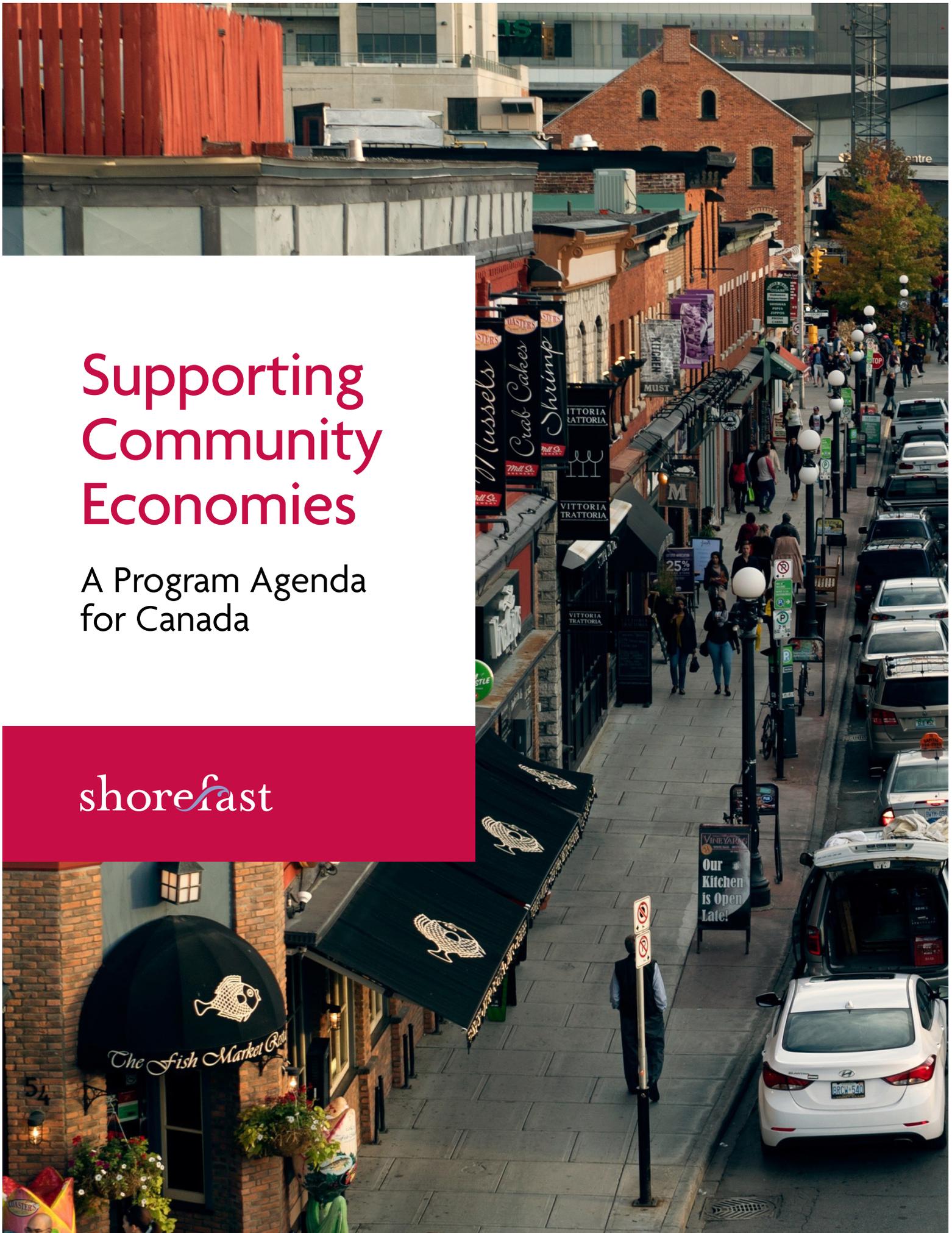


Supporting Community Economies

A Program Agenda
for Canada

shorefast





Established in 2004, Shorefast has become one of North America's most creative and notable social enterprises. It is the charitable organization behind the world-renowned Fogo Island Inn and Fogo Island Arts, garnering significant international attention including a feature on 60 Minutes and named in The New York Times' 52 Places for a Changed World.

Shorefast's mission is to build economic and cultural resilience on Fogo Island and to help make it possible for local communities to thrive in the global economy. Shorefast employs a contemporary form of philanthropy that leverages donations and deploys business strategies toward socially beneficial ends. The suite of community enterprises are economic engines for the community: they create meaningful employment, contribute to the local economy, and generate income to be re-invested through Shorefast's holistic set of charitable programs. There is no private gain—the businesses operate for the exclusive benefit of strengthening the cultural, ecological, and economic well-being of Fogo Island and distilling learnings for other enterprising communities across Canada.

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Moving Forward to Build Strong and Sustainable
Community Economies in Canada

Foreword

We are not living in normal times. The COVID-19 pandemic is ongoing and is unlike any economic crisis in our lifetimes. The climate crisis and the challenges to democracy are real and growing. Many Canadians are legitimately uncertain about their future.

Within this cataclysmic moment, trust in leaders and institutions has been declining, making it more difficult to confront common challenges. The solutions that governments and markets provide when people are anxious are well-known. Businesses provide jobs and income and pathways to economic well-being. Governments deliver programs and services that provide health care, education and income support. These all have positive impact on the lives of people. But the traditional answers that governments and markets provide are insufficient for the collective moment we face.

A missing piece in our usual analytical toolbox is the concept of ‘community.’ We all know that we exist as social beings connected to those around us in deep and casual ways. We all recognize that community gives us meaning.

And yet ‘community’ is not understood or valued or solved for in just about any of our policy or program discussions. The impact of business and government decisions on local communities — and the diverse networks, relationships and value that they produce — goes unmeasured. The ideas of community and place are generally missing analytical categories in policy and program discussions. The idea that the community has inherent value tied to a specific place is not usually a part of policy deliberations or business decisions.

Leaders are of course aware of the local impacts of their decisions. Politics is local and locational decisions are important for businesses. But when policies are designed, the fact that these will play out in a real place within a local community ecosystem is usually absent.

The people who work for the public good in communities, however, know the importance of community. They build community every day by serving their neighbours. They go about the work of solving local problems, which builds social capital and diverse, mixed community economies.

The issues Canada faces are complex and civilizational. Many of our assumptions about how the world works are being tested. No one has all the answers, but people and organizations working on the ground have some of them. Shorefast's Community Economies Pilot (CEP) worked to surface these questions and posit solutions that bring together the three pillars that support our society: government, business, and community. This report emerges from the CEP and its goal is to make the case for designing policy and programs with community at the centre of analysis, and sketch out a practical policy agenda to strengthen community economies.

The change we are after cannot be done by governments or businesses alone, but it also cannot be done without them. Strong communities and healthy community economies are a part of an effective response to the digital, climate and geopolitical forces that are impacting people's mental health and sense of well-being. These communities, with deep, diverse and overlapping relationships, are important contributors to democratic resilience.



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1

Introduction

Over the past year, Shorefast engaged five entrepreneurial communities across Canada to contribute to the Community Economies Pilot (CEP) as “Prototype Communities.”¹ A series of dialogues was conducted to understand successful practices and approaches that can be applied in other communities and scaled. This paper builds on those dialogues and the work of the leaders who build successful mixed economies at the local level every day and who shared their experiences and insights.

The health of community economies requires attention, stewarding and investment from governments and the private sector. Just as governments care about and measure in meticulous detail economic growth, they should also care about community well-being. Just as businesses know they must report on their ESG performance, they should also report on their impact on local communities. Just as investors seek out investments that do not contribute to the climate crisis, they should also ensure their investment decisions don’t create pathologies in local communities.

