

The Ideology of Community Economic Development

By

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Abstract

Community economic development (CED) appeals to both the left and right wing of the political spectrum for different reasons. While some might find this to be a strength of the movement, it will be argued in this thesis that this may not be the case. CED can be all things to all people. Without some form of ideological analysis, the CED movement risks being co-opted by the right wing status quo forces of our society and fails to be a progressive source of change to address structural issues of inequality and oppression. This thesis develops a CED ideological model that can be used as a lens to inform both CED theory and practice. Case studies of SEED Winnipeg, the Assiniboine Credit Union and the People's Cooperative will be used to illustrate the potential application of the CED ideological model. A discussion of the definition of CED is initially presented followed by an outline of the analytical tools that are used to develop the CED ideological model and to guide the case studies. This includes an examination of the extent to which a CED approach embraces gap filling or transformative objectives. The construction of the proposed CED ideological model based on class, market and state theory perspectives is reviewed. A modified version of the George and Wilding (1996) ideological framework is utilized including the perspectives of anti-collectivists, reluctant collectivists and collectivists. Feminist, anti-racist and anti-colonial perspectives of the CED ideological model are presented as other key elements that need to be examined within the ideological analysis model. The theory, strategies and impact measurements of CED that informs the proposed ideological analysis is further examined with respect to each of the respective CED organizations involved in the case studies. The thesis concludes with a discussion about the importance for the CED movement to have concrete tools to better analyze the role and impact of ideology on CED theory and practice.

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Introduction

Community economic development (CED) appeals to both the left and right wing of the political spectrum for different reasons. While some might find this to be strength of the movement, it will be argued in this thesis that this may not be the case. CED can be all things to all people. Without some form of ideological analysis, the CED movement risks being co-opted by the right wing status quo forces of our society and fails to be a progressive source of change to address structural issues of inequality and oppression. This thesis will develop a CED ideological model that can be used as a lens to inform both CED theory and practice. Case studies of SEED Winnipeg, the Assiniboine Credit Union and the People's Cooperative will be used to illustrate the potential application of the CED ideological model.

The first chapter will discuss a definition of CED. The second chapter will outline the analytical tools that will be used to develop the CED ideological model and to guide the case studies. This will include an examination of the extent to which a CED approach embraces gap filling or transformative objectives, as well as the impact of the concepts of hegemony and civil society with respect to the nature of CED objectives. A theoretical context of a CED ideological model will be presented that will look at the role of paradigms and ideology in the building of a knowledge base to examine the CED movement; and critical social theory.

Chapter 3 will involve the construction of the proposed CED ideological model based on class, market and state theory perspectives. A modified version of the George and Wilding (1996) ideological framework will be utilized including the perspectives of anti-collectivists, reluctant collectivists and collectivists. The framework will discuss the order and conflict lenses of

analysis. Ten elements will be examined within the proposed CED paradigm including the view of society; view of social problems; value of freedom; value of equality, value of community; role of the market; role of the state; view of power; view of change; and nature of CED practice.

Feminist, anti-racist and anti-colonial perspectives of the CED ideological model will be the focus of Chapter 4. This will include a review of feminist perspectives using the wave metaphor of the first, second and third waves of feminism(s). Second wave feminism will be explored from liberal, radical and socialist feminist perspectives. Third wave feminism will look at the issues of difference, identity, intersectionality and power. An anti-racism ideological perspective will include a structural analysis of both individual and systemic forms of racism; critiques of colour blindness and multiculturalism; a discussion of White privilege; concepts of difference and power; the role of organizational culture regarding the dynamics of racism; and the importance of race equity statistics to hold systems accountable for anti-racism initiatives. The final section of the chapter will involve a discussion of the elements of a colonial ideological perspective including internalized colonialism; neo-colonialism; post-colonialism; anti-colonialism and the role of Indigenous knowledge.

Chapter 5 will explore the theory, strategies and impact measurements of CED that informs the proposed ideological analysis. This will include a discussion on theories of underdevelopment, with a particular emphasis on urban and Aboriginal experiences. The CED strategies that will be reviewed in this chapter include outward perspectives involving export base theory; staple theory; and location theory. Inward perspectives of CED strategies to address the impacts of underdevelopment that will be presented include the convergence approach; government services strategies; and import substitution strategies. The

examination of key CED outcomes for the analysis of CED initiatives will involve looking at issues such as the scale of the CED initiatives; the impact of the CED initiatives on income; and the sustainability of the CED initiatives.

Chapter 6 outlines the methodology used for the case study research. Chapter 7 will feature a case study of SEED Winnipeg, chapter 8 a case study on the Assiniboine Credit Union and chapter 9 a case study on the People's Cooperative. The analytical framework used for these case studies will include a description of the organization in terms of its history, purpose and organizational structure; the extent to which it embraces a gap filling or transformative CED approach; the type of CED strategies used by the organization; a review of the organization using the CED ideological analysis model developed in this paper; and an examination of key outcomes including issues of scale, impact on income and sustainability.

Finally, chapter 10 will be the concluding chapter of this paper and will discuss the importance for the CED movement to have concrete tools to better analyze the role and impact of ideology on CED theory and practice.

CHAPTER 1: DEFINING COMMUNITY ECONOMIC DEVELOPMENT

A good place to start in attempting to define CED is to understand the concept of economic development. According to Schweke (1981),

Economic development is the process by which society increases its level of material and social well being over time. An economy that is developing, therefore, is one in which employment increases, technological innovation occurs, and the rate of economic growth rises (1).

One of the problems with the traditional economic development approach is how the rate of economic growth is defined. Ross and Usher (1986) argue that this is more problematic for CED initiatives which more often involve economic activity which is related to what has been called the “informal economy”. Official economic activity measurements known as Gross National Product or GNP are based on a very structured technical definition of economic activity. Ross and Usher (1986) contend that

There will always be too many methodological problems to construct an agreed on measure of all economic activity. But what seems to be clear is that by simply calculating much of the activity that is now excluded and using present GNP accounting methods, GNP would rise considerably. By how much? The only firm estimates are for household production which would add 40 percent to GNP. Then by adding in mutual aid, volunteer time and goods, some community organizational activity and unpaid labour in small business and co-ops, it seems reasonable to believe that the unrecorded and legal (most of it formal) part of our economy would be at least one-half of recorded GNP.

In the final analysis, policy decisions based on GNP and related to output measures used for monitoring the nation’s economic activity are incomplete and too narrowly economic. And perhaps worst of all, they give status to formal activity while downgrading informal (98).

There needs to be a recognition, therefore, that a whole range of local community initiatives contribute to economic development even though they are not included in official economic indicators and definitions of economic development.

Community economic development or CED is a form of development that is different from traditional economic development activity in that it places social objectives over the profit motive and promotes participation of a broad range of stakeholders including producers, consumers, public, non-profit and private organizations, as well as members of the community in the decision making by CED institutions (Fillion, 1998; Sheradan, Slosar and Sheraden, 2002).

The CED approach focuses on the linkages between social development, economic development and self-determination. McLeod (1984) describes CED as “a cooperative attempt by local people to take control of the socio-economic destiny of the community...to respond to local needs as community members perceive them” (14). Wismer and Pell (1984) argue that the social process of development promoted by CED sets the development approach apart from private business development in many ways including:

1. It is an integrated approach to development, encompassing social, cultural and economic goals;
2. It is not-for-profit and that which is produced is for the community;
3. It has a belief in the capacity of people to manage their own affairs;
4. The community is in control of the development process;
5. Democratic processes are maximized in internal decision-making; and
6. Innovative approaches are used in redefining and working toward alternative solutions to economic and social problems (25).

Lloyd (1999) emphasizes the local focus of the CED approach along with its emphasis on addressing issues of poverty including such elements as:

1. Mobilizing a contribution from the most marginalized people;
2. Focusing limited resources on the geographical areas of greatest need;
3. Engineering a shift of emphasis from top-down delivery to local capacity building and devolved provision of new local services;
4. Addressing asymmetries of local power by conceding instruments which can be used to “bend” mainstream programs to the interests of the people of the designated areas;
5. Conceiving of the local as a key terrain of innovation capable of revitalizing policies at other levels including regional and national; and

6. Tackling those roots of exclusion which permanently lock people out of mainstream society (704).

Kuyek (1990) reinforces this locality development focus of CED through objectives that include gaining local control over business; producing socially useful products; not displacing the poor from the local community; redistributing wealth and services in a community; and creating good working conditions. Lotz (1977) also identifies the local control context of CED as “an economic analysis of the community and research and decision making aimed at drawing up a plan of action to create or maintain the kind of community that people have collectively determined to be desirable”(9). Schweke (1981) focuses on the local capacity building feature of CED in that it “involves the creation and strengthening of economic institutions that are controlled or owned by residents of the area in which they are located” (4). It should be noted that community ownership can be defined in terms beyond geographic to include membership based on a community of interest including class, race, gender, sexual orientation, age and ability.

According to Bruyn (1987), the ultimate objective of CED is the development of

Self-reliant communities developing beyond the traditional laws of the competitive market and beyond traditional government controls. Local autonomy is advanced through the development of firms that democratize the land, labour and capital...remove them from the competitive market and return them gradually to the hands of the local people (6).

Shragge (1997) maintains that these goals can be achieved through the building of alternative institutions such as community land trusts (land), worker cooperatives (labour) and community financial institutions (capital).

Loxley (2007) identifies the important linkages between community development and CED as a context for defining CED. He points out the community development is a much broader concept than CED, with the underlying goals “to promote, sustain, support and maintain community action...to go forward towards defined goals, with purposeful activity aimed at real achievement” (Griffiths 1974:89). Community development “offers a way of involving people in the life of their communities” (Lotz 1977:35). Loxley (2007) maintains that

Community development encompasses CED but goes beyond it, embracing social and cultural well-being, suggesting a conscious intervention on the part of people to meet their needs and shape their lives in directions they feel to be desirable. Community development casts a wide net, covering social work, urban renewal, adult education and political organizing. Its emphasis is, however, firmly on process, on how things are being or should be done, rather than on what should be done (8).

Loxley (2007) argues that in comparison, CED focuses primarily on economic or material improvements in the lives of community members. He identifies a long-standing definition of CED as developed by the United Nations (1955).

CED is a process designed to create conditions of economic and social progress for the whole community with its active participation and the fullest reliance on community initiative.

Loxley (2007) argues that community development and CED are intrinsically linked in that the development processes involved in community development provide important pre-conditions for CED initiatives.

It is unlikely that CED will accomplish much if a prior foundation of community development has not been put in place. People living in disadvantaged communities, suffering from poverty for many years, are not likely to embrace CED without many different forms of community development interventions that build self esteem, nurture self confidence, provide required organizational development and make possible the emergence of a committed leadership (8).

Loxley (2007) concludes his review of CED definitions by correctly identifying the challenges of defining CED and that often these definitions raise more questions than they answer including:

What are the underlying objectives of the process? Why, in a free enterprise society, is there a need at all for community to become actively involved in the process of economic development? Why are community economic concerns not taken care of by market forces and corporate decision making? What, in fact, is meant by the term community? Is it a homogenous entity, the composition of which itself is self-evident and the interests of whose members are uniform, coincidental and non-competitive? How are the needs of a community, which presumably drive the direction of economic and social progress, determined and expressed? And if the process of CED is not to be left to the market and to private enterprise decision makers, upon what types of economic theorizing would alternative, community-based approaches be based, and what types of alternative economic strategies might be suggested by that theorizing? Theoretically, what is the relationship between CED and the private sector on the one hand, and the state on the other? What is the role of various types of capital - economic, human and social - and what is their inter-relationship? Where does culture fit into CED?

Therefore, while some dimensions and benchmarks can be identified for a definition of CED, they only provide a starting point in order to begin to analyze the complexities of the CED process. At best, these definitions provide a framework to explore further questions, concepts and challenges regarding the CED approach to development.

While no all encompassing definition of CED is easily identified, the following factors are important elements of a definition:

1. CED is a process.
2. Community members control the application of resources and the planning process.
3. CED attempts to build local institutions and develop local capacity.
4. Community self-reliance through strengthening the social, cultural and economic structure of the local community is the goal of the CED process.

CHAPTER 2: TOOLS FOR IDEOLOGICAL ANALYSIS

This chapter will outline the analytical tools that will be used to develop the CED ideological model and to guide the case studies. This will include an examination of the extent to which a CED approach embraces gap filling or transformative objectives, as well as the impact of the concepts of hegemony and civil society with respect to the nature of CED objectives. A theoretical context of a CED ideological model will be presented that will look at the relationship of ideology and CED; the concept of a paradigm or ideological analysis in the building of a knowledge base to examine the CED movement; and the role of critical social theory.

Gap Filling versus Transformative CED Objectives

There are two approaches for CED which reflects the fundamental tensions that exist regarding CED objectives and the implications related to CED practice. The first approach, the gap filling approach, believes that the underlying purpose of CED is to fill in the gaps left by the dominant capitalist system (Loxley, 2007). This CED approach seeks to improve the functioning of the dominant economic and political systems. It serves to complement rather than challenge the existing order.

According to Loxley (2007),

The rationale for this is that free enterprise builds on the best, has a tendency to large-scale and geographic concentration and is based fundamentally on income inequalities. The result is that there are more marginalized communities, both urban centres and in more remote areas, and pockets of poverty, even among the affluent. CED can help by addressing the needs of the neglected or the poor...The presumption is that islands of CED initiatives can co-exist, quite harmoniously, with the dominant decision taking and work environment. Ultimately, CED challenges neither the existence of private enterprise, nor the legitimacy of the state that supports and underwrites private enterprise (9).

The second CED approach, the transformative view, is quite different. CED is seen to be a possible alternative for organizing both the economy and society. It is based on socialist and anarcho-syndicalist critiques of capitalism (Loxley, 2007). The transformative view “accepts the short-comings of capitalism held by the CED gap-filling group and adds to them a lack of democracy in capitalism (given private ownership of capital), its patriarchal autocracy and tendency to recurrent crises and abuse of environmental limits to growth” (Loxley 2007: 10). The transformative approach believes that a fundamental CED objective should be to develop alternative approaches that challenge the values and operating criteria of the capitalist system.

Loxley (2007) maintains that

Along with workers’ and other forms of cooperatives, CED would replace capitalism, not just compensate for its deficiencies. This is not to say that advocates of this view, be they democratic socialists or anarchists, would not seek to promote CED within capitalism; they might. But they would see their efforts as models of widespread emulation, as a transition to transformation, and tend to have quite demanding standards for what passes as acceptable CED (10).

A key issue regarding the gap filling versus transformative CED objectives debate involves a critique of traditional definitions of localism, civil society and the role of the state. One of the major short-comings of the gap filling CED approach is the limitations of localism in addressing the abject poverty faced by marginalized communities. Fisher (1994) points out that “small may be beautiful, more manageable, and more feasible for democratic participation, but commonly the neighbourhood [or locality] is neither the site of the causes of its problems nor the site of the power needed to address them”(224).

Gunn and Gunn (1991) challenge community based movements that attempt to reframe the question of progressive politics by confronting not simply capital, but state power as well.

What sometimes emerges is an anti-statist model of social change with little content beyond localism. Civil society becomes all, and the combined power of the state and capital are supposed to somehow evaporate from life. Since this outcome is unlikely, these approaches can lead to local isolationism and ultimately to a politics of simple self help (165).

Gunn and Gunn (1991) further suggest that the state has a critical role to play in the struggle for social and economic justice.

Many thoughtful strategists are wrestling with another model beyond simple self help. It recognizes many of the implications of a global system of production under the control of capital, and appraises state activity and power in a different light. Although its vision for the future might include a dramatically less significant state, it counts on the state as a locus of power, as an arena worth fighting in and for. Underlying this conceptual approach to community based politics is an important effort to understand how activity at the level of the state and at the level of civil society can be interwoven (165).

Antonio Gramsci's concepts of hegemony and civil society are important perspectives of critical social theory that provide a progressive view of the inter-relationships between local CED initiatives, civil society and the role of the state. Gramsci developed a dialectical theory of social change which focused on the issue of consciousness. While Gramsci accepted the importance of the mode of production, he rejected the significance of either economic or historical determinism. Gramsci saw the relationship between the economic base and the superstructure as dialectical, in that it was interactive and reciprocal. Armstrong (1988) points out,

Gramsci went beyond Marx. For him, all human beings' choices mold and are molded by the economic system. Productive forces can, under certain circumstances, control or determine human behaviour, but although operating within structurally determined limits, human beings perform creative and potentially autonomous roles (253).

Armstrong (1998) identifies that Gramsci departs from Marx by making an analytic distinction between two elements of the superstructure – political society and civil society. The state or

political society provides for social control in the form of coercion or domination through physical repression or at least an overt threat of force. Consent or the legitimation of ruling class or dominant ideology is promoted through the civil society (religion, education, culture, etc). This legitimizing process is what Gramsci would come to refer to as hegemony.

Gramsci re-developed the concept of hegemony in response to the failure of the socialist revolution outside of the Soviet Union. Armstrong (1988) observes that Gramsci felt that, “the proletariat appears to wear its chains willingly; they seem to perceive reality through the ruling class spectacles, unable to recognize their own servitude” (255). Gramsci transformed hegemony from a concept to a strategy, “a tool for understanding society in order to change it” (Simon 1982:22).

Gramsci re-conceptualized the term hegemony in his now famous Prison Notebooks written between 1929-1935. Lears (1985) points out that Gramsci's translated writings contain no precise definition of hegemony. The often quoted characterization of hegemony that comes the closest to a definition of the term is,

The spontaneous consent given by the great masses of the population to the general direction imposed on social life by the dominant fundamental group; this consent is historically caused by the prestige (and consequent confidence) which the dominant group enjoys because of its position and function in the world of production (Hoare and Smith 1971:12).

Gramsci re-defined hegemony to mean the formation and organization of consent (Ives 2004). Hegemony is the “taken for granted” reality. Buttigieg (1995) maintains that while hegemony depends on consent as opposed to coercion, “it is not the spontaneous outcome of free choice; consent is manufactured, albeit through extremely complex mediums, diverse institutions, and constantly changing processes” (7). Kellner (1990) reinforces this notion that hegemony is not monolithic or static, it is evolving. McLaren and Leonard (1993) contend that the dominant ideology is internalized to the point that “hegemonic ideas become part of ‘common sense’ and encourage fatalism and passivity” (161).

Mayo (1999) identifies that every relationship of hegemony is essentially an educational relationship. The winning of consent involves a process of learning. “The agencies that engage in this educational relationship are institutions forming civil society, which constitute the cultural bedrock of power” (Mayo, 1999: 36). These include institutions such as law, education, mass media, religion, etc. According to Buttigieg (1995), hegemony and civil society are interdependent, “the site of hegemony in civil society is the arena wherein the ruling class extends and reinforces its power by non-violent means” (26). All the institutions of civil society are, therefore, “saturated with politics” (Germino 1986: 26).

Buttigieg (1995) maintains that Gramsci’s view of the role of civil society is very different than a neo-liberal perspective of civil society. The “third sector” or “voluntary sector” view of civil society reflects a neo-liberal approach that involves having a minimal role for the state and to extend what were previously functions of the state to the civil society sector. Civil society is

viewed as a neutral or benign entity. Gramsci's elaboration of Marxist theory of the state, which identifies the manufacturing of consent role of the civil society and the coercive role of the political society, serves to unmask the role of civil society. Gramsci "exposes those apparatuses [of the state] and the processes of power at work in civil society, as well as between civil society and political society that liberal theory ignores" (Buttigieg 1995: 7).

Buttigieg (1995) argues that Gramsci's purpose is not to minimize the role of civil society, rather he would use it as a base to launch a revolutionary strategy. The strategy would be "employed precisely in the arena of civil society, with the aim of disabling the coercive apparatus of the state, gaining access to political power, and creating conditions that could give rise to a consensual society wherein no individual or group is reduced to subaltern status" (7).

It is evident, therefore, that Gramsci's view of civil society is vastly different than the neo-liberal perspective, especially with regards to the functions of coercion and consent between political society and civil society. Transformative CED is rooted in Gramsci's analysis of the role of civil society and its relationship to the state. Within this view, civil society has a major role in creating a counter hegemony, "an entirely new universe of ideas and values that would provide for a basis of human liberation" (Boggs 1976: 36).

The gap filling CED approach fails to promote the development of CED into a social movement. Sheldrick (2007) believes that the gap filling approach of CED, with its focus on localism, has

meant that CED has “become a network of largely fragmented service delivery organizations” (91). Shragge (2003) argues that this professionalization and bureaucratization of CED has led to it becoming a vehicle for the containment of the demands of oppressed and impoverished communities, rather than a strategy for social transformation. (cited by Sheldrick 2007)

The first element that each of the case studies that will be examined in this thesis will look at the extent to which the objectives of the CED enterprises are based on a gap filling CED approach or a transformative CED approach.

CED Ideological Model

The second element of the case study analysis will be based on exploring the CED enterprise from an ideological perspective. The foundation of this analysis will draw from an earlier unpublished work by Simms (2005) that looked at developing a CED ideological model for evaluating CED initiatives. This section of the chapter will seek to further expand and refine this CED model.

Loxley and Lamb (2005) identify that “despite the growing popularity of CED, it remains under theorized in economic, political and sociological terms. CED is a vague concept open to many different definitions and approaches. This makes it difficult to develop a coherent theory to explain CED” (1).

Shragge (1997) believes that it is critical to name CED perspectives and traditions, and situate CED practice within it.

Until the CED movement begins to do this, it hides behind all sorts of other labels often as a means of securing funding and not offending the wider population. The challenge is to make CED values more explicit and situate CED practice in this framework. CED must begin to not only make its values explicit, it must at the same time transcend the localism that is inherent in its activities and play a role in a wider political engagement (xvi).

Just as Shragge (1997) argues that the CED movement needs to develop a framework of explicit values in order to be more clear on its role in promoting social change in society, Mullaly (2007) has identified the importance of being more explicit about the role of values in the field of social work, particularly what he describes as progressive or structural social work. Mullaly has developed an ideological framework for social work practice that will be used to inform the development of a similar ideological analytical model for the CED movement.

Mullaly (2007) maintains that in order to be more effective practitioners, social workers must reformulate social work theory that includes an explanation of social work's ideology as a necessary step in building knowledge; expanding knowledge about the nature and role of social work's relationship to the state; and transformational knowledge of how social work practice can contribute to changing society from an entity that creates and perpetuates inequality, to one that is more consistent with social work's core values of humanism and egalitarianism.

Mullaly (2007) argues that the concept of a paradigm is an important point of departure for re-organizing social work theory and approaches. Mullaly cites the pioneering work of Thomas Kuhn in the development of this concept. Kuhn (1962) in Mullaly (2007) describes a paradigm

to be “universally recognized scientific achievements that for a time provide model problems and solutions to a community of practitioners” (viii). Ford (1975) in Mullaly (2007) defines a paradigm as a taken for granted reality. It is a worldview that consists of the entire constellation of beliefs, values, and techniques shared by a scientific community (Torenbohm, 1977) as cited in Mullaly (2007).

As Mullaly (2007) points out, “by his own admission, Kuhn provided only a loose definition of paradigm. Masterman (1970) found 21 different usages of the term in Kuhn’s book. Consequently, the use of the term paradigm has become almost faddish”(33). Mullaly (2007) argues in spite of this ambiguity, the concept of a paradigm is a useful tool in the development of social work knowledge. He suggests that “a paradigm represents a specific cognitive framework from which a discipline or profession views the world and its place in it. This framework allows for an analysis of the relationship between the scientific thought of a discipline and the social context in which it arises” (Mullaly, 2007:34).

Although more than one paradigm can exist at the same time within a discipline, one “dominant paradigm” always provides a framework for viewing the world. “This dominant paradigm also provides the criteria for selecting and defining problems for inquiry, guides scientific practice by providing models of laws and theories and their application, and is transmitted throughout the discipline by practitioners and in the textbooks used for schooling new members of the discipline” (Mullaly 2007:38).

Kuhn (1962) in Mullaly (2007) contends that

Dominant paradigms change only when anomalies can no longer be explained away or when they become so numerically overwhelming that the discipline begins to explore the area of the anomaly that has violated its "paradigm-induced expectations" governing normal practice. This exploration ends when the paradigm is adjusted to accommodate the anomaly or when the dominant paradigm has been discarded in favour of another. This adjustment or exchange of paradigms is generally preceded and followed by periods of resistance (52-53).

Development of a new paradigm occurs when the profession can no longer evade anomalies that subvert the existing tradition of scientific practice (Kuhn 1962:6) in Mullaly (2007). Shifts of paradigms bring members of a discipline to see the world around them in a new light. "To present an alternative paradigm is the ultimate revolutionary act" (Mullaly 2007:39).

Mullaly (2007) identifies that the concept of a paradigm can perform three major functions to provide an ideological framework to inform and strengthen social work practice.

Firstly, the concept of a paradigm helps make the connection between ideology and social work practice, that is, how ideology largely determines the nature and form of social work practice ... Secondly, understanding the connection to ideology and practice provides an awareness of alternative ways of integrating economic and human welfare to that which is presently being offered by the present social order of neo-conservatives ... The third function that a paradigm may carry out for social work is to enhance our understanding of the dynamics of change, especially fundamental change (41).

The function of a paradigm would be a very useful orientation for the CED movement to further explore in order to make its values more explicit and to situate these values in a framework that promotes social change and broader political engagement. The concept of a paradigm allows for greater critical analysis and clarity of the values, traditions and assumptions for which CED practice is based. Mullaly (1997) points out that "although critical analysis may show us what we are fighting against, by itself it does not show us what we are fighting for" (26). Galper

(1975) states, “we need more than a critical analysis. We need a picture or a vision of alternative social arrangements that we can work towards. We need a goal – a conceptualization of a society in which every person is afforded maximum opportunity to enrich his or her spiritual, psychological, physical and intellectual wellbeing” (140). Shragge’s call for the CED movement to be a force of social change and needs to be grounded in a shared vision that identifies concrete values and strategies to achieve this end. As Nevitte and Gibbons (1990) point out, “a preference for social change in the abstract is meaningless” (140).

Ideology is a key component in the development of a paradigm. It serves as the foundation and determines the nature and worldview of particular social and economic paradigms. According to Schuftan (1988), paradigms are ideologically rooted. Ideology produces the paradigm. Ideology also provides a rationale for or against political change (Mullaly, 2007).

Macpherson (1973) defines the term ideology as

A systematic set of ideas about man’s place in nature, in society, and in history, which can elicit the commitment of significant numbers of people to (or against) political change. Ideologies contain various proportions, elements of explanation (of fact and history), justification (of demands), and faith or belief (in the ultimate truth or rightness of their case). They are informed by, but are less precise and systematic than, political theories or political philosophies. They are necessary to any effective political movement, hence to any revolution, for they perform the triple function of simplifying, demanding and justifying (157-158).

With respect to the relationship between a paradigm and ideology, Mullaly (2007) points out

A paradigm is not a fixed or rigid social category, but rather an abstraction – an ideal type comprised of a reasonably consistent set of social, political and economic ideas, beliefs and values (in other words, ideology) that provides an explanation of the world. Ideologies provide a link between the world of ideas and the concrete realm of political action. That is not to say that people neatly fall into a single paradigm or subscribe to a single ideology. But people do tend to favour or adhere to many (but not all) of the ideas,

beliefs and values of a particular ideology. A primary function of an ideology is to explain the key problems facing a society and to interpret important events (34).

Now that the concepts and terms of a paradigm and ideology have been defined, a CED ideological framework can be further developed.

There are limited examples within the CED literature about the development of a systematic framework of values. Fontan (1993), in his review of the international literature on CED, identifies two ideological perspectives – liberal and progressive. The liberal approach focuses on business development while the progressive approach defines community empowerment as CED's major priority. The progressive view sees CED as a strategy to address issues of poverty and inequality. CED is viewed as a force for social change. In contrast, the liberal approach focuses on improving local conditions without challenging the underlying power relations or the unequal distribution of resources.

The CED practitioners within the liberal approach focus on technocratic processes and what they mistakenly believe is a neutral or apolitical approach to solving local social and economic problems. However, Gil (1990) reminds us that

Practice cannot be politically neutral, it either confronts and challenges established societal institutions or it conforms openly or tacitly. Practitioners should avoid the illusion of neutrality and should consciously choose and acknowledge their political philosophy. From this perspective, being neutral or apolitical is in fact a political act. It represents a willingness to accept the prevailing political values and reality reflected in the forces of the status quo or dominant paradigm of the day (20-21).

Given this lack of analysis of the values and ideology within the CED movement, a CED ideological framework will be constructed based on the work of Mullaly (2007), Wilding and

George (1996) and Ife (1997, 2002) who have developed ideological frameworks in the fields of social work, social welfare policy and community development.

Critical Social Theory

Mullaly (2007) and Ife (1997) point out that in order to develop a structural ideological analysis, an understanding of critical social theory is required that forms the basis of the theoretical foundation of a progressive ideological analysis model. According to Agger (2006), critical social theory is a theory cluster, not a universal theory and involves an inter-disciplinary approach to understanding social reality. Karl Marx is considered to be the founder of critical theory (S. Leonard, 1990). A key feature of critical social theory is its emancipatory and practical intent. This is reflected in Marx's observation that "the philosophers have only interpreted the world, in various ways; the point, however, is to change it" (Marx 1975 [1845]:423).

Critical social theory is generally associated with the Institute for Social Research, more commonly known as the Frankfurt School, which was established in Germany in 1923. Prominent members of the school such as Max Horkheimer and Theodor Adorno developed critical social theory as an attempt to explain why the socialist revolution that was predicted by Marx in the mid-nineteenth century did not take place as expected. The Frankfurt school argued that Marx "underestimated the extent to which workers' (and others') false consciousness could be exploited to keep the social and economic system running smoothly... and that capitalism in the twentieth century was beginning to develop effective coping mechanisms which allowed it to

forestall the cataclysmic eruption of these periodic crises into a wholesale socialist revolution”
(Agger 1991: 107).

Dant (2003) points out that one of the key modifications in the development of Marx’s analysis of society, is that critical theory identifies culture to be as much a determinant in the formation of social relations within society as the political system or economy.

