



*Strengthening Canada's Communities / Des communautés plus fortes au Canada*

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*Pre-Budget Submission to  
The Honourable Rosann Wowchuk, M.L.A.  
Minister of Finance for the Province of Manitoba  
by the Manitoba Community Economic  
Development Network*

*January 27, 2010*

This brief has been prepared by the Manitoba Community Economic Development Network for The Honourable Rosann Wowchuk, Minister of Finance for the Province of Manitoba. The information contained in this brief responds to the Minister's invitation to help the Province of Manitoba prepare the 2010 Budget.

As a provincial chapter of the Canadian CED Network, the Manitoba CED Network promotes CED as an alternative economic development model that takes an integrated, locally-led approach to improving social, economic and environmental conditions in communities. The CED model understands that complex community problems require multi-faceted and coordinated responses, and that those responses will be most successful and sustainable if they are community-led. Across Manitoba, CED and social economy initiatives foster economic revitalization, local ownership of resources, poverty reduction, labour market development, social development, environmental stewardship and access to capital.

More than eighty members are represented by the Manitoba CED Network, including the Aboriginal Council of Winnipeg, Community Futures of Manitoba, Manitoba Cooperative Association, the Neighbourhood Renewal Corporations, CCPA Manitoba, Assiniboine Credit Union, SEED Winnipeg, United Way of Winnipeg, Inner City Renovations, and CDEM. Our members represent hundreds of community organizations that are working with thousands of community members across the Province. The Manitoba CED Network is also an active participant in many coalitions including Food Matters Manitoba, Make Poverty History Manitoba, Right to Housing Coalition, Citizens' Coalition, Child Care Coalition of Manitoba, and the Manitoba Federation of Non Profit Organizations.

The recommendations that follow touch on five topic areas: Employment Development, Co-ops, Child Care, Housing, Support for Aboriginal people and marginalized communities, Communities, and Food.

## **1. Employment Development**

### **Invest in a more networked, comprehensive, employer-driven, interventionist and culturally competent employment development system**

The Province of Manitoba can reduce poverty, boost productivity and generate new tax revenues by pursuing employment development strategies that create opportunities for members of disadvantaged communities to find good jobs that pay a living wage and that include benefits and opportunities for advancement. Unemployed marginalized individuals often require long term access to an integrated and comprehensive set of supports and resources in order to successfully enter and remain in the labour force. The most successful employment development strategies offer a comprehensive package of supports to help workers overcome their barriers to employment. Support packages include services such as counseling, childcare, and transportation assistance, and job search assistance such as resume writing and interviewing skills. Successful employment development strategies also offer a comprehensive training program

teaching basic education like math, reading, and writing, job readiness or 'soft skills', and technical or 'hard skills'. Comprehensive strategies also offer 'post-employment' supports, for both workers and employers, to ease the transition into the workplace and increase worker retention. The best strategies connect job seekers to an 'employment development network' consisting of formalized partnerships with relevant actors in the local labour market system — such as community colleges, community-based organizations, governments, unions, and most importantly, employers.

## **2. Co-ops**

### **Introduce a Cooperative Tax Credit to strengthen and develop the Manitoba Cooperative economy**

Within the co-op community, we can all agree that cooperatives contribute to a more sustainable, equitable, and social economy in Manitoba. Fortunately, the Canadian public increasingly recognizes this, and as a result the Government of Manitoba has committed to co-op development through the creation of a Co-op Vision and Strategy. Based on the strategy, many projects are being identified to strengthen and grow the Manitoba Cooperative economy. As outlined in the strategy, one of the mechanisms to support co-op development is the introduction of a Cooperative Tax Credit that would be available to cooperatives that make a financial contribution to co-op development. The tax credit would address the cooperative communities strategic objectives by: providing better infrastructure supports and services for cooperatives; creating a more supportive environment for the establishment and ongoing operation of cooperatives (including capacity-building); and promoting collaboration among co-ops. Funds generated via a tax credit would increase the number and type of cooperatives in Manitoba, the number of cooperative jobs created, and the total assets of cooperatives, thereby helping to strengthen the province's economy. Since a tax credit represents a more integrated approach to financing and skills development, it will make the cooperative community more self-sufficient and better able to meet challenges and pursue new opportunities. As a result, cooperatives will have a greater positive social and economic impact in their communities.

The province would offer tax credits on a total of \$250,000 in contributions from existing co-operatives each year for 10 years. While the tax credit is greater for smaller contributions, it is unlikely that all contributions would be \$1000 or less (maximum level of credit available at this amount). However should \$250,000 in contributions be generated at that level, it would result in a financial commitment of \$187,500 from the Province. This being said, we would anticipate that the financial commitment from the Province would likely be in the \$125,000-\$150,000 range, due to large co-ops contributing in the \$10,000 to \$50,000 range.