What we heard during the CEP discussions over the past year was that the work of building prosperous local economies is taking place across Canada. We heard that governments and businesses sometimes help this work, but they sometimes stand in the way, often inadvertently. The participants in the CEP made the point that when decisions are made, the inherent value of community is not integrated into decision-making. The importance of mobilizing local people and local knowledge to solve problems is often overlooked.

There are thousands of communities in Canada. Smaller communities have challenges that often go unappreciated in larger centres. For example, the vast majority do not have a local physical bank or other financial institution, which produces a variety of other challenges related to accessing capital and other services.

All of the discussions embraced the idea that building rich, mixed economies at the community level must be done in a way consistent with Canada’s commitment to reconciliation, self-government, and Indigenous economic self-determination. Any strategy for sustainable

¹ Fogo Island, London, Prince Edward County, Hamilton, and South Vancouver Island.

community economies begins with an appreciation of how these strategies implicate and intersect with Indigenous self-determination and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), which has now been incorporated into Canadian law.

The conclusion from our year of engagement is that communities are themselves assets. We need to invest in them as nation-building assets. These investments deliver social, economic, spiritual and environmental returns. These returns are usually unmeasured when making business and policy decisions and, likewise, the negative impacts from the loss of community usually go unmeasured.

If we appreciate Canadian communities as vital assets in which to invest, they become engines of well-being and ecologies of entrepreneurship. If communities work, society works. And if community economies work, the economy works. And if the economy genuinely works for people, we have a chance to successfully and optimistically confront the enormous challenges that we face.

In Section II of this report we sketch out the case for integrating community as a unit of analysis and design in business and government decision-making, and also explain why it is so hard to do so. In Section III we describe the limits of governments and markets in addressing real problems that communities face. In Section IV, we explain how ‘community’ can be integrated in a place-based and asset-based way. In Section V, we lay out the lessons from the CEP and our overarching strategic advice to government and business. In Section VI, we dig into more detail on that advice and lay out a realistic policy and program agenda to strengthen community economies. This agenda is organized around the four pillars of the CEP: access to capital, building local capacity, data, and the architectures of collaboration. Finally, in the conclusion, we call for urgent action from government and business.

Communities are themselves assets. We need to invest in them as nation-building assets. These investments deliver social, economic, spiritual and environmental returns. These returns are usually unmeasured when making business and policy decisions.



2

The Importance of Community

Communities are physical places where people live entangled with one another. Communities include businesses, municipal governments, educational institutions, finance, cultural organizations, not-for-profit organizations, professional associations, co-ops, unions, Business Improvement Areas and the web of formal and informal associations and networks that hold people together.

Community and place have long been understood as important to people's sense of identity and well-being. Anthropologists, political scientists, sociologists and psychologists all discuss the importance of these concepts. From pop psychology to inaccessible scholarship, there is a widespread understanding that community and relationships are important for human beings to flourish. This truism however, doesn't get organized into mainstream policy-making by orthodox economists or traditional public finance.

In policy circles, the concept of community comes in and out of fashion, with academic debates on related concepts occasionally bubbling up for mainstream discussion. Robert Putnam's work raised the prominence of social capital in North American policy circles, with a focus on the troubling decline of intermediate structures and voluntary associations. Many worried about



the state of democracy when the webs of associations that hold together complex societies disappear, leaving people unmoored, with fewer anchors.

The work on social capital built on a strong foundation of scholarship by political scientists and sociologists on the importance of intermediate structures and social organizations for civic and democratic life. Theda Skocpol highlighted the role these organizations play in democratic life and the important role community and civil society leaders play in relationship to government and the market.²

The related concept of social cohesion also regularly pokes its head outside scholarly works and makes an appearance in ongoing policy discussions. The Organisation for Economic Co-operation and Development (OECD) has a rich stream of work devoted to the concept of social cohesion and the insights from this work are more important than ever as the loss of community, public space and vibrant downtowns produced downstream impacts on social capital and anomie in many North American communities. The group of scholars who have focused on these questions

Problem-solving takes places locally, by real people in real communities. Executing community solutions requires relationships, networks and local leadership. Solutions and progress require trust — between people, organizations and institutions.



for the past 50 years continues to document the importance of relationships and community organizations for well-being, meaning and democratic stability.³

The importance of community has been given more prominence recently by Raghuram Rajan in his book *The Third Pillar*⁴ in which he argues that the three pillars which he says hold up society — state, markets and communities — must be in balance. Technologic and economic changes have caused community to recede in importance. Many of the pathologies from which we currently suffer, including the rise of authoritarian populism and threats to well-being, are in part

2 Theda Skocpol, *Diminished Democracy: From Membership to Management in American Civic Life*. University of Oklahoma Press, 2004.

3 Robert Putnam with Shaylyn Romney Garrett, *The Upswing: How America Came Together a Century Ago and How We Can Do It Again*. Simon and Schuster, 2020.

4 Raghuram Rajan, *The Third Pillar: How Markets and the State Leave Community Behind*. Penguin Press, 2019.

a product of the declining importance of community and place. Rajan argues that we must rectify this imbalance, understand the value of community, and reinvest in communities. Rajan advocates for “inclusive localism,” by which he means devolving resources and power to local communities. He adds the caveat that devolution should only take place if communities are inclusive rather than exclusionary, as many places have been in the past and are today.

Bruce Katz and Jeremy Nowak pick up these themes in a practical way in *The New Localism*. They discuss the importance of informal governance and collaborative leaders. Problem-solving takes places locally, by real people in real communities. Executing community solutions requires relationships, networks and local leadership. Solutions and progress require trust — between people, organizations and institutions. The solutions that local communities often identify however, are often not compatible with the policy and program frameworks adopted by higher orders of government, which are often too slow and too far removed from practical community problems to be able to adapt and innovate.

These perspectives inform our analysis.

Solving for Place

Place, community and geography are important to Canada, and Canada is a self-consciously regional project. Much of Canada’s public policy discussion is implicitly or explicitly focused on place. Federalism and geographically organized electoral competition structure our political life spatially. Major policies — from Employment Insurance and Equalization to regional development policies, military procurement and innovation policies — are infused with geographical and territorial assumptions. Our most jarring political upheavals have been in whole or in part regional.

But that does not mean policy makers think about communities when designing programs and policies. While EI is structured by regional differences and innovation policies famously seek to spread investments in communities across the country, we don’t treat community as the unit of analysis in policy-making or program design. We hope for healthy and sustainable community economies, but that is rarely the first-order goal of policies or programs. Instead, we design programs to address skills or poverty and hope that when we drop them into a community, they work locally.

It is hard for decision-makers in provincial and national capitals to know what is happening on the ground in, for example, community centres across the country. Community concerns are understood narrowly as problems or issues — infrastructure, agriculture, health care, green space

— and approached vertically with a standard set of tools. Integrated services and programs based on community deliberation and design that address multiple challenges simultaneously with an awareness of potential feedback loops and unexpected consequences are rarely part of the answer.

Developing integrated policies for “place” is hard. Governments are organized vertically by ministry around a discrete set of issues and federalism structures policy-making in ways that prevent any one government from ever having a fully integrated capacity to act on pressing community-level challenges. Everyone knows all this.

The Government of Canada’s Atlantic Growth Strategy was one recent attempt to integrate elements of a place-based and horizontal approaches to a set of inter-related policy issues that straddled different governments.⁵ The approach takes the ideas of place and community seriously, but it also highlights that organizing policy around place and community requires intentionality, disrupting ordinary processes, and is difficult to sustain over time.