Kellner (1989) contends that the job of critical social theorists is to provide criticisms and alternatives to traditional or mainstream social theory. Critical social theory is motivated by an interest in those who are oppressed, is informed by a critique of domination, and is driven by a goal of liberation. Dant (2003) identifies the mode of engagement of critical theory as praxis – knowledge as action. “It calls for active thought that challenges the existing state of affairs in society” (160).

Stephen Leonard (1990) provides the following definition of critical social theory:

A critical theory of society is defined as a theory having practical intent. As its name suggests, it is critical of existing social and political institutions and practices, but the criticisms it levels are not intended simply to show how present society is unjust, only to leave everything as it is. A critical theory of society is understood by its advocates as playing a crucial role in changing society. In this the link between social theory and political practice is perhaps the defining characteristic of critical theory, for a critical theory without a practical dimension would be bankrupt on its own terms (3).

Mullaly (2007) argues that critical theory “is different from most social science theory constructed according to the canons of scientific inquiry. Traditional social theory may describe and explain social processes, but it is quite independent of political practice. Its commitment is to the advancement of objective knowledge by attempting to understand the world as it really is” (215). In contrast, S. Leonard (1990) in Mullaly (2007), contends that

critical theory “is committed to change the world in ways that can help “emancipate” those on the margins of society by providing them with insights and intellectual tools they can use to empower themselves” (xiii). A key difference between the aims of traditional social theory and critical theory is that critical social theory involves an alliance with the oppressed to change society – there is no false claim of detached objectivity of a neutral observer. Critical social theory is based on a political approach to not only viewing, but engaging in the process of change.

Kellner (1995) further reinforces the idea of the political and social change dimensions of critical social theory.

Critical social theories are weapons of critique and instruments of practice, as well as cognitive maps. Critical theory points to aspects of society and culture that should be challenged and changed, and thus attempts to inform and inspire political practice. Practice-oriented theory also posits certain goals and values that are to be realized and sketches ways to transform society to make it better, to increase human freedom and happiness. They provide vocabularies that help mobilize responses to social problems and issues, and thus aim at intervention in the public sphere (25).

Leonard (1995) outlines three major requirements of critical theory: (1) identify and situate sources of domination in society; (2) provide an alternative vision of social relations free from domination; and (3) translate these alternative strategies into a form that is understood by those who suffer from the forces of domination in order that they can develop critically informed actions to address oppression. The task of critical theory is to promote a self-liberating practice through actively engaging in these undertakings to unmask and challenge the forces of domination.

Agger (2006: 4-5) has identified that critical theory needs to include the following attributes: (1) it opposes positivism or the view that the scientific method is based on objective, value free beliefs – the formation of knowledge is not a value free exercise; (2) social change can be achieved through political and social action to address issues of domination, exploitation and oppression; (3) belief that domination is structural; (4) structures of domination are reproduced through people’s false consciousness; (5) social change begins in people’s everyday lives; (6) bridge between addressing structural change and taking personal action is dialectical – knowledge of structures can help people change social conditions; (7) people are responsible for their own liberation and should not oppress others in the name of some form of distant liberation.

There are two perspectives of critical social theory – a modernist approach and a postmodernist form. The modernist era began at the end of the eighteenth century and has existed up to the present or recent past. Mullaly (2007) identifies the major tenets of modernism:

(1) the use of rational thought to liberate people from myths, religion and superstition which was the dominant form of knowledge formation prior to the period known as Enlightenment; (2) legitimate social knowledge sought to resemble the natural and universal laws which guided the physical sciences. The modernist paradigm is based on the positivist scientific tradition of objectivity and empirical measurement (197).

The postmodernist period emerged between 1968 and 1972 (Ife, 1997). According to Mullaly (2002), postmodernism proposes that “truth, beauty, morality and social life have no objective reality beyond how we think, talk and write about them. No social units are fixed entities, and although some representations of social life are more privileged and/or given more legitimacy than others, ultimately no version of reality is better or truer than another” (17).

Postmodernists reject the “meta-theory” or “grand theory” approach espoused by the modernists; they believe in difference and relativism as opposed to universalism; they maintain that power is not just located within the state but found in different localities; they are concerned how language and discourse reinforce dominance and oppression; they advocate for the need for the “politics of difference”, for the “other” voices to speak for themselves to reflect the diverse and different views rather than the perspective of the unified voice which is inherent in the modernism approach (Mullaly, 2007). A postmodern perspective requires greater acceptance of “uncertainty, ambiguity, paradox, and contradictions...multiple worldviews and forms of knowledge” (Ife, 1997:89).

Modernists criticize postmodernity for avoiding the realities of political economy and global power. The postmodernists’ commitment to relativism is seen by the modernists as a barrier to promoting solidarity (Mullaly, 2007). Geertz (1986), in Mullaly (2007) describes postmodernity as “witless relativism”. Ife (1997) criticizes postmodernity as being an anything goes brand of politics, “it does not incorporate a vision for a better society, though it does allow for a multiplicity of such visions to be defined” (92). In contrast, the main critique of modernism by postmodernists is that the modernists’ claims of universal truths omit the experiences and forms of knowledge generated by women, non-Europeans and subordinated classes (Leonard, 1994).

Authors such as Ife (1997), Leonard (1990), Mullaly (2002, 2007) maintain that the differences between the modernists and postmodernists perspectives of critical social theory should not be viewed as binary, dichotomous or polarized. As Mullaly (2007) points out, “both stand against domination and oppression and both have failed to reach their emancipatory intent” (223). The

relationship between modernity and postmodernity in a progressive ideological model needs to be viewed through the perspective of dialectical analysis.

The transformative CED approach is a form of critical theory in that it locates the dynamics of domination within the context of a capitalist society; it promotes an alternative view of society free of domination that reflects values of greater democracy and cooperation; and it challenges CED practitioners to put these values into action by engaging those that are oppressed in initiatives to promote greater self-determination and community well-being. The following chapters will propose the development of a CED ideological analysis model that is informed by critical social theory that has the potential to further develop consciousness within the CED movement to be more reflective of how the theory and practice of CED can contribute to either perpetuating inequality and oppression, or to challenging and dismantling the hegemonic or taken for granted reality of the dominant neo-liberal paradigm.

CHAPTER 3: CED IDEOLOGY MODEL - CLASS, MARKET AND STATE THEORY

PERSPECTIVES

The first step in developing this model is to identify the elements of a CED ideological framework. According to Mills (1962), some of the key elements of an ideology should include

Theories of man, society and history, or at least assumptions about how society is made up and how it works; about what is held to be its most important elements and how these elements are typically related; its major points of conflict and these conflicts are resolved. It suggests the methods of study appropriate to its theories (perhaps a scientific method). From these theories and with these methods, expectations are derived (14).

Elements of Mullaly's social work paradigm (2007) included social beliefs, economic beliefs, political beliefs, view of social welfare and nature of social work practice. George and Wilding (1996) identified elements within its social welfare ideological framework to include social values, society and the state, the role of government, and the welfare state. Based on these, a CED ideological framework involving the modernist critique of social relations that will be proposed identifies ten elements including:

1. View of Society
2. View of Social Problems
3. Value of Freedom
4. Value of Equality
5. Value of Community
6. Role of Market
7. Role of State
8. View of Power
9. View of Change
10. Nature of CED Practice

Baradat (1991) identifies the political spectrum to include radical, liberal, moderate, conservative and reactionary perspectives. Mullaly's (2007) analysis of political ideologies includes what he refers to as neo-conservative, liberal, social democratic, and Marxist paradigms. The terms that will be used to describe the political ideologies within the proposed CED paradigm will be based on the work of George and Wilding (1996) that include anti-collectivist and reluctant collectivist perspectives, as well as a modified element for the purposes of this paper - a collectivist perspective. The anti-collectives include what Baradat (1991) describes as the conservative and reactionary perspectives, and what Mullaly (2007) would describe as neo-conservative perspectives. The reluctant collectivists include what Baradat (1991) describes as liberal and moderate perspectives, and what Mullaly (2007) would describe as liberal perspectives. The collectivists would include what Baradat (1991) would describe as radical perspectives, and what Mullaly (2007) would describe as social democratic and Marxist perspectives. It should be noted that a critique of the social democratic approach is that there are liberal forms of social democracy that would fit more with a reluctant collectivist approach and a more socialist orientation that would fit within the collectivist paradigm. For the purposes of this thesis, it will be assumed that the socialist oriented form of social democracy will be adopted in the discussion regarding the collectivist approach.

A further point needs to be made regarding the three main terms used to describe the ideological perspectives in this thesis – namely the anti-collectivist, reluctant collectivist and collectivist. The intent is to provide benchmarks of the various schools of thought that are admittedly narrow, pure and lack nuance. This is being done in order to provide an acknowledged sharp distinction between the three identified ideological orientations in order to facilitate a comparative

discussion regarding what is the essence of the value frameworks of each of these schools of thought.

The proposed CED ideological framework will include 10 elements that will be presented within a continuum of terms described as anti-collectivist, reluctant collectivist and collectivist ideological perspectives.

In order to provide an initial context for the proposed CED ideological framework, the order and conflict perspectives will be examined. According to Mullaly (2007), “These two perspectives of society and social problems are both all-inclusive and mutually exclusive in that all social theories fall within one perspective or the other, but not in both” (227).

“Order perspectives view society as orderly, stable, and persistent, unified by shared culture, values and a consensus on its form and institutions. Conflict perspectives view society as a continually contested struggle among groups with opposing views and interests held together not by consensus but by differential control of resources and political power” Mullaly (2007:227). As a generalization, “groups or individuals committed to the maintenance of the status quo employ order models of society. Dissident groups, striving to institutionalize new claims, favour a conflict analysis of society” Horton (1966:703).

Mullaly (2007) has developed a table describing the assumptions of order and conflict perspectives based on modifications of the work of Reasons and Perdue (1981). This framework is very useful in order to better understand the differences between these two perspectives

regarding the nature of human existence, the nature of society, the nature of the relationship between human existence and the nature of society, and the nature of social problems.

Table 1: Assumptions of Order and Conflict Perspectives

Variable	Order Perspective	Conflict Perspective
Nature of Human Existence	competitive, contentious, individualistic, and acquisitive	cooperative, collective, and social
Nature of Social Institutions	must endure and regulate human interactions (political, economic, educational, religious, family) to avoid disorder	dynamic with no sacred standing; facilitate cooperation, sharing and common interests
Nature of Society	consists of interdependent and integrated institutions and a supportive ideological base; viewed as an organism or system with each part contributing to the maintenance of the whole	in a society of structural inequality the social nature of human existence is denied with social institutions serving private rather than public interests
Continuity of Social Institutions	prevail because of agreement (consensus) among society's members	prevail in a class divided society because of control and coercion
Nature of Relationship Between People and Society	members are expected to conform and adapt to consensus-based social arrangements	acceptance, conformity, and adaptation to coercive social order is questioned
Nature of Social Problems	socialization will occasionally fail whereby reverence for institutions and respect for rules will not be learned; such occurrence on a large scale is a social problem	faulty socialization is more a matter of defective rules than defective control; rules are problematic
Approach to Social Problems	<p>a) behaviour must be changed through re-socialization (rehabilitation, counseling) or neutralized through formal systems of social control (criminal law, prisons, asylums)</p> <p>b) social change can only involve minor adjustments that are consistent with the nature of the existing system</p>	<p>a) institutions and ideology must be changed to protect social nature of human existence.</p> <p>b) behavioural change can only involve minor adjustments with cooperative and collective nature of society; massive commitment to behavioural change is a form of blaming the victim</p>
Paradigms	neo-conservatism liberalism	social democracy Marxism

The Anti-Collectivist Perspective

1. View of Society

Society is viewed as atomistic – “the sum of the contracts that free individuals entered into with one another” (Mullaly 2007:77). It is comprised of people who are by nature competitive, acquisitive, self-absorbed and individualistic. There is no sense of collective or social goals. Society is the sum of individual interests – the whole is not greater than the sum of the parts. “It [society] does not stand above or apart from individuals” (Mullaly 2007:77). Margaret Thatcher maintained that there was no such thing as society, there are only individuals that reside within a nation or state. Individuals were viewed as being either morally superior or inferior. “Those who had wealth were regarded as morally superior and those without opulence were regarded as morally inferior” (Mullaly 2007:77). A key objective for anti-collectivists was to maintain the status quo regarding this distinction. “It would not be good for the morally inferior to obtain positions of power” (Mullaly 2007:77).

2. View of Social Problems

Social problems are viewed to be primarily located within the individual. Ife (2002) describes the source of the “blame” is in essence “blaming the victim”, “where the people who suffer the consequences of an unjust society are themselves blamed for their own inadequacies” (49). Perceptions of social problems include individual pathology, psychological, biological, moral or character defects. Solutions are focused on an individual treatment approach such as counseling, punishment, medical treatment or behaviour modification. In terms of issues related to poverty, individuals need to “pull themselves up by their own bootstraps”. This approach “does not take account of important causal factors such as income distribution, racism,

patriarchy and market induced inequality, leaving such exploitative structures and discourses essentially unchallenged and focusing all attention on the individual” (Ife 2002:49).

3. Value of Freedom

Freedom is essentially a negative state – the absence of coercion. Coercion in this context is “control of the environment or circumstances of a person by another that... he [she] is forced to act not according to a coherent plan of his [her] own but to serve the ends of another. Coercion eliminates an individual as a thinking and valuing person and makes him [her] a bare tool of achievement of the ends of another” (Hayek 1976:20-21).

“People must be free as possible to exert themselves to the utmost limit of their abilities to the advantage of both the person and society. Any government interference with one’s freedom is deprecated” (Mullaly 1997:42).

George and Wilding (1996) identify that freedom is viewed by anti-collectivists “as a natural right, something to which all individuals have a claim by virtue of their common humanity” (20). The concept of freedom that involves the independent and competitive participation of individuals is seen to be the basis of good decision making. “The anti-collectivists stress on freedom is its inter-relationship with a market economy. The market both requires freedom and is a powerful element in its preservation” (George and Wilding 1996:20). Freedom is seen as a necessary means to achieve wide variety of desirable ends. For Hayek (1979), “the only moral principle which has ever made the growth of an advanced civilization possible was the principle of individual freedom” (151).

4. Value of Equality

A central value held by anti-collectivists is inequality. “The basis of the anti-collectivists belief in inequality is the view that the pursuit of egalitarian policies is incompatible with freedom... Inequality generates economic benefits which accrue from the incentives of innovation and effort” (George and Wilding 1996:23). Rapid economic advancement is in “large measure the result of inequality and is impossible without it” (Hayek 1979:42).

Equality of freedom is the only equality accepted by anti-collectivists. This view focuses on formal equality before the law and equal opportunity to compete in the marketplace. “This equality of freedom is bound to produce material and political inequality. These values foster a social Darwinian “survival of the fittest” view that any form of state intervention into people’s freedoms is contrary to the laws of nature, leading to an elimination of the fittest members of society and a proliferation of the weak and unfit” (Mullaly 2007:80).

5. Value of Community

The primary ethic of anti-collectivists is individual responsibility. Friedman (1982) believes that the interests of the community are simply the sum of the interests of the several members who compose it and nothing more.

6. Role of Market

The anti-collectivists believe in the “natural laws” of the marketplace – the laws of supply, demand and price determination. “A society that ignores or interferes with these natural laws, it is assumed, will run into trouble as surely as a person who ignores the laws of gravity” (Mullaly

2007:81). The anti-collectivists believe that “the pursuit of the selfish aims of the individual will usually lead them to serve the general interest” (Bosanquet 1983:17). “They see the market system as a vital bulwark of political freedom because it means no group in society controls both economic and political power” (George and Wilding 1996:27) As Friedman (1962) points out, “By removing the organization of economic activity from the control of political authority, the market eliminates the source of coercive power. It enables economic strength to be a check to political power, rather than reinforcement” (15). Friedman and Friedman (1980) conclude that “economic freedom is an essential requisite for political freedom” (21).

Anti-collectivists believe that the most efficient way to organize the economy is based on the free market. Joseph (1976) maintains that

The blind, unplanned, uncoordinated wisdom of the market is overwhelmingly superior to the well researched, rational, systematic, well meaning, cooperative, science based, forward looking, statistically respectable plans of government. The market system is the greatest generator of national wealth known to mankind: coordinating and fulfilling the diverse needs of countless individuals in a way in which no human mind or minds could ever comprehend, without coercion, without direction, without bureaucratic interference (57).

The market achieves efficiency through what Bosanquet (1983) describes as “dispersed knowledge – the knowledge of all consumers and producers. Through the market mechanism efforts are coordinated without coercion. Producers and consumers are linked to their mutual benefit through competition and the price mechanism” (31). “The market mechanism is the unique key with which to unlock imprisoned energies and encourages experiment in a way which a planned economy cannot rival. It rewards success and punishes failure” (George and Wilding 1996:28).

According to the anti-collectivists, the market system is not just relevant regarding economic affairs, it also impacts the broader social system. Hayek (1976) maintains that “the market bonds people socially by linking them in direct economic relationships and makes possible the peaceful reconciliation of divergent purposes. The interdependence of all men is not only the effect of the market order but could not have been brought about by any other means” (139).

7. Role of the State

Anti-collectivists believe that the “primary role of the state is to maintain law and order for the orderly management of trade and commerce. It acts as impartial arbiter in trade and contract disputes” (Mullaly 2007:77). They believe in laissez-faire economics or minimal government interference in the lives and activities of individuals, especially in regards to their economic activities.

According to George and Wilding (1996:33), anti-collectivists “see government action as a threat to freedom; inherently inefficient because it depends on human wisdom rather than superior processes of the spontaneous order; and socially disruptive because of the expectations which it arouses and in the creation of new interest groups stimulated by more active government” (33).

Anti-collectivists do identify a limited role for government which involves the

maintenance of law and order; provision of the necessary framework for the efficient functioning of the spontaneous order; cases in which strictly voluntary exchange is either exceedingly costly or practically impossible – the two general classes of such cases would be monopoly and similar market imperfections, and neighbourhood effects; and there is a paternalistic role of government in relation to those designated by society as not capable of taking responsibility for themselves (George and Wilding 1996:34).

The residual concept of social welfare developed by Wilensky and Lebeaux (1958) is consistent with the views of anti-collectivists regarding the role of the state in the provision of social welfare. Some of the key attributes of the residual concept of social welfare include a minimal role for state responsibility in meeting needs; a marginal recognition regarding the importance of needs; a limited basis for services to be enshrined in law; few members of society covered by services enshrined in law; low, time-limited level of benefits; only those who deserve help receive benefits – the “deserving” poor; and a significant role for the non-governmental sector including charitable, voluntary, private and religious organizations in the provision of social support.

8. View of Power

The anti-collectivists subscribe to a pluralist perspective of power in which political power is shared between private individuals, pressure groups and the state. “There is no one group in society which is so powerful that it dominates other groups let alone the government.

Concentration of power in one group upsets the equilibrium of society with the result that opposing groups are formed to restore the balance – the notion of countervailing power” (George and Wilding 1996:6).

The state is either an impartial arbiter of minor conflicts among groups or simply the instrument through which agreed and non-controversial policies are introduced for the benefit of all in society. The state is seen as serving the public interest in all its activities. (George and Wilding, 1996).

“Power, therefore, arises from one’s own capacity to engage in this competing system, to know the rules of the game and to be able to exert pressure and influence. The pluralist view is related to a particular perception of democracy where everyone can have their say, all people have equal opportunity to participate and no one is all-powerful because power is spread among a number of different competing groups” (Ife 2002:54).

9. View of Change

Anti-collectivists or neo-conservatives are very supportive of maintaining the status quo.

According to Baradat (1991), “neo-conservatives support the status quo not so much because they like it but because they believe that it is the best that can be achieved at the moment.

Conservatives oppose change because they doubt that it will result in something better, not because they do not desire improvement” (31).

Most conservatives support only very slow, measured and incremental change of the system.

“They tend to see an intrinsic value in existing institutions and are unwilling to tamper with them, claiming that to do so might seriously damage that which tradition has perfected” (Baradat 1991:31).

Conservatives are pessimistic about our ability to improve the quality of our lives through reasoning. While they do not deny the importance of reason, they are wary of relying too heavily on it for solutions to human problems.

To conservatives, reason is of limited use in making life better. They tend to place great importance on institutions and traditions that have evolved over time. They value longevity for its own sake and resist change in social institutions. This “stay with the winner” syndrome is supported by the belief that the justification for any institution today

is, in part, the fact that it was worthwhile in the past. Obviously, this attitude encourages little change in society. Order is a powerful selling point for the conservative philosophy (Baradat 1991: 32-35).

10. Nature of CED Practice

The key focus of an anti-collectivist CED practice approach would be to hold individuals accountable to pull themselves up by their bootstraps to better compete in the marketplace in order that they can provide for themselves and family members. Loxley (2003) identifies that proponents of this type of CED approach “define the causes of poverty as a lack effective market relationships” (14). Stoesz and Saunders (1999) describe this conservative poverty policy approach “as welfare capitalism consisting of wage supplements such as the Earned Income Tax Credit for the working poor, asset building involving micro-enterprises and individual development accounts, and community capitalism involving community development financial institutions” (380). A common theme of these types of approaches is that issues related to poverty would be addressed through economic self help strategies. A complementary strategy would involve the provision of charity to the deserving poor from churches and corporations. The state would have a limited, if any role to play, in this CED approach.

A micro-enterprise strategy would be very consistent with this anti-collectivist CED approach. “The micro-enterprise strategy has been described by some as poor peoples’ capitalism. A shared common premise of micro-enterprise programs is that the market economy can provide subsistence for everyone who chooses to participate” (Howells 2000:164). Unemployed people are provided with training in business development and access to small amounts of credit, usually under \$10,000, in order to encourage them to start up a self-employment business. Poor people are seen to be personally deficient regarding business skills and knowledge. The major

goal of this CED strategy is to assist individual poor people to further develop their business capacity in order that they could more successfully compete in the marketplace and no longer be a burden on society.

Howells (2000) argues that micro-enterprise is unlikely to alleviate abject poverty. Micro-enterprises typically operate in the marginal areas of the economy. Their small size makes them unstable with limited income generating potential (Bacharach-Ehlers and Main, 1998). Small scale personal service and retail businesses operating in narrow markets simply do not compete well in the economy and do not have the same potential for success as emerging businesses that are well capitalized and sell to a racially diverse clientele (Servon and Bates, 1998). Welfare dependent persons are not likely to have the personal resources that are necessary to support a growing business and their family at the same time (Spalter-Roth, 1994). Although it is true that micro-loan programs have enabled some families to move their income above the poverty line through self-employment, the families who are able to benefit from micro-enterprise typically begin with a higher level of personal resources and support (Spalter-Roth, 1994) (Servon and Bates, 1998).

Servon (1997) points out that “self-employment provides smaller annual earnings than did wage or salary work. Self-employed women were the most likely group to be married to a full-time, full-year working spouse” (169). Servon (1997) concludes micro-enterprise programs do not serve the oppressed members of our society. “The self-employment option works for a niche population, but is clearly not the answer to the urban poverty problem” (175).

Asset building CED strategies such as Individual Development Accounts (IDA) would also be a relevant focus for an anti-collectivist CED approach. According to Stoesz and Saunders (1999), “Individual Development Accounts encourage poor people to save for designated goals such as education, housing or business start-up capitalization. IDA programs provide economic literacy training as well as financial and personal counseling to develop investment plans for poor families” (388). Participants are expected to save \$5-\$20 per month, an amount matched by between \$.50 and \$4.00 for every dollar saved by external funders such as foundations, government programs, churches and donations. Research data regarding IDA programs indicates that low-income people who are participants in IDA programs save an average of \$33 per month (Sherraden, 2000).

Reutebuch (2001) completed a research study on the impact of IDA programs as a poverty reduction measure and found that,

The education level of the head of the household, number of adults in the household and number of children in household were found to be significant in predicting IDA participation. These findings suggest that those households with higher levels of education for the head of the household and with more adults are significantly more likely to join an IDA program. The IDA programs are not attracting the poorly educated, single-parent households that comprise the chronically poor population. Households in the most need of assistance (women and children) are left out of an asset-based social welfare approach (102).

The underlying message of this IDA approach is that poor people on social assistance and working for minimum wages need to be trained to be more frugal with their money. They need to learn how to be more personally responsible to make ends meet on their limited incomes. The implicit message of the IDA approach is that social assistance rates and minimum wage regulations are too generous. Responsible poor people could put some savings away each month

if they were more skilled at managing their money. No consideration is given to the broader structural problems that contribute to poverty and inequality in society.

Loxley (2003) points out that corporate philanthropies and government tend to be very supportive of the micro-enterprise and asset building CED approaches. These anti-collectivist CED approaches are provided support from government and philanthropies because they reflect the dominant neo-conservative values of present day society. These CED approaches do not challenge the status quo or existing social relations.

Micro-enterprise and asset building approaches also engage in what Shragge (1997) describes as the de-politicization of participants of these programs to become clients instead of social and political actors. CED practitioners working in these types of programs become professional technocrats with power over their clients. This is in contrast to the role that Shragge (1997) advocates for CED practitioners - to be more of an ally or organizer and a force for social change regarding issues of poverty and inequality in our society.

Micro-enterprises and IDA CED strategies view society from a consensus and order perspective - the capitalist system works for everyone, including poor people. Social problems such as poverty are defined in terms of individual deficiency. These CED strategies focus on the freedom and responsibility of individuals to compete in the market place to have their needs met. The role of the state is minimal welfare capitalism is seen as the solution to address issues of poverty. The micro-enterprise and IDA approach would embrace a pluralist view of power.

everyone has an equal chance to compete in the marketplace. The strategies do not challenge the status quo and in fact embrace the underlying values of the existing capitalist system.

Anti-collectivists would see charity from corporations and churches as complementary to efforts regarding micro-enterprise development and asset building strategies. The key variable would be that these efforts would be of a voluntary nature and would not involve coercion or participation from the state.

Habitat for Humanity is a good example of this type of faith based, corporate charity oriented CED approach. One of Habitat's principles is that does not accept public funding for the houses that it builds. All resources are raised through donations. Houses are built with volunteer labour.

Habitat for Humanity's selection criteria is based on the historic British Poor Laws concept of deserving and undeserving poor. Only the working poor are eligible for Habitat homes. Families in receipt of social assistance are not eligible (Habitat for Humanity, 2008). The tenure of the housing provided by the program is a private home ownership model. These program characteristics are highly consistent with anti-collectivist values and beliefs about individual responsibility and the accumulation of private property.

Key questions that need to be asked about the Habitat for Humanity anti-collectivist approach include the issue of scale of the housing problem faced by low income families and the organization's lack of capacity to address this significant need through its voluntary and private

sector partnership approach. Since 1987, Habitat for Humanity has built 151 houses in Winnipeg or roughly 8 houses each year (Habitat for Humanity, 2008). This does not address the needs of the thousands of families on low and fixed incomes who are on waiting lists for low-income housing (Manitoba Urban Native Housing Association, 2004). Secondly, the focus on voluntary labour precludes linking the revitalization of inner city housing to employment training and job creation opportunities for unemployed inner city residents.

Habitat for Humanity is a classic example of a strategy that reflects a residual welfare state philosophy of the anti-collectivists. Social benefits such as housing are provided by the charitable sector. There is no role for state involvement. Only the “deserving poor” merit assistance.

The Reluctant Collectivist Perspective

1. View of Society

Reluctant collectivists or liberals share the view of the anti-collectivists that society is atomistic and individualistic. Unlike the neo-conservatives or anti-collectivists, reform liberals believe that society also needs to promote social development, collective interests, and acknowledge the mutual relationship between the well-being of the individual and that of society (Mullaly, 2007).

The reluctant collectivists accept the social and political order. They view society as characterized by consensus rather than conflict. “Reluctant collectivists would, however, in contrast to the anti-collectivists, put less emphasis on the unifying power of the market system. They are concerned that an unregulated market system could be socially divisive and a source of

conflict. They do not see these differences as irreconcilable but rather see economic and social developments contributing to the reduction of social tension” (George and Wilding 1996:49).

The reluctant collectivists’ view of society is one that is consistent with what has been identified as an order perspective.

2. View of Social Problems

Ife (2002) identifies that social problems from a liberal or reluctant collectivist perspective are located within the institutional structures of the society.

The inadequacies of the justice system (courts, police, prisons, etc) are seen as contributing to the problem of crime and delinquency; poverty is seen as the result of an inadequate or ineffective social security system, and so on. Proposed solutions to social problems, therefore concentrate on reforming, strengthening and improving the institutions developed to deal with them, such as hospitals, schools, courts, clinics, welfare departments, charities and the employment service (50).

Instead of “blaming the victim”, this approach might be termed “blaming the rescuer”. The reluctant collectivist approach concentrates on attending to presenting social problems rather than seeking to address their underlying causes (Ife, 2002).

“Whereas [anti-collectivists] attribute social problems to weakness, deviance or heredity of the individual, reluctant collectivists or liberals attribute such problems to social disorganization inherent in an urbanized and industrial capitalist society and a globalized economy” (Mullaly, 2007:101)

The reluctant collectivists’ view of social problems is consistent with the order perspective.

Social problems are caused because some systems are out of tune with one another. The solution to the problem is to fine tune these systems and restore equilibrium...Social problems occur mainly because of instrumental or technical flaws in the capitalist system causing personal disorganization for some people. The capitalist system is viewed as being the most efficient form of economic organization and must be preserved. The response to social problems is not to alter the system dramatically but to purge it of as many inefficiencies as possible by the way of minor social reform or system tinkering; and purge it of injustices by tending to those persons who are hurt by the system (Mullaly, 2007:101-102).

3. Value of Freedom

“Pragmatism and humanism are the underpinnings of the value base of reluctant collectivists (George and Wilding, 1996:45). Certain liberties are regarded as essential – “freedom of worship, speech, writing, study and teaching, freedom of assembly and association for political and other purposes, freedom in choice in occupation and freedom in the management of personal income” (Beveridge, 1944:21).

In contrast to the anti-collectivists, Beveridge (1945), the architect of the welfare state, maintains “that liberty means more than freedom from the arbitrary power of governments. It means freedom from economic servitude to want and squalor and other social evils”(9). According to MacMillan (1966),” it is only in so far as poverty is abolished that freedom is increased” (372).

