

# 2010 National Summit on a People-Centred Economy

## Priority Recommendations



## Background

From cooperatives that have existed for more than a century, to the latest innovative social enterprises, citizen-led efforts to build a people-centred economy are rich in their history and diversity.

Today, the People-Centred Economy is firmly established in multiple sectors, including working Canadians living in urban and rural areas, Aboriginal peoples, immigrants, youth, persons with disabilities, racialized groups, women fighting for gender equality and others.

In the face of recent economic turmoil and growing ecological crises, these approaches are more relevant than ever.

The 2010 National Summit on a People-Centred Economy was an unprecedented gathering of over 340 leaders and representatives of the community economic development, cooperative and social economy sectors to build a common agenda and mobilize action for a secure, sustainable economy that puts people and the planet first.

The Summit focussed on six themes:

1. Finance and Investment
2. Enterprise Development
3. Local Revitalization
4. Organizing the Social Economy Marketplace
5. Strengthening the Movement
6. International

Through extensive preliminary consultations and dialogue at the event, stakeholders produced a declaration and set of recommendations to expand the people-centred economy. This document presents the priority recommendations in each theme that we are recommending to the federal government.

Members of the National Summit Steering Group

- [Canadian Community Economic Development Network](#)
- [Canadian Co-operative Association](#)
- [Chantier de l'économie sociale](#)
- [Canadian Social Economy Research Partnerships](#)
- [Causeway](#)
- [The Social Enterprise Council of Canada](#)
- [Enterprising Non-Profits](#)
- [Canadian Centre for Community Renewal](#)
- [Women's Economic Council](#)
- [BC-Alberta Research Alliance on the Social Economy](#)

For more information on the 2010 National Summit on a People-Centred Economy and background papers on Summit themes, visit:

<http://www.ccednet-rcdec.ca/en/summit>

January 18, 2011

## 1. Increase people-centred finance and investment through regulatory and flexible tax measures

As recommended by the Canadian Task Force on Social Finance report “Mobilizing Private Capital for Public Good,” in order to mobilize new capital for impact investing in Canada, the federal government should partner with private, institutional and philanthropic investors to **establish**

**the Canada Impact Investment Fund.** This fund would support existing regional funds to reach scale and catalyze the formation of new funds. Provincial governments should also create Impact Investment Funds where these do not currently exist.

A federal investment of \$20M per year (for five years) in first loss capital, to be matched by private, institutional and foundation investors in a fund-of-funds structure would kick-start the deployment of social investment capital in Canada.

Furthermore, making the regulatory changes required to allow the issuing of new bond and bond-like instruments could channel private capital into social and environmental interventions. Federal departments should **fund a technical group** of sector and financial experts to pilot Social Impact Bonds in various jurisdictions, and all levels of government involved in the creation of renewable energy generation infrastructure should pilot a Green Bond to accelerate Canada’s transition to a more sustainable energy platform.

## 2. Develop a greater role for social enterprise in economic revitalisation strategies and in all areas of government policies and programs

Social enterprises, and particularly cooperatives and enterprising non-profits, play an important role in wealth creation and in responding to the needs of rural and urban communities. Contrary to many misconceptions, social enterprises have a better survival rate than traditional SMEs as well as offering social and financial return on investment.

The federal government’s recognition of the value of social enterprises can be achieved through increased support within its economic development strategies, by adjusting existing programs for SMEs to allow social enterprises better access to markets, capital, training and research and development.

### 3. Implement a community economic development policy framework

The federal government can play a lead role in addressing complex challenges in Canadian communities by **implementing a federal community economic development (CED) policy framework**.

Modelled after the framework in place in Manitoba, a federal initiative would include **CED principles, CED objectives, and a CED lens**. Establishing clear CED principles will guide government efforts toward developing relevant initiatives, and setting objectives will provide benchmarks for measuring progress. The CED lens is effective tool supporting the application of the principles to achieve the objectives, and to review policies and programs for their alignment with the principles. This combination of measures will form the foundation for the federal government's practical support of integrated community development, guiding the implementation and monitoring of initiatives that respond to the economic, social, and environmental needs of local communities, while building capacity within those communities to take charge of their own development.

### 4. Create a policy environment that supports procurement policy and practice of purchasing from social economy businesses

Intentional purchasing targeted to social economy businesses can insure the greatest impact opportunities for a people centred economy. The traditional "price prevails" purchasing analysis actually does an injustice to the taxpayer. The real taxpayer return on investment would be to have

government use a blended value analysis in their purchasing: *price, quality, environment, and social*. Governments should **implement social value weighting** in all RFP's and **include Community Benefit Agreements** on all contracts above \$500,000. **A Living Wage requirement** for all contractors, including their sub-contractors, should be mandatory on all government contracts.

As purchasing increases demand, the capacity of the social economy businesses on the supply side will need to be bolstered. To this end, a set of business skills capacity building opportunities, access to existing SME business development supports, appropriate grant funding and a full range of capital tools will have to be available. Funding for the **replication of effective programs**, such as RISQ in Quebec, Toronto Enterprise Fund in Ontario, and Enterprising Non-Profits in BC should be available to communities across Canada.

## 5. Create an ongoing outreach strategy and roundtable to promote co-construction of public policy with all levels of government and civil society partners

In recent years, new and innovative mechanisms for collaborative development, governance and co-construction of public policy for sector actors have emerged, and have proven key to success in Canada and other jurisdictions.

To support the ongoing co-construction of public policy, the federal government should create and invest in an ongoing roundtable that brings together representatives of both the community and the government. This would provide the infrastructure for meaningfully involving the CED sector in the development and evaluation of government initiatives, and in reshaping government initiatives to meet the CED objectives and priorities of government.

In addition to supporting federal policy development, the roundtable could have a particular focus on supporting momentum in provinces and territories that lack a policy framework, but have substantial interests in public policy outcomes of direct relevance to the social economy, such as poverty reduction and sustainable development. Outreach strategies with other key stakeholders (e.g. private, philanthropic, labour) could also be used to build new partnerships.

## 6. To attain international commitments such as the Millennium Development Goals, integrate People-Centred Economy approaches, inclusive of social economy, community economic development and civil society involvement, in CIDA programs

In the last decade, around the planet, people and communities have continued seeking to take charge of their own development, their own future. These initiatives can take the form of collective enterprises such as co-operatives or social enterprises, or even local, collectively-owned small and medium-sized businesses that contribute to rebuilding an economic and social fabric based on the needs of the local population for goods, services and jobs. Government policies and programs should **support these grassroots entrepreneurial efforts**, which stand in stark contrast to the limits and failures of top-down approaches.

A vigorous and independent civil society plays a key role in the construction of a resilient, people-centred economy and contributes to a democratic system of governance. Civil society participation involving multi-sectoral collaboration, partnerships and networking from local to international levels allow local leaders to support and learn from one another. Those same networks are also vehicles for the promotion and development of markets, capital sources and the co-construction of public policies and programs that can support local efforts.