Governments are not usually designed to be systems-thinkers. Policy-making and program design originate, usually, with vertically organized ministries being asked to address particular issue-based challenges, like skills or housing, and these ministries approach those problems with the tools that they possess — giving money to colleges for training programs or a new grant program to subsidize new housing builds. Complex systems and long-term cycles are implicit and of course acknowledged but are not solved for. Our processes aren’t designed for these kinds of problems.

Provincial and municipal governments dealt with a similar kind of issue when struggling with the question of how to help the highest-need individuals. Eventually some governments stopped



5 Government of Canada, “Atlantic Growth Strategy,” accessed November 30, 2021, <https://www.canada.ca/en/atlantic-canada-opportunities/atlanticgrowth.html>.

trying to treat the particular need that was manifesting in a government office — unemployment, family dissolution, addiction or lack of housing — and instead centred the individual and approached them in a holistic way with wrap-around services delivered by organizations that were empowered to deliver whatever was needed.⁶ Mental maps need to likewise change for communities. Once you centre the community in your analysis and look at it in a place-based way with its own unique assets, different kinds of integrated solutions appear.

The problem we are trying to solve for in this paper and in the CEP more broadly is the disconnect between the rich and meaningful community action and engagement that takes place every day, and the fact that the importance of community is overlooked by official processes within governments.

In Canada today, community leaders live the lessons of Rajan and Katz, as seen in the work of the participants of the CEP. Other initiatives, like CivicAction in Toronto and Engage Nova Scotia, are but two examples of civic leaders who have mobilized informally to deploy their own resources to address local problems. Local knowledge, local input and local solutions are at the heart of community economies. These initiatives can be more powerful if they have resources and power.⁷

It bears repeating that every community will not magically produce the right leaders with the vision, mindset and skills to identify and deliver solutions through the hard work of collaboration and just getting on with it. Not every community will get it right. But governments can help make success more likely by devolving power and resources to communities, better understanding what is important for community economies, providing the playbook for mobilizing and engaging community, and supporting those structures that are working.

Community is essential to economic, social and democratic life

We have made intentional and sometimes controversial policy choices in Canada that have rejected market orthodoxy. Because of equalization, EI and large per capita social transfers, communities across Canada have more equal opportunities than in the United States. Going to school in a smaller community in a less prosperous province does not determine a child's destiny. The decision to strive for equality of opportunity in all regions of the country was conscious and often mocked by those who suggested everyone just move to Toronto or Fort McMurray. But we need to recommit to that idea, not just through palliative care or income maintenance, but through investment in the assets of communities so they can grow sustainably.

6 Jennifer Gold, *Integrating Human Services in an Age of Fiscal Restraint*, Mowat Centre, 2013.

7 Bruce Katz and Jeremy Nowak, *The New Localism: How Cities Can Thrive in the Age of Populism*, Brookings Institution Press, 2019.

People need real and meaningful economic stakes in their communities. Investing in and valuing community are parts of the strategy to increase social solidarity and fight against rising inequality, extremism and atomization.



Economic decline in communities leads to social disintegration and political instability. Canada has thus far avoided the gaping holes in our civic and community life that we can see elsewhere, but we must be intentional about not allowing the holes that do exist and are growing to become even larger. We are living through an era of diminished democratic capacity and healthy community economies can help local people have agency and build the kind of sustainable, prosperous communities that they desire.

The CEP worked with people and organizations that make a conscious choice and believe that community has meaning, and that local knowledge and local leaders can address community problems. Governments will need to do more to recognize the value of that work, enable it and support it.

There are real and evidence-based concerns about where we are heading in terms of civic life and economic well-being. We can no longer be surprised by the climate crisis, political extremism, or economic disaffection. The planet and our neighbours have been warning us about where we are headed. People need real and meaningful economic stakes in their communities. Investing in and valuing community are parts of the strategy to increase social solidarity and fight against rising inequality, extremism and atomization. Supporting the work of the community economy sector is a key tool in this effort and investing in communities will build resilient economies and democracy.

Investing in Canadian Community Economies

Smaller communities across Canada have enormous value. Many have cultural, natural and historical assets that are under-used, under-appreciated and under-capitalized. Governments and businesses should make a choice to invest in these communities, rather than let them decline.

At various times in Canadian history, there have been movements of people away from communities — from Atlantic Canada to Ontario in search of work, from the manufacturing belt to the oil patch. And during each wave, there are those who encourage the exodus, arguing that



it is only rational for people to move. But what is lost as communities hollow out often goes unmeasured in public accounts and economic models. The inherent value in the communities left behind is lost. Without intentionality, the communities risk becoming stranded assets.

In some instances, new investments emerge. The smaller cities of southwestern Ontario that lost population to the west in the wake of the manufacturing crisis of the early 2000s are being re-invented as diversified and differentiated secondary centres situated within the larger mega-region, often with government support and investment. The small fishing villages on the coast of Newfoundland and Labrador will require even more intentional investment, planning and strategies if they are to pivot away from decline.

Today in Canada we have thousands of small and medium-sized communities. They all have new opportunities for growth and renewal. What do governments, the private sector and investors need to do now to grow them sustainably and avoid them becoming stranded assets?

3

A Realistic Understanding of What Government and Markets Can Do

The last two decades have seen growing, more sophisticated, and diverse critiques of winner-take-all-markets, rentier and platform-driven capitalism, and the Washington Consensus focused on low taxes and trade liberalization, all of which prioritized economic growth and produced unequal outcomes in OECD countries. Different writers and researchers use different terms and frame their analysis in different traditions, but community capitalism, stakeholder capitalism, worker capitalism and inclusive capitalism are all challenging the market orthodoxy frameworks of the 1980s and 1990s.

Conventional and mainstream understanding of the role of markets and governments has evolved over the past decade, catching up to some of the progressive critiques of markets delivered over the past fifty years: growth is not the same as well-being, unregulated markets create and reinforce deep inequalities, and externalities like environmental damage need active government policies if they are to be addressed.

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These statements are increasingly uncontroversial. It is now conventional wisdom to focus on inclusive and sustainable growth, which measures and appreciates the broader societal good that flows from high quality jobs, broadly shared economic security, healthy mixed community economies, and sustainable development.

For example, businesses now consider multiple stakeholders not just shareholders. They report on their climate risks and progress on diversity and inclusion.⁸ Investors increasingly focus on triple bottom lines. International organizations track equity-based metrics that redefine success away from “economic growth” towards “inclusive and sustainable growth.” Governments use tools like Gender-Based Budgeting to assess the impact of their policies on different groups.⁹ All of this is part of the mainstream now.

There is vibrant debate about how meaningful or sincere each of these efforts is, but there is no doubt that mainstream understanding of economic success is different than it was two decades ago, with a much more prominent focus on measuring and reporting on sustainability and inclusion, including racial inequality and, in Canada, reconciliation.

What has been relatively absent from this discussion has been the idea — and reality — of community. As governments and the private sector have become much more conscious of how their activities impact the environment and inclusion, the impact of spending and investment decisions on local communities has been far less prominent. The inherent value of community has been underplayed compared to the now ubiquitous understanding of the value of diversity and the need for climate action. Sustainability, inclusion and local community well-being all need to be integrated into coherent investment policies, along with traditional measures of economic growth.¹⁰

The centre has shifted, and the mainstream has caught up with the progressive critiques. We now have a more realistic understanding of what markets and governments can and cannot do. Markets on their own do not create inclusion or sustainability, and they can create pathologies and outcomes that we do not collectively choose. Governments on their own do not create well-being and meaningful relationships at the local level that allow people to get together to solve problems, and through their policies and regulations can actually make it more difficult for communities to innovate and implement workable solutions.