In order to promote the value of freedom from unemployment, disease and squalor, some form of state intervention will be required that would be clearly unacceptable to the anti-collectivists.

4. Value of Equality

Reluctant collectivists are committed defenders of inequality for a range of reasons. Beveridge (1943) saw differences of reward as vital to a free and efficient labour market. Gilmour (1979)

believes that “egalitarianism weakens rather than strengthens social cohesion and must be regarded a threat to freedom because of the policies required for its implementation” (181). Reluctant collectivists accept the existence of inequality of circumstances “because of their profound belief in equal opportunity, which means that we are all equal before the law. No one has more freedoms or liberties than anyone else. Everyone has access to education, the job market, health care, social services, and so on. If a person fails in society it is because he or she did not take advantage of their available opportunities” (Mullaly, 2007:98).

Mullaly (2007) further contends that

Liberals do not consider the possibility that some people in society, because of their social position and resources, may be in a better position to use these so-called available opportunities than others. To use an analogy, if one person has a 50 metre head start in a 100 metre race, it is not likely that the other person will ever catch up. The Achilles heel of the equal opportunity concept is that not everyone starts out at the same place in life. Therefore, some people have an unfair advantage and preferred access to these “equal” opportunities (98).

Karger (1987) states that “the fallacy of the entire argument is that true equality of opportunity is unattainable in an unequal society” (8).

Mullaly (2007) concludes that “although reluctant collectivists are not egalitarians, they do think that inequalities should and could be reduced based on humanistic and/or pragmatic grounds. Humanistic ally, liberals are aware of the ugliness of poverty and seek to eliminate it, which is a different concern from the search for equality” (99). Reluctant collectivists, however, “would see a concern about poverty as distinct from and more important than the search for equality” (George and Wilding, 1996:49).

5. Value of Community

Individualism is a key value of liberals or reluctant collectivists. According to Mullaly (2007),

This individualistic view helps to absolve people from responsibility of others in society. There is no obligation or responsibility for others. Anything done for others is carried out either on pragmatic grounds (i.e. it is more efficient or it will dispel social unrest) or on humanitarian grounds, which often leaves deprived or disadvantaged persons to the vagaries of charitable and paternalistic whims of others. There is little sense of community or collectivity (98).

“The reluctant collectivists lay great stress on individualism, private enterprise and self help. These beliefs are what underlie their preference for capitalism over other forms of economic organization” (George and Wilding, 1996:47).

“The traditional advantages of individualism are efficiency, decentralization and self-interest. But above all, individualism is the best safeguard of personal liberty in the sense that it greatly widens the field for the exercise of personal choice” (Keynes, 1946: 380).

According to Keynes, the founder of government interventionist fiscal theory and practice, “individualism and private enterprise promote innovation and initiative. New forms and modes spring from the fruitful minds of individuals” (Harris, 1955:75). Beveridge (1948) argued that “the making of a good society depends not on the state but on citizens acting individually or in free association of one another” (320).

6. Role of the Market

The reluctant collectivists are critical of unregulated capitalism. As George and Wilding (1996) point out, “this needs, however, to be set against a basic confidence in the central mechanisms of

capitalism – competition, private enterprise, the profit motive, the price system and the free market – can, when duly modified and regulated, form the best basis for economic activity” (49).

According to the reluctant collectivists, “economic growth is only possible within a framework of the mixed economy” (Owen, 1981:112). Rodgers (1982) maintains that “both the unacceptable characteristics of a free market and the necessity to harness the basic market elements of profits, competition and markets need to be addressed if the economy is to function efficiently” (80).

The reluctant collectivists’ critique of capitalism include that “capitalism is not self-regulating; it is wasteful and inefficient and misallocates resources; it will not itself abolish injustice and poverty; and it creates conditions which can be threatening to political stability” (George and Wilding, 1996:50).

In spite of these significant criticisms of capitalism, reluctant collectivists do not believe that it should be abolished. Rather, they believe “it should be regulated because the faults of capitalism are technical in nature rather than fundamental and can be made good by government action” (Mullaly, 1997:55).

Gil (1976) suggests that reluctant collectivists or liberals do not seek to make structural change regarding the economic system. Fiscal and monetary actions will be designed to address the instabilities that are characteristic of capitalism such as recessions, unemployment, and inflation. These interventions will not be designed to overcome the root cause problems of a capitalist

economy. “Government intervention into the economy is intended to fine tune rather than change its basic nature” (Mullaly, 2007:100).

7. Role of the State

Reluctant collectivists believe that the state can function as an independent body concerned for and equipped to further the interests of all members of society. Support for government intervention is based on pragmatic grounds. “Keynes believed that laissez-faire must be abandoned not from contempt of that good old doctrine but because whether we like it or not, the conditions for its success have disappeared” (Gilmour, 1983:74).

Harris (1977) further reinforces this pragmatic role that reluctant collectivists have regarding the role of government intervention in the social and economic affairs of society. In her review of William Beveridge she states that “Beveridge’s ultimate commitment to a planned society must be seen not as a reflection of his instinctive preferences, but as a reluctant recognition of what he believed to have become a practical necessity brought about by the fact that other methods of running complex industrial societies had manifestly failed” (475).

In addition to the emphasis on pragmatism as the basis of the rationale for government intervention, reluctant collectivists also believe that pragmatism should be the foundation for deciding the degree and extent of the activities of the state. “Economic and social aims and needs set those limits rather than abstract theories and beliefs and the government action required to achieve aims will vary from time to time according to circumstances. Human and social needs and aims are more important than abstract principles” (George and Wilding, 1996:58).

This is one of the key areas where the views of the reluctant collectivists or liberals differ from the views of the social democrats. “The collectivists see government as essentially an instrument for changing society, whereas the reluctant collectivists are more concerned about preserving a particular economic and social system. Reluctant collectivists see government action as a way to make the basic mechanisms of economic life work more effectively” (George and Wilding, 1996:58).

Reluctant collectivists emphasize the need for prudence and restraint about government intervention in the economy. “They do not want government to control the economy, simply to provide treatment in those areas afflicted by malfunctioning. Although reluctant collectivists believe that government has a positive part to play in economic and social life, they also emphasize the limitations that need to be placed on government activity” (George and Wilding, 1996:59).

According to Beveridge (1945), while he “was not afraid of state control or public ownership where either of these is necessary to cure evils which cannot be cured without them, his bias was against them not for them” (8). He further adds, “that the underlying principle of his approach for government is for it to do or which it can do better than any local authority or than private citizens either singly or in association, and to leave to these other agencies that which if they will they can do as well or better than the state” (36).

George and Wilding (1996) maintain that “Keynes believed that government activity should be confined to achieving those results that could not be secured by uncoordinated individual effort” (60). Keynes (1927) believed,

The most important agenda of the state relate not to those activities which private individuals are already fulfilling but to the functions which fall outside the sphere of the individual, to those decisions which are made by no one if the state does not make them. The important thing for government is not to do things which individuals are doing already, and to do them a little better or a little worse, but to do those things which at present are not done at all (46-47).

The reluctant collectivists, therefore, believe in limiting the role of government.

They believe in the ability of a free market system to regulate itself once a framework has been established, because of their belief in the natural superiority of private enterprise as the source of initiative and a bastion of liberty, and because of their suspicion that government action is a potential threat to freedom at the same time as they see it as necessary to freedom (George and Wilding, 1996:60).

The institutional conception of the role of the state in the provision of social welfare that was developed by Wilensky and Lebeaux (1965) is consistent with the reluctant collectivists or liberal view of the role of the state with regards to meeting social and economic needs. The key characteristics of the institutional concept of social welfare include a major role for state responsibility for meeting needs; a secondary recognition of the importance of need; extensive range of services enshrined in law; many members of society are covered by services enshrined in law; medium level of benefits with some limitations; everyone in society receives benefits based on the notion of citizenship; and the role of the non-governmental sector (charitable, voluntary, private and religious) is to provide services in partnership with government.

8. View of Power

The reluctant collectivists' view power is essentially the same pluralist perspective of the anti-collectivists in which political power is shared between private individuals, pressure groups and the state. "No one group dominates another, let alone dominates the government. Within the pluralist perspective, government acts as an independent arbitrator of these competing interest groups, controlling their activities by the law through which it acts as the guardian of the public interest and of individual rights" (Mullaly, 2007:101).

Mullaly (2007) identifies some of the limitations of the pluralist view including,

As with any competition there will be winners and losers, so that the strongest and best organized interest groups will have their interests prevail over their counterparts; not everyone belongs to an organized interest group; some powerful interest groups may gain sectional advantage at the expense of the general welfare; and the elites within the various interest groups may make decisions that are not responsive to the needs or wishes of the membership (101).

9. View of Change

The reluctant collectivists or liberals support the basic features of society. However, they are quick to recognize weaknesses in society and therefore are anxious to reform the system. "In general terms, liberals are not nearly as frustrated with society as are the collectivists or radicals, but they are impatient with its deficiencies and therefore favour progressive changes in society. While liberals seek to change the system, they reject any attempt to revolutionize the system because they support its essentials" (Baradat, 1991:29).

Optimism about people's ability to solve problems is the cornerstone of liberalism. "The liberal is apt to apply reason to every problem and to be confident that it will lead to a positive solution.

It is this willingness to trifle with tried and true social institutions that causes the conservative such anxiety about the liberal” (Baradat, 1991:29).

Change is therefore possible, though reluctantly made, within the existing system and fundamental institutions. In a liberal society, change primarily refers to improving the system through political mechanisms and power relations that a competitive society creates. Change occurs because competition is about a state of flux between diverse groups, classes and factions that constantly form new power relationships and hence new political and social equilibrium. Change occurs within the system as a by-product of the political and social infrastructure of a liberal society so that what is perceived as change is the normal internal restructuring that develops when new arrangements and accommodations are made between competing groups (Distance Education Manual, 2000:45).

10. Nature of CED Practice

The key elements of a reluctant collectivist CED practice approach would focus on pragmatism; institutional capacity building in order to strengthen the voice of the marginalized to address system deficiencies within the context of a market based economy; and sustainable development and self-reliance in order to minimize dependency on the state.

Reluctant collectivists express this commitment to pragmatism through a social entrepreneurial approach to development that is based on a vision of both social and economic justice. Creative strategies, partnerships and initiatives are developed with the objective of addressing social and economic distress in local communities. This approach functions within the confines of the existing social and economic system by working with the market, state and community to develop solutions to issues related to marginalization without challenging the structure and impact of existing social relations.

Shragge (1997) points out that CED practice both reflect and challenges the entrepreneurial culture.

CED is embraced by business and government because it appears to reconcile both business and community interests. Business interests are supported through the creation of small enterprises and the building of local infrastructure to support them. Community interests are served through the involvement of community organizations in these economic processes and through programs that respond to the crisis of unemployment at the local level (viii).

Pragmatism is a central value of the reluctant collectivists. This orientation is also consistent with the commitment of reluctant collectivists to “tinker” with or “fine tune” the system, but not to re-structure the fundamental nature of the system. It also reflects an order perspective in that the various interests within society can be reconciled to improve conditions within society.

Capacity building is described by Lewis (1998) as “the ability to get things done. Capacity building equips organizations with the resources, skills and systems required to get things done”(5). This technocratic approach is consistent with the pluralist tradition of the reluctant collectivist perspective. All interest groups within society have the potential to have their interests met if they are able to compete more effectively to have their voice heard. While the anti-collectivists focus on the deficiencies of individuals living in poverty, the reluctant collectivists target the deficiencies or lack of presence of effective institutions to advocate for the interests and well-being of communities that experience social and economic distress.

According to Lewis (1998), the key features for building organizational capacity of successful community economic development organizations include

A development strategy that involves asset control, business venturing, financial institution building and human resource development; an active and balanced board that

represent the community and possess a range of skill; competent staff; effective community relations with its own community and also with business and government leaders; stable core funding for management and administrative costs; and effective use of technical assistance in areas such as planning, project development, business planning and due diligence, and management information systems (5-8).

Once these competencies have been developed, the assumption is that the community economic development organization will be better placed to compete for resources and to engage in initiatives to address the needs of the local community. This is undertaken within the context of the existing market oriented system. This type of resource mobilization to build capacity is consistent with the value of the reluctant collectivists regarding the issue of equality and the notion of equal opportunity. As discussed previously, the concept of equal opportunity in an unequal society is one of the significant criticisms of the ideology of the reluctant collectivists. The structural issues related to poverty and inequality will inevitably transcend and impact the efforts of local economic self-help strategies.

Loxley and Lamb (2005) argue “that while underlying most approaches to CED is the philosophy of self-reliance and community independence, in reality, few CED projects would be viable without some degree of subsidization” (9). This self-reliance view is consistent with the reluctant collectivist perspective on limiting the role of the state in society. Loxley and Lamb (2005:1) identify the contradictory treatment of the issue of subsidy with the private sector as compared to the CED sector.

State subsidization of the private sector is intrinsic to the system and is both overt, as in the granting of concessions to attract business to a particular geographic location, and hidden, in the form of tax expenditures or state support of health, education and infrastructure, upon which the private sector is dependent. Ideologically, however, the private sector is considered to be a distinct sector driven by creativity and entrepreneurial spirit and its dependence on the state is not acknowledged in mainstream economic theory (1).

Titmuss (1963) referred to this hidden form of subsidy that mainly benefits the corporate sector as fiscal welfare. Mullaly (2007) maintains that “fiscal welfare is the most lucrative welfare system and operates through the Income Tax Act. Portions of corporate income are allowed to escape taxation by way of exemptions, deductions, deferrals, allowances, write-offs, and reduced taxation rates” (10).

While the corporate sector generally views welfare programs for the poor as government handouts, it sees tax breaks as an unquestionable right and the mark of good business practice (National Council of Welfare, 1976). Although it claims that tax breaks represent investments in the economy, the evidence indicates that they are used to increase dividends of corporate owners, not investment (McKenna, 1985).

Community development corporation strategies would be highly consistent with a reluctant collectivist CED approach. An excellent example of this approach would be one of the most pre-eminent community development corporations in Canada, Regroupement Pour la Relance Economique et Sociale du Sud Ouest (RESO), which is located in the south-west area of Montreal. It has a structure and mandate to build institutional capacity within the context of the existing economic system to address issues of local development.

The structure of RESO involves a model in which sectors such as resident groups, community service organizations, small business, large business and labour groups represent the interests of the local community on a board of directors.

RESO’s mandate involves four specific objectives; to promote assistance for unemployed people in the South-West of Montreal and socioeconomic recuperation of the local

population; to encourage economic activity, and especially the preservation and creation of jobs for local citizens; to enhance the quality of life and image of the South-West of Montreal; and to ensure a high degree of community control over local development. The two main areas of activity that RESO became engaged in was employment training services and business support services (Shragge, 1997:90-93).

RESO's approach reflects an order perspective and pluralist view of power. Various interest groups are brought together in order to build capacity and to develop a stronger voice in order to compete for a greater share of resources from both the market and the state. The various groups are seen to have common rather than conflicting interests. Social and economic improvement is seen to be achieved by working cooperatively to find a more healthy social and economic equilibrium for the community which the community development corporation represents.

The view of social problems by this CDC approach is to strengthen or fine tune system arrangements. Resources are mobilized from the state in particular to promote greater equality of opportunity through programs that promote employability skills and entrepreneurial capacity. The market mechanism is seen as a central vehicle for addressing issues of unemployment by providing support to existing businesses, attracting new businesses and encouraging business creation.

RESO did make more demands for state subsidy than is traditionally the practice of community development corporations that have a reluctant collectivist perspective regarding CED. According to Shragge (1997), in its first year of operation RESO's budget was \$1 million and in year two, 1993, the budget grew to \$2 million.

This significant influx of state resources is a concern with regards to the contradiction which is the result of pressures from the state on community development corporations such as RESO to implement mainstream approaches to economic and social problems,

and pressures from the local community to find ways to innovate and articulate a social change agenda (87).

Incubator strategies also reflect a reluctant collectivist CED approach. The incubator strategy reflects the perspective of the reluctant collectivist CED approach of focusing on reforming, strengthening and developing institutional capacity as a means of addressing social and economic problems. This approach looks at fine tuning the system in order to address the flaws of capitalism without advocating for the need to change the fundamental structure of the system.

Building institutional capacity through an incubator approach consists of providing a variety of economic functions from a central location, under one roof. The idea is that each venture would benefit from being in the proximity to the next, sharing space, reducing overhead costs, having access to services and to clientele. While the building would be under the ownership and control of a central organization, the businesses housed there would tend to be privately owned (Loxley and Wien, 2002: 228).

The origin of this approach in Winnipeg can be traced back to Stan Fulham (1981) who believed that a partnership between Aboriginal organizations and the state that focused on business development would be a key strategy for community economic development within an urban context.

Loxley (1994) provides an overview of the incubator approach as envisaged by Fulham.

A key component of this proposed approach involved the creation of an Aboriginal economic development and employment council appointed by representatives of both Aboriginal organizations and senior levels of government that would establish a community development corporation (CDC) which would operate a number of subsidiary

companies and set up a business complex to house companies. The council would negotiate contracts with government, crown corporations and private businesses for Corporation subsidiaries to supply goods and services employing Aboriginal people. It would concentrate on labour intensive activities, would work with government to set up appropriate training schemes and would maintain an inventory of Aboriginal people, their skills and employment experience so as to maximize their employment opportunities.

By sharing premises within the business complex, both subsidiaries and other businesses would economize on rents, heating, maintenance, vehicles, etc. and would have ready access to managerial expertise and a source of finance. Fulham equates this arrangement to share overheads with “franchising” and sees it as a way for small business to compete against larger entities. He also advocates the setting aside of government purchasing supplies and services to benefit specifically Aboriginal businesses. While relying heavily on government resources for purchasing and training, Fulham sees the aim of the proposed incubator approach as being primarily to establish and promote a private business sector for Native people (26).

Lewis (1999) describes a business incubator as more of a program rather than a building.

The program fosters the start-up, growth, and ultimate sustainability of new or very early stage businesses. The incubation program is tailored for what the community needs for business development, and those needs are specifically assessed, not just assumed. The potential benefits of an incubator program are an increase in the local rate of formation of businesses; an increase in the rate of survival of new businesses; and an increase in the growth rate of businesses. The major challenges in establishing an incubation program is to conduct an adequate analysis of what the community really needs and to analyze what each actual entrepreneur really needs. In both instances, the temptation is to move with what is immediately apparent, when in fact what seems to be a real need may not be, or another need may be more significant (1-2).

The incubator approach also reflects the equal opportunity value of the reluctant collectivists.

Compensatory resources are provided in the form of innovative institutional vehicles and partnerships with the state in order to make adjustments to the system that enable individuals and communities to better compete within the marketplace. The focus remains on individualism, private enterprise and self-help. In contrast to the anti-collectivists philosophy of laissez-faire, the incubator approach does see a role for the state within the context of a mixed economy to

tinker with the capitalist system to address social and economic marginalization. However, the market remains the central mechanism which the incubator approach would be based.

The view of power and change represented by the incubator approach is consistent with the beliefs of the reluctant collectivists. The approach is rooted in an order perspective of society in that there is a broad consensus regarding values and institutions. By developing and strengthening institutional capacity among interests groups, the incubator approach reflects a pluralist view of power relations within society. All groups can effectively compete within society if they get better organized and call upon the state to act as an independent arbitrator to assist the system to make adjustments to find a more inclusive equilibrium. The incubator approach advocates to work for change within the system rather than to address structural change of the existing free market system. This approach to change also reflects the reform traditions within the reluctant collectivist ideology.

The third example of a reluctant collectivist CED approach involves the strategy of social enterprises, also referred to as community enterprises. Edwards (2001) defines social enterprises as an organization that uses a commercial venture as a tool to achieve social change. Social enterprise involves a diverse range of organizations that differ in legal and organizational structure and social mission, but which are linked by the common purpose of service delivery.

Dees (2003) points out that the mission of social enterprises range from a focus on innovation and impact rather than income, to those that are more narrowly committed to business and revenue generation objectives. Gray, Healy and Crofts (2003) identify a broad range of activities

for social enterprises including “community economic development and related activities; profit generating activities undertaken by non-profits to support service initiatives; cross-sectoral partnerships between communities, agencies, businesses and governments; and private sector social responsibility programs” (142).

MacLeod, McFarlane and Davis (1997) outline the key characteristics of a community enterprise including,

It is a business which aims to create sustainable jobs and related training opportunities for local people and/or to provide commercial services; it aims to make profits to become financially self-supporting, to use profits only for investment in its enterprises, for limited bonus payments to workers, and for community benefit; membership or share holding in the community enterprise is organized on democratic one-person-one-vote principles; it must be registered as a company or as a cooperative society; the assets of the community enterprise are owned on behalf of the community; membership of the community enterprise must be open to all persons within its agreed area of benefit; it is committed to being a good employer regarding wage levels, terms and conditions, equal opportunities and employee participation; and it is committed to evaluating and reporting annually on the effectiveness of its impact on the local community (5).

According to Dart (2004),

Social enterprises not only are distinct from traditional business organizations in terms of their goals, values, and motivations, they are also different from traditional non-profit organizations in that they blur the boundaries between non-profit and for-profit approaches through hybrid non-profit and for-profit activities. These hybrid strategies involve changes from pro-social mission bottom line to a double bottom line of mission and money; from conventionally understood non-profit services to use of entrepreneurial and corporate planning and business design tools and concepts; and from dependence on donations, membership fees and government revenue to a frequently increased focus on bottom-line earned revenue and return on investment (415).

Inner City Renovations (ICR) is an example of one of the more ambitious community enterprises operating in the city of Winnipeg. ICR provides construction and renovation services in the inner city of Winnipeg. It is the first enterprise launched by Community Ownership Solutions

(COS), a not-for-profit development corporation with charitable tax status. COS was created by the Crocus Investment Fund, a labour-sponsored investment fund, with the mandate of the alleviation of poverty and structured unemployment in Winnipeg through the creation and transformation of market driven enterprises (Community Ownership Solutions, 2002).

The goal for ICR is to ultimately employ 50 people which will involve a mix of certified trades people, semi-experienced inner city construction workers, and entry level jobs for unemployed or underemployed inner city residents. ICR is attempting to blend social objectives within a market framework, self reliant business model. Recently, ICR won a Social Enterprise Business Plan Competition sponsored by Social Capital Partners of Toronto, a venture philanthropy organization created to invest in and support revenue generating social enterprises that employ at-risk populations outside the economic mainstream (Loxley, 2003:13).

Social enterprises such as ICR reflect a pluralist view of power and an order perspective of society that is held by the reluctant collectivists. They believe that by working with corporate philanthropic interests, such as Social Capital Partners, the interests of marginalized people can be addressed through innovative entrepreneurial efforts. From this worldview, poor people and millionaires share a common interest and can work together to create opportunities for the poor and unemployed to participate in the market place. Social problems can be addressed by fine tuning the institutional framework of capitalism through the development of social enterprise capacity and infrastructure that enable the marginalized to be better prepared to engage in the marketplace.

As well, social enterprises such as ICR promote the reluctant collectivists' values of freedom in the form of relief from want and unemployment, provide compensatory resources to marginalized people in order to promote the notion of equal opportunity, and maintain a commitment to individualism through a belief in the power of social entrepreneurialism.

The market mechanism is a central feature of the ICR social enterprise approach. Social enterprises do not seek to change the underlying dynamics of the capitalist system, rather they seek to find ways to effectively compete within the existing structure. While ICR initially developed its business plan based on the principle of self-financing through generated revenues and support from private and community foundations, it sought state funding when the social costs of operating the enterprise proved more demanding than originally planned.

ICR was consistent with the approach of the reluctant collectivists to pragmatically develop partnerships with the state in order to achieve the organization's social objectives. ICR reflects a pluralist view of power – various interest groups and classes have an equal opportunity for influence to make change within society. The social enterprise approach does not seek to change the existing system. Its objective is to make modifications to the existing system by building institutional capacity so that an organization such as ICR can successfully compete in the marketplace to create employment opportunities for poor people.

The Collectivist Perspective

For the purposes of this paper, modifications will be made to the ideological framework developed by George and Wilding (1996) which originally involved the anti-collectivists, the

reluctant collectivists, the Fabian socialists and the Marxist perspectives. The term that will be used to describe the third perspective of the CED ideological framework used in this paper will be the 'collectivist perspective' which will primarily focus on the social democratic ideological perspective. The social democratic perspective was selected to be the focus of the collectivist paradigm within the proposed CED ideological model because within the context of western democracies, the left wing ideological perspective that has a presence within the electoral political landscape in Canada is social democracy in the form of the New Democratic Party. Intellectually, a Marxist orientation is much more progressive than the social democratic ideological perspective and serves to provide a more radical and comprehensive vision to address inequality, exploitation and oppression. A major shortcoming of the proposed CED ideological model is that this form of the collectivist approach is not further developed in this thesis. The proposed collectivist paradigm element of the CED ideological model reflects the constraints that progressive CED practice functions within a western capitalist society.

1. View of Society

The collectivists maintain a conflict perspective of society. Social democrats see society as made up of classes and groups whose interests are in conflict. They differ from Marxists in that "they do not consider class conflict as paramount and all other conflicts as derivative and secondary. Rather, social democrats believe that only a close analysis of a particular situation can determine which form of conflict is paramount" (George and Wilding, 1996:76).

Tawney (1931) observes that "such conflict though not always obtrusive, is always below the surface" (27). As well, Tawney (1921) argues that "this conflict is natural and is not caused by a

misunderstanding of identity of interests but by a better understanding of diversity of interests” (40). According to Tawney (1921), “social democrats believe that there is not one society but two which dwell together in uneasy juxtaposition. There is a society of those who live by labour, whatever their craft or profession, and the society of those who live on it” (135).

According to Meacher (1982), “social democrats view that the power structure within society is dominated by multi-national corporations, the financial sector of the capitalist class and the top echelons of the civil service”(19). George and Wilding (1996) maintain that these three elements of the power structure are not three separate social groups. “They are united by family background and education; they are linked by cross-membership; and they have common economic interests. The result is not three separate elites but one ruling class with massive economic and political power. In such circumstances, the state is not an impartial arbiter among competing interests”(79). Rather, as Meacher (1982) states, “the state is primarily and inevitably the guardian and protector of the economic interests that predominate in it. Its real function is to ensure their continued dominance, not to over-ride them”(32).

Society, from a collectivist perspective, “is based on conflict and competing interests to redress the power imbalance held by the ruling elites. A key issue for collectivists is to work towards society where all people are equal, and any society that does not promote that is neither a good nor a just society” (Distance Education, 2000:58).

2. View of Social Problems

Social problems are viewed by collectivists as lying in oppressive and inequitable social structures. “This approach might be termed as “blaming the system” as it concentrates on such issues as patriarchy, capitalism, institutional racism and income distribution, and identifies oppression or structural disadvantage as the major issue to be addressed. Its prescription for change requires major restructuring of the society, whether in terms of class, race or gender” (Ife, 2000:50).

Rule (1971) maintains that racism, poverty, pollution and other social problems are viewed by collectivists as contests among various groups over the acquisition or control of desirable resources such as wealth, privilege, and political power. Because these issues are actually clashes of interest they represent political conflicts. Rule (1971) further contends that conflict theorists would prefer to call these conflicts political conflicts or social conflicts because the term social problem implies some kind of social sickness that can be treated more successfully by the dispassionate intervention of experts’ than political action.

Mullaly (2007) concludes,

Social problems, according to social democrats, are not the result of deviance, as the neo-conservatives believe, or of industrialization, as the liberals believe, but are normal consequences of the way society is organized. Thus, they cannot be dealt with by technical means or administrative reform. They can only be resolved by a reorganization of the society that caused the problems (conflicts) in the first place (76).

3. Value of Freedom

George and Wilding (1996) identify that “collectivists believe that freedom depends on a reduction of inequality because if there are major inequalities of resources or economic power,

some members of society are in bondage to others” (73). “The fundamental idea of liberty or freedom, is power to control the conditions of one’s own life – and this means economic equality” Winter and Joslin (1972:22). Freedom for all is a fundamental socialist value. It “can only be achieved if greater social equality is attained first. If some people have greater resources than others, they have greater freedom to control their conditions of life, which conversely means that some people have less control or freedom to make choices with respect to their life conditions” (Mullaly, 2007:124).

Secondly, “the idea of freedom is as relevant to the work situation as it is in the political sphere” (George and Wilding, 1996:73). “Economic freedom means that workers have a voice in the conditions of their work, that they should be recognized as possessing certain rights in relation to it, and that employers should not be able to exercise arbitrary power of regulation or dismissal over them” (Crossland, 1974:50). “Some even argue for workers’ control rather than workers’ participation in industry” (George and Wilding, 1996:74).

Thirdly, “social democrats believe that genuine freedom for all can come about only through government action rather than, as neo-conservatism believe, through government inaction. Only government, according to the social democrats, can create the conditions of social equality vital for the attainment of freedom for all” (Mullaly, 2007:124) “Freedom is defined to mean not simply freedom ‘from’ but freedom ‘for’ as well” (George and Wilding, 1996:74). “The increase in freedom of men and women has taken place, not in spite of the action of government, but because of it. The mother of all liberty has, in fact, been law” (Tawney, 1964:169).

4. Value of Equality

Social democrats are committed to equality of outcome and not simply equality of opportunity. “The notion of equality means that excessive inequalities are unjustified and should be reduced” (George and Wilding, 1994:97). According to Hattersley (1987), “a social democratic society is organized in a way which diminishes rather than accentuates the differences in the prospects that flow from sex, origin and income; one which is committed to a reduction in those disparities of wealth and power which are the product of entrenched privilege” (25).

George and Wilding (1996), point out that “policies based simply on the notion of equality of opportunity are not the answer to inequality. Equality of opportunity is not attainable in a society where people’s circumstances are unequal from the moment of birth” (92). “The reduction of inequality is a necessary, though not sufficient, condition for social integration and social harmony. Reduction in inequalities create greater feelings of social belonging which, in turn, protects the social order from violent upheavals” (George and Wilding, 1996:70).

