environment that it really did not understand. (The McConnell Family Foundation not only established CEDTAP, but took an active role in its development as well.)

But I think CEDTAP did the right thing in sticking to its original vision. The definition of CED has become too narrow and pure and was being jealously protected by an experienced elite. CEDTAP has given a voice to those organizations still trying to define themselves and has matched them with organizations still unsure if they have the answer. Because of CEDTAP there is a new and vibrant search for best practice and this is very good.

My hope for CEDTAP is that it continue to generate as much interest in CED and within as many communities as possible. I hope the expertise it provides for these communities will spark new visions and provide new tools which will create new commitments to CED across Canada. When CEDTAP ends, I hope we will have many more organizations doing CED well and a broader, more inclusive definition of what good CED is. McConnell Foundation's risk-taking - bigger and bolder than any other CED funder - has elevated the credibility of the field immeasurably.

2. BETTER CED IN CANADA

CEDTAP was not designed to invest in strengthening existing CED organizations (although this policy has recently been relaxed). It is now widely acknowledged that the sector must invest in creating stronger, larger, and more sustainable CED organizations. CSTIER's Ted Jackson calls this CEDAP, or Community Economic Development Assistance Program.

I don't know of any CED organizations in Canada that are not struggling with sustainable funding issues. We are a sector far too dependent on government (a very Canadian disease) and operate almost exclusively in its favour and suffer in its disfavour. The whims of government policy and priorities are often blamed for the success or failure of the field. I believe the fact that CED is so reliant on government breeds a cynicism and confusion about CED in both government and the private sector.

That confusion is due to the inability of the CED sector to demonstrate real economic returns for its efforts. This cynicism about our effectiveness is self-fulfilling. It is, I believe, the root cause of the sector's instability.

Of course we are doing good work. But what sets us apart from other organizations doing good community or development work is that we are supposed to increase the economic well-being of individuals or communities. And this economic well-being must, in the end, be measured as real money in the pockets of the individuals or communities we are helping.

CEDDAP would enable CED organizations to become more efficient and business-like in their mandate and approach. It would fund development programs for CED managers, whether masters degrees or on-line seminars. It would fund networking meetings between business and CED organizations and enable strong business-community partnerships. It would fund the dissemination of best-practice turnkey tools that would create new efficiencies in the building of organizational capacity.

CEDDAP would assist organizations to focus and expand the field's interest in achieving real and measurable economic returns. It would not only encourage economic returns, it would demand them. In return, CEDDAP would assist organizations to raise the needed capital to expand their work. It would enable the field to measure its economic impact in helping people and communities to fight poverty.

3. FUNDING THE GROWTH OF CED IN CANADA

If CED is to be effective and sustainable it must have money in order to help others to make money. I would like to propose a 3-point strategy for funding CED in Canada.

The first strategy is to help emerging CED organizations with core administrative and development costs. These costs would be covered for a renewable 2-year term with the

possibility of a fifth year, in case of unusual circumstances. In exchange for this funding, CED organizations would receive a standard evaluation tool, be provided two mentor organizations (chosen through an applied dissemination process) and have an approved development plan based on best-practice principles with measurable milestones.

The federal government, the provincial government, and private foundations or corporations would each supply a third of the funds for this capital pool. The net result would be CED organizations that can enhance their capacity in a strategic manner and achieve a sustainable scale.

The second strategy is to help CED organizations to access pools of capital not available to them through traditional lending sources. This capital would assist in starting or growing enterprises such as community loan funds for low-income entrepreneurs, capital to purchase the assets for a community-owned business or capital to purchase an existing enterprise important to the development of a community.

This fund would give CED organizations access to patient and understanding capital as they use the entrepreneurial talents of their community for the common good. A recent paper developed by Revenue Canada suggests that foundations are able to use capital to back these types of investments. There are already some foundations or church-based investment organizations doing this type of work, and these groups should pool their efforts to achieve greater impact.

The third strategy is to help CED organizations raise capital for reserves and/or special projects. This would work in two ways:

- Make available a pool of money to organizations embarking on a capital fundraising campaign. The money would equal no more than 10% of the projected campaign and would be repayable over the campaign pledge period. This would enable CED organizations to invest in fundraising and avoid the Catch-22 of needing money to raise money.
- Provide matching grants to create endowments for CED organizations, possibly under the leadership of a community foundation. The funder, for instance, might provide \$3 for every dollar the organization invests. This would encourage organizations to build reserve funds for future initiatives.

4. WORKING TOGETHER TO GROW CED

Why has it been so very hard to create a national or even a provincial CED network or organization in Canada? I have heard a lot of reasons. Some say it is personalities. Some say it is regionalism and regional priorities. Others say it is the fierce independence of organizations - or even that such an organization is not needed.

All of these reasons have some validity. Yet all of them together do not overshadow the benefits of the sector finding a way to work together. It is only in working together that we can truly grow CED in Canada into something more than a fringe movement.

The benefits of such collective action are substantial:

- A co-ordinated national effort would provide an impressive case for financial support of CED from both government and private corporations.
- Collectively, it is much easier to show that the development of CED is strategic and has the credibility, capacity, and capital to get things done.
- CED policy issues such as charitable status, banking regulations, and home-based business regulations could be addressed on a national basis, with a powerful lobbying voice representing the entire sector.
- We can co-ordinate learning and influence the teaching of CED in Canada, rather than leaving it to the consultants or academics.
- CED organizations will be able to support each other and feel a sense of community in what we are all trying to accomplish.

Over the past year a group of 15 CED organizations has been meeting to discuss ways of working together. Now known as the Canadian CED Network, it has been a somewhat closed body to date, for whom the group formation process has been very human and often painful as we attempt to communicate and build trust. We would have been inviting others to the table, was it not for our inability to reach consensus on the network's direction and mandate.

But we have now come to an important consensus that will allow members to get involved in three areas:

- *member recruitment and services*, which will recruit new members, provide marketing, education and conflict resolution services, and co-ordinate an annual meeting of the membership.
- *policy*, which will increase the awareness and develop capacity for participation in public policy matters. It will identify and improve systems problems, and increase the voice for CED by advancing policy ideas that support CED and proposing improvements to policies that impact on it.
- *technical assistance*, which will increase awareness and advance CED, build CED capacity, and generate revenue for the network.

Working groups have been formed in each of the three areas. Recruitment has begun and we are now ready to begin a concerted effort to unify the sector around a broad agenda which will further the work of CED in Canada.

CONCLUSION

Where do we go from here? I believe that growing CED in Canada is not only possible, it is inevitable. CED is one of the most compelling approaches available for combatting poverty in Canada. With the sector organizing, and increasing interest in CED on the part of the private sector and foundations, there is great hope.

The keys to success are three: that we organize and reach broad consensus among organizations, funders, and policy-makers; that we will work together and listen to each other in a hope that we can expand our acceptance of new approaches and ideologies; and that we will find new and better ways to create a CED which has the potential to change this country for the common good.

After 12 years as executive director of CODA (in Ontario's Waterloo region), PAUL BORN is currently the consulting director of OP2000 (www.op2000.org). In his freelance work over the past year he has also assisted such organizations as Women's Rural Economic Development (WRED), Levi Strauss, Lutherwood CODA etc. with a variety of projects. Paul is completing a Masters of Leadership Degree at Royal Roads University (Victoria, B.C.) and has just embarked on his thesis, entitled "Funding CED in Canada to 2005."

Paul's comments in the last issue of Making Waves have already ignited a lively discussion, recorded on-line at <http://www.cedworks.com> in the "CED Futures Forum." Feel free to e-mail your own remarks to Paul directly at paulborn@bond.net