8 A systematic review by Stanford and University of Chicago economists estimated that between 20 and 40 per cent of economic growth in the past 50 years in the U.S. can be attributed to reduced discrimination, as women and racialized people were no longer fully barred from participating in professions and roles that had been effectively closed to them before. An IMF study suggested that closing the labour force participation gap between men and women with high levels of education in Canada would drive a four per cent increase in real GDP.

9 Government of Canada, “Government of Canada Budget 2021,” 2021, <https://www.budget.gc.ca/2021/report-rapport/toc-tdm-en.html>.

10 See also: Matthew Mendelsohn and Noah Zon. *No Country of San Franciscos: An Inclusive Industrial Policy for Canada*. Brookfield Institute, 2021.



Well-regulated markets, fair competition, international trade, and investment capital all play a role in producing positive outcomes, but markets must be shaped and structured to ensure that economic activity produces outcomes where workers, less populated regions and small businesses see benefits alongside capital, big cities and large firms.

The outcomes we desire collectively — inclusion, sustainability, and community well-being — are understood and manifest locally. Communities can often provide what neither governments nor markets can.

In addition to the many community leaders who understand the importance of community economies, many businesses do as well. Hundreds of small, medium and large businesses in Canada have made commitments to the sustainability and health of their local communities. They often work alongside the community organizations and leaders creating mixed local economies. The value of this work should be better understood and acknowledged.

4

An Urgent and Popular Movement for Place-Based Community Well-Being

The issues discussed above are not new. People are organizing at the local level and creating community every day. People look around and see the insufficiency of traditional responses to the crises we face. They see that neither governments nor markets have all the tools required for the moment we face.

Shorefast, the Community Economies Pilot, and the community leaders who have engaged with us during the past year recognize the urgency of the moment. During the past year, participants in the CEP learned and taught about so many activities. These include delivering programs and services during COVID-19, building new co-ops, investing capital in community-based assets, building non-profit housing using alternative financing, purchasing and repurposing new collaborative public spaces, building new businesses that purchase locally and guarantee fair wages, business succession planning that includes transitioning to employee ownership, and collaborating through BIAs and other associations to strengthen the ecosystem in neighbourhoods. These create real value and community well-being.

Governments and businesses understand the value of this work. They also understand that our tools are not as sharp as they need to be for the cascading challenges we face. One strategy is to adopt place-based approaches, which are “holistic and targeted interventions that seek to reveal, utilize and enhance the unique natural, physical, and human capacity endowments present within a particular location.”¹¹ These strategies mirror the emerging recognition that innovation policies likewise will not work if there isn’t an appreciation for the local ecosystem.¹²

These approaches begin with an understanding that successful community development begins with an accurate picture of the assets that exist within specific places and invests in them. Many of Canada’s leading scholars on community economic development argue that place-based approaches are needed because they allow more local knowledge about assets and obstacles to

11 Sean Markey, “Primer on Place-Based Development,” November 2010, <http://cdnregdev.ruralresilience.ca/wp-content/uploads/2013/03/primerplacebaseddevelopment-markey.pdf>.

12 Dan Breznitz, *Innovation in Real Places — Strategies for Forgiveness in an Unforgiving World*. Oxford University Press, 2021.

inform decisions.¹³ Unless one understands the rich existing community economy and its leaders and organizations, new interventions may not help. It is possible they hurt by destroying what is already working. Programs need to optimize for place and community by making investment decisions based on an assessment of the unique cultural, historic, natural, social and economic assets of a specific place.¹⁴

The newest rural economic development framework from the OECD — Rural Well-Being: Geography of Opportunities¹⁵ — emphasizes the value of place-based approaches. It focuses on the importance of public services, quality of life and investing in community assets, not simply investment attraction, which can produce short-term economic activity but leave people and communities worse off over the long term. The goal is to enhance community well-being in all its manifestations, not simply attract investments from global firms that may or may not improve quality of life for people.

The foundation for successful community economies begins with things like public services, infrastructure, and digital connectivity. These investments in turn create the foundation for capital investment and the environment in which people want to stay or return to the community. Public and private investments are mutually reinforcing, with public investments in community infrastructure, for example, making private investment more attractive.

Many other countries are pursuing these more holistic approaches to community economic development. France has focused on an approach marked by *l'égalité des territoires*, which focuses on how communities can exercise power locally and how to encourage the movement of people to smaller communities to support community economic development. Japan is looking at how large cities and smaller nearby communities can be better connected in vibrant regional ecosystems.

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13 Bill Reimer and Sean Markey, “Place-Based Policy: A Rural Perspective,” 2008, https://www.crcresearch.org/files-crcresearch_v2/ReimerMarkeyRuralPlaceBasedPolicySummaryPaper20081107.pdf.

14 Jay Shambaugh and Ryan Nunn, “Place-Based Policies for Shared Economic Growth,” 2018, <https://www.brookings.edu/multi-chapter-report/place-based-policies-for-shared-economic-growth/>.

15 OECD, *Rural Well-Being: Geography of Opportunity*, OECD Rural Studies (OECD, 2020), <https://doi.org/10.1787/D25CEF80-EN>.

These and other efforts are going on globally and reflect a long-overdue rejection of the dominant model of economic development advocated by many global financial institutions in the 1980s and 1990s. Today, we understand that we must begin with the community, its assets, its people and their well-being, and build out from that foundation.

The point here is not to review and assess community economic development approaches globally. Instead, we wish to highlight that advanced democratic countries are grappling with the global challenges that we collectively face and are looking to reanimate their approaches to community economic development. Countries around the world are struggling with the shortcomings of existing policies and the gaps not addressed by government and business. Many of our peers are dealing with polarization, inequality, and declining trust. From our perspective, finding ways to centre community as a unit of analysis and design, and shift power and resources to local communities so that people have more agency over their future, is part of an effective response to the overlapping crises we confront.

5

Lessons from the Community Economies Pilot

For over a year, Shorefast engaged and supported five local entrepreneurial communities on what was working and what was not. Many of the conversations focused on the issues that need to be addressed in order to have success: housing, education, health, reconciliation and skills, for example. We heard that some of these are more urgent than others: housing, the climate crisis and digital access must be at the top of governments' agendas, not just rhetorically. Each require daily attention to implementation plans and demand ongoing oversight from the most senior political leaders.

But we also heard that the long list of issues which communities face will be more likely to be successfully addressed if we begin with strong, healthy, vibrant communities and community economies. Investing in community economies and recognizing the inherent value of community should be an immediate step as it makes addressing other issues more plausible.

Strong, trust-based communities are enabling conditions to confront many of our challenges. The people and groups engaged with the CEP are doing the work every day that will deliver the collective future we want. They are also providing the inoculation against those working to undermine democratic societies, human rights, the right to participate in the public square free from threat, and the rule of law.

It is challenging to summarize one year of work and conversations, but a number of overarching observations stood out.

We heard that public policy and programs are not designed with community in mind or an appreciation of how they will be delivered in communities. In policy and program discussions, community has no status or recognition, and is sometimes conflated with the municipal government.



We heard that governments have a difficult time engaging communities in deliberations. Municipal governments or local Mayors may be consulted, and occasionally local public consultations may occur on a new initiative, but community-level engagement and deliberation are not integrated into decision-making processes. This means that governments miss opportunities to have more positive impact on the people they are trying to support.