George and Wilding (1996) believe that inequality leads to general economic inefficiency.

Massive inequalities lead to a misdirection of productive effort because the private market responds to demand rather than need. Gross inequality also creates inefficiency because it results in little social mobility and a waste of ability and talent. Gross inequalities offend against the ideas of natural justice because they lead to a denial of natural rights when, for example, educational opportunities are distributed not according to ability but according to the accidents of birth and parental income (71).

Individuals have a better opportunity to achieve their full potential in a more equal society. “A society is civilized in so far as it uses its material resources to provide for the dignity and

refinement of the individual human beings who compose it. Inequality diminishes people's basic humanity" (George and Wilding, 1996:71).

5. Value of Community

Collectivists or social democrats place a high value on what is interchangeably described as community, fellowship, fraternity or solidarity. According to George and Wilding (1996),

Fellowship implies love for one's neighbour; a gift for a stranger; altruism as well as self interest; the good of the community as well as individual interest. It is essential to the idea of socialism for without it socialism loses its communitarian appeal that distinguishes it so clearly from capitalism. It is equally important to the provision of universal services for without it the whole edifice degenerates into an exercise of the calculus of individual interest (99).

George and Wilding (1996) also point out that "taken to extremes the application of fellowship can be stifling to the expression of individuality which is so essential to socialism as well as to individual liberty" (99). Crick (1984) concludes that "fraternity without liberty is a nightmare, liberty without fraternity is competitive cruelty, but fraternity with liberty is humanity's greatest dream" (23).

Other characteristics of the value of community that collectivists believe in include "cooperation rather than competition, an emphasis on duties rather than rights, on the good of the community rather than the wants of the individual, on altruism rather than selfishness" (George and Wilding, 1996:74).

"A new social order – a socialist society – would provide the institutional framework for a new set of right relationships among its citizens" (George and Wilding, 1996:74). Tawney (1921)

believed that “in such a society people would more readily identify themselves not primarily as the owners of rights but as trustees for the discharge of functions and the instruments of social purpose” (48). “People will come to view the rights they possess in relation to the duties they must perform for the sake of the good of all society”(George and Wilding, 1996:74).

Titmuss (1968) argues that the value of community held by collectivists also promotes social cohesion. “The personal and institutional willingness of individuals and society to behave altruistically to others is expressed through the support of a universal range of social services. There is nothing permanent about the expressing of reciprocity. If the bonds of community giving are broken, the result is not a state of value neutralism. The vacuum is likely to be filled by hostility and social conflict”(199).

Mullaly (1997) identifies that a capitalist society does not subscribe to the value of solidarity. “Rather, it encourages people to use their power and abilities for self-interest and to treat others as commodities to be bought, sold or used to further one’s own end. Social democrats reject such attitudes and behaviour”(73).

6. Role of the Market

Social democrats have on the whole accepted that the market has an important role to play “but it must be both limited and regulated to rectify its defects. The notion of an unregulated market is incompatible with social democracy for the former stresses the centrality of individualism in social and economic affairs while the latter emphasizes the spirit of fraternity and fellowship” (George and Wilding, 1994: 91).

Plant (1988) identifies a range of market defects including,

The free market leads to a concentration of wealth and power; the market prefers long term to short term returns; despite embodying individual choices, the market may lead to outcomes which might not have been chosen had they been foreseen; the external effects of markets on the environment; and the ways in which markets undercut any appeal to the public good on which their own operation may well depend (17).

George and Wilding (1996:80) identify five major criticisms of the free market system.

The first is that it is unethical. The second charge is that the market system is fundamentally unjust. Third, the market system is undemocratic – decisions important to many individuals are taken in privacy of the corridors of power or are left to the whim of market forces. The fourth charge is that the free market is inefficient unless regulated by government. The fifth and final charge is that the distribution of goods and services in a free market economy does not include goods and services needed by those experiencing illness, old age, or life circumstances such as widowhood (80).

Mullaly (2007) discusses how social democrats would overcome the inherent deficiencies of a free market economy by attempting

To replace the anarchy of capitalism and the motives of private gain with rational economic and social planning for the common social good. Economic mechanisms would be put in place to control the means of production and distribution. These mechanisms could include the Marxist notion of state ownership as well as government regulation of private ownership and the development of worker cooperatives, consumers' associations, and credit unions. The question of nationalization has caused a division in the social democratic camps, fundamentalists believing that nationalization is the only way to achieve socialist goals and reformists claiming that separation between ownership and control can achieve the same goals (125).

George and Wilding (1996) argue that over the decades three main positions have emerged

regarding the role of the market in a socialist society:

Bureaucratic centralism, social democracy and market socialism. The bureaucratic centralism approach maintains that in a socialist society the means of production and distribution must be owned by the government and that the economy must be planned centrally. Social services were expanded and many utilities were nationalized – coal, gas,

electricity, telephones, transport – and administered centrally. Socialism became synonymous with state collectivism and central planning (91).

The second approach of the role of the market in a socialist society is the social democracy position. Crossland (1956) argued that “the post-war experience showed that public-monopoly nationalization, despite considerable achievements in certain exceptionally difficult industries, no longer seems the panacea that it used to be” (320). George and Wilding (1996) state that under this approach, the mixed economy was a sufficient economic base for governments of the Left to introduce further measures that equalize opportunities in society – the hallmark of a socialist society” (92). George and Wilding (1996) conclude that the social democratic model “sees socialism as very similar to a fully developed welfare state with a few added fiscal programs to reduce inequalities of income and wealth. Its main objective is to humanize, not abolish, capitalism in terms of private ownership”(92).

The third approach regarding the role of the market in a socialist society is market socialism. George and Wilding (1996) “position market socialism as an attempt to steer a middle course between bureaucratic centralism and social democracy” (93). According to Meacher (1992),

A feasible socialist market economy should be pluralistic. There should be a large cooperative sector, a sector in which capital-labour partnerships were formed, a sector of worker buy-outs of larger firms, as well as a sector taking conventional capitalist form. In addition, basic industries requiring massive levels of investment – such as oil, coal, electricity, telecommunications – would be state managed or at least very closely state regulated, even though subject to (mainly international) market competition (133).

Marxists tend to see market socialism as either unworkable or as abandoning one of the fundamental socialist principles – “if industry and enterprise are to operate for the public good rather than the benefit of the few, they must be owned by the state. Most Marxists do not see any

difference in substance between market socialism and a social democratic economy where the state plays an important role in economic affairs. Both forms of economic organization are essentially capitalist” (George and Wilding, 1996:93).

7. The Role of the State

Collectivists or social democrats view that a key role for the state is to redistribute benefits and resources. “The task of government is to modify the injustices of the private market” (George and Wilding, 1996:81). The state is seen as acting independent of, and often in opposition to, market mechanisms (D]ao,1983). Only the state, through legislation and government action, can protect the freedoms of the less powerful citizen from the ravages of the more powerful, and only the state can bring about certain changes and promote an ethic of collective presence over that of individual interest (Mendes, 2003). Through the state the political process governs the economic process rather than the reverse, that of economics determining politics. The rationality of planning, under a social democratic regime, guides society, not the magical forces of laissez-faire”(Mullaly, 2007:126).

Collectivists believe that the welfare state is different from a socialist society. George and Wilding (1996) identify that there is “a great deal of optimism that the welfare state would act as an important influence for socialist change. The public would soon come to realize that the benefits conferred by the welfare state were only a foretaste of an even better life under socialism”. Tawney (1931):219) predicted that

The expansion of social services played a central role in this change of public attitudes. By changing the lives of individuals and opening up new possibilities for them they change social psychology. The altered psychology acts as a permanent force modifying

social structure which in turn, as it is transformed, sets minds and wills at work to insist on further modifications (94).

George and Wilding (1996) point out that

Today there is greater skepticism about the effects of social services on people's consciousness. The welfare state may be a staging post towards socialism but the road is longer and more difficult than anticipated in the past and there are no historical imperatives that lead inexorably from the welfare state to socialism. The welfare state is still seen as an unstable compromise and stepping stone to socialism. Whether the contemporary welfare state develops into a socialist society or remains as it is, or regresses to a residual form of the welfare state, depends on the balance of economic and political forces in the country (94).

The nationalization of the means of production and distribution has always been a central plank in a democratic socialist program regarding the role of the state in society. The debate on the nationalization issues can be divided into two camps – the revisionists and the fundamentalists.

George and Wilding (1996:82) maintain that

The fundamentalists believe that the widespread extension of public ownership is necessary for the achievement of socialism, while the revisionists feel that welfare capitalism can be tamed and harnessed to socialist aims with only limited extension of public ownership. State regulation is seen as an alternative strategy for influencing change in the market economy as compared to taking over the ownership of the means of production through nationalization (82).

Social democrats also believe in maximizing public participation in decision making. They are committed to the principle and practice of participatory decision making. Mullaly (2007). “It is believed that this form of decision making would spread responsibility, reduce power concentration, and increase productivity”(George and Wilding, 1996:83). “Social democrats would promote more worker control in industry and work organizations, more service user involvement in the delivery of public services, such as health and social services, and more

community development directed at boosting the power of people with respect to local, regional and national governments” (Mullaly, 2007:126).

According to the model developed by Wilensky and Lebeaux (1965) and Mishra (1981) regarding the role of the state in the provision of social welfare, the collectivists would fall within a range between an institutional model and structural model of social welfare. The social democrats or collectivists, like the liberals or reluctant collectivists, support an institutional conception of the role of the state in the provision of social welfare.

Whereas the liberals see the institutional model as something needed to deal with distributive failings of capitalism, social democrats have traditionally seen the institutional model as part of a gradual movement towards a more just society. Liberals might see the institutional model as an unfortunate necessity; social democrats see it as integral to the proper development of society and therefore one in which a democratic state plays a pivotal role (Distance Education, 2000:58).

The collectivists’ view of the role of the state in the provision of social welfare services could also be defined as what Mishra (1981) called a structural model of welfare. “Central to the socialist view of welfare is the notion that to each according to his needs should be the guiding principle of distribution. Collective consumption that is typically universal, comprehensive and free social services such as health and education constitutes the basic model of distribution under socialism” (133).

According to Distance Education (2000), the structural or normative model is represented more in theory than in practice.

Resources of society are put first and foremost to meeting the needs of all people. The key characteristics of the structural concept of social welfare include total state responsibility for meeting needs; the primary importance of need; total range of services enshrined in law; all members of society are covered by services enshrined in law; high

and permanent level of benefits; everyone in society receives benefits based on notions of solidarity; and the role of the non-governmental sector (charitable, voluntary, private and religious) would be insignificant (16).

While supporting the aims and purposes of the welfare state, socialists have remained aware of its limitations and dangers including that it is concerned with injustice and treatment, rather than justice and prevention; that it is too often limited to seeking equality of opportunity rather than pursuing equality of outcome; that it is concerned with poverty not with equality; and that its administrative structures have been patronizing and authoritarian rather than democratic and participative. (George and Wilding, 1996:91).

8. View of Power

The collectivists would view power from a structural perspective. According to Ife (2002),

The structural view of power identifies the importance of structural inequality, or oppression as a major form of power. Society is seen as hierarchical with certain groups exercising power and control. That these elites are predominantly made up of white, wealthy men is not a coincidence; it indicates the underlying importance of class, race and gender, and it is these fundamental issues which have to be acknowledged in dealing with power in contemporary industrial society. From this perspective, concentrating on the elites themselves, or on individuals acting in competition (the pluralist view), is to miss the point. By ignoring fundamental structural inequalities one is reinforcing the structures which determine relations of dominance and oppression. Empowerment, therefore, is necessarily part of a wider program of social change, with the view to dismantling the dominant structures of oppression. Real change of power relationships can only take place if it is part of a broader agenda specifically addressing such structural issues as class, gender and race (55).

9. View of Change

Social change is not only possible, but necessary in the social democratic view. Greater equality and stronger bonds of community are all things which social democrats see as important changes. However, change is gradual and incremental. (Distance Education 2000:58).

Dickerson and Flanagan (1986) make a distinction in the challenge to the status quo and orientation of the change process between revolutionary and evolutionary socialism. Revolutionary socialism involves the use of forcible measures in those countries where constitutionalism and the rule of law did not exist. Evolutionary socialism involves the election of an organized workers' political party in constitutional countries with a parliamentary system. The social democratic approach regarding change would fall within the evolutionary tradition of socialism.

Social democrats believe that social change for the betterment of society could occur by appealing to reason. "Historically, utopian socialists such as Robert Owen opposed the imposition of socialism on people by its government and warned that people themselves had to be prepared to adopt it before it could be successful. Owen was convinced that communal living was the wave of the future and that a few successful examples would prove the attractiveness of this lifestyle" (Baradat, 1991:176). The Fabian socialists also rejected the policy of forcing socialism on society. "They argued that socialism must be accepted from the bottom up rather the top down and carried their message to the people in pamphlets, in articles written for journals and newspapers, and in their novels and short stories" (Baradat, 1991:181).

10. Nature of CED Practice

The key elements of a collectivist CED practice approach would focus on building alternative forms of social organization to capitalism; community and political organizing in order to build a strong voice for marginalized citizens; and an emphasis on the positive role that the state can play regarding issues of social and economic justice.

Worker cooperatives are examples of CED vehicles that are alternative institutions to traditional capitalist forms of economic development. Cummings (2001) states that

Cooperatives are built upon three technical features that distinguish them from other business forms: membership, internal capital accounts, and patronage allocations. First, a cooperative is comprised of worker members, who vote their membership shares on a one person, one vote basis. The membership structure thus implements the concept of democratic ownership by conferring voting rights on workers, rather than non-employee investors, and limiting each member to one vote irrespective of the amount of share ownership. Second, a system of internal capital accounts further reinforces the separation of membership rights and stock ownership. In particular, as cooperative profits are allocated to internal capital accounts, individual members may accrue different ownership stakes without gaining additional voting rights. This internal account structure also ensures open access to cooperative membership by allowing the cooperative to keep the price of membership low enough so that new workers may afford to become members. Finally, the system of patronage allows the cooperative to allocate profits based on worker participation. Thus, rather than distributing profits according to the number of shares owned by an outside investor, the cooperative can appoint earnings and losses to members on the basis of their relative amount of work, usually measured by hours of work or total wages (19).

Cummings (2001) maintains that incorporating the principles of democratic control, open membership, and equitable economic participation, worker cooperatives provide a vehicle for CED practitioners to promote the type of grassroots organizing and community based leadership development absent from the traditional business model.

While offering a method for creating jobs in poor communities, cooperative development also establishes sites of collective action that can grow into critical loci of community change. Cooperative formation fosters political consciousness among participants by challenging the dominant conception of worker status and capital ownership. Thus, the organizing structure and politicized nature of cooperatives provide the foundations for mobilizing low income constituencies and connecting grassroots efforts to the larger economic justice movement (20).

Neechi Foods is an example of a CED approach that has focused on the development of worker cooperatives. Neechi Foods is an Aboriginal worker owned cooperative retail store that has operated for the past 15 years in the inner city of Winnipeg. It favours cooperative ownership,

small scale production and popular control over economic decision making. Neechi's approach is holistic. Safety, health and self respect of residents are of paramount importance” (Loxley and Lamb, 2005:3)

Neechi Foods has developed 11 principles on which it operates including

Production of goods and services for local use; use of local goods and services; local re-investment of locally generated profits; long term employment of local residents; local skill development; local decision making; improved public health; improved physical environment; neighbourhood stability; human dignity; and solidarity among communities and businesses which follow these principles (Loxley and Lamb, 2005:3).

Taken together, “these 11 principles spell out a framework for CED which, if achievable, would create sustainable development in an urban Aboriginal setting. Sustainability in this context requires a holistic approach to development which lays down not only environmental considerations, but also specific economic, social and organizational criteria” (Loxley, 2002:31).

Worker cooperatives such as Neechi Foods reflect a collectivist approach to CED in that they view social problems to be the result of the way capitalist society is organized and have developed alternative forms of social organization to address issues of employment and the provision of healthy food for inner city communities. The worker cooperative approach reflects the value of freedom espoused by collectivists in that workers have greater control and freedom to make choices regarding their working conditions. Collectivist values of equality and community are also represented in the worker cooperative approach. Cooperative principles are based on egalitarian beliefs and are reflected in institutional arrangements such as the principle of one member one vote. The 11 principles developed by Neechi take into account the important value of working cooperatively and collectively for the betterment of the community.

Worker cooperatives such as Neechi accept that the market has an important role to play but they do not only subscribe to the individual and profit oriented ethic of the market place. The holistic principles developed by Neechi speak to a commitment to social, health, environmental and personal well being.

In terms of the role of the state in this CED approach, Neechi is silent on the issue of government funding of CED, “but given the abject poverty in the inner city and the current lack of community ownership or control over income and investment flows out of the community, some degree of public funding of CED is necessary. Neechi Foods itself could not have got off the ground without it, in spite of initial solid local financial and other support from both the Aboriginal and non-Aboriginal communities (Loxley, 2002:31).

The Neechi Foods approach is consistent with the collectivists’ perspective on power and change. The empowerment orientation of the worker cooperative approach involves the development of alternative institutional forms that mitigate some of the underlying structural values of the capitalist system including democratic control of their workplace, open membership and equitable economic participation. The worker cooperative approach is committed to promoting change of the underlying relationship within a capitalist system of labour and capital by creating alternative institutions.

While Loxley (2007) argues that cooperatives reflect a transformative approach to CED through a structural emphasis on democratizing capital, it should be acknowledged that there are

historical and contemporary tensions within the cooperative movement which are not progressive or transformative. Etkind (1989) points out that cooperatives operate and compete inside capitalist society and are “isolated units of production and services which have a negligible impact on society or the economy as a whole...a cooperative is an enterprise which has significantly altered its internal relations of production but when it relates externally to the market it does on the same terms as a capitalist enterprise” (55). Etkind (1989) further contends that cooperatives “do not have the capacity to become themselves mass organizations within the market economy. They do not have the capacity to confront capital in any decisive way. Cooperatives will always be relatively peripheral in the broader struggle [to transform society]”(64).

Mooney (2004) identifies that one of the tensions within the cooperative movement which limits the role of cooperatives to be a transformative force within society is the capitalism/democracy contradiction in which the democratic elements of cooperatives are seen to be at odds with purely economic interests. As cooperatives become more larger and complex, “authority has been delegated to hired management and staff [who] tend to administer the cooperative single-mindedly focusing on earnings or sales growth to the neglect of other activities that could enhance member services or meet other member goals in order to enhance their own individual marketability as business managers” (85). Mooney (2004) further suggests that this process of delegation often means that “the formal rationality of the economic function has come to dominate the substantive rationality of democratic participation in cooperative decision making” (84). Mooney (2004) argues that “active democratic participation is a means by which this autonomous interest of management can be countered” (85).

McGwern (1990) outlines the limitations of the famous Antigonish cooperative movement that had its roots in Nova Scotia with respect to the potential role of cooperatives of being a transformative force within society. The Antigonish movement was primarily a rural Scottish Catholic movement that disregarded the Acadian French language and culture, and experienced a great deal of hostility from the miners and steelworkers union in Cape Breton (McGwern, 1990). According to McGwern (1990), “the Antigonish movement faltered when it came up against differing cultural and ideological milieu that was not equipped, ideologically or organizationally, to win over its vision of a corporate Catholic cooperative society” (128).

Along with this form of cultural imperialism, the leadership of the Antigonish movement, including people like its founder Moses Coady, were active Liberals in their personal politics and were outspoken in their condemnation of social democratic movements such as the CCF (McGwern, 1990). The leadership of the Antigonish movement served to limit the transformative potential of cooperative endeavours “by transforming populist political grievances to the level of individual and community self help...adult education was the depoliticizing element that transformed populist political grievances into an ameliorative social movement” (McGwern, 1990: 139). Lotz (1973) points out that the Antigonish movement narrow vision of change “diverted the attention of people towards action at the local level, rather than helping them organize to change the major political structures such as the Provincial Legislature, the courts and the party political system [in Nova Scotia]” (106).

Another critical issue that needs to be further explored in terms of the cooperative movement and its potential role for transformative CED practice involves the cooperative sector's relationship with labour. In terms of worker cooperatives, Edelstein (1979) contends

The existence of trade unions within worker cooperatives may seem paradoxical. However, so long as the workplace continues to be characterized by a division of labour with significant pay differentials and significant differences for loss or change of employment, there would seem to be both room for the traditional role of unions in representing the interests of workers, collectively and individually (358).

Edelstein (1979) further argues that the “strongest argument in retaining unions in cooperatives is the common tendency for management to become more conventional – that is, more authoritarian and more highly paid – in times of financial crisis...self-management and industrial producers cooperation are not synonymous” (362).

Haiven and Haiven (2009) maintain that “it is impossible to determine whether worker rights and conflict are addressed better in cooperatives compared with other businesses” (460). In their case study of the Fogo Island Fishing Co-op, a hybrid producer and worker cooperative in Newfoundland, Haiven and Haiven (2009) pose critical questions about the nature of labour and management conflict within the cooperative sector and the impact of economic conditions regarding these relations.

Do workers treat themselves better as employees when they are employers? Or do they engage in kinds of self-exploitation that they would not tolerate from regular bosses? And what about managers of cooperatives – are they too members since they are working on site, and how do they handle problems with those who report to them. The case of the Fogo Island Fishing Coop suggests that at the base of labour management conflict is the economics of the fishery. The Coop existed for thirty years before the first fishers, then the plant workers decided to unionize. But a series of unilateral moves on the part of the Coop management prompted the fishers and the fish plant workers to form a union. And that set each against the other (469).

In regards to producer cooperatives, Wetzel and Gallagher (1987) argue that one of the key challenges for labour in these types of enterprises is that “producer cooperatives are composed of employers whose primary interest, i.e. securing the best possible return on investment, is not apt to be fully shared by employees” (521). As well, Wetzel and Gallagher (1987) suggest that “rural values can be a source of friction. Cost conscious farmers, who work long hours for uncertain income and no fringe benefits, often resent those working shorter fixed hours for assured remuneration” (529).

The cooperative culture and value base also poses challenges to labour relations. Wetzel and Gallagher (1987) point out,

Since cooperative boards of directors are drawn from the membership, they may include individuals with a range of values – traditional business, humanist, small producer and conservative or left-wing. Cooperative directors may not be accustomed to exercising power within adversarial relationships that exist within a market context. The presence of a trade union which competes with a cooperative for employees’ loyalty and serves as their advocate may be perceived as a threatening external force. This may be particularly so because cooperators generally share non-adversarialism as a value. This feature of cooperatives may explain one source of conflict which can be persistent and especially acute in cooperatives (524).

Haiven and Haiven (2009) suggest that while “ideologically, cooperatives subscribe to equity and fair treatment of employees...common sense would dictate that management interaction with employees be less conflictual in cooperatives, there is a growing number of cases that show that Canadian cooperatives do engage in very conflictual relations with trade unions”(460). Wetzel and Gallagher (1987) contend that cooperative values and traditions can heighten tensions in labour and management relations.

Unions, in effect, may be asked to recognize and accommodate the unique features of cooperatives, i.e. democracy and social goals, by allowing employee interests to be treated as secondary. A likely union response is that cooperatives should not expect

special treatment from unionized employees if cooperatives wish to treat their employees in a manner typical of profit maximizing employers (526).

Wetzel and Gallagher (1987) also argue the cooperative sector has moved towards professionalizing the labour-relations function and this serves to increase traditional dynamics of labour management conflict of capitalist production relations.

Conforth (1982) puts forward four main arguments why trade unions should not be involved in producer cooperatives.

The first is the belief that workers will not see the need for unions in companies that they own themselves. The second is that if trade unions do become involved in setting up and possibly managing cooperatives it will undermine their ability to protect workers' interests. The third is that cooperatives may not provide the standard of pay and conditions that workers can achieve in private companies [in part because of issues of undercapitalization]. The fourth is that involvement in producer cooperatives will be a diversion from the trade union movement's main goals of negotiating with private or public sector employers in their traditional role, and bargaining with government and employers' bodies over economic policy (22).

While cooperatives from a structural perspective can be seen to be a transformative form of CED in terms of its role in democratizing capital, the limitations and contradictions of the cooperative model also need to be acknowledged. Management and movement leaders can play an influential role in constraining the transformative potential of cooperatives in our society. The cooperative sectors' relationship with labour also has the potential to be problematic. The fact remains that cooperatives function within a market economy, and as Etkind (1989) pointed out, while having an impact on the internal production structure of the cooperative enterprise, have a peripheral influence within the economy. These contextual limitations need to be acknowledged when viewing the transformative CED potential of cooperative approaches as a vehicle for progressive change in our society.

A second key element of the collectivist CED approach is the importance of community and political organizing. As previously identified in this paper, Shragge (1997) argues that “the CED approach must be understood as a part of a range of strategies and struggles whose common goal is to build power and promote economic and social change. If CED is to become a strategy for social change, it will have to build on community organization practice and integrate economic development into these rich traditions” (1,7).

Shragge (2003) argues that in recent years community organizing work in general, along with CED community organizing work specifically, has been not as effective as it has the potential to be. While the state of community organization requires renewal, the focus of CED on building institutional capacity at both the individual and community level in order that marginalized people and communities can better compete in the market place is also being challenged by those with a collectivist CED practice orientation. Cummings (2001) points out that “many community activists have recoiled from CED’s lack of political engagement and have started to register their dissent with the chores of market-based CED boosterism, which has promoted the value of market integration without questioning the fairness of institutional arrangements” (13).

The argument in favour of market-based CED “has been premised on the assumption that local economic growth, by itself, diminishes poverty” (Lyall and Schweke, 1996: 2). However, “the literature analyzing the efficacy of market-based CED efforts suggests that this simple equation does not accurately capture the relationship of market strategies to poverty alleviation. Studies of local market-based CED initiatives generated a picture of community deterioration that is resistant to market intervention” (Berndt, 1997: 122).

In his review on the literature on Community Development Corporation (CDC) performance, Stoecker (1997) suggests that “CDCs not only fail to ameliorate poverty, but may actually worsen conditions in poor communities by disorganizing existing social and political structures and facilitating gentrification” (10). Pollin and Luce (1998) found that public subsidies of commercial development projects in low income neighbourhoods do not contribute to overall job creation on a regional level and tend to benefit the businesses that receive subsidies over members of low income communities” (68).

Cummings (2001) further argues that market-based CED does not address the crucial political dimension of poverty.

The market-based model has conceptualized poverty alleviation as primarily a matter of restructuring the appropriate economic incentives to spur capital inflow and business expansion in distressed neighbourhoods. Within this framework, the notion of building political power among the poor to challenge institutional arrangements is viewed as inimical to the goal of packaging low-income communities as attractive business environments. However, rather than fostering community renewal, the depoliticization of CED work has instead circumscribed antipoverty efforts and hindered progressive movement building (14).

By focusing on market-based strategies, “CDCs have distanced themselves from the type of political engagement necessary to redress the problems of concentrated poverty, joblessness and income stratification”(Cummings, 2001:14). For instance, Dreier (1999) states that “CDCs are often reluctant to engage directly in political action – whether it means mobilizing community residents around elections, protesting public policy, or advocating for different policies” (178). Stoecker (1997) believes that “CDC political inaction has compromised the integrity of CED work, transforming CDCs into just another developer following a supply-side free market

approach to redevelopment rather than fighting for the social change necessary to support sustainable communities” (3).

According to Cummings (2001) the failure to confront the politics of poverty has limited the effectiveness of CED efforts.

It has also diverted progressive political energies by focusing resources on creating efficient market actors rather than building political power. Offering a market-friendly, depoliticized, version of social change practice, CED has been readily assimilated into the discourse of free market orthodoxy. This orthodoxy, in turn, has been translated into a programmatic agenda inimical to social welfare policies and labour protections that interfere with market efficiency. Therefore, despite sensitivity to community needs, the market orientation of CED advocacy has prevented it from mobilizing the type of grassroots political resources necessary to advance a redistributive, worker centered agenda.

A further limitation of market-based CED is its emphasis on local economic reform. CED’s focus on localism does nothing to seriously challenge the structural determinants of poverty and diminishes the importance of large scale coordinated social change strategies. Its failure to sufficiently address the broader spatial and institutional dimensions of poverty has constrained CED advocacy, disassociating it from an agenda of systemic economic transformation (15).

Cummings and Eagly (2001) “question whether the postmodern micro-politics, which focuses on local empowerment over broad-based structural change, can provide a viable foundation for a progressive response to the increasing concentration of political and economic decision making power”(484). Handler (1992) “suggests that micro-political efforts cannot seriously challenge the hegemony of liberal capitalism” (719).

Cummings (2001) believes that “greater collaboration between organizing and CED communities can more effectively advance shared goals of community building and economic redistribution” (17). O’Donnell and Schumer (1996) maintain that a strong community

organizing movement could challenge CED practitioners to reclaim their commitment to structural political change and align their development activities with the work of their organizing counterparts.

The CED community needs to work within context of a broader progressive movement on behalf of marginalized communities. Lenz (1998) argues that “CED practitioners need to form strategic alliances between other grassroots actors – such as community organizers, labour representatives and clergy – who have massed based constituencies necessary to leverage structural change”

(101). Cummings (2001) suggests that “these grassroots formations, particularly the community-labour coalitions, have become increasingly powerful, advocating for living wage and resident hiring provisions, promoting publicly funded job creation, negotiating worker factory buy-outs, providing strike support, and blocking industrial plant closings” (17).

Taibi (1995) recommends that CED practitioners need to cultivate cross-racial coalitions that cut across traditional community boundaries. “Instead of targeting economic resources in specific neighbourhoods, CED practitioners need to forge linkages with community groups in different localities in order to create regional, national and transnational structures to combat economic deterioration of marginalized populations” (934). Scheie (1996) argues that this effort to extend the scope of CED promotes multi-racial coalition building and establishes structural links necessary to build a broad based progressive movement. “In this way, CED advocates can transform the meaning of community to encompass racially and geographically dispersed groups that share common grievances arising from the economically marginalized status” (89).