## **3. Child care**

**Invest in a fully accessible, publicly-funded, non-profit and/or publicly-delivered system of comprehensive and high quality child care, with worthy wages and good working conditions for child care staff.**

New national research shows every dollar invested in childcare programs increases GDP (economic output) by \$2.54 - one of the strongest levels of short term economic stimulus of all sectors, and far ahead of construction and manufacturing. As well, child care creates jobs. Investing \$1 million in the child care sector generates almost 40 jobs - at least 40% higher than the next closest industry, and four times the jobs generated by investing \$1 million in construction activity. Child care more than pays for itself. Even in the short term, more than 90% of the cost of hiring child care workers goes back to governments as increased revenue, and the federal government gains the most. Over the long term, every dollar invested in quality child care programs returns \$2.54 in benefits to society. We know from Manitoba evidence, that the returns are reliable and solid.

#### **4. Housing**

**Create a minimum of 300 units of rent-geared-to-income housing each year for the next five years with priority being given to Northern Manitoba centres and to high need urban centres such as Winnipeg and Brandon.**

Increasing investments in rent-geared-to-income housing by committing to these targets, while also leading advocacy efforts calling for a national housing strategy, would allow Manitoba to meet the real need of 1,000 new units annually. A commitment to build 300 new units per year would be an excellent investment given the current economic challenges. This investment - at a cost of approximately \$150,000-200,000 - would cost \$45-60 million annually, but it would result in 1,800 jobs and an additional \$90 million in GDP each year. Housing targets should include a percentage of safe and affordable units that meet the needs of persons with physical and mental disabilities to increase their opportunities to integrate fully into the community.

#### **5. Support for Aboriginal people and marginalized neighbourhoods in Winnipeg**

**Commit to securing funding that enables community based projects and programs that were funded through the expired Winnipeg Partnership Agreement to continue, particularly those that fall under the Aboriginal Participation and Building Sustainable Neighbourhoods components.**

Community based projects and programs that have been funded through the Winnipeg Partnership Agreement have helped build capacity, enhance social and economic development opportunities for all citizens, particularly Aboriginal people, and have helped support the revitalization of marginalized neighbourhoods in Winnipeg. As a result, Winnipeg has become a more prosperous, vibrant city where more of its citizens are able to participate fully in community life. With the Winnipeg Partnership Agreement having come to an end last year the Province will need to secure funding to ensure that important projects and programs will have the opportunity to build upon the successes they have achieved to date.

## **6. Communities**

**Ensure that current investments in community-led initiatives to renew communities, build stronger and fairer local economies, reduce poverty and homelessness, and creating more sustainable communities are not reduced.**

In this time of economic recession and reduced government revenues, the Province cannot afford to reduce investments in existing community initiatives that play such a critical role in promoting the well-being of the most vulnerable people and communities throughout our province. The overall costs of poverty to our society and economy far outweigh the current investments in poverty reduction. Furthermore, investing in community renewal and community economic development is critical to the economic, ecological, and social well-being and sustainability of our Province. Manitobans have long been taking action that enables others in their community to overcome barriers and develop capacity and opportunities to participate fully in community life. However, many of these organizations lack the required resources to work with the active leaders in their communities to tackle the complex issue of poverty, and yet they do what they can with great passion, innovation, effectiveness, and dedication. At a time when more people are economically vulnerable, it is imperative that the capacity of these critical organizations to support these communities and families is not undermined.

## **7. Food**

**Establish a Food Security Action Fund to support community based food security projects and develop an institutional purchasing policy that promotes local foods.**

The province can support grassroots involvement in developing solutions to food security concerns that meet the needs and interests of local communities by establishing a Food Security Action Fund. Such a fund would provide grants that support a wide variety of community based food security projects across Manitoba. Funding should be available to both new and ongoing projects and should come as new support for food programs rather than funding redirected from other food or nutrition programs.

The Province can take the lead in promoting local foods by developing institutional purchasing policies that support the purchase of Manitoba foods by government agencies. Since the government has significant purchasing power, this would have the potential to spur producers to grow food for the local market. This would give the government an opportunity to provide practical economic support to local farmers and processors, thus putting money into local economies in rural Manitoba. The Province of Manitoba's Sustainable Development Procurement Policy gives preference to environmentally preferable goods and materials. The provincial government could investigate adding a stipulation to the procurement policy that food purchases should meet particular environmental standards. Purchasing foods from local sources, for example, would reduce carbon emissions that occur as a result of transport.