We heard about the incredible collaborative work that is underway in communities across the country, with community organizations and local businesses making things work in practice, sometimes without support from governments. We lived the disconnect between the solution on systemic problems being delivered by civic leaders, community organizations, co-ops and local businesses on the one hand, and how governments address local issues on the other. In Canada, we usually create a grant and contribution program, with narrow terms and conditions, to deal with a very specific problem, with strict reporting and onerous grant-application requirements. These programs will inevitably feel hollow and will be precarious. Governments do not usually land on devolving money, people and power as a solution to real local problems.

In the view of the participants in the CEP, most communities work in practice. The people and groups of the CEP are building the architecture of collaboration, deliberation and solutions every day. They have local knowledge and people committed to solving problems. Governments and businesses need to figure out how to restructure their own approaches to decision-making and engagement to support rather than undermine the work of making communities. The oxygen of communities is money and their nutrition is power. Without resources and decision-making power, they will struggle.

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We heard what is working and what is needed to improve approaches in each of our four pillars: capital, the architecture of collaboration, capacity-building, and data. We will outline these conclusions in more detail in the next section, but it is worth highlighting that communities, leaders, organizations and institutions are implementing practical and scalable initiatives in each of these areas.

Take the South Island Prosperity Partnership (SIPP), which brings together leaders and sectors to design and deliver projects that lead to long-term prosperity and sustainability in the region, with a focus on ideas and investments that lead to high quality, well-paying jobs. Governments, post-secondary institutions, businesses, professional associations, the not-for-

profit sector, co-ops, First Nations and others all collaborate to deliver on the vision through a combination of formal governance and informal partnerships and relationships. These institutions give agency to communities.

It is challenging for governments to engage communities in local places and empower them with resources. It is far easier to default to using a municipal government as a proxy for community. But that is a mistake. Municipal governments should not be proxies for communities. Using and investing in partnerships like SIPP is one way governments can truly empower communities and local leaders and organizations.

6

A Policy Agenda to Support Community Economies, Well-Being and Wealth Building

If government, business and civic leaders conclude that, yes, community is important and investing in community economies is important, what should we do first? The agenda could be massive and there will be a menu of options based on the preferences and orientations of individual governments or leaders.

As a first step, as Shorefast has said, we should recognize that “the unit of change is community, that capital must be employed to empower communities, and that place-based approaches are needed to deliver lasting solutions that scale.” Communities and the people who live there exist in real life and it is time to acknowledge these realities in policy, programs and investment decisions. Progress begins with recognition of the inherent value of community, along with markets and the state. If programs aren’t working on the ground, the programs must change — not the communities.

Affordable housing, digital connectivity, transportation and public services are all necessary to retain and attract businesses and people. This means addressing housing supply and its financialization, driving broadband investments in low density geographies, ensuring better transportation linkages for smaller communities to larger ones within their region, and investing in public schools and other essential services so that they remain of high quality in smaller communities. Without addressing these foundational priorities, all the rest of what we discuss below is prattle.

It is also important to celebrate where progress is being made. Legislation to facilitate employee ownership is closer to a reality, roadblocks have been cleared for co-ops to access government programming, concessional capital has been deployed to get community infrastructure projects built, and the disbursement quota has finally been increased to 5 per cent to get more philanthropic dollars into communities. Progress on community benefit agreements over the past decade has been significant. More businesses are committing to fair wage policies and re-investing their philanthropic dollars in local communities. Governments, businesses and large institutions like local hospitals and universities are being more aggressive with their social procurement strategies.

These and dozens of other initiatives are each contributing to diverse mixed community economies. We can learn from each other about what is working, and also learn about what is working globally as other countries design better toolkits to grapple with the challenges we all face. In the UK, for example, the work out of the Centre for Regional Economic and Social Research has outlined ideas to strengthen community downtowns.

What should we do now?

In practical terms, the CEP identified four themes for early work by the public, private and community sectors. These are:

- Capital, to invest in local economies;
- Capacity, so that local people have the tools to navigate complex government and business processes and have the human capital in their communities to be sustainable;
- Data, to describe their communities in accurate ways so they can make plans, choose investments, and know where they are having success; and
- Architectures of collaboration, so communities can deliberate, innovate and problem-solve together, and act on those plans in ways infused by shared visions and mutual trust.

As an over-arching observation, governments should be more comfortable approving flexible, low-barrier program design, with devolution of resources and autonomy to communities. Rules that prevent adapting programs and learning from local experiences should be eliminated.

Too many programs are still designed in ways that prevent outcomes-based, co-created, or delivery-driven solutions that learn and adapt in agile ways to evidence and the realities on the ground. The Regional Development Agencies sometimes have more flexibility to learn and adapt programs and these approaches should be deepened. One simple way to devolve decision-making power is to fund impact investing intermediaries, like Shorefast's Community Finance Fund, that help attract and retain capital investments that support local businesses. Governments have built the rules that prevent learning from community-level delivery experience, and they can choose to change these rules as well.

Themes for early work by the public, private and community sectors¹⁶

ACCESS TO CAPITAL

Canada has many strong, thriving businesses in communities of all sizes, but they face real challenges. In smaller communities, many family-owned businesses face succession issues, some have difficulty connecting with large markets and customer bases, and others do not have a local financial institution, making access to capital more difficult.

Our overarching policy objective should be to make capital more readily available to start, grow, and scale businesses outside of Canada's largest cities. Some of the best ideas are:

Enable businesses to stay in place through employee ownership

Canada has an opportunity to build an employee ownership economy by making legal and regulatory changes that make Employee Ownership Trusts easier to create in Canada and remove disincentives to their use.¹⁷ The 2021 and 2022 federal budget signalled that the federal government is pursuing these vehicles, which are more likely to keep successful businesses in local communities and build community wealth. This momentum must not be stopped. Design choices over the new year will matter and should be made with engagement from local businesses and co-ops.

Ensure that co-ops are treated equitably in program design and that their proven model of retaining capital in communities does not face unintentional obstacles

We heard concerns from many who work in the co-op sector that their model is poorly understood and often forgotten in many parts of federal and provincial bureaucracies. This oversight is sometimes not intentional, but it speaks to a lack of generalized understanding of the co-operative sector, despite its positive history of impact across the country. From being consulted on new policy and legislation to being eligible for programs, co-ops need to be mainstreamed in policy conversations. Larger policy changes could also be pursued to support the resilient co-op model, such as making tax deferred co-op shares permanent.

16 Some of these ideas were originally outlined in a discussion paper and subsequent conference produced by Canada 2020: Matthew Mendelsohn, Jamie Van Ymeren, and Noah Zon, A Sustainable, Inclusive and Digital Future for Rural Canada, 2021. <https://canada2020.ca/a-sustainable-inclusive-and-digital-future-for-rural-canada/>

17 "Building an Employee Ownership Economy," accessed November 1, 2021, <https://www.employee-ownership.ca/>.

Invest more in community development finance institutions, including the Community Futures Development Corporations

Community Development Finance Institutions (CFDI) and Community Futures Development Corporations (CFDC) can be part of an ecosystem of local, embedded investment institutions.¹⁸ Governments should facilitate greater experimentation in this sector by increasing funding in existing institutions and clarifying mandates of CDFIs. The Community Futures Networks and their members have been a long-standing success story, helping entrepreneurs in smaller and under-capitalized communities in Canada.¹⁹ They already exist, and have a history of positive impact, strong governance and community engagement. They can be scaled and used more ambitiously to strengthen community economies at a time when many smaller communities are looking to grow sustainably. CFDC's can be even more important to the community development finance ecosystem. CDFIs are most successful when they develop deep expertise with particular communities and sectors. There are many evolving models of public, private, philanthropic or mixed models of community finance institutions that are developing, including Shorefast's Community Finance Fund. Investing in these funds is an easy way for governments and business to have positive impact on local community economies.