Fisher (1994) makes the case for community and political organizing and coalition building for progressive CED practitioners. He believes that

It is no paradox that neoconservatives call for community-based solutions and empowerment of citizens; they know well that these are less expensive strategies for problems that require costly national and global solutions, not neighbourhood-based ones. Without the existence of a social movement able to push the national political discourse left, win funding for social programs and re-distributional policies, and struggle for state power, we can expect, at best incremental change from the top and important but modest victories at the grassroots. Community organizing, with all its limits, will remain essential: as schools of democracy and progressive citizenship; as seeds of larger resistance efforts; as demonstrations of the persistence of public life in an increasingly private world; as vehicles of struggle in which we win victories, develop skills, forge identity; legitimate opposition; and as potential grassroots components of the next major social justice movement. While the history of community organizing makes clear that national context is fundamental, it also instructs that conflict – ideological and direct action challenges – is essential to push the context, policies, and programs toward meeting basic human needs and implementing more democratic processes (5).

A third critical element of a collectivist CED approach is the belief that the state can play a positive role in addressing issues of social and economic justice. One of the major shortcomings of the more technocratic and system tinkering of the reluctant collectivist CED approach is the limitations of localism in addressing the abject poverty faced by marginalized communities. As pointed out previously in this paper, Fisher (1994) identified that “neighbourhoods are neither the site of the causes of its problems nor the site of power needed to address them” (224). Gunn and Gunn (1991) challenge the community based movements that embrace “an anti-statist model of social change with little content beyond localism...and the politics of simple self help”(165).

In discussing the ways in which institutional politics and grassroots activism work in unison, Miliband (1977) describes a state where some progressive gains have been won.

Popular support comes from polls, from political parties, and from formal organizations such as trade unions. However, sustaining momentum, overcoming establishment power, and defining the nature of changes worth fighting for require more than politics as usual.

Traditional political activity must be reinforced by a larger force in the form of a flexible and complex network of organs of popular participation operating throughout civil society, and intended *not to replace* the state, but to complement it (188).

Gunn and Gunn (1991) conclude that “together these forms of political and social mobilization win, safeguard, and go on to win more social justice” (165).

The recognition by the collectivist CED approach of the role of the state in CED is a more realistic assessment of the requirements for addressing issues of poverty in inner city communities as compared to the view of the reluctant collectivists that believe in self reliance and to minimize state involvement in the name of sustainability. The belief of the anti-collectivists and reluctant collectivists in self reliance is naïve and difficult to achieve on the kind of scale that is required in order to make a significant impact on issues of inner city poverty and underdevelopment. This perspective regarding the positive role of the state is reinforced by Loxley (2003) who concludes that “government funding underpins almost all the CED funding initiatives in Winnipeg” (15).

Without state support, the CED movement in the inner city of Winnipeg would be operating on a skeletal capacity. Volunteerism, philanthropic contributions and corporate partnerships could not raise the level of resources that are currently provided by the state for operational funding for community development corporations, housing re-development programs, job training programs, micro-enterprise initiatives, asset building programs, community enterprise projects, and CED education/training programs.

While Shragge (1997) advocates that the state should be considered an adversary of CED efforts to link economic development to the process of social change, he needs to be challenged on the

kind of impact that non-state supported CED initiatives can hope to have in meaningfully addressing issues of poverty and social justice. One of the CED groups that Shragge supports is the Montreal Community Loan Fund. While the Montreal Community Loan Fund may be able to be ideologically pure in its relationship with the state, its capacity to raise capital is limited as reflected in the development of a modest asset base of \$500,000 (Mendell and Evoy, 1997:127) that can only ever hope to make a marginal impact on issues of poverty, unemployment and underdevelopment.

The efforts in Winnipeg to take over the largest credit union in the city – the Assiniboine Credit Union – which has an asset base of over \$2.1 billion and 108,000 members (Annual Report, 2007), has resulted in innovative financing for inner city housing and community economic development initiatives but has not played a significant role in the alleviation of poverty in the inner city of Winnipeg. The largest credit union in Canada, the VanCity Savings and Credit Union, has an asset base of \$14.1 billion and 390,000 members (Annual Report, 2007) and a very strong commitment to community economic development. It has established a community foundation with a present endowment of \$14.1 million, community investment funds, and social enterprise program. The impact of VanCity's efforts, one of the largest CED oriented institutions in Canada, are helpful but still fairly insignificant in relation to the magnitude of the issue of poverty in the Vancouver area. Non-state based initiatives, therefore, can at best only complement more substantive and comprehensive approaches for social and economic justice supported by state intervention.

Shragge (1997) and (2001) is correct in calling for the CED community to build a stronger popular movement to promote social change and progressive CED policies and initiatives. Gunn and Gunn (1991) argue that this mobilization needs to move beyond the community level and into the formal political arena to fight for power to gain control of the state apparatus. Popular movements such as the Winnipeg based Cho!ces: A Coalition for Social Justice has been successful in influencing change in both the extra-parliamentary and parliamentary arena. For the decade of the nineties in Manitoba, Cho!ces battled the neo-conservative government of Gary Filmon on a range of social justice issues. In 1999, an NDP government was elected that is led by many of the social justice activists who were prominent players in the Cho!ces Coalition. These leaders play pivotal roles in senior cabinet positions such as Finance and Health, as well as key political staff leadership roles in the Premier's office, and influential positions in planning secretariats. In 2009, one of the key leaders of the Cho!ces Coalition was elected leader of the NDP and Premier of Manitoba. Needless to say, the social justice value base and commitment is present in key areas of the government.

The challenge for the CED community activists in Manitoba is to recognize that the state, while constrained, has the potential to be more of an ally than an adversary for social change for the poor and marginalized in our community. While neo-conservative and liberal regimes should be seen as what Shragge (1997) describes as adversaries of the CED movement, the social democrats need not be viewed in this same light. This is not to say that CED activists should become complacent or co-opted by the state when governed by social democrats. On the contrary, the need to mobilize to push and stretch the social democrats for more progressive CED and social justice policies is never more critical.

Gunn and Gunn (1991) want to encourage thinking about how the state itself might be restructured in progressive ways. “The necessarily limited concern here is for the impact that community based citizen pressure may have how it can bring local communities and community-based groups more fully into roles of shaping policy, enforcing regulation, and generally exercising power” (159).

Block (1987) argues that the state will also have to adapt to more rapid social and economic change by adopting new organizational forms and operating procedures, and this could open up the possibility of debureaucratization of the state.

The essential elements of the process of debureaucratization include a shift within the state apparatus from bureaucratic to post bureaucratic forms of organization, so that lower-level employees are able to respond flexibly to different situations. Second, there is a shift from procedural to substantive regulation; the goal becomes to solve a problem or to put in place mechanisms that can solve problems as they develop. Finally, there is a reliance on an increased level of activity among non-state actors. The state plays a critical role in facilitating the mobilization of these non-state actors by providing resources, protection, and the exercise of legal authority, but without mobilization of non-state actors, there is little likelihood that these new forms of state regulation will be effective. Debureaucratization of the state depends on a renewal of political participation in which the citizenry plays a more active role in the regulation of social life. The weaving of a mobilized community based movement and a progressive social democratic government provide the ingredients for meaningful social change (29-33).

The work that was done by the Inner City Housing Coalition and the Manitoba Urban Native Housing Association to improve housing conditions in the inner city of Winnipeg provide a good example of a collectivist CED approach involving the importance of community organizing and the central role of the state in supporting CED initiatives.

The crisis regarding inner city housing in Winnipeg can be traced back to 1993 when the federal government withdrew from the social housing field as a part of the deficit reduction era initiated by Paul Martin and federal Liberal government. In Manitoba, the Progressive Conservative led by Gary Filmon, withdrew its role from the social housing field as well. Both the federal and provincial governments off-loaded the responsibility for low income housing to the private and charitable sector. Habitat for Humanity would become the main development vehicle for low income families. The orientation of Habitat for Humanity, as we have seen, was very much in the neo-conservative tradition including support for the deserving poor or the working poor, a private individual home ownership model, and funding support from charities and the private sector. While Habitat had the capacity to build less than 10 houses a year, thousands of families required low income housing.

The neo-conservative policy approach towards inner city housing was an abysmal failure. During the course of the 1990's, the housing prices in the inner city crashed. According to Winnipeg Real Estate Board Multiple Listings, the average price of a house in the north end was \$40,000 in 1989 and by 1999 had fallen to \$19,000. Waiting lists for public housing and urban Aboriginal non-profit housing units soared to thousands of families Manitoba Urban Native Housing Association (2004). Arson became an epidemic in inner city neighbourhoods during the late 1990's due to neglect and a lack of investment in housing. Winnipeg became known as the arson capital of Canada.

In 1996, the Community Education Development Association, a non-profit inner city community development organization, developed the Just Housing Project with the support of a 3-year grant

from the Urban Issues Program of the Bronfman Foundation. The goal of the Just Housing Project was to focus on the issue of inner city housing by building community based housing renewal models and organizing a political voice for inner city residents on the issue of inner city housing. Just Housing was instrumental in developing a non-profit community based housing renewal organization which became known as the North End Housing Project. It also organized the Inner City Housing Coalition which involved resident associations from the West Broadway, Spence and North End neighbourhoods; Aboriginal political organizations such as the Aboriginal Council of Winnipeg; and non-profit housing providers such as the Winnipeg Housing Rehabilitation Corporation.

In spring of 1997, the Inner City Housing Coalition or ICHC (Community Education Development Association, Unpublished Manuscript, 2000) launched its political campaign by making a presentation to Winnipeg City Council's Standing Committee on Property and Development to call upon the City of Winnipeg to address issues related to boarded up houses and by-law enforcement. City Council was dominated by a right wing Mayor and City Councillors. The Chair of the Standing Committee was a member of this right wing ruling group and was very hostile to the ICHC. He was not going to allow the coalition to present to the Standing Committee. The ICHC held a press conference just prior to the Committee Meeting. Under the glare of the media, the Chair of the Committee reversed his position and the ICHC made its presentation on the need for the City to take action on boarded up houses and by-law enforcement.

This was the first time in over a decade that an organized group of inner city residents worked together to pressure City Council on inner city housing issues. It was obvious that the current Mayor and City Council opposed any meaningful effort to address inner city housing needs. The Inner City Housing Coalition decided to make inner city housing renewal an issue for the municipal election which was scheduled for the fall of 1998.

During the period of organizing leading up to the municipal election, the Just Housing Project developed a community based housing renewal program with the existing resource opportunities that were available in the neo-conservative climate regarding housing for low income people. Just Housing was able to secure funds from the federal government component of the tri-level Winnipeg Development Agreement (WDA) for a housing renovation job training program for unemployed and underemployed inner city residents. The program consisted of an academic upgrading component, power tool training in a workshop setting, and on-site instruction through renovating boarded up houses. Just Housing was able to get houses donated by landlords who were unable to find any buyers for their boarded up houses. The landlords saw that at least they could get a charitable tax receipt for their properties and would not have to deal with the ongoing liability of property taxes and the arson threat. Just Housing was able to get mortgage financing from the Assiniboine Credit Union to renovate the acquired boarded up houses. The Board of Directors of the credit union had recently been taken over by a social justice oriented group of people and were anxious to support the initiative to restore boarded up houses for low income families.

The donated property was the collateral to secure the loan for the building materials to extensively renovate the boarded up houses. The training program provided subsidized labour to assist the housing to be relatively affordable for families on low incomes. Just Housing was clear that this modest effort of renovating 3 to 5 houses per year was by no means the solution to meeting the significant need for low income housing. Given the neo-conservative environment regarding inner city housing during this period of time, Just Housing felt that at least it was creatively maximizing opportunities within a context of severe and protracted housing resource constraints.

The Inner City Housing Coalition spent 1997 and 1998 holding various community events and press conferences to bring to the public's attention the growing crisis regarding inner city housing. The arson crisis of the late 1990's served to reinforce the issues that were being raised by the coalition. In the fall of 1998 a municipal election took place. The incumbent right wing Mayor decided not to seek re-election. The ICHC saw this as an opportunity to influence City Council to get more actively engaged with the inner city housing issues.

ICHC (Community Education Development Association, Unpublished Manuscript, 2000) developed an 18 point plan for inner city housing renewal that focused on strategies to address boarded up houses, by-law enforcement and the development of an Inner City Housing Fund. The ICHC organized a press conference in the middle of the civic election and got the two leading mayoralty candidates as well as 10 city council candidates running in inner city wards to sign an Inner City Housing Pledge to demonstrate publicly their commitment to support the

implementation of the 18 point ICHC plan if they were elected to office in the 1998 municipal election.

A progressive Mayor was elected in the 1998 election and he was able to pull together a coalition of councilors to govern City Council that leaned in a much more progressive direction than the previous group that controlled the City Council. ICHC actively lobbied the Mayor and City Council to implement the 18 point ICHC housing renewal plan. Each year, the ICHC would hold a press conference to issue a report card on how the Mayor and City Councillors who signed the Inner City Housing Pledge were living up to their commitments. In 2000, the Mayor was able to play a leadership role to have City Council adopt a Municipal Housing Plan that incorporated the majority of issues identified by the ICHC in its 18 point housing renewal plan. After the first four year term of the newly elected Mayor and Council, 75% of the 18 points were implemented or in the process of being implemented.

While the municipal level of government had the least resources to address the issue of inner city housing, it was very helpful to have a local government as an ally and advocate on the issue of inner city housing renewal. The Mayor, in particular, became a very vocal advocate on both the local and national level for all three levels of government to get back into funding housing for low income families and individuals.

During the 1998 and 1999 period, the ICHC also developed a business plan for an Inner City Housing Foundation (Community Education Development Association, Unpublished Manuscript, 2000) that would be funded by the three levels of government, the private sector and

voluntary sector. The business plan called for the partners to invest \$40 million in an endowment fund over 5 years. During the 5 year period the three levels of government would provide additional operating funding to address the immediate housing needs while the endowment fund was being built. The ICHC believed that the Inner City Housing Foundation could be a vehicle to mobilize resources for inner city housing renewal in both the short and longer term. The immediate provision of government funds would kick start housing reinvestment for the present program needs that had to be addressed. The building of an endowment fund would provide the inner city with a pool of resources for the longer term that could assist the community to withstand the damaging impact of the political winds of change that take place when governments come and go with varying political will and commitment with respect to the housing needs of low income families and individuals. ICHC went on an active campaign to lobby the three levels of government, the private sector and voluntary sector to support the development of the Inner City Housing Foundation.

In the fall of 1999, a provincial election was held in Manitoba. Once again the ICHC organized around the election to make inner city housing renewal a key issue during the campaign. The ICHC developed a 25 point plan (Community Education Development Association, Unpublished Manuscript, 2000) for the provincial government for the renewal of inner city housing. As with the municipal election, the ICHC held a press conference in which representatives from the New Democratic Party and the Liberal party signed an Inner City Housing Pledge to publicly demonstrate their commitment to implement the 25 point plan if their party won the provincial election. The governing Progressive Conservative Party did not agree to support a large number of the issues identified in the pledge. The major areas of the 25 point plan included increased

housing allowance support, funding for inner city housing renewal programs, improvement to inner city housing policies, and support for the Inner City Housing Fund.

The NDP won the election of 1999. During its first term in office it established in partnership with the other levels of government the Winnipeg Housing and Homelessness Initiative (WHHI) that became a single window approach to address a range of inner city neighbourhood based housing renewal programs. The ICHC held annual press conferences to issue a report card on the extent to which the NDP government implemented the 25 point plan that they agreed to implement when they signed the Inner City Housing Pledge during the 1999 provincial election. During the NDP's first term in office, the government addressed about 50% of the issues identified in the ICHC's 25 point provincial housing plan. On a significant note, the provincial government rejected the idea of participating in the development of an Inner City Housing Fund. As Loxley (2003) concludes,

Under existing balanced budget legislation, the provincial government was not allowed to borrow this (funds that could be used for endowments) so finding this kind of money would not be easy. At the same time, government would also lose flexibility in determining the allocation of CED support and discretion over CED priorities. While this might be a good thing from the community's point of view, the political attractions to government are less obvious (16).

During the 1999 to 2005 period, the three levels of government invested \$13.8 million for housing for families through the Affordable Housing Program. (CEDA: 2005) Unfortunately, the program design of the Affordable Housing Program did not address the needs of families on low or fixed incomes. It targeted families that could afford to purchase housing on the lower end of the housing market. Housing programs also provided family housing on a rent to own basis. However, the average monthly housing charge for the rent to own program for rent and utilities

was \$750 per month. (North End Housing Project: 2004). In the Centennial neighbourhood, the community with the highest percentage of Aboriginal residents, families could only afford \$450 per month. (Census Data, 2001) A study conducted by the Assembly of Manitoba Chiefs and Manitoba Metis Federation (Carter and Distasio, 2003) indicated that a single parent female headed Aboriginal family could only afford \$375 per month for rent and utilities. Large numbers of families on low and fixed incomes could not afford to live in housing that was being built on a rent to own basis under the WHHI's Affordable Housing Program.

The neighbourhood based groups who were involved in the Inner City Housing Coalition became focused on housing development priorities and had less time for the community organizing around inner city housing issues. The ICHC effectively ceased to meet in 2002. The groups actively embraced the Affordable Housing Program's focus on home ownership for the lower end of the market and rent to own options. These programs did not address the needs of families on low income, particularly families in receipt of social assistance. As well, the existing programs did not address the needs of urban Aboriginal housing groups. Of the \$13.8 million provided to the Affordable Housing Program initiatives between 1999 and 2005, \$13.5 was allocated to non-Aboriginal housing groups and only \$300,000 was allocated to Aboriginal housing groups (Manitoba Urban Native Housing Association 2004). The irony of this imbalance in funding is that the urban Aboriginal housing groups have much more capacity to manage non-profit housing than the newly formed neighbourhood based non-Aboriginal housing groups that received the bulk of the funding.

In order to address this issue of the lack of housing being built for families needing social housing and the funding imbalance regarding Aboriginal and non-Aboriginal housing groups, a new community organizing strategy was adopted that focused on mobilizing the urban Aboriginal housing groups. In the fall of 2003, a meeting was held between the three largest urban Aboriginal housing organizations – Kinew, Aiyawin and Kanata to develop a strategy to lobby for the re-instatement of the Urban Native Housing Program that was cut by the federal government in 1993 as a deficit reduction measure by the then Finance Minister Paul Martin. Between 1970 and 1992, the federal government's Urban Native Housing Program built 10,000 social housing units across Canada for urban Aboriginal families MUNHA (2004). In Manitoba, 1,400 social housing units were built MUNHA (2004). Since the federal program cutback in 1993, no new urban Aboriginal social housing units have been built in Manitoba.

Kinew, Aiyawin and Kanata Housing groups were three of 14 urban Aboriginal housing groups in Manitoba. In the past, there had been an organization known as the Manitoba Urban Aboriginal Housing Association (MUNHA) that lobbied on behalf of the groups on issues related to urban Aboriginal housing. MUNHA had effectively ceased to operate several years ago due to a lack of operating funding support. Kinew, Aiyawin and Kanata Housing groups decided to work to re-constitute MUNHA in order to build a voice to pressure the three levels of government to stop ignoring the needs of urban Aboriginal families. One of the first steps taken in the community organizing strategy was to develop a 5 point plan (MUNHA, 2004) identifying the priorities that need to be addressed regarding urban Aboriginal housing. These issues included re-instatement of the federal Urban Native Housing Program; renewal of social housing operating agreements for existing housing stock managed by urban Aboriginal housing groups;

operational funding for MUNHA; energy and structural audits of all urban Aboriginal housing units in Manitoba in order to identify the funding required for upgrading; and to transfer the housing program administration to an urban Aboriginal housing authority.

In anticipation of a federal election in the spring of 2004, MUNHA organized a Western Canada Urban Aboriginal Housing Conference in order to bring public attention to the issue of urban Aboriginal housing and to pressure the federal government to re-instate funding programs for social housing for urban Aboriginal housing organizations (MUNHA, 2004). Over 150 delegates from the 4 western provinces attended the conference that was held in Winnipeg in April, 2004. The conference was successful in raising the profile of issues related to urban Aboriginal housing. Just prior to the conference, the federal government announced it would increase funding support to the Affordable Housing Program in order that the program could better address the needs of families on low and fixed incomes. Previously the program provided a matching federal/provincial grant of \$75,000 for each housing unit. The new initiative provides a matching federal/provincial grant of up to \$150,000 per unit in attempt to meet the needs of families at low income thresholds. At the conference, the provincial government announced that it would provide a three year grant for operational funding for MUNHA. Following the conference, the City of Winnipeg announced that it would be re-allocating its funding for inner city housing to be more inclusive of urban Aboriginal housing organizations.

Kinew Housing was the first urban Aboriginal group established in Canada back in 1970. Kinew successfully negotiated with the three levels of government to build 10 social housing units for families in the Centennial neighbourhood for the summer of 2005. This initiative was the first in

Canada since 1993 in which an urban Aboriginal housing group built social housing for urban Aboriginal families. Subsequently, Manitoba's Minister of Community Services and Housing jointly announced with the federal government to renew phase two of the Affordable Housing Program. The priorities for second 5 year phase of the program would focus on housing for urban Aboriginal housing groups and for people with disabilities.

MUNHA believes that the 10 house project, which will cost about \$1.6 million, is modest and nowhere meeting the needs of the 4,000 families and 10,000 children that are on the waiting lists of urban Aboriginal housing groups for social housing. However, MUNHA maintains that it is the wedge in the door that can serve to open up further opportunities for building of urban Aboriginal housing on a much larger scale. The federal budget that was passed in June, 2005 made additional commitments for housing thanks to the budget amendments negotiated by the federal NDP. MUNHA maintained that urban Aboriginal housing groups were well positioned to influence the federal government to ensure the housing needs of urban Aboriginal families begin to receive more attention. MUNHA worked actively with the National Aboriginal Housing Association (NAHA) to advocate for the urban Aboriginal housing needs of non-reserve Aboriginal people across Canada – with the election of the Conservative government much of this momentum has stalled (MUNHA, 2005).

The CED community organizing work undertaken by the Inner City Housing Coalition and the Manitoba Urban Native Housing Association is highly consistent with a collectivist CED approach. A conflict perspective of society is evident in the organizing approach as community based and Aboriginal groups challenge the ruling groups in order to have their interests met. It is

also clear that the state, particularly during the decade of the 1990's, played a major role in defending and expanding the interests of the corporate class. From the ICHC and MUNHA perspective, social problems such as the need for affordable housing for low income families and individuals were not seen as an issue of deviance or a technical problem, but rather they were seen as political issues that required a re-organization and re-distribution of power and resources.

In terms of the values of freedom, equality and community, the ICHC and MUNHA worked collectively to develop a base of power to advocate for greater equality in terms of the allocation of resources and reduction in disparities of wealth which are the product of entrenched privilege. This meant that local groups had greater resources to exercise more control over their conditions of life and therefore experienced freedom to make choices about their quality of life. As well, ICHC and MUNHA advocated that it would be through greater government action rather than inaction that they would have greater freedom. The key for challenging the state and elite was to work for change in solidarity as a community based on enlightened self interest.

The community organizing approach used by ICHC and MUNHA was based on a rejection of the market based philosophy regarding its ability to meet the housing needs of low income families and individuals (Manitoba Urban Native Housing Association, 2004). These organizing efforts viewed the market system as unethical, unjust, undemocratic, and inefficient unless regulated by government. The ICHC and MUNHA viewed the state as a key agent to redistribute benefits and resources in the housing field. The task of the state was to modify the injustices of the private market by providing capital and operational funding for non-profit groups to provide housing to meet the needs of families that the market marginalizes. State

subsidy is seen as essential to the viability of meeting social housing needs. The ICHC and MUNHA have no illusions that somehow the community can act independently and be self-reliant when it comes to the issue of housing. They unapologetically believe that without state subsidy, the housing needs of poor people will not be adequately met. ICHC and MUNHA reject the notion of a residual welfare state and would more reflect the notion of an institutional or structural welfare state in which the legitimate and proper role of the state is to be a vehicle to build a more just society.

ICHC and MUNHA would view that a key to empowerment is to address the fundamental powers that determine relations of dominance and oppression. The private market system is a structure that is oppressive for poor people when it comes to meeting their housing needs. The market structure must be changed and replaced by a structure that focuses on addressing needs rather than generating profit. While ICHC played a role in raising issues of structured inequality based on issues of class, MUNHA challenged the organizing efforts of ICHC of overlooking the issue that race plays regarding issues of oppression. In terms of the issue of change, ICHC and MUNHA would reflect the social democratic view that change is not only possible, but necessary. By building stronger bonds in the community, the status quo can be challenged in order to work towards greater equality in society. Both groups were able to effect change with regards to inner city housing policies in a gradual and incremental way. This approach is consistent with the social democratic orientation which favours evolutionary change rather than revolutionary change. The anti-collectivist, reluctant collectivist and collectivist elements of the proposed CED model based on class, market and state theory perspectives are summarized in Table 2.

Table 2: Summary of CED Ideological Model - Class, Market and State Theory

Element	Anti-Collectivist	Reluctant Collectivist	Collectivist
1. View of Society	<ul style="list-style-type: none"> • consensus and order 	<ul style="list-style-type: none"> • consensus and order 	<ul style="list-style-type: none"> • conflict – classes, interest groups
2. View of Social Problems	<ul style="list-style-type: none"> • individual pathology • “blame the victim” 	<ul style="list-style-type: none"> • dysfunctional institutions • “blame the rescuer” 	<ul style="list-style-type: none"> • oppressive social structures • “blame the system”
3. Value of Freedom	<ul style="list-style-type: none"> • absence of coercion, especially by the state 	<ul style="list-style-type: none"> • belief in basic liberties; freedom from want and disease 	<ul style="list-style-type: none"> • reduction of inequality; greater self-determination
4. Value of Equality	<ul style="list-style-type: none"> • equality of freedom • inequality of economic benefits – creates incentives for innovation 	<ul style="list-style-type: none"> • inequality of reward is vital to efficient functioning of market • notion of equal opportunity 	<ul style="list-style-type: none"> • equality of outcomes • a more equal society allows individuals to realize their full potential
5. Value of Community	<ul style="list-style-type: none"> • focus on individual responsibility • interests of community is sum of individual interests who compose it and nothing more 	<ul style="list-style-type: none"> • focus on individualism • anything done for others is done on pragmatic and humanitarian grounds • little sense of community 	<ul style="list-style-type: none"> • strong belief in fellowship, fraternity and solidarity • belief in cooperation vs. competition
6. Role of the Market	<ul style="list-style-type: none"> • most efficient mechanism for allocating both economic and social benefits and resources • laissez-faire capitalism 	<ul style="list-style-type: none"> • central role of market in the allocation of economic and social benefits • requires pragmatic regulation to address specific weaknesses • mixed economy 	<ul style="list-style-type: none"> • market is unethical, unjust, undemocratic and inefficient • belief in the need for strong state regulation of the market to promote more equitable distribution of income and opportunities
7. Role of the State	<ul style="list-style-type: none"> • minimal role for state • state intervention threat to freedom; is inefficient; and is socially disruptive • residual welfare state model – assistance at last resort 	<ul style="list-style-type: none"> • state intervention based on pragmatic grounds – fine tune the system to address specific problems • strong belief in self reliance – individuals and communities • institutional welfare state model – accepted part of a modern society 	<ul style="list-style-type: none"> • agent for redistributing benefits/resources • modifies injustices of private market • state has a positive role to play in society • institutional and structural welfare state model
8. View of Power	<ul style="list-style-type: none"> • pluralist – shared equally among interests groups, state acts as independent arbiter 	<ul style="list-style-type: none"> • pluralist – shared equally among interest groups, state acts as independent arbiter 	<ul style="list-style-type: none"> • structural – based on inequality and oppression
9. View of Change	<ul style="list-style-type: none"> • maintain status quo to protect existing order and power relations 	<ul style="list-style-type: none"> • tinker with status quo in order to make society operate more efficiently and effectively 	<ul style="list-style-type: none"> • necessity to challenge status quo to redistribute power and resources
10. Nature of CED Practice	<ul style="list-style-type: none"> • personal responsibility, self help and charity oriented • micro-enterprise, individual development accounts, charity and sweat equity based housing initiatives 	<ul style="list-style-type: none"> • pragmatism, institutional capacity building, self reliance, minimize dependency on the state • community development corporations, business incubators, community enterprises 	<ul style="list-style-type: none"> • alternative institutions, community and political organizing, important role of state resources • worker co-ops, issue based coalitions, state subsidized CED initiatives

The anti-collectivist, reluctant collectivist and collectivist ideological perspectives discussed in the proposed CED ideological model provides CED practitioners with a tool to critically reflect on the dimensions of their practice regarding the extent to which CED initiatives are perpetuating the status quo neo-liberal dominant ideological paradigm or challenging it. As well, the order and conflict ideological perspectives identified by Reasons and Perdue (1981) in this chapter relate to Loxley's (2007) gap filling and transformative CED approaches in that the gap filling approach reflects an order perspective and the transformative approach reflects more of a conflict ideological perspective in terms of CED theory and practice. The anti-collectivist, reluctant collectivist and collectivist ideological perspectives should not be viewed as rigid or clean cut categories for assessing CED practice, because no form of CED practice falls completely into one distinct ideological category. Rather, the CED ideological model is more relevant if it is viewed as providing a framework or range of ideological analysis for which CED initiatives can be further evaluated.

While this class, market and state theory form of ideological analysis is helpful, it still contains deficiencies regarding lenses or perspectives of oppression involving feminism, anti-racism and anti-colonialism which will be examined in the next chapter. These lenses, when used with the class, market and state theory CED ideological perspectives, will help construct a more comprehensive reflective tool for CED practitioners to evaluate the nature and impact of their work.

CHAPTER 4: CED IDEOLOGY MODEL- FEMINIST, ANTI-RACISM AND ANTI-COLONIALISM PERSPECTIVES

This chapter will include a review of feminist perspectives using the wave metaphor of the first, second and third waves of feminism(s). Second wave feminism will be explored from liberal, radical and socialist feminist perspectives. Third wave feminism will look at the issues of difference, identity, intersectionality and power. An anti-racism ideological perspective will also be examined including a structural analysis of both individual and systemic forms of racism; critiques of colour blindness and multiculturalism; a discussion of White privilege; concepts of difference and power; the role of organizational culture regarding the dynamics of racism; and the importance of race equity statistics to hold systems accountable for anti-racism initiatives. The final section of the chapter will involve a discussion of the elements of a colonial ideological perspective including internalized colonialism; neo-colonialism; post-colonialism; anti-colonialism and the role of Indigenous knowledge.