Support easier access to capital for Indigenous businesses

There are many overlapping initiatives that will strengthen Indigenous communities and nearby community economies. These include support for:

- Aboriginal Financial Institutions,
- Indigenous businesses through investing in the Indigenous Growth Fund,²⁰
- the National Indigenous Economic Strategy,
- Indigenous communities pursuing equity investing,
- full participation in natural resource projects, including ownership and revenue sharing, and
- comprehensive land settlements that produce capital for on-going local investment and community support.

18 Matthew Mendelsohn and Noah Zon, "An Inclusive Industrial Policy for Canada," Brookfield Institute for Innovation + Entrepreneurship, January 2021, <https://brookfieldinstitute.ca/an-inclusive-industrial-policy-for-canada/>.

19 Asimakos, S. 2009. Building Local Assets. Making Waves, 20(2): 11-15. Vernon, BC: Centre for Community Enterprise. https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/pdfs/2009-ccinc-community_investment.pdf

20 NACCA National Aboriginal Capital Corporations Association, "Indigenous Growth Fund," April 21, 2021, <https://nacca.ca/igf/>.

There has been good progress on all these issues, but estimates from almost a decade ago showed that “despite the growth of capital in the First Nation and Inuit business community, an additional \$83.3 billion in capital would be needed to fuel a First Nation and Inuit economy operating at the same level as mainstream Canada.”²¹ Advancing self-determination and institution-building within Indigenous communities is essential for healthy, inclusive local economies, and capital is an important part of this agenda.

Incentivize local lending

Clearer obligations on the part of Canadian banks, pension funds and others to report where they invest could identify gaps in access to capital, incent local investments, and support other policy tools related to access to capital. Lenders could have obligations to meet the diverse borrowing needs of local communities in which they operate.²² Local banks are important institutions and having a presence in communities can be important for community well-being and retaining and attracting people and businesses.

Aggressively use local and social procurement to support local businesses

Public and private sector organizations of all kinds should use their procurement budgets more aggressively to support local businesses. While governments and public sector institutions including colleges have moved steadily but slowly towards more strategic local and social procurement, these processes could be deepened, measured, and expanded beyond governments to the broader public sector and heavily regulated sectors like banking and telecommunications. To leverage procurement dollars, we first need to be able to successfully track where procurement dollars are going, and large Canadian firms should find ways to report on their local procurement and their impact on the local community. This reporting should go beyond their philanthropy and hiring to focus on their procurement and investment practices. Corporations have built systems to report on inclusion and climate; they must now do so for their local community impact. Fogo Island uses its Economic Nutrition Label to report on where dollars go. This is a useful approach to drive accountability, and more businesses should engage in this kind of reporting.

21 NACCA, “Improving Access to Capital for Indigenous Peoples in Canada,” 2017, https://nacca.ca/wp-content/uploads/2017/04/NAEDB_ImprovingAccessToCapital.pdf.

22 Federal Reserve Board, “Community Reinvestment Act (CRA),” accessed November 30, 2021, https://www.federalreserve.gov/consumerscommunities/cra_about.htm.

Aggressively build the new Growth Fund and Innovation and Investment Agency, announced in Budget 2022, with a mindset to inject more capital into businesses that are integral to community economies

As the federal government builds out its new independent funds and agencies to make investments in transition and scale, the importance of community and place should be an important consideration.²³ It is essential that investments in our innovation ecosystem do not create pathologies where communities are hollowed out in favour of nearby metropolises.

Formalize the creation of more community land trusts, with local governance and control Canada has some community land trusts, but mostly for rural and habitat protection. We need to create more community land trusts (CLT) that can deploy land for housing and community infrastructure in cities and towns. One study concluded that our CLTs are mostly informal, ad hoc and lack political, legislative and financial support. In other places, including London, UK, they are supported by citywide and national networks, as well as formal support from government.²⁴ The federal, provincial and territorial governments should examine legal structures that make it easy for communities to own, repurpose and reinvest in local assets.

Begin consultations on a Community Investment Act, which would give tangible focus to many of the ideas discussed above. Community development finance institutions, land trusts and local procurement are complex issues that have legislative, regulatory, policy and treaty implications. The “how” will be important and this report has not sketched these approaches in detail. Just as the federal government has begun a comprehensive engagement around employee ownership, consultations and research on a Community Investment Act should be undertaken so that the initiatives discussed above can be undertaken in a manner most likely to achieve the stated policy objectives.

23 Dan Breznitz, *Innovation in Real Places*, Oxford University Press, 2021.

24 Bunce, S. (2020). Engagement and activism in community land ownership: The emergence of community land trusts in London and Toronto. In S. Bunce, N. Livingstone, L. March, S. Moore, & A. Walks (Eds.), *Critical Dialogues of Urban Governance, Development and Activism: London and Toronto* (pp. 274—288). UCL Press. <http://www.jstor.org/stable/j.ctv13xps83.27>

BUILDING CAPACITY IN SMALLER COMMUNITIES

Many smaller communities do not have the capacity they need to engage in sophisticated and strategic community economic development. This is not an easy problem to address because capacity is highly inter-twined with human capital and people: many smaller communities simply do not have the capacity they need because their population has declined and aged. Building capacity goes hand in hand with a population strategy.

Our overarching policy objective should be to retain and attract young, highly skilled people to smaller and mid-sized communities across Canada. Some of the best ideas are:

Governments and businesses should invest in anchor institutions in smaller communities

It has long been recognized that anchor institutions — hospitals, military bases, credit unions, banks, recreation or arts centres, and major private sector employers — play an important role in the economic and social life of some smaller communities because they provide employers who are more immune to economic downturns and are a source of stable middle-class employment. They create capacity within communities by building more diversity within the local population. Although some dismiss these kinds of investments as palliative, we do not. Private, community, co-operative and public sector anchor institutions attract people and build capacity in local communities. Public sector investments can attract private sector investments and are key to innovation, accelerating digital connectivity, population circulation and establishing new linkages between people and communities. They create a foundational floor that ensures public services are available in communities and they help build capacity within communities through local engagement. Anchor institutions should also play an important role in local procurement, not just to support existing businesses but, as stable and reliable purchasers, anchor institutions can help create a market for new businesses. Anchor institutions need to review their procurement policies carefully to ensure they are doing everything they can to foster a dynamic local business ecosystem.

Invest in public space and mobilize and repurpose flexible space for entrepreneurship and community purpose

When it comes to community and economic development, some of the hardest working infrastructure in smaller communities is often overlooked as infrastructure at all — church basements, legion halls, and other spaces that function as community hubs, event spaces, and pop-up commercial hubs. Governments and other large organizations should mobilize more multipurpose space for community and economic development needs.²⁵ Larger communities benefit from a wider variety of market options, as well as institutional spaces; rural communities need creative solutions. For example, Brandon, MB has a rich network of emerging multi-purpose spaces, including the Ask Auntie Program, the Blue Door, the Food Rescue Store and the Community Wellness Collaborative. Public, community and cultural spaces are essential for healthy communities. Other models focus more explicitly on entrepreneurship and bring the success of institutions like Communitech and Hub 350 to smaller communities, with service offerings tailored to the economic profile of local communities. There are many emerging hubs growing in smaller communities, such as SOPER in Rimouski, QC which focuses on the Blue Economy. The model used by the Center on Rural Innovation (CORI) in the U.S., which builds scalable tech accelerators focused on rural communities, is a promising one because it acknowledges the benefits of agglomeration and network effects and attempts to solve for them in smaller communities. Regional Development Agencies (RDAs) could play a key role in this.

Implement innovative strategies to deploy surplus public assets as new public space for community delivery of services

Finding ways to co-locate services and build community hubs where a full range of health, human and social services can be provided is one way to offer high quality services in rural communities. However, the Ontario Government has documented how sometimes governments' own rules against co-location, which may make sense in some urban contexts, need to be adjusted for rural communities. Ontario has also developed a model to allow community groups to take over under-used public infrastructure to experiment with alternative models to deliver community services,

²⁵ There are however concerns that some kinds of investments in public space can exacerbate existing inequities or create new ones. There are strategies for avoiding these outcomes, as outlined by Hanna Love and Cailean Kok, *The inclusive economic impacts of downtown public space investments*. Brookings Institution, 2021.

managed by local residents.²⁶ The presence of a public school in a community can have important long-term social and economic impact and one way to retain these important pieces of social infrastructure is to allow them to act as community-controlled community hubs. This could require creating a legislative structure for the easier creation of funds to hold community assets in trust. Nova Scotia has one model of a community development investment fund that allows for community ownership that should be examined and adapted for other provinces and communities. Governments should inventory their surplus public assets and aggressively seek out community partners who can invest in them for community purposes. This should include municipal governments, who often sit on unused assets for decades when they could be put to use for community purposes.

Governments and businesses should support distributed workforce strategies

Digital connectivity has opened up more options for distributed workforce and hybrid workforce policies. As organizations are grappling with these issues, they should consider the value of having workers in local communities with knowledge of those places. HR policies and collective agreements should be changed to facilitate a more distributed workforce. This will be attractive for some workers, allowing them to make choices about where to live, particularly in smaller communities that are geographically close to larger centres. These strategies improve the acuity of public servants about how programs are working in communities.

Reduce administrative burden for the community sector

Governments have been highly focused on “red tape reduction” and administrative burden for businesses, particularly for subject matter experts. The same efforts should be replicated for the community sector, which often suffer from more burden for fewer dollars, preventing them from doing the work necessary to build sustainable, healthy communities. Governments and ministries should adopt one common reporting mechanism to report on results, oversight, spending and revenue, rather than requiring the community sector to file separate reports for each grant and contribution program.

26 Government of Ontario, “Surplus Property Transition Initiative,” accessed November 30, 2021, <https://www.ontario.ca/page/surplus-property-transition-initiative>.

Expand the program of Rural Advisors, launched recently by ISED, to other ministries to better understand realities on the ground and how programs should be adapted to achieve their goals

These public servants should have the explicit mandate to intentionally engage with civil society and community workers. A network of community advisors in all ministries, charged with helping communities navigate programs but also informing program delivery in real time based on community level input and experience, would be an important addition to the public service. More ambitiously, senior executives in government should identify ‘reverse mentors’ in the community sector who can offer them direct feedback in how programs are being experienced on the ground.

Governments should acknowledge that physical connections are crucial to smaller and more isolated communities and subsidize transportation

Whether airlines, buses or trains have routes to smaller communities should not be solely a market decision. Investing in the long-term growth of healthy community economies requires governments to make investments and subsidize connections when a business case does not exist on its own. Many countries have air strategies that make public commitments to the future of communities and do not leave those decisions entirely to the market. Canada requires the state to play a role in ensuring communities are connected to one another, just as we have throughout our history.

Invest in the capacity of community organizations

Governments support workers and businesses. They should support community organizations as well. That means covering overhead costs and providing ongoing operating grants to key community organizations and networks. Too often governments expect community organizations to simply deliver programs but building the on-going institutional capacity to be able to deliver programs requires on-going investment. When organizations were necessary delivery agents during the early part of the COVID-19 pandemic, they could not be built from scratch. Their existence had value in local communities and that value is not consistently acknowledged in funding arrangements.

GETTING THE DATA COMMUNITIES NEED

It is challenging to secure data at the community level for a variety of reasons: the data are not collected at the community level, they aren't organized at the community level, they aren't disaggregated, they aren't tagged making merged data sets impossible, and a multitude of other reasons. In many instances governments do not share data with each other and there is a long-standing dispute within the federal bureaucracy about whether data can even be shared across ministries, with conflicting legal opinions from different ministries, with no resolution over many years. It also bears repeating at this point that city or municipal data is not the same as community data.

The most important policy objective should be to make data as widely available as possible in ways that communities and organizations can easily use to support their work and decision-making. Some of the most important priorities are:

The federal government should implement the recommendations of the Clerk's Data Roadmap, a product of one year of work and consultation within the federal bureaucracy. Some of the most important first steps would be creating legislative structures for the creation of data trusts, using more data lakes for anonymized government data, and having ministries and governments agree to common data standards so that data can be more easily shared and used across organizations.

Invest in more community-based data

While the federal government has launched a wide-ranging rural economic development strategy, and has created a Rural Data Hub, the current data to guide decisions or measure results remains sparse. It can be difficult to access economic well-being data at a community level. For a community to meaningfully participate in shaping its economic future, municipalities, community groups and local actors must have access to robust economic and social data outside Canada's CMAs. Specific measures would include expanding the Statistics Canada Rural Data Hub with new offerings²⁷ and providing communities with the support they need to track what matters to them for decision-making.²⁸

27 Hannah Main et al., "State of Rural Canada III: Bridging Rural Data Gaps Integrating Storytelling and Sustainability Indicators for Sustainable Rural Development View Project," October 2019, <https://www.researchgate.net/publication/336217791>.

28 "Community Data Program," CDP, 2021, <https://communitydata.ca/>.

Governments should fund more ambitious and frequent data on community well-being²⁹

As it stands, data is too infrequent and over-sampling is not undertaken, meaning that well-being data cannot usually be generally used at the local and community level. The Framework used by the Canadian Index of Well-Being has a community vitality dimension, but this is only a beginning. The federal government reports on CWB scores for communities and has over-sampled Indigenous communities to better understand well-being at the community level, but small samples for most communities limits the ability to use these data to understand smaller places.

Public finance and reporting should consider and report on long-term impact on community economies

Federal Budgets now consider the distributional impacts of policy choices more seriously than before, and the impact on quality of life, well-being and climate are systematically considered and reported.³⁰ Climate impacts are also increasingly considered in decision-making. Gender-based budgeting is becoming better understood and more widely used. The same kind of effort needs to be devoted to measuring the impact of decisions on community economies.

Report on progress on community benefit agreements and social procurement

Over the past decade, researchers and activists have documented the power of tools like CBAs and procurement to disrupt usual market processes and deliver more benefits to local communities. Municipal governments have led the way, but provinces, territories and the federal government have made progress as well. Some large private sector employers have also used these tools to secure greater social license for their activity. However, we do not have a good picture of progress. Governments, large institutions, and large private sector employers should collect data on these tools and report results.

29 Data on flourishing at the community level would also be useful for many communities. See Elizabeth Neil and Andrew S. Nevin, *Flourishing in Canada: How to Get the Good Life*, Institute for Flourishing, 2021.

30 Government of Canada, "Government of Canada Budget 2021," 2021, <https://www.budget.gc.ca/2021/report-rapport/toc-tdm-en.html>.

ARCHITECTURES OF COLLABORATION

Capital, capacity and data can be mobilized most successfully when there are architectures of collaboration. Ideally, communities will enjoy a mix of formal and informal arrangements that create networks of organizations and leaders from many sectors, collaborating on common challenges around shared visions. These arrangements can be most successful when they disrupt the ordinary policy-making process.