Feminist Perspective

Feminist ideology will be examined in the context of wave metaphors the First Wave, Second Wave and Third Wave feminisms. Throughout the history of feminist thinking, western political theory has heavily influenced the categorization of feminist theory. This has led some authors to describe this approach as hyphenated feminism: liberal- feminism, socialist-feminism, radical-feminism or postmodern feminism (Arneil, 1999). Many feminists have rejected this need to attach themselves to a mainstream school of political thought and have

looked towards a wave metaphor in order to move beyond simply hyphenated feminism in order to better reflect the evolution of feminist thought.

According to Arneil (1999),

Feminism must be seen from the perspective of its own evolution, not that of theoretical partners, and include the diversity of voices which have been present throughout its history... First wave feminism was a period where feminists largely argued from a position completely contained within liberalism. The second wave of feminist thought is hyphenated feminism, with different theoretical frameworks but united by a commitment to sameness, equality, universality and scientific understanding. The third wave feminism(s) begins by questioning these basic premises, yielding up instead ideas like difference, particularity, embodiment, multiplicity, contradictions and identity (154).

Harnois (2008) describes the use of the wave metaphor by feminists in three ways – to refer to an age group, cohort and theoretical perspective. Bailey (1997) believes that the wave metaphor attempts to reflect the diversity and commonality within feminist thought that “captures the notion of continuity and discontinuity; waves are different from one another but are similar too” (27). Mann and Huffman (2005) contend that the wave metaphor only makes sense when it is used to describe mass-based movements that “ebb and flow, rise and decline, and crest at some concrete, historical accomplishments or defeats. Thus the waves of feminism are not the equivalent with the history of feminism. Rather, waves are those historical eras when feminism had a mass base” (58).

Snyder (2008) identifies several limitations of the wave metaphor.

First, it implies waves of feminism are tied to a particular geographic generations which is counterfactual and unhelpful. Secondly, it fuels the vision of generational rebellion which is divisive and oppositional and obscures more than it reveals. Thirdly, it is organized around activities of white women, overlooking the activist work of black women that preceded and followed the so-called waves. Finally, it focuses almost

exclusively on American feminism, often prioritizing issues that at best do not resonate internationally and at worst undermine the possibility of transnational coalitions (192).

Harnois (2008) is critical of the wave metaphor because it ignores the diversity of feminist ideology and activism within these wave categories. As well, “the wave rhetoric does not sufficiently allow for growth, development and revisions of feminist theories and theorists”(122).

Harnois (2008) recommends that

Rather than representing American feminism as three distinct waves, a more productive presentation of feminist theory might emphasize continuity over time, while simultaneously highlighting the constant diversity of thought, movement and actions in each historical moment. It may be that future representations of American feminisms may be able to recognize such continuity and diversity while simultaneously invoking the third wave label, but this will require a drastic shift from the current use of wave rhetoric (140).

A more in depth discussion of the first wave, second wave and third wave feminisms will be presented in order to provide a framework for analyzing feminist ideology while at the same time keeping in mind the limitations of wave theory identified in the literature. This approach is consistent with the views of Karaian and Mitchell (2010),

While there are limits and drawbacks of using the wave metaphor, there are aspects of the term “wave” that are useful in describing contemporary feminism. There are no clear boundaries between the various and multiple feminist movements, just as there are no clear disconnects between waves in an ocean. Taking this into account, it may be a particularly apt description for this generation of feminists given their fluidity and their inability to be held or pinned down (66).

First Wave Feminism

The first wave feminism in the United States is often seen as having begun with the Seneca Falls Conference of 1848 and ending with the passage of women’s suffrage in 1920 (Bailey, 1997).

The roots of the first wave are linked to the tradition of liberalism that emerged from the period

of Enlightenment which saw the ascendancy of reason over tradition, principle of individual liberty and equal opportunity (Elliot and Mandell, 1995).

One of the main goals of the first wave was to get white middle and upper class women inside the public and cultural world which they were excluded (Arneil, 1999). In 1792, Mary Wollstonecraft's book, *A Vindication of the Rights of Women*, challenged the prevailing view of the times that women were irrational or lacked rationality. She argued that "denying capacity for reason denies women not only their right of citizenship but their basic humanity" (Arneil, 1999: 156). Wollstonecraft further argued that "citizenship is thus a matter of nurture rather than nature, and women must be included in cultural education the same way men are" (Arneil, 1999:156).

Elliot and Mandell (1995) expand on this issue of nurture rather than nature regarding the first wave feminist's view for the emancipation of women.

Women had been constructed primarily as sexual beings, they have been educated to acquire qualities such as chastity, gentleness and obedience. Their so-called 'natural' weaknesses, their irrationality and their wandering minds actually result from a lack of education and freedom of choice, their dependence on men and faulty socialization (6).

It was critical, therefore, that women receive the same education as men if they were to exercise their ability to reason fully.

A key goal for the first wave feminists was women's suffrage or the right to vote. The first wave's emphasis was on sameness, humanism and universality (Arneil, 1999). Women worked outside the home during World War I and this sparked the initiatives to address the challenge of

the gendered division of work in the private and public spheres. With the right to vote gained in 1918 in Canada, the fight for equality in terms of opportunities and work began to gather force (Arneil, 1999).

Jahn (1994) identifies that “the post-suffrage organization of women embraced a diversity of women’s concerns” (201). Rural women remained politically active in campaigns involving issues such as cooperative and community ownership; the promotion of equal rights of women in farm organizations; public health reform; education concerns related to the farm community, including the study of cooperative principles in the rural curriculum; devaluation of women’s work on the farm and in the home; putting more farm dollars into labour saving devices that reduced women’s work in the home; and birth control advocacy (Jahn, 1994). Organizations such as the United Farm Women of Saskatchewan “through persistent and determined female initiative [won] greater input into community and agrarian development...[they also] challenged male privilege in the private sphere in the day to day life by raising the issue of women’s home circumstances” (Jahn, 1994: 202).

Carty (1999) identifies the racist overtones of the first wave feminist tradition. While women’s suffrage was a key agenda for the first wave movement, the extension of the right to vote for black people was not something that was promoted. Carty (1999) identifies how the first wave movement leaders linked the treatment of women in society to that of slavery.

In *A Vindication of the Rights of Women*, Mary Wollstonecraft in 1792 makes no fewer than eighty references to slavery as an analogy for the condition of white, middle class women whose rights she was championing. She casts Africans as a homogeneous and inferior group. Her conviction was that white, middle class women were superior to slaves and should, therefore, not be treated as slaves (39).

Second Wave Feminism

The starting point for second wave feminism is seen to be in the late 1960's or early 1970's and is described by Bailey (1997) not as a break but an evolution of the first wave feminist movement. "While issues such as abortion, rape and sexuality figure less prominently in the literature of the first wave...second wavers clearly perceived something positive in claiming the first wave feminists as grandmothers or great grandmothers" (20).

Arneil (1999) identifies that Simone de Beauvoir's classic book, *The Second Sex*, is recognized by many as one of the key pieces of work that articulate the beginning of the transition between first wave and second wave feminism. Her classic argument was two-fold, "first that one is not born but became a woman, that gender is socially not naturally constructed; second, woman plays the role of the 'other' throughout history, she is defined in relation to men" (Arneil, 1999: 163). de Beauvoir believed that if women were to be truly free they needed to make certain choices. "Women needed to re-consider their role in the private sphere...and that the role of the wife and mother is often in direct conflict with the role of an independent woman" (Arneil, 1999: 163). This analysis regarding the role of women in the private as well as public realms is one of the defining moments between first wave and second wave feminists.

de Beauvoir ushered in the era of hyphenated feminisms. "No phrase better encapsulates the new way in which feminists were introducing politics into the private sphere than the phrase "the personal is the political"...the moment "the personal is the political" entered the feminist lexicon, the public and private duality began to falter" (Arneil, 1999: 164).

Adamson, Briskin and McPhail (1988) maintain that the personal is political perspective was based on the belief that in order to understand the problems of women, a whole range of questions previously ignored because they were private had to be analyzed, discussed and made part of social theories. However, Adamson, Briskin and McPhail (1988) are also critical of the “personal is political” perspective because of its overemphasis on making experience the dominant feature in understanding oppression - it can promote exclusion because the movement was driven by dominant class and race relations; overemphasis on the personal side of the personal is the political - that change occurs at the level of the individual; and that it does not sufficiently address the complexity of the power relations of patriarchic capitalism.

Meredith (2003) suggests that along with the importance to address the private and public duality through the personal is political lens, a key feature of second wave feminism was the practice of activism – getting real things changed in the name of feminism. This activism was grounded in the second wave era with a range of western political theory that produced the underlying characteristic of the second wave of what has been referred to as hyphenated feminisms. However, feminists critique the existing western political ideology as being distorted because it excluded or ignored women’s analysis and worldviews. “Feminism challenges the underlying structure of politics. Feminism has its own perspectives, its own voices, its own history”(Arneil, 1999: 151).

The next sections of the discussion on second wave feminism will examine some of the main schools of thought including liberal-feminism, radical-feminism and socialist-feminism.

Conservative Feminism

Mullaly (2007) argues that there is no school of “conservative-feminism since the essence of feminism is to do something to rectify women’s inequality” (162). But, there are contemporary women’s organizations that seek to promote the traditional role of women in society. Dillard (2005) argues that the problems confronted by women can best be addressed “by building on rather than repudiating the traditional ideals and institutions of western cultures...societal reform must be conducted in a prudent, slow and cautious manner...and there is a need to be concerned about unintended consequences that make matters worse, rather than better” (26). REAL Women (2008) believe that public policy should treat women at home and in the workplace equally. They recommend policies such a homemaker’s tax credit, tax reductions or income splitting for single income families to support stay at home mothers, and child care policies that reflect the role of stay at home mothers. “REAL Women speak for women who support traditional family values. Society may change, but society’s need for strong, stable families remains” (REAL Women, 2008: 2).

Liberal Feminism

The basic tenets of liberalism include rationality; consent of government as the basis of political authority; rule of law; and a belief in universal human rights (Arneil, 1999). Liberal feminists accept the basic tenets of liberalism but suggest women have been excluded from the liberal framework. Elliot and Mandell (1995) identify the key goals of liberal feminists as including ending women’s legal, economic and social dependence on men; obtaining the freedom and opportunity to engage in education and training; promoting open competition and a laissez-faire, non-interventionist operation of the market; supporting the principle of meritocracy; and laws

and public policies guaranteeing equality of choice and equality of opportunity in order to improve the status of women.

Saulnier (1996) further adds that key principles of liberal feminism includes: equal treatment of women outside rather within the family; no state interference in women's reproduction freedom; eliminating inherent injustice and unfairness in order to promote greater equality within a framework of meritocracy; equal education is the most effective means for social change; equal pay for equal work; and reforms to marriage, divorce and custody laws.

Elliot and Mandell (1995) are critical of liberal feminism in that it fails to recognize that inequities of race and class are institutionalized and difficult to change through individual action. Calixte et al (2010) are critical of liberal feminist understanding of women's oppression which "incorporate women's presence into existing political and economic institutions without necessarily transforming the relations of power between men and women within those organizations or even in society at large"(12). Thus, they argue, women earn traditionally less income than men. In 2003 Statistics Canada identified that women working full-time made only 71 percent of their male counterparts, illustrating the systemic limitations of the liberal feminist perspective. Saulnier (1996) is also critical of liberal feminist perspectives because upholding the distinction between private and public realm of women's experience leaves women economically independent but still fulfilling traditional roles on the home front of wife and mother.

Radical Feminism

Patriarchy is at the heart of the ideological perspective of radical feminism. Arneil (1999) maintains that radical feminism challenges the underlying assumptions in the public and private split regarding the role of women in society and also examines the question of power and its relationship to the politics of exclusivity regarding men and women. Elliot and Mandell (1995) contend that a radical feminist perspective views the study of the socio-political formation of patriarchy itself constitutes its own social theory rather than being a sub-set of broader philosophical theory. The liberation of women will take place through the elimination of patriarchy and the destruction of male control. “Radical feminists see sexual relations, men’s dominance over women, and male control of female sexuality as the central cause of women’s oppression” (Elliot and Mandell, 1995: 15).

Firestone (1970) argues that radical feminists view that there is a fundamental distinction between nature or biology and technology or culture. The goal for feminists, according to Firestone, is to overcome their own biology. “The material of women’s body is the source of enslavement but...technological change would give women the chance to seize control of reproduction. It is only when women have control over their biology through technology can they be truly emancipated” (Firestone, 1970: 179).

The elimination of violence against women is a main goal of radical feminist politics and practice. Calixte et al (2010) argues that “the state is founded on and is emblematic of male interests” (22). According to Elliot and Mandell (1995), male domination and the role of the state in perpetuating this domination are intricately intertwined.

Radical feminists believe women will always be subordinate to men unless sexuality is reconceived and reconstructed in the likeness of women. The state is an instrument of ensuring male control of women's sexuality – its meaning systems, its mode of operations and its underlying assumptions based on masculine power (16).

Saulnier (1996) identifies that in addition to the elimination of patriarchy, all hierarchies must be eliminated and that society must be completely altered – incremental change is insufficient.

Radical feminists have been accused of excluding the perspective of women of colour and lesbian feminists have challenged the compulsory nature of the heterosexual private family underpinning its political theory (Arneil, 1999). Critics charge radical feminists with essentialism, romanticism, ethnocentrism and a historicism (Elliot and Mandell, 1995). “There is no such thing as a universal women's experience” (17). Saulnier (1996) reinforces the critique of radical feminism regarding its colour blindness, class blindness and heterosexism. She also argues that radical feminism “inadvertently contributes to a decrease in political activism by laying the foundation for a form of cultural feminism, which is sometimes described as an apolitical or individualistic stance” (44).

Calixte et al (2010) point out that radical feminists have also been subject to criticism from transgendered scholars who challenge the contention of radical feminists regarding “the dangers of transgendered people in general and transsexual women in particular, invading women's spaces and bodies”(29). Transgender feminists believe that radical feminists need to re-examine their essentialist theories of sex/gender categories. Macdonald (2000) maintains that rather than focusing on biology as the sole defining characteristic of gendered identity, an analysis is

required of the “social structures which enforce sex/gender identity congruity and stability at every level”(289).

Socialist Feminism

According to Holstrom (2003), in the mid-1970's many women within the women's liberation movement found themselves dissatisfied with the prevailing analysis of women's oppression.

Liberalism was not radical enough and radical feminism ignored economic realities. Marxism was tainted by the fear that class would erase gender once again, when gender was just beginning to be understood as a political category. Seeking to combine the best of Marxism and radical feminism, these women developed a theory called socialist feminism (42).

Feminists questioned the centrality that Marx and Engels put in the belief that the self-emancipation of the working class – men and women of all nations, races and creeds – would be the basis for the end of all forms of oppression. Feminists criticized the exclusive focus on production rather than reproduction; the failure to explain the oppression of women; the dual systems theory in which workers were oppressed by capitalism and women were oppressed by patriarchy, and the need to deal with these forms of oppression simultaneously (Arneil, 1999). They challenged this theoretical construct in which “women's experience was seen only as an additive to the main question of Marxism”(Arneil, 1999: 142).

Marxism was seen to be “sex blind”. Feminists questioned the Marxist premise that women's subordination would fade once women's economic dependence on men is overcome. They challenged the idea that because women's work at home had no exchange value, that housework and childcare was not considered real work (Elliot and Mandell, 1995). On the contrary, feminists contended that capitalism depends on women's free labour in the home to maintain its

workers. If women refused to continue to work without pay in the home, capitalism would not function (Saulnier, 1996).

Capitalism enhances sexism by separating wage work from home work and requiring women to do the latter. Men's access to leisure time, personal services and luxuries provides them with a higher standard of living than women; therefore it is men as members of a patriarchal system, not just the capitalist economic mode, that benefit from women's labour (Saulnier, 1996: 59).

Socialist feminists attempted to address the issue of the false distinction between production and reproduction, or dual systems theory, and aimed for a more integrative analysis. According to Ferguson (1999), the promise of this more integrated theoretical approach known as social reproduction "lies in its commitment to a materialist explanation of women's oppression that rejects economic reductionism without forfeiting economic explanation" (1). Ferguson (1999) further discusses how the connection between households and the formal economy is revealed in two fundamental ways.

Capitalist requirements for a healthy, renewed workforce each day and over the long term; and household dependence on wages as the crucial, if not only, means of reproducing themselves. Still, the reproduction of life cannot be reduced to the imperatives of the market. People cooperate to meet human needs through the market, but also through households and communities and these social activities together form the basis of a material life – a material basis whose relations are at once complex and contradictory. This is the foundation of the social reproductionist claim to an integrative social analysis that provides an alternative to the shortcomings of dual systems theory (7).

Contemporary socialist feminism examine the role of households in propping up the entire capitalist system by reproducing gender, race, sexual and class relations; the relations of women as wage earners to modes of production – women are confined to a double day of paid work and unpaid labour; the relations of women and social class – differences between experiences of working class and middle class women; the role of the family in the ideological socialization of

women, men and children; and that consciousness raising and praxis, practical action, form the basis of feminist methodology (Elliot and Mandell, 1995).

Critics of socialist feminism argue that it does not address issues of racism (Saulnier, 1996). The materialist basis of the socialist feminist analysis has also been challenged. Dooley (2001) raises the pointed question that should the redistribution of power and wealth take place and an alternative economic system is developed outside of capitalism, would “men simply no longer harass, abuse, rape belittle, insult and hate women?” The socialist ideology of men and women does not apply to diverse family forms (Elliot and Mandell, 1995). As well, “some feminists suggest that answers lie in psychoanalytic theory which permits the location of subjectivity and sexual difference in the unconscious and in language, rather than in natural or material conditions” (Elliot and Mandell, 1995: 13).

Third Wave Feminism(s)

Third wave feminisms are positioned against rather than after second wave feminism and its analysis is historically specific to the United States (Mann and Huffman, 2005). “This new discourse did not seek to undermine the feminist movement, but rather to refigure and enhance it so as to make it more diverse and inclusive”(57). Third wave feminists challenge the fears of some second wavers that feminism is threatened if it cannot present a common front. Third wavers argue that the need for commonality is too simplistic. Karaian and Mitchell (2010) suggests that third wave feminists call “for a greater acceptance of, and emphasis on, complexities, ambiguities, hybridity, intersexuality, and fluidity, as well as dichotomous

thinking that posits women as good and men as bad...fragmentation is feminism's greatest strength, not its biggest downfall"(65).

Although some authors like Bailey (1997) argue that although third wave feminists seem to think there are clearly defined borders with second wave feminism, "it is not clear what the [third wave feminists] think determines these borders...this should lead to the question of why it is so important for some young women to claim the beginning of the new wave" (23). Jacob and Licona (2005) give an example of this question regarding the defining borders between second and wave feminism.

Much of what is now identified as third wave originated with women of colour who are generationally situated in the second wave. Women of colour and working class women were far ahead of their time in envisioning a more pluralistic feminism (204).

Harnois (2008) believes that the third wave metaphor is a site of both ambiguity and controversy.

While some might argue that the lack of a clear definition of third wave feminism fits comfortably with postmodern third wave feminism, which embraces contradiction and plurality, the continued use of the wave metaphor, combined with the lack of consensus concerning the actual meaning of third and second wave feminisms, contributes to misunderstanding and tension among feminists of all ages and theoretical perspectives (122).

According to Harnois (2008), if there was one word to sum up the objectives of third wave feminism it would be "diversity" to reflect the inclusion of women who have been previously excluded from social movements due to race, class and sexual orientation. However, Harnois (2008) further points out, "despite the third wave's rhetorical commitment to diversity and its record in creating diverse feminist organizations, the third wave has not escaped charges of racial, ethnic and class bias"(125).

Drake (1997) maintains that what unites the third wave is “our negotiation of contradictions, our rejection of dogma, our need to say both/and” (101). Third wave feminisms reject grand-narratives (Snyder, 2008). While third wave feminisms is postmodern in orientation with its emphasis on destabilizing fixed definitions of gender and unitary notions of feminism, “it would be more accurate to describe the third wave as a tactical response to the conditions of postmodernity rather than a new postmodernist stage of feminist theory...in which all foundations and grand-narratives have been called into question” (Snyder, 2008: 187)

Third wave feminisms challenge the apparent neutrality and standpoint of the “viewlessness” of the empiricist position and the concept of the “ideal knower” (Hoffman, 2001). Standpoint theorists argue that “the subjective social position of women must be taken into account as a factor influencing the production of knowledge” (Hoffman, 2001: 196).

Third wave feminisms questions the dualisms of gender and politics, as well as race, identity and sexuality as was promoted by the second wave feminists. According to Arneil (1999), third wave feminists believe that attempts at seamless unity are pointless and instead, one must learn to live with contradiction and multiplicity.

New feminisms begin with difference rather than sameness; identity and particularity rather than universality; celebrating the status of other or outsider rather than wanting inside; embodiment rather than a view from nowhere; a relational rather than a binary approach; and at the core of this approach is an attempt to base the analysis of politics on the experience and perspective of women rather than men (187).

Arneil (1999) further elaborates on these key concepts of the third wave feminists. Difference has replaced equality as the central concern of feminist theory – difference as opposed to sameness between men and women, and among women, which was so often ignored by second

wave feminism. The body and embodiment are central to the development of political theory from a woman's perspective – the notion of difference begins with the celebration of female body, men and women are situated in a particular time and place differentiated by their bodies. Multiple viewpoints and identities are key tenets of the third wave including concepts such as fluid rather than fixed identity; multiple rather than a singular identity; and the role of conflict and contradictions. An openness to difference must become the very stuff of politics – the politics of difference gives political representation to group interests and celebrates the distinctive culture and characteristics of different groups.

Relational as opposed to binary thinking is a cornerstone of third wave feminists. The world is composed of multiplicities, and “each is defined in term not just of the ‘other’ but many others. Moreover, these identities are not fixed, but shift in relation to their own evolution and that of others” (Arneil, 1999: 220). Third wave theory is also based on “decentering universal perspectives by insisting on seeing the world from a woman's point(s) of view” (Arneil, 1999: 223).

Third wave feminists tend to take an anarchist approach to politics – calling for immediate direct action or understanding individual acts as political in and of themselves (Snyder, 2008). As well, third wave feminist politics should be understood more as coalitional rather than unified.

Collins (1990) developed the concept of intersectionality theory, which was rooted in black feminist thought, on the theory of simultaneous and multiple oppressions. Collins (1990)

developed a social constructionist view of knowledge which linked identities, standpoints and social locations in the prevailing conditions of domination.

The overarching matrix of domination houses multiple groups, each with varying experiences with penalty and privilege that produce corresponding partial perspectives and situated knowledges...No one group has a clear angle of vision. No one group possesses the theory or methodology that allows it to discover the absolute “truth” or, worse yet, proclaim its theories and methodologies as the universal norm evaluating other groups’ experiences (234).

This concept of intersectionality had a significant influence on the third wave feminists’ analysis of power and knowledge. It focused on how dominant groups exploit other groups and “maintained an analysis of oppression that was relational, oppositional and structural, despite its multiplicity” (Mann and Huffman, 2005: 62).

Third wave feminists also embraced a postmodern view of power. In quoting the prominent French postmodernist writer Michel Foucault, McHoul and Grace (1993) provide a view of this perspective of power.

Power is everywhere, not because it embraces everything but because it comes from everywhere...Power comes from below; that is there is no binary and all-encompassing opposition between ruler and ruled at the root of power relations and serving as a general matrix – no such duality extending from the top down and reacting on more and more limited groups to the very depths of the social body (39).

With this shift in thinking, the notion of hierarchy was “recast as flattened geographies of centers and margins” (Collins, 1998: 129) and power relations increasingly became analyzed at the local, individual level, rather than at the level of large-scale, social structures (Fraser and Nicholson, 1997).

The postmodern view of power, intersectionality and difference is utilized to deconstruct essentialism and to decenter dominant discourses. Mann and Huffman (2005) assert that third wave feminists

Embrace the view that knowledge is social constructed and socially situated, such that every knowledge producer not only shapes knowledge, but also has a partial or limited vantage point. No one view is inherently superior to another and any claim to having a clearer view of the truth is simply a master-narrative a partial perspective that assumes dominance and privilege. In place of such master-narratives, they call for poly-vocality and more localized mini-narratives to give voice to the multiple narratives that arrive from diverse social locations (65).

This perspective of knowledge and power helps to recover and elevate the importance of marginalized voices that have been silenced or ignored by dominant groups. Mann and Huffman (2005) further point out that the

The voices of the subjugated are moved from the margins to the center, thus decentering dominant discourses. It also elevates types of knowledge that previously had been treated as inadequate or lesser, such as the socially lived knowledge of everyday life. Conversely, it demotes the privilege formerly given to theory and science as more relativist views of truth prevail (65).

Third wave feminisms have also been significantly influenced by the perspectives of women of colour. Green (2007) discusses the important links between Aboriginal perspectives regarding feminism and anti-colonialism. St. Denis (2007) points out the fundamental differences between Aboriginal and Euro-western culture with respect to gender relations including the historical position of authority and status of Aboriginal women, and the honouring of motherhood in Aboriginal cultures.

Post colonial theory in the form of global feminism moved the macro-unit of analysis from the nation state to the global level (Mann and Huffman, 2005). Third world women are often viewed

by the West as being powerless or exploited which serves to perpetuate the problem of essentialism. Narayan (1997) argues that the “colonial encounter resulted in problematic pictures or totalizations that concealed the diversity of non-Western cultures and made them to appear as givens rather than inventions or constructions” (15). Spivak (1987) describes this as the “tendency to confuse essentialism with empiricism” (68). Mohanty (2000) suggests that in order to combat this type of essentialism, global feminists call for historical specificity, making it clear that “these arguments are not against generalizations as much as they are for careful, historically specific generalizations responsive to complex realities”(349). “By highlighting the potency of historical specificity, these postcolonial theorists simultaneously rescue collective categories and avoid essentialism”(Mann and Huffman, 2005: 67).

Another expression of feminism of the third wave is new generation feminism. The new generation reflects the postmodernist preference for localized, mini-narratives over theory. As well, the new generation use of deconstruction, rejection of binary polarities, the use of contradictions to explore the social construction of reality are examples of postmodern influences. New generation feminists are more likely to embrace the politics of queer theory, especially on issues related to sexuality (Mann and Huffman, 2005).

New generation feminists characterize second wave feminism as being an “austere missionary feminism that entailed self policing, confession through conscious raising groups and salvation through political action” (Dent, 1995: 64). Findlen (1995) describes how many young women often think that “if something or someone is appealing, fun or popular, it or she can’t be a feminist”(xiv).

Mann and Huffman (2005) identify a commonality of the new generation feminists seems to be a strong strain of individualism. As Heywood and Drake (1997) conclude, “Despite our knowing better, despite our knowing its emptiness, the ideology of individualism is still a major motivating force in many third wave lives”(11). Dicker and Piepmeier (2003) refer to this individualist theme within new generation feminists as a “feminist free-for-all that empties feminism of any core set of values and politics...while it is fine to challenge perceptions of what feminism is or to engage in a playful individualistic way, feminist engagement must entail a politics that is transformative of both individual and society” (19). As Baumgardner and Richards (2000 sarcastically point out, “Without a body of politics, the nail polish is really going to waste” (166).

Mann and Huffman (2005) maintain that theories of emancipation are often blind to their own dominating, exclusive and restrictive tendencies. The second wave of American feminism was often blind when it came to addressing the everyday concerns of women of colour domestically and globally. As a result of these blind spots, counter discourses eventually challenged the underlying beliefs of the status quo of the movement. According to Mann and Huffman (2005),

The new discourse of the third wave embraced a more diverse and polyvocal feminism that appealed to those who felt marginalized or restricted within the second wave. Built on difference, this new discourse deconstructed and decentered the ideas of the second wave, producing new ways of understanding and framing gender relations...There are both progressive and regressive paths within the third wave and we must navigate them with greater openness to difference and to the various strategies that may prove fruitful to fostering emancipatory goals (87).

Elliot and Mandell (1995) maintain that feminist theories remain partial, imperfect and unfinished. “Feminist theory has been enriched and expanded through the clash of different perspectives. Rather than rejecting some theories for others, the feminist movement needs to

draw on the strengths of all theories” (27). Jacob and Licona (2005) suggest that new strategies of third wave feminisms should be seen as an approach that involves the interweaving of strategies. “The relationship between generations should involve continuous contestation and dialogic exchange to keep feminisms alive and responsive to the new demands. The future of feminism hinges on the success of these relationships” (202).

Hoffman (2001) believes that a strength of feminism is to engage difference.

It builds upon the notions of freedom, autonomy and emancipation which were developed in the Enlightenment thought, reconstructing them so as they can move beyond abstract individualism (and thus patriarchy) inherent in the liberal tradition itself. The dialogue between feminisms constitutes Feminism; is actually the moment at which Feminism occurs. It is therefore misleading to depict feminism in polarized terms: all feminisms are a critique of patriarchy or male domination, and are identifiable as feminist, because they all contribute, in their different ways, to the same end (198).

Mirza (1997) provides some simple food for thought about the diverse range of perspectives within the feminist movement, “It is possible to be one with many parts” (16).

Anti-racism Perspective

This section of the chapter on the anti-racism perspective of the CED ideological model will include a structural analysis of both individual and systemic forms of racism; critiques of colour blindness and multiculturalism; a discussion of White privilege; concepts of difference and power; the role of organizational culture regarding the dynamics of racism; and the importance of race equity statistics to hold systems accountable for anti-racism initiatives.

Henry (2000) defines individual racism as “the attitude, belief or opinion that one’s own racial group has superior values, customs and norms, and conversely, the other racial groups possess

inferior traits and attributes” (36). Individual racism involves personal acts of meanness (McIntosh, 1990). According to Dominelli (1997), most members of society have come to understand racism through the perspective of racial incidents and have become the common sense discourse regarding racism. “Focusing on personal racism promotes the belief that racism is the prerogative of bigoted individuals indulging in overtly racist behaviour” (Dominelli 1997: 7).