The overarching policy objective should be to remove obstacles that prevent communities from innovating to solve their problems, and devolve resources and decision-making authority so that communities can address local problems.

Scale integrated smart community planning methodology

The co-creation processes seen in the Smart City Challenge approach can create credible, collaborative place-based processes that result in agreement on common priorities, plans and execution strategies. Guelph and Wellington County mobilized more than 150 partners from community, business and government to develop their plans around food. Governments should invest in the capacity that lets communities roll out these processes quickly and effectively in ways that use tested methodologies. Governments should commit to invest in the plans of communities that have undertaken meaningful and structured co-creation and engagement processes.

Government and business should support multi-sectoral collaborative institutions like the South Island Prosperity Partnership

Canada has many working models that deliver real results in practice in communities, some of which are more focused on civic leaders while others have deeper commitments to engaging all members of the community. These should be modeled and replicated. Governments should fund these organizations as integral parts of the local mixed community economy. Regional Development Agencies should support asset mapping initiatives undertaken by collaborative multi-sectoral organizations as a foundation for community economic development.

7

Moving Forward to Build Strong and Sustainable Community Economies in Canada

Community has inherent value and each Canadian community has assets in which we can invest to improve the quality of life and well-being for residents of the community. By doing so, we can enrich diverse mixed local economies, giving people more choices about where to live.

Strategically, we need to optimize programs and policies for community because if communities work, society works. And if community economies work, the economy works.

To strengthen mixed community economies in Canada, we should consider the impact of programs on communities at the very beginning of program design. We should be relentless about learning from experience and adapting programs based on community evidence about what is working. We should do a better job of fully engaging local people in program design and delivery. Resources and power should be devolved to communities.

Success on any agenda, and certainly one as ambitious as this, requires choosing priorities and tracking success.

As immediate short-term priorities, governments should:

- Fund the multi-sectoral organizations that collaborate on community economic development. Just as governments directly support individuals and businesses, governments should fund the integrative organizations that provide the architecture of collaboration and engagement.
- Expand staff in communities. This should include more offices outside of capitals, support for distributed workforce models, public sector executives with commitments to develop deep relationships with community members who deliver programs, and staff with outreach mandates within communities.
- Interpret the terms and conditions for its programs much more broadly, allowing communities and organizations more flexibility in responding to local circumstances and innovating to solve problems.

- Make new investments and provide more supports for community development finance institutions, including the Community Development Futures Corporations, land trusts, local procurement, Community Finance Funds like the one managed by Shorefast, and begin consultations on a community investment act. These efforts should include aggressively inventorying and making available surplus public assets to community organizations for community purposes, including housing and recreational spaces, and using concessional capital to help communities make projects happen.

There are many cascading challenges that Canada and the world face. Some people feel overwhelmed, knowing that there is very little any of us on our own can do about the many issues which cause deep anxiety about the future. But investing in strong healthy sustainable communities is one of the most important things we can do.

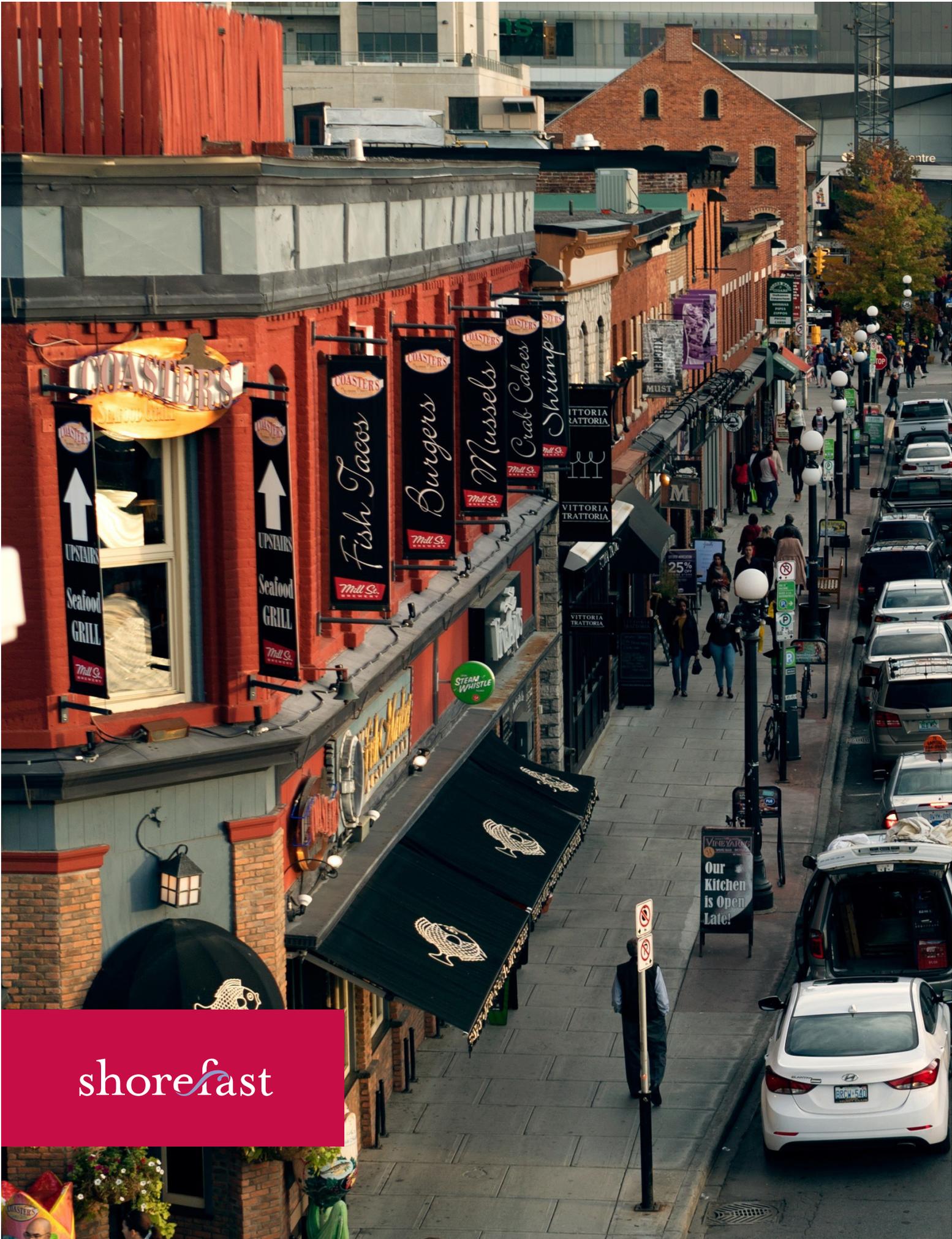


The private sector can help as well. Major employers in Canada should begin to transparently track and report on their local impact and build the systems to do so publicly, just as they do on inclusion and climate.

We believe the project of strengthening community economies is an urgent national priority that can be one part of the toolkit in addressing the many overlapping crises we face. We will therefore convene communities in one year to take stock of progress on this agenda and look forward to governments and businesses reporting on their successes.

There are many cascading challenges that Canada and the world face. Some people feel overwhelmed, knowing that there is very little any of us on our own can do about the many issues which cause deep anxiety about the future. But investing in strong healthy sustainable communities is one of the most important things we can do. Civic and community infrastructure are antidotes to democratic decline and economic exclusion. Community engagement provides agency to shape our collective future.

Canada, like most countries, suffers from profound systems-level failures to understand and support community economies. This cannot be rectified in a few months. But we must begin the slow and steady work immediately. A decade from now we would like to look back and see how governments and business have invested in community assets in ways that have built successful community economies across the country.



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