Systemic racism is defined as “the laws, rules and norms woven into the social system that result in an unequal distribution of economic, political, and social rewards among various racial groups” (Henry, 2000: 43). It involves the denial of access, participation, and equity to racial groups for services such as education, employment and housing (Henry, 2000). Institutional racism is a variant of systemic racism. It involves “the policies and practices and procedures of various institutions that may, directly or indirectly, consciously or unwittingly, promote, sustain or entrench differential advantage or privilege for people based on race” (Henry, 2000: 45).

Cultural racism consists of tacit networks of beliefs and values that encourage and justify discriminatory practices (Bennett, 2002). It is also manifested through religious doctrines, ideologies and practices (Henry, 2000). It is based on the beliefs, ideas and values regarding the superiority of White culture (Dominelli, 1997). Often cultural racism is seen as the cumulative and collective expression of both the individual and systemic or institutional components of racism (Henry, 2000).

A more structural analysis is required of the impact of systemic racism that puts power relations and White privilege at the center of the discourse (Dei, 1996). According to Dei (2004), “racism is the outward manifestation of power”(96). hooks (1995) maintains that “the problem of racism is not prejudice but domination. Racism involves the “the power to act in exclusionary ways” (Thompson, 1999: 143). The questions that need to be asked within a more structural analysis of systemic racism are “Who is included and why are they included?” “Who is excluded and why are they excluded?” and “What are the barriers?” As well, key questions of inclusion must be asked regarding issues of power, decision making and the allocation of resources. The quest for racial equity must acknowledge that “the principle of equal opportunity in an unequal structured society can remain an illusion without a fundamental restructuring of society and its institutions” (Dei, 1993: 8).

An important concept that needs to be understood is the distinction between intent and impact regarding the issue of systemic racism (Bonilla-Silva 2003). People who work in organizations and institutions do not get up each morning with the intention of fostering racism in our community. However, we as society need to identify and understand the impact of systemic/institutional policies, practices and procedures.

The colour-blind response regarding the issue of racism works to deny and erase the identity of people of colour. “It denies the persons of colour the right to have their own identities as well as the values, histories, language and richness of such identities. Colour blindness is a luxury that only those who are very secure in, and unconscious of, their own racialised position of Whiteness and power can have” (Rains 1998:93). The act of colour blindness and/or

racelessness is not a social equalizer (Dei and Calliste 2001). It masks and denies the existence of racism and serves to reinforce White dominance (Chater 1996).

Sampson (1993) contends that “dominant groups seek to maintain their power and privilege by masquerading their monologues as dialogues” (143). Eurocentric worldviews are imposed on Indigenous/colonized peoples. Howard (2006) reflects on his experience with spirituality/religion regarding this imposed monologue. “Never in my conversations with Indigenous spiritual teachers throughout the world have I encountered the missionary zeal that has so characterized the Christian tradition. Seldom have any of these Indigenous groups sought to impose their spiritual cosmology on other people” (60).

hooks (1995) argues that “White people have a deep emotional investment in the myth of sameness” (35). This contributes to what is described as being colour-blind racism. Thompson (1999) maintains that the refusal to “see” race “is for many Americans a non-negotiable element in a non-racist creed” (141). Howard (2006) believes that colour-blindness is rooted in a dominance oriented perspective. “Difference threatens dominance because it upsets the belief in one’s own rightness. [The common term] “we are all the same” translated as “we are all like me” is comforting for those accustomed to dominance” (57).

Gordon (2005) suggests that “colour-blindness is not blindness. It is not an inability to see colour. Rather it is what Jervis (1996) calls White resistance to seeing” (139). Frideres (2007) contends that “this resistance is learned and nurtured to protect the status quo that privileges White people and occurs on both individual and systemic levels” (51). Kendall (2006) feels that

colour-blindness is a delusion which enables the White people “to pretend that we don’t live in a society totally stratified by race” (51). Sleeter (1993) challenges the logic of the colour-blind perspective because it, in essence, “constructs an interpretation of race that denies [race exists]” (161). Lindo (2007) concludes that White people “are not colour-blind, but rather, far too colour conscious” (197) given the enormous effort and energy that is used to deny the existence of the dynamic of race in our society.

The multiculturalism and diversity perspectives also serve to deny or minimize the impact of systemic forms of racism. Dei (1999) is critical of multiculturalism because “celebrating cultural diversity and/or cultural difference fails to affirm the context of power in which the differences are produced, and the significance of dislodging such power relations” (18). Sullivan (2006) challenges the multiculturalism and diversity perspectives because they avoid difficult discussions of “institutional racism, of economic, material and educational inequalities across racial divides, of restitution and reparation for past injustices committed against people of colour” (193).

Multiculturalism is criticized for “encouraging people to gain a smattering of other cultures, without an in-depth appreciation of the origins and reasons for difference... it may encourage a surface appreciation of visible diversities, without dealing with substantial social inequalities and discrimination” (Payne 2005: 280). Knowing about various cultures does not eradicate structural inequalities (Dominelli, 1997).

Dominelli (1997) believes that multiculturalism has a potential impact of disguising racism. “The concept ‘multi-racial society’ purports to convey the idea of equality in a pluralistic consensus. Conceptualizing society along these lines assumes that different racial and cultural groupings have already achieved equality...Assumed equality defines racism away rather than dealing with it, and obscures the necessity of having to confront racism as a structural and endemic feature of society” (54). The multiculturalism and diversity approaches “do little to address power imbalances or issues of equity” Dei, Karumanchery and Karumanchery-Luik (2004).

Rothenberg (2005) believes there is a linkage between dismantling racism and understanding the dynamics of White privilege.

White privilege is the other side of racism. Unless we name it, we are in danger of wallowing in guilt or moral outrage with no idea of how to move beyond them. It is often easier to deplore racism and its effects than to take responsibility for privileges some of us receive as a result of it. By choosing to look at White privilege, we gain an understanding of who benefits from racism and how they do so. Once we understand how White privilege operates, we can begin to take steps to dismantle it on both a personal and institutional level (1).

Mullaly (2010) maintains that the flip side of forms of oppression such as racism is privilege.

The main reason we have oppression [racism] is because we have privilege. It is similar to the relationship between poverty and wealth. If we want to truly understand poverty, we must understand wealth. And if we truly want to understand oppression [racism], we must understand privilege. Oppression and privilege go hand in hand (287).

Sullivan (2006) suggests that the contemporary dynamics of White privilege are less strident, more hidden and are reluctantly identified and examined because it challenges the status quo forces in our society.

While big-booted forms of conscious oppression still exist, the early twenty-first century White domination tends to prefer silent tiptoeing to loud stomping...it is no accident that it is difficult to hear the soft patter of White privilege. White privilege goes to great lengths not to be heard (5).

Dei, Karumanchery and Karumanchery-Luik (2004) state that “Whiteness is defined by a privilege that goes unseen: an invisibility that in many ways places our oppressor outside the racial sphere, vested with a power and social advantage which they themselves need not consider – That’s just the way it is” (84). Frideres (2007) points out that “Whiteness is a privilege that, while invisible to Whites, is hyper-visible to non-Whites” (43).

McIntosh (1990) discusses how the phenomenon of White privilege is denied and protected. “White privilege is an invisible package of unearned assets about which I was ‘meant’ to remain oblivious...In my class and place, I did not see myself as a racist because I was taught to recognize racism as only in individual acts of meanness by members of my group, never invisible systems conferring unsought dominance by my group from birth” (31). McIntosh concludes that to “redesign social systems we need first to acknowledge their colossal unseen dimensions (35).

Katz (1978) contends that the dominant members of society are not conscious of their Whiteness or their privileges. Leonardo (2004) points out that “Whites enjoy privileges largely because they have created a system of domination under which they can thrive as a group” (148). One of these privileges is to be non-colored, non-raced and invisible. “Whiteness is a peculiar identity. It appears to be both everywhere and nowhere, simultaneously a pervasive normative presence and an invisible, largely undiscussed, absence” (Bonnett 1996: 98).

Wildman and Davis (2005) argue that this invisibility serves to maintain the status quo regarding the issue of race power relations within our society.

The invisibility of privilege strengthens the power it creates and maintains. The invisible cannot be combated, and as a result privilege is allowed to perpetuate, regenerate and re-create itself. Privilege is systemic not an occasional occurrence. Privilege is invisible only until looked for, but silence in the face of privilege sustains its invisibility (95).

Dyer (2005) identifies the ultimate expression of the invisibility, superiority and dominance, is self-defined as the benchmark for which the rest of humanity is to be evaluated. “As long as race is something only applied to non-White peoples, as long as White people are not racially seen and named, they/we function as the human norm. Other people are raced, we are just people. There is no more powerful position than that of being ‘just’ human. The claim to power is the claim to speak for the commonality of humanity” (Dyer 2005:10). Entrenched White hegemony is the ultimate form of domination and oppression.

Rains (1998) maintains that the topic of White privilege is difficult to explore because of the range of emotions that it stirs up, from guilt to fear to anger. “Yet to keep silent is to contribute to cultural superiority, to contribute to certain forms of domination, to leave value systems that sustain certain power structures in place. Racism will not disappear by sweeping it under the rug, nor will ignoring White privilege reduce its tyranny or subordination of others” (95).

Tatum (1994) identifies that the key issues that need to be addressed in the process of unlearning racism and White privilege involve “the abandonment of individual racism and the recognition of and opposition to institutional and systemic racism” (463). DeRosa (1999) believes that it is

critical to “move beyond thinking of racism as only a set of hateful ideas about people who may be different from me to include the concept of White privilege and institutional power. When I made this shift, I began to see how oppression is not solely personal attitudes and behaviours, but also an institutionalized system of privilege and power that was operating all around me and structured my life in innumerable ways” (187).

In this process of broadening the awareness and analysis of racism from only individual dimensions to more institutional dimensions, Clark and O’Donnell (1999) argue that a deeper level of White consciousness develops. “The process of our transformation in our racial identity development as Whites ultimately forces us to embrace ourselves as both racist and anti-racist” (2).

Patterson (1999) maintains that White domination needs to be “defined very specifically as an ideology, socially and historically situated, that is controlled by institutions invested in power and distribution of resources and is personally, locally and globally located; thus it is not invisible” (120). Frankenberg (1993) argues that White privilege is “intrinsically linked to unfolding relations of dominance. Naming Whiteness displaces it from the unmarked, unnamed status that is itself an effect of its dominance. To look at the social construction of Whiteness, then, is to look head-on at a site of dominance” (6). Levine-Rasky (2000) contends that “Whiteness demands a critical study of the structural and cultural contexts in which members have come to enact their privilege and their white ethnicity with specific effects for whites and racialised groups. Critical Whiteness shifts to the discourse, the culture, the structures, the social relations of Whiteness that produced racialised subjects including Whites” (274).

Wilmot (2005) argues that “White privilege is often about making the choice of when or if to engage in the [anti-racism] struggle” (32). She further points out that “anti-racism is a long, hard, lifelong road...we need to figure out how to use White privilege to undermine the system, rather than feel remorse about its existence or ourselves. Our rage can be put to good use” (Wilmot 2005:20).

Kendall (2006) suggests that White privilege “allows us not to see race in ourselves and be angry at those who do” (67). One of the most difficult groups of people that Kendall identifies that she has to work with regarding this acknowledgment regarding issues of race is those people who self-identify as being liberal or progressive. “Often it is they who are most offended when I suggest that all people who are White have personal work to do. They begin to talk defensively about their credentials...What they don’t realize is that they are the best hope if only they can move beyond defensiveness and arrogance” (Kendall, 2006:68). hooks (1988) further challenges “progressive” Whites regarding issues of racism and White privilege,

When liberal Whites fail to understand how they can and /or do embody White supremacist values and beliefs even though they may not embrace racism as prejudice or domination (especially domination that involves coercive control), they cannot recognize the ways their actions support and affirm the very structure of racist domination and oppression that they profess to see eradicated (113).

Dyer (1997) concludes that critical Whiteness theory and the concept of White privilege is not about privileging White dominance or the White gaze to address issues of oppression in our society. “Exposing and examining the construction of Whiteness is not meant to reconfirm centrality, normalcy or the authority of Whiteness but to recognize the power and privilege thus preventing its continuance and its power to include and exclude” (10).

Resistance to addressing issues of racism and White privilege emerges in many forms. Goodman (2001) maintains that “people from privileged groups tend to have little awareness of their dominant identity, of the privileges it affords them, of oppression suffered by the corresponding disadvantaged group, and how they perpetuate it” (24). Bivens et al (2005) suggest that “the phrase “he was born on first and thought he hit a triple” illustrates one of the hardest parts to appreciate about this contradiction for those of us who are White; the extent to which we fail to see our accumulated privileges and how they influence our worldviews and actions” (14). Bivens et al (2005) further identify how it is often difficult for White people to acknowledge institutional and cultural racism, and their own privileges. “The norms, cultures, policies and practices that support White privilege feel so natural to [White people]. A common expression is “fish can’t see the water they swim in”” (12).

The most privileged people, “especially those with class power, are often the most unwilling to speak honestly about racist biases...because they have little intimacy with people of colour” (hooks 2003:30). Howard (2006) adds that while “the dominant groups tend to know little about those people whom they define as the Other...this luxury of non-engagement is not available to members of marginalized groups” (61). The experience of the oppressed requires that they have “expertise in translation and transition between their own culture and the culture of dominance” (Griffen, 1995:7) as cited in Howard (2006).

Typically, members of the dominant society have a patterned response to conscious raising efforts regarding issues of oppression and racism. These reactions include obliviousness to privilege, denial, omission, decontextualisation, defensiveness, avoidance, exaggeration, guilt

and self-acknowledged ignorance (Rains 1998, Tatum 1994, Bowser and Hunt 1996, Dominelli 1997, Goodman 2001).

Kendall (2006) reflects that her experience with the language of racism and White privilege “is not that we who are White don’t understand the definitions of the words and phrases, but rather that we resist acknowledging the existence of the concepts in our own world” (21). Lopes and Thomas (2006) observe that advocates for racial equity within institutions are “marginalized and seen as “single issue” people or “trouble-maker”...conflicts are blamed on equity advocates and not on the organizational barriers to equity” (67). Dei, Karumanchery and Karumanchery (2004) identify that anti-racism work is “challenged as partisan and our engagement with racism are dismissed as subjective, emotional and self-serving. Realistically, such privileged responses should come as no surprise as the nature of our work is oppositional” (9).

Gordon (2005) discusses the “culture of niceness” which sustains a form of resistance to engaging in the “unsettling discourse of race” (149). According to Memmi (1965), “no one, or almost no one, wishes to see themselves as racist, still racism persists, real and tenacious” (101). Leonardo (2004) observes that it appears that “we live in a condition where racism thrives absent of racists” (144). Bonilla-Silva (2003) describes this phenomenon of denial and colourblindness as “racism without racists”(3). Donnellon and Kolb (1994) maintain that there is a cost for this denial or suppression of racial conflict between the oppressor and the oppressed – these costs, however, “are simply experienced and born by one party [the oppressed], rather than both” (147).

Baines (2007) contends that the fear of change is a form of resistance with regards to issues of racism and White privilege. This type of resistance to those that have been excluded or marginalized is based on “the fear of losing power and privilege and having to do things differently; it is the fear of doing without. This societal fear maintains the status quo, holds things in check and allows oppression to continue” (203). Closely related to the fear of change is the concept of backlash. Bishop (2005) describes backlash as simply “a synonym for institutional resistance to change. It happens when institutions make a sudden, energetic effort to reverse change. [Institutions] have always put up resistance to a certain point. They then balk because it somehow perceives the change as have gone too far” (119).

Graveline (1998) believes that the reaction of denial regarding the issue of racism is linked to a lack of knowledge or consciousness of one’s location within a White privileged culture. This ignorance enables individuals to remain distanced from accepting responsibility of the historical and present day forms of oppression and racism.

While many can feel sorry for Aboriginals, Africans or others, they cannot see how they themselves are responsible or what they could do. Some can see that bad actions might have been taken in history, but this does not have relevance for themselves. If they do not or have not blatantly acted in a racist way, either through violence or slurs, they are not racist, and so have no role in the change process personally or politically. Through this convoluted but common rationalization process, the problem of racism belongs to those hurt by it, rather than those who gain benefits from it (108).

Wilmot (2005) argues that an open and consciousness raising dialogue is critical to address the deeply ingrained denial response regarding the issue of racism. This means learning to overcome “resistance to self-criticism and an avoidance of truth to prevent feeling defensive, angry and useless...part of taking responsibility is for Whites to talk with other Whites so people

of colour don't have to do all that work... those of us in non-profit agencies or academic settings are quite good at using anti-racist language, while doing little about racism itself" (15).

Another form of resistance to unlearning oppression and racism is what Goodman (2001) describes as the "right to comfort" (30). Johnson (1997) identifies that privileged groups resist dealing with issues of racism because of the possibility of the feelings of personal discomfort that such an issue will often raise.

Dominant groups typically show the least tolerance for allowing themselves to feel guilt or shame. Privilege after all, should exempt one from having to feel such things. They experience reminders of their potential for feeling guilt as an affront that infringes on their sense of entitlement to a life unplagued by concern for how their privileges affect other people. The right to deny that privilege exists is an integral part of privilege itself. (62)

Members of the dominant society often feel that they should not be made uncomfortable and have the privilege of choosing not to confront issues of racism (Goodman 2001). Lopes and Thomas (2006) assert that challenging White people to examine issues of racism and White privilege is dangerous work. "It is always risky; it is never neutral. Why do we think we can do this work without pain?" (237).

Dei (1996) defines anti-racism as "an action oriented strategy for institutional, systemic change to address racism and inter-locking systems of social oppression" (25). Dei, Karumanchery and Karumanchery (2004) contend that critical anti-racist approaches have a transformative social agenda. "They focus on asymmetrical power relations between and among social groups within society and seek redistribution of power to ensure fair representation, not only of the actors themselves, but also of the subjects of knowledge production" (19). In terms of engaging in anti-

racism change initiatives, Lopes and Thomas (2006) maintain that “White people cannot do real anti-racism work without ongoing apprenticeship to racialized people...White people learning from people of colour and Aboriginal people is essential to the integrity of racial equity work”(5).

Lopes and Thomas (2006) point out that “the language of anti-racism is too confrontational and negative for people in their organization” (11). Concepts such as diversity, inclusion or non-racist are more comfortable options that are preferred. Bivens et al (2005) argue that “deliberate efforts to name and address White privilege and structural racism are required. People have to understand how these mechanisms work before people’s thinking about what to do changes” (27). Dei, Karumanchery and Karumanchery (2004) challenge the concept of non-racist as means to address racial equity.

All of us are either racist or anti-racist. There is no middle ground. Either we actively support, promote and/or condone racism and oppression, or we stand against it. Because anti-racism is an oppositional praxis that functions to contest the oppressive relations of the status quo, opting to do nothing in the face of racism means that one silently collaborates within the oppressive milieu...Claiming an affiliation with some third group under the heading of non-racist implies that one chooses to do nothing and that inaction in the face of suffering and subjugation speaks volumes as to one’s politics and ideology (102).

Lee (1998) further contends that the term anti-racism serves to identify the structural context or marker regarding the pervasive existence of racism in our society that cannot be deflected, denied or ignored. The term anti-racism takes direct aim at the need to disrupt this cancerous dynamic that is present in our society. It boils down to a simple equation – either you are for racism or against racism. Working against racism is a positive option to promote change, not a negative one. Therefore the term anti-racism captures simultaneously the acknowledgement of

the presence of racism in our society and an interest in taking action against this destructive and de-humanizing force in our society.

Dei, Karumanchery and Karumanchery (2004) believe that a key component of the anti-racism approach regarding the relations of power and difference “requires that we speak of the saliency of race even as we recognize the intersections of race with other forms of difference” (xii). Dei (1999b) argues that “the idea of saliency should not necessarily be in conflict with the knowledge of intersecting and interlocking oppressions... The burdens of inequality are not shared equally, just as oppressions are not equal in their consequences. The notion of saliency merely alludes to the contextual differences and variations in intensities of oppressions” (402). Dei, Karumanchery and Karumanchery (2004) emphasize that the saliency of race “is an and/with” rather than “either/or” analysis that stresses the centrality of race and connections of race with class, gender, ethnicity and sexuality. This is a strategic way of maintaining the gaze on race, which has so often been ignored and/or silenced” (149).

A critical component of an anti-racism approach involves the concepts of difference, the politics of difference and the notion of a community of difference. Dei (2008) identifies that “difference is all around us and always has been. But the ‘difference’ of today is no longer willing to remain silent. We must listen to the offerings of that “different” voice” (348). Sidorkin (1999) suggests that “the greatest failing of this civilization is its inability to deal with difference” (144). Dei (1999b) argues that difference is the site of personal identity as well as power relations including race, class, gender and sexuality.

Difference is about critiquing and resisting what has conventionally passed as the norm (normal). To acknowledge difference is to work for social change. Difference must not simply mean the existence of an autonomous subject; rather, difference must mean an

acknowledgement of the power of individual agency and collective action. It is detrimental to the politics of social change to herald individual agency at the expense of social collectivity. The articulation of a social alternative must start with a critique of the existing order (400).

Young (1990) describes the politics of difference as liberating and empowering for oppressed groups. It promotes the idea that oppressed groups have distinct cultures, experiences, perspectives and identities. According to Young (1990), the active promotion of difference effectively challenges White privilege.

In a political struggle where oppressed groups insist on the positive value of their specific culture and experience, it becomes increasingly difficult for dominant groups to parade their norms as neutral and universal, and construct the values and behaviour of the oppressed as deviant, perverted or inferior. By puncturing the universalist claim to unity that expels some groups and turns them into the Other, the assertion of positive specificity introduces the possibility of understanding the relation between groups as merely difference, instead of exclusion, opposition, or dominance (166).

Young (1990) further points out the positive impact of the politics of difference to include the promotion of group solidarity as a means of challenging the individualism of liberal humanism. liberation is for the whole group not just individuals; provides a standpoint to criticize privileged worldviews, norms and structures; promotes the self-organization of oppressed groups to achieve their aspirations; and encourages the formation of autonomous organizations as an important vehicle for empowerment and the development of a collective voice.

The politics of difference serves to reclaim the meaning of difference. Young (1990) contends that traditional approaches to defining difference attempt to measure all against some universal standard that creates a hierarchy of difference that serves to defend White privilege. However, when oppressed groups assert their own positive identify, they seize the power of naming

difference itself. No longer is difference seen as deviance to a privileged norm. Difference is now seen to be relational instead of essential. This emerging view of difference is not seen simply as a description of the attributes of a group, but as a function of the relations between groups and the interaction of groups with institutions (Littlejohn 1987).

Shields (2003) stresses the point that within the concept of community of difference, is the notion of “different, not deficient” (149). Shields (2003) contends that a community of difference “must value difference and Otherness, while at the same time finding a sense of purpose or meaning that will bring people together” (276). It must address the challenge described by Henderson and Hawthorne (1995) as “cultivating unity within diversity” (135). According to Shields (2003), the idea of a community of difference “must build on, not eliminate difference. We must value the intrinsic worth of all members of the community, come together with respect, engage in dialogue, form new understandings, discover shared values, and create a more inclusive, more socially just community” (2).

Dei (2008) maintains that community cannot be understood in the sense of sameness, but as difference.

That difference, which connects us to our sameness, is critical. Community is thus about unity of being and the search for mutual interdependence and common existence. It is a communal search for a humanistic and more humane existence. This search for mutual interdependence and existence is only possible if we can learn to share power and challenge all forms of colonizing and oppressive relations. Addressing questions of responsibility and ethics of knowledge is critical to transforming institutions and communities (362).

By working within the framework of this more politicized conceptualization of community, “anti-racism helps challenge the hierarchy of knowledge and merit badges that affect our

institutions, particularly the cult of individualism. We know that dominant explanations tend to individualize social problems rather than offer a critique of the institutional forces of society” (Dei, 2008: 362).

Shields (2003) believes that this broader notion of community de-centers dominance and promotes participation of the marginalized and excluded. “Instead of making assumptions about homogeneity and starting with implicit norms, beliefs, and values that constitute a predetermined center, a community of differences starts with the premise of heterogeneity and commitment to engage respectfully in extensive dialogue with all participants to discuss norms of behaviour, and to negotiate shared values on which the life of the community will be based” (56). A key commitment within this dialogical process is “to make visible the invisible and to hear the silenced voices” (Schmuck, 1993: 18). as cited in Shields (2003).

hooks (1995) concludes “like all beloved communities, we affirm our differences. It is this generous spirit of affirmation that gives us courage to challenge one another, to work through misunderstandings, especially those that have to do with race and racism. In a beloved community, solidarity and trust are grounded in a profound commitment to a shared vision” (272). Freire (2007) affirms “it is really in difference that we learn more” (100).

The development of “power literacy” (Kincheloe 1999:19), which involves a greater understanding of the dynamics of power and dominance, is a basic task that must be undertaken with members of the dominant society in order to develop a frame of reference to enter into a meaningful dialogue about dismantling oppression. According to hooks (1988), certain

theoretical and process conceptualizations are necessary to provide clarity and common language from which to proceed; a shared vocabulary is essential to developing anti-racist literacy. “Insight and a recognition of racism is a necessary pre-condition of anti-racist activism” (Graveline 1998:102).

Hart (2007) makes the point that decolonization and anti-racism work “is not just an Indigenous responsibility. It must also involve the colonizer learning new ways of relating to people who are different than them” (105). Warren (2001) discusses the importance “to do Whiteness differently...to bring less violence and oppression to the bodies and spirits of people of colour...and [to recognize] it is a position of privilege to choose when to struggle and take responsibility for that privilege” (465).

Baines (2007) identifies that “the process of resistance and transformation [regarding anti-racist activism] means putting self on the line. It means walking the talk. It means risk” (203). Bivens et al (2005) further emphasize that “institutions and individuals with a vested interest in maintaining the status quo will devalue our methods, question the accuracy of our assumptions, resist and sabotage our strategies, and divide us from our allies. That is the price of change and, as a field of work, we have to be willing to pay it” (47). Dei (1999b) concludes that the crucial question “is not whether members of dominant groups can do anti-racist work, but whether they are prepared to take the risks, consequences and abuse that comes from doing this work with difference...[that] can be seen as betraying or undermining the hegemonic agenda of accentuating commonalities in order to protect the status quo”(400).

DeRosa (1999) reflects on the role for White people in anti-racism work by describing an incident involving Malcolm X in the autobiographical book written by Haley (1986) which served to provide DeRosa direction regarding the issue anti-racism.

There is a story that Malcolm tells of a young White woman who approached him on a college campus and asked him what she could do to help the Black struggle. Malcolm turned to her abruptly and said, “Nothing,” and walked away, leaving the bewildered White woman to ponder what had happened. Later in his life, Malcolm said he wished he could tell that White woman that there was something she could do. She could take responsibility by working with other White people in White communities to challenge racism, and then work in alliance with people of colour to end White supremacy (193).

Malcolm X further expands on this idea in a speech documented by Breitman (1970),

Whites who are sincere should organize themselves and figure out some strategies to break down the prejudice that exists in white communities. This is where they can function more intelligently and more effectively, in the white community itself, and this has never been done (164).

For DeRosa, Malcolm X’s words had a profound impact on her life’s work. “Malcolm’s vision helped to reframe my racial questions from paternalistic “What can white people do for people of colour?” to those that expose white privilege “What can whites do to dismantle White supremacy?” thereby helping me to take responsibility for racism as a white problem” (DeRosa 1999: 193). According to Johnson (2006), “in many ways, the biggest challenge for members of privileged groups is to work on issues of privilege rather than trying to help members of subordinate groups” (151).

One of the dilemma’s for White people in embracing this approach to challenge their White peers on anti-racism issues is the perception that it serves to promote the “centering of Whiteness” within anti-racism work. Warren (1999) questions how to “both examine the center

critically, uncover assumptions of Whiteness in everyday talk, discourse and practice, and still not work to make the center stronger” (199).

Ellsworth (1997) describes this dilemma as “double binds” of Whiteness. “It is a wrongdoing to help” others because doing so reproduces the patronizing spirit of colonialism. Yet, it is also wrong to “do our own work” as Whites if this means to stand detached from racism as experienced by racialized groups” (264). Comeau (2007) suggests that “I am damned if I make the critique, and I am damned if I don’t because not doing anything permits the reproduction of the racist status quo...this double bind position is unavoidable for White people who want to disrupt racial inequalities” (159). As a strategy to de-center Whiteness, Warren (1999) recommends “rather than making the center bigger, including more voices and more cultures, Whiteness studies demands a critical examination of the center in the hope the center will fall apart” (197).

Baines (2007) maintains that “oppressive systems are held in place by powerful emotions. The common response to these powerful emotions is to deny them, to fly away from them and/or to project them onto Others” (126). In anti-racist work, Kendall (2006) advocates that “we must learn to become comfortable with the uncomfortable and uncomfortable with the too comfortable” (86).

Johnson (2006) goes even further and argues that it is critical to dare to make people uncomfortable beginning with yourself.

Some will say it isn’t “nice” to make people uncomfortable, but systems of privilege do a lot more than make people feel uncomfortable, and there isn’t anything “nice” about

allowing that to continue. Besides, discomfort is an unavoidable part of any meaningful process of change. You can't grow without being willing to challenge your assumptions and take yourself to the edge of your competencies, where you are bound to feel uncomfortable. If you can't tolerate ambiguity, uncertainty and discomfort, then you'll never get beneath superficial appearances or learn or change anything of much value, including yourself (145).

Members of the dominant society claim the "right to comfort" and are often reluctant to confront issues of racism because of the intense emotions that emerge regarding anti-racism work (Goodman, 2001). According to Monture-Angus (1995), this form of victimization needs to be challenged. "Oppressed people are not responsible for the pain that white people experience in the process of unlearning racism. The pain is unfortunate. However, white people need to take their own responsibility and look at themselves for the kind of healing they need to embrace" (21).

One of the principles of unlearning racism is appreciating the value of risk. hooks (2003) believes that we need to understand that "honouring the fact that we may learn and grow in circumstances where we do not feel safe, that the presence of conflict is not necessarily negative, but rather its meaning is determined by how we cope with that conflict. Trusting our ability to cope in situations where racialized conflict arises is far more fruitful than insisting on safety as always the best or only basis for bonding" (64). Graveline (1998) believes that "discomfort is produced in the struggle to regain balance...uncomfortable feelings are necessarily a part of entering into an unfamiliar racial or cultural context" (155). hooks (2003) further maintains that the "dominator culture has tried to keep us all afraid, to make us choose safety instead of risk, sameness instead of diversity. Moving through that fear, finding out what connects us, reveling in our differences, this is the process that brings us closer, that gives us a world of shared values, of meaningful community" (197).

According to Kumashiro (2000), “changing oppression requires disruptive knowledge, not simply more knowledge...the goal is not final knowledge, but disruption, dissatisfaction, and the desire for more change” (34). Bivens et al (2005) suggest that for anti-racist activists “living with the discomfort of change [can be] a very useful learning tool” (42). Bishop (2005) proposes that an important role for White anti-racist activists to embrace is that of an ally which is rooted in a commitment to disrupt the status quo and learning to live with the discomfort of change. “Taking responsibility for privilege is a key turning point in the process of becoming an ally” (160).

As well, Tatum (1994) believes that restoring hope is an essential part of the process of unlearning racism, redefining social relations and engaging in the role of an ally.

Just as White people are not eager to see themselves as oppressors, people of colour do not want to be characterized as victims. The role of the ally is to speak up against systems of oppression, and to challenge other Whites to do the same. Teaching about racism needs to shift from an exploration of the experiences of victims and victimizers to that of empowered people of colour and their White allies, creating the possibility of working together as partners in the establishment of a more just society (474).

Kendall (2006) acknowledges that the role of an ally involves walking a fine line between on the one hand, being a member of the oppressive dominant group, and on the other hand, working to address issues of oppression. “Allies expect to make some mistakes [in navigating this disruptive role] but do not use that as an excuse for inaction” (150). Wall (1989) points out that “White racial identity is a multi-dimensional and complex phenomenon. Ours is a multiple, shifting and often contradictory identity” (10). Howard (2006) contends that as White allies “we are both racist and anti-racist, both part of the problem and part of the solution, both benefiting from oppression as well as opposing it” (138).

Bishop (2002) maintains no matter how much work White people do to unlearn racism, there is more to be done. White allies cannot claim to rid themselves completely of their oppressive attitudes.

It is an ongoing task, like keeping the dishes clean. In fact, the minute I hear someone claim to be free of the attitudes and actions of a certain oppression (as in “I’m not a racist”) I know they have barely begun the process. Humility is the mark of someone who has gone a ways down the road and has caught a glimpse of just how long the road is” (115).

Lopes and Thomas (2006) conclude that at the heart of being an ally is to get “White people to understand, at a profound level, that they cannot do anti-racism work unless they are willing to learn from people of colour...through an ongoing apprenticeship to racialized people” (234).

Recognition of the critical role that power plays with respect to addressing anti-racism initiatives within institutions is a critical element of the anti-racist perspective. Dei (1999b) poses the central question regarding anti-racism change work, “How do we share power in institutional settings?” (405). Lopes and Thomas (2006) contend that any effort to effect real organizational change requires an analysis of power. “Yet many mainstream theories of organizational development and change make no reference to the ways in which power is embedded in the social identities of managers, workers and service recipients, or to the impact of organizational power on the lives of people” (8). One of the ways Lopes and Thomas (2006) recommend to measure the success of anti-racism organizational change efforts is “through the positive [impact] for those with the least power within the organization” (9).

Henry et al (2000) have developed a race conscious theory of organizations that focuses in on the issue of power relations within institutions. The first type of organizational culture that they describe is that of assimilation. The assimilation organization prototype operates on the assumption of homogeneity among people and has a monocultural perspective. Policies and practices emphasize the underlying values and norms of the dominant culture. The focus is on maintaining the status quo. They do not see the need to participate in any fundamental alteration of their organizational culture. “Outsiders” must conform without disturbing the existing organizational culture.

A second organizational prototype is what Henry et al (2000) describes as that of multiculturalism. The organization typically is willing to make limited modifications in the organization but is not willing to alter its fundamental structure and culture. It promotes concepts of tolerance, accommodation, sensitivity, harmony and diversity through education and awareness training. The “idiosyncrasies” of others must be respected, and the underlying premise is that the dominant way is superior.

The third organizational prototype identified by Henry et al (2000) is the anti-racism organization. The organization acknowledges racism exists and takes a proactive stand against all forms of racism – including individual, institutional and systemic – that is embedded in the organization. It accepts the concept of multiple worldviews and focuses on changes in the power dynamics of the organization including developing new and more inclusive structures and styles of leadership and decision making. The organization demonstrates a commitment to ongoing

evaluation of the change effort. Resistance is anticipated and strategies to overcome it are planned.

Lopes and Thomas (2006) concur with Henry et al (2000) that anti-racism change work is transformative and its aim is to change the organization at its core.

To succeed, it requires a thorough understanding of how power operates in the organization: the values that are considered essential, how decisions are made and how they are carried out, the ways in which people learn about what is important and what is peripheral, and how people are formally and informally punished. Power is at the root of all these systems. A systemic analysis of racism and discrimination reduces the tendency to blame individual people for organizational inequities and demonstrates how regular organizational systems reinforce power inequities. Furthermore, it shifts the focus from “Are you saying I’m racist?” to “How are the systems of your organization reproducing inequity?” (111).

Lopes and Thomas (2006) maintain that the active involvement and support of senior management is critical to the success of the anti-racism change efforts within an organization.

“Support by senior management signals to staff that change is important and cannot be avoided.

The values introduced by the change have to be consistently “lived” by senior managers publicly and informally” (113).

Bishop (2005) believes that the decisions made by senior managers faced with equity conflict are heavily influenced by their ideology.

If the institutional power-holder has structural assumptions, he or she will more likely perceive the situation as a group of people struggling to gain a toehold in an institution that has denied them their knowledge and legitimacy for centuries. They will expect the institution to resist the newcomers’ presence beyond a presenting appearance, in other words, as tokens. They will be more likely to take responsibility for their privilege, use their sphere of institutional power to act as allies and believe the word of the traditionally excluded people about the inequity they experience in the institution. They will have a tendency to respond with curiosity, rather than defensiveness and proceed to explore the situation, analyze it and engage in collective problem solving involving all parties. This

process may lead to new solutions and learning at both the personal and institutional levels. The traditionally excluded group will continue to be included, and eventually the process will result in structural transformation of the institution (148).

Lopes and Thomas (2006) point out that racial equity work “often depends on internal pressure from people with less power who act as catalysts for change” (10). Lopes and Thomas (2006) further observe that too many organizations have said the right things about anti-racism organizational change “only to halt the work when power actually begins to shift” (116). In order to genuinely embrace anti-racism organizational change, “advocacy must not just be allowed, it must be legitimized and encouraged. Senior management roles must include the support for advocates and the legitimacy of conflict as a part of change in the organization” (Lopes and Thomas, 2006: 116).

Bishop (2005) cautions about the need to recognize the long term and ongoing commitment that is required for anti-racism organizational change work. “Too brief or shallow an effort to change an institution can act as a “vaccine”, serving only to teach the oppressive elements in the institution how to resist real transformation, triggering defensiveness and making the situation worse than it was to begin with. Change strategies aimed at individuals can only go so far. The strategies required for institutional change must be directed toward transforming the institution itself” (4).

Shields (2003) recommends that raising awareness about a learning organization approach for promoting change within organizations is an effective long term institutional change strategy for anti-racism education and action. Shields (2003) believes that the learning organization model developed by Senge (1990) identifies useful organizational change approaches that would be

relevant for institutions that seek to build a “community of difference” framework rooted in a commitment to anti-racism.

Senge (1990) identifies what he calls five disciplines that need to be developed within a learning organization. The first discipline is personal mastery – “everyone in the organization needs to be capable and believe he or she is proficient” (Shields, 2003: 48). The second discipline is mental models – “the identification of mental models and the creation of new ones guide the organization’s actions. Mental models are deeply ingrained assumptions, generalizations, or even pictures or images that influence how we understand the world and how we take action” (Senge, 1990: 8). The third discipline is shared vision – “a shared vision binds people together around a common identity and sense of destiny” (Shields, 2003: 49). The fourth discipline is team learning – “the process of aligning and developing the capacity of a team to create the results its members truly desire” (Senge, 1990: 236). The fifth discipline is systems thinking – “a discipline for seeing wholes...a framework for seeing interrelationships rather than things, patterns of change rather than static snapshots” (Senge, 1990: 68).

Shields (2003) suggests that the Senge learning organization model operationalizes these five disciplines to assist an organization to “develop a shared vision among competent individuals who are engaged in personal growth an self-reflection, who acknowledge that the community is more than the sum of its parts, who believe that there can be a synergy that helps it move forward toward its goal, taking into account its unique position in a wider social, economic and political system” (51). The development of a learning organization facilitates the emergence of leadership to strengthen the internal capacity development of the organization to engage in the

long term challenge of anti-racism organizational change work. Challenging racism and oppression within institutions is more of a journey than a destination. The learning organization model provides a concrete vehicle to sustain efforts to disrupt the status quo, to address backlash and to stay the course on this long term journey to promote a community of difference within a context of institutional change.

The learning organization model reflects what McCaskell (2007) maintains must be a basic principle of anti-racist education work – “anti-racist learning must be based on the learners’ experience” (38). According to Smith (2007), people learn best from their own experience” (375). Lopes and Thomas (2006) reinforce the importance about setting a learning context, not a training context. “Training puts the responsibility on the trainer to impart change. The term learning, however, suggests that there is room to become more knowledgeable in the area, to make mistakes, and to try new approaches. It also suggests that the process is ongoing and will have a number of applications. Mistakes offer us the greatest opportunities to learn” (115).

Dei (2008) recommends that anti-racism organizational change must also move beyond process oriented approaches such as Senge’s learning organization model and ensure that race-based organizational statistics are kept in order to understand and evaluate the effectiveness of the efforts to address institutional racism.

We need such statistics to tell us about the nature and severity of the problems we are dealing with. Such statistics also bring to the fore the importance of not only holding leadership accountable, but also of how we define collective responsibility. They also tell us about how and where we allocate resources to address these problems. Power is a question of bodies. Bodies matter in this regard. We can only address the issue of different bodies [employed within institutions] if we are prepared to work with certain statistics and speak of certain absences (356).

Race equity oriented statistics serve to make visible the internalized relations of power within organizations. Tangible goals can be set and measured. Maintaining race equity statistics promotes greater transparency and accountability regarding anti-racism organizational change work. Smith (2007) believes that while some may argue that the objective of keeping racial equity statistics may appear to be a matter of simply “counting heads” and lacking a deeper political motivation,

It actually carries broad implications for an organization’s work – the struggles taken up, the people prioritized in recruitment, the supportive internal culture required so that everyone feels comfortable and the kinds of internal education carried out. One to capture this transformation objective is to focus on the organization’s composition, consciousness and culture (366).

Lopes and Thomas (2006) pose a key question about White participation in anti-racism activism. The analysis about the devastating impact of racism is clear. Roles such as becoming an ally and strategies such as building a community of difference, disruptive knowledge vs. just more knowledge, transformationist White identity development, and learning organization approaches for change are well documented. “Why would people with privilege want to share the power they have?” (19).

Tatum (1992) suggests that “while the impact of racism on Whites is clearly different from its impact on people of colour, racism has negative ramifications for everyone” (3). McIntosh (2009) argues that “working against racism mends the social fabric, heals the soul, and reduces fear and isolation” (8). In order for true healing to take place, both the oppressed and the oppressor, the dominated and the dominator, the colonized and the colonizer must reclaim their humanity (Freire, 1972; Memmi, 1965; Mandela, 1994). When all is said and done, Memmi

(1965) pointedly asks “what privileges, what material advantages, are worth the loss of [the oppressor’s] soul?” (148).

According to Jensen (2005), “to accept Whiteness, to truly believe in it, is to deform oneself. The privileges and material benefits that come from being White in a White supremacist society come at a cost to us as White people. Whiteness is based on lies not only about others but lies about ourselves, and we can’t lay claim to our full humanity until we find our way of the web of denial” (xx). Dominelli (1997) further argues that, “White people do not have a choice about whether or not they struggle against racism. They only delude themselves *unless* they are willing openly to declare that the privileges that accrue to them because racism exists outweigh the value they place on their own humanity” (133).

Memmi (1965) reinforces the inter-connected impact of colonization on both the oppressed and oppressor,

Oppression is the greatest calamity of humanity. It diverts and pollutes the best energies of man – of oppressed and oppressor alike. For if colonization destroys the colonized, it also rots the colonizer...The bond between colonizer and colonized is thus destructive and creative... one is disfigured into an oppressor, a partial, unpatriotic and treacherous being worrying only about his privileges and their defence; the other, into an oppressed creature, whose development is broken and who compromises by his defeat (xvii, 89).

Mandela (1994) describes the links between oppression, liberation and humanity.

I knew as well as I knew anything that the oppressor must be liberated just as surely as the oppressed. A man who takes away another man’s freedom is a prisoner of hatred, locked behind bars of prejudice and narrow-mindedness. I am not truly free if I am taking away someone else’s freedom, just as surely as I am not free when my freedom is taken from me. The oppressed and the oppressor alike are robbed of their humanity (544).

For members of the dominant society, the journey to become an anti-racism activist and an ally is a journey of hope, consciousness raising and justice. It is a quest for healing, growth and development. By becoming more in touch with our “neediness”, along with our privilege and power, we will become more closely connected to our own humanity. In the end, it is based on a classic principle of community organizing – enlightened self interest (Alinsky 1972).

Anti-Colonial Perspective

This section of the chapter will review the impact of colonization including internalized colonialism; neo-colonialism; postcolonialism; and anti-colonialism with an emphasis on the role of Indigenous knowledge. There is a rich tradition in the literature that reflects a world approach regarding the impact of the colonial experience including an African, Asian, Middle East and the Americas. Gandhi (1998), a theorist from India, defines colonialism as “the historical process whereby the West attempts systematically to cancel or negate the cultural difference of the non-West” (16). The Canadian writers Dei, Hall and Rosenberg (2002) identify that the notion of colonial is “rooted in imposed relations and power inequities engendered by history, tradition, culture and contact” (7). “Race, racism and xenophobia lie at the heart of all colonist enterprise” Dei and Asgharzadek (2001).

Pratt (2004) maintains that colonialism produces abnormal relations. “The abnormalities include the lack of reciprocity, disequilibrium of power, the use of force by an outside agent, and the interruption of social, economic and institutional development” (447). Midgeley (1998), cited in Sinclair (2004), believes that “almost every contemporary social pathology or health issue in Aboriginal communities can be attributed directly to the fallout of colonialism” (50).

Dei and Kempf (2006) contends that not only the colonizer seizes land, but the mind as well.

Colonialism seeks to impose the will on one people on another and to use the resources of the imposed people for the benefit of the imposer. Nothing is sacred in such a system as it powers its way toward the extinction of the wills of the imposed upon with one objective in mind: the ultimate subjection of the will to resist. An effective system of colonialism reduces the imposed upon to a shell of a human who is incapable of thinking in a subjective way of his or her own interest. In everything the person becomes like the imposer; thus in desires, wishes, visions, purposes, styles, structures, values and especially in education, the person operates against his or her own interest. Colonialism does not engender creativity; it stifles it, suppresses it under the cloak of assistance when in fact it is creating conditions that make it impossible for humans to effectively resist (ix).

Memmi (1991), who writes from an African context, identifies the key factors of the colonizing process as “profit, privilege and usurpation. Privilege is at the heart of the colonial relationship – and that privilege is undoubtedly economic” (9).

The Canadian theorist Kellough (1980) identifies the differences between structural and cultural colonialism and argues that what ultimately distinguishes the colonizers from the colonized is the question of power.

Structural colonialism involves the explicit control of power and decision making by the colonizer for the purposes of determining the institutions of the colonized and for extracting benefits. Governments, through treaties and the actions of parliament, removed Aboriginal people from their lands in order to settle the country with waves of immigrants and to build a national railway. Aboriginal people lost their land base and were forced to move to reserve lands that were often in isolated and less economically sustainable locations. This resulted in a growing dependency on support from the state for survival.

The Canadian government created the Indian Affairs Branch to have the sole responsibility of matters related to Aboriginal people. Assimilation and protection were the operating principles of this agency in governing their wards. The government established reserves and imposed European administrative forms of local governance.

Cultural colonialism involves the socialization of the colonized to accept the power of their superiors to define the reality of the colonized. Because there are fundamental

conflicts of interest between the colonizers over the control of the structural elements of society, there is need for normative control. Since society is too complex to be regulated at every turn by force, a conquering nation must find ways to hold down revolt (343).

Efforts to “civilize the savage” are strategies used by the colonizers to impose its worldview on the colonized and further legitimize power relations. The church and its missionaries, the education and the health system were all oriented to objectives associated with cultural colonialism. Hudson and McKenzie (1981), Canadian commentators, assert that devaluation of an Indigenous people “involves the belief that the colonizer is the sole bearer of a valid culture. Aboriginal spiritual ceremonies were labeled as devil worshipping by the missionaries, Aboriginal forms of education and knowledge were viewed as backward, and traditional ways to wellness and use of herbal medicines were deemed to be witchcraft and therefore evil”(65). Canadian authors Morrissette and McKenzie (2003) identify the major role played by the church and residential schools in the cultural colonization of Aboriginal people. Residential schools promoted institutionalized assimilation by stripping Aboriginal people of their language, culture, spirituality and connection with family. The impact for many has been referred to as the “residential school syndrome” – include a lifestyle of uncertain identity, self abusive behaviour involving alcoholism and violence, and sexual abuse. The loss of family experience has continuing inter-generational impact on parenting practices.

Puxley (1977), a Canadian theorist, describes the interactive aspect of the colonization process. “Colonialism must be seen as an experience and not simply as structured relationships. As such it conditions both the colonizers and the colonized,” (Puxley, 1977:104).

Hiddleston (2006), with reference to the work of Sartre and his perspectives on the Algerian experience of colonialism, underscores the notion that colonialism is fundamentally based on a self-destructive dynamic. “Colonialism is not a masterful structure, but one that leads necessarily to its own destruction, and which cannot maintain itself in the form upon which it paradoxically relies. Once again, the colonizer is not assured in their position of power, but becomes a victim of their drive to maintain that power” (40).

A second form of colonialism that will be examined is internalized colonization.

Memmi (1965), the African theorist, describes a central feature of the colonial relationship is how the colonizer constructs myths and stereotypes regarding the colonized in order to justify and perpetuate colonial domination and oppression. Faced with these oppressive conditions, the colonized internalize their sub-servant role within the colonial relationship. “In order for the colonizer to be the complete master, it is not enough for him [her] to be so in actual fact, but he [she] must believe in its legitimacy. In order for that legitimacy to be complete, it is not enough for the colonist to be a slave, he [she] must also accept this role” (Memmi 1965: 88)

Writing within the Canadian context, Du Bois (1989) sets the backdrop for the discussion about the cultural and psychological impact of this form of colonization by succinctly framing one of the central questions faced by the colonized or oppressed, “What does it feel to be a problem?” (1). Unsal (2006), a Canadian writer, maintains that “the greatest tolls of colonialism are its emotional ones. Colonialism plunges entire societies into cycles of terror, dependency and continued violence as it sucks out the spirits of people, crushing bodies and minds in the process” (77).

Alfred (2009), a Canadian writer, believes that colonization has multiple impacts on both the mind and soul. He argues that the damage done by colonial oppression to Indigenous peoples' psychological health has the potential to be more destructive than the damage inflicted by political and economic impacts of colonialism. Duran and Duran (1995), cited in Alfred (2009) characterize the consequences of the psychological effect of colonization on Indigenous peoples.

Once a group has been assaulted in a genocidal fashion, there are psychological ramifications. With the victim's complete loss of power comes despair, and the psyche reacts by internalizing what appears to be genuine power – the power of the oppressor. The internalizing process begins when Native American people internalize the oppressor. At this point, the self worth of the individual and/or group has sunk to a level of despair tantamount to self-hatred.

A local Manitoba writer, Hart (2002), describes how the process of internalized colonialism attacks individuals on the emotional, physical, mental and spiritual levels.

On the emotional level, colonized people feel confused and powerless. They may implode with overwhelming feelings of sadness and self-hate or explode with feelings of anger. Some try to escape this state through alcohol, drugs and other forms of self abuse. On a spiritual level, Aboriginal people are torn by the contradiction imposed by the colonizer – in order to be accepted by God, the colonized must give up all that defines themselves as Aboriginal people. On a mental level, Aboriginal people are thought of as incompetent, unreasonable and incapable of learning the colonizers' ways when Aboriginal people speak out regarding their ideas. The knowledge held by Aboriginal people is not recognized until it is presented as new knowledge created by the colonizers. On a physical level, Aboriginal people ignore their health, ridicule their own traditional diet and eat only junk food that is made easily accessible by the colonizer (27).

Other destructive impacts on families who have internalized the colonization process include sexual exploitation and domestic violence. Hart (2002) contends that the impact of internalized despair often is reflected in the barriers within Indigenous communities for those that want to make positive changes in their lives.

Individuals who attempt to overcome the pain of colonization through maintaining a sense of identity as Aboriginal persons or those who attempt to educate themselves are scorned by other family and community members who have internalized the colonization

process. Communities often remain divided since there is little support for one another to move ahead (28).

Neo-colonialism is the third form of colonization that will be examined in this section of the chapter. Young (2001), a British writer, points out that the term neo-colonialism “was first introduced in 1961, just four years after Ghana had become the first African colony to win its independence” (46). Cabral (1969), an African writer on the African experience of colonialism, argues that a distinction needs to be made between independence and liberation. The premise of postcolonial resistance is based on the pursuit of liberation after independence – the “national liberation struggle is the struggle against neo-colonialism” (Cabral, 1969: 83).

Nkrumah (1965), an African writer, maintains that neo-colonialism replaces colonialism as the main instrument of imperialism. “The essence of neo-colonialism is that the State which is subject to it is, in theory, independent and has all the trappings of international sovereignty. In reality, its economic system and thus its political policy is directed from the outside” (ix).

According to Leys (1974), writing about underdevelopment in Kenya, new social strata and classes are created from among the Indigenous elite of the population that uphold and perpetuate the colonial economic activities of exploitation. Over the course of time, these social classes become powerful and dominant so as to render direct colonial rule by metropolitan power redundant.

Neo-colonialism sustains economic hegemony and secures the consent of the colonized because the local elites “operate in complicity with the needs of international capital for its own benefit” (Young, 2001: 45). This alliance between the Indigenous bourgeoisie and imperialist capitalists

emerges within the industrialization phase of development of newly proclaimed independent states. Leys (1974) further details the dynamics of the development of this neo-colonial relationship which serves to foster indirect rule by metropolitan capitalism.

A new process of social and political integration takes place between domestic interests and foreign capital, at various levels; the incorporation of local personnel into executive jobs in foreign firms, the financing of local politicians by foreign firms, the provision of custom and agencies for local small business people, the supply of "technical assistance" and especially economic advice by capitalist governments, the provision of carefully designed capital aid, military assistance and so on, all of which progressively articulate the periphery with the center, and strengthens the position of "comprador" regimes [the local bourgeoisie elites that work in alliance with imperialist capitalists] (17).

Nkrumah (1965) decries that neo-colonialism is the worst form of imperialism.

For those who practice [neo-colonialism], it means power without responsibility and for those who suffer from it, it means exploitation without redress. In the old fashion days of colonialism, the imperial power had to at least explain and justify at home the actions that it was taking abroad (xi).

Within a contemporary North American context, Adams (1999), a Canadian writer, describes neo-colonialism as a new method of control used by the colonizer in which local colonialism is administered by the Aboriginal elite. He views that the change from colonialism to neo-colonialism is a change in how the state controls colonized people.

Colonialism is a system in which the colonized people have no control over their lives – economically, politically, socially and culturally. Neo-colonialism involves the use of some Natives to maintain that control. The state is willing to "indigenize" government programs and share some of the wealth of a racist system with a few Natives in return for a more effective method of controlling the vast majority (56).

According to Adams (1999), insignificant political control is transferred to Aboriginal elite.

The image of successful Aboriginals in government helps create the myth that all Natives have a place in the dominant society. Employing Aboriginal people to work in the bureaucracy creates the illusion that they have decision making power, but in reality they are only glorified puppets. Their judgment is not Aboriginal based because they see their

interests as being the same as white bureaucrats in terms of being able to maintain their position and status, as well as their material benefits. This prevents them from developing political consciousness regarding issues related to self determination (60).

The Canadian author Alfred (2009) identifies that the neocolonial mentality is revealed by embracing the values and perspectives of the status quo. “Native professionals, for example, find it hard to resist the (assimilative) opportunity structure created by the range of state strategies designed to co-opt and weaken challenges to the state’s hegemony” (94).

Adams (1999) further argues that Aboriginals who become the colonizer’s agents are the cruelest oppressors of their own people.

If Indian and Metis perceive themselves, their status, and their future in terms of mainstream corporate enterprise, then they have completely abandoned their Aboriginal consciousness for a false one. It makes the claim to Aboriginality a sham. Aboriginality is an inner essence that lies somewhere between instinct and intuition, and it evolves from the humanness and spirituality of the collective Aboriginal community. Without an Indigenous consciousness, Indian, Metis and Intuits’ claim to Aboriginality is race and heritage. That is not enough to achieve true liberation (42).

Fanon (1963), writing about the African context and Algerian experience, contends that “the colonist keeps the colonized in a state of rage, which [the colonizer] keeps from boiling over...[and this] periodically erupts into bloody fighting between tribes, clans and individuals” (17). Hart (2002:28) observes that internally colonized nations are torn apart because there is little unity.

Leaders, following the examples of self-righteousness and greed demonstrated by the colonizer, rule by self-interest first and foremost. Power is used over people, especially members of other families. Economic gains are also based upon self-interest. Those interested in establishing laws and governing forces which address these abuses are quickly disempowered – through covert force, such as stopping individuals and families from accessing the limited resources available, or overt force, such as threats and violence. Other individuals would rather be governed and ruled by the colonizers and look to them for answers (28).

Loxley (1986), writing from a Canadian context, makes the case that the power relationships within and outside Indigenous communities need to be taken into consideration in the development process in order to avoid re-creating relations of oppression.

The social and political complexities of power relationships at the community level and their links with authorities outside the community must be carefully examined especially in relation to the ways in which outside authorities use these local leaders as agents to exercise their economic and political power. Often community development efforts are seen to involve the re-distribution of power being shifted towards the community and away from outside authorities. In reality, outside authorities often exercise their powers through agents residing within the community. Local leaders within Aboriginal communities are often in a very ambiguous position. They are elected by the community but at the same time are funded by the state and exercise powers delegated by the state. They are subject to contradictory pressures from the state on one hand, and from Aboriginal communities on the other, whose interests they supposedly serve. A careful analysis of the nature of these relationships and their structure within the community must be undertaken if the goals of transferring power and resources to the community transcend the status quo (7).

Loxley (1986) also maintains that because of the variety of social groups with diverse political interests and viewpoints within Aboriginal communities, development efforts will involve conflict within the community as well as with outside authorities. “Successful community development should not be predicated on building social harmony. The challenge to status quo forces that are imposed directly by outside colonial authorities or indirectly through neo-colonial leaders should be viewed as a healthy and necessary condition of a de-colonization process” (8).

The fourth form of colonization that will be examined in this section of the chapter is postcolonialism. According to Young (2001), postcolonial theory asserts that “the intellectual and cultural traditions developed outside the west constitute a body of knowledge that can be deployed to great effect against the political and cultural hegemony of the west” (65). Young (2001) further states that the postcolonial approach “involves a decentering of the intellectual

sovereignty and dominance of Europe, the critique of eurocentricism, and the assumption that the white male western viewpoint is the norm and true” (61).

The key objectives of the postcolonial theory identified by Young (2001) include:

First, investigating the extent to which not only European history but also European culture and knowledge was a part of, and instrumental in, the practice of colonization and its continuing aftermath. Second, identifying fully the means and causes of continuing international deprivation and exploitation, and analyzing their epistemological and psychological effects. Third, transforming those epistemologies into new forms of cultural and political production that operate outside the protocols of metropolitan traditions and enable successful resistance to, and transformation of, the degradation and material injustice to which disempowered peoples and societies remain subjected (69).

For many, the term “postcolonialism” symbolizes the problematic analysis regarding the contemporary impact of colonialism in our society. Dei and Asgharzadek (2001) argue that the limit or end of colonialism that is explicitly and implicitly implied through the “post” in postcolonialism is all but an illusion.

It appears as if postcolonials are in the process of conducting a funeral procession for the imaginary corpse of colonialism. However, evidently they are mistaken. This funeral is for the wrong corpse. There is nothing post about colonialism; there never has been and there never will be, as long as social relations are marked by relations of power and domination structured along the lines of race and other forms of difference [including] gender, sexuality, religion, language and class (308).

Loomba (1998), an Indian author, believes “the prefix ‘post’ complicates matters because it implies an “aftermath” in two senses – temporal, as in coming after, and ideological, as in supplanting” (12). Loomba (1998) challenges this ideological interpretation about the postcolonial term. “If the inequities of colonial rule have not been erased, it is perhaps premature to proclaim the demise of colonialism. A country may be both postcolonial (in the sense of being formally independent) and neocolonial (in the sense of remaining economically and/or culturally dependent) at the same time” (12).

Ashcroft et al (2002) has concerns about the chronological meaning postcolonialism projects regarding an end to dependence. “Postcolonial critics should be wary of restricting the meaning of the term “after-colonialism” or “after independence” since all postcolonial societies are still subject in one way or another to overt or subtle forms of neo-colonial domination and independence has not solved this problem” (79).

The Indian theorist Gandhi (1998), sees postcolonial theory as principally addressing the needs of the Eurocentric academy.

What postcolonialism fails to recognize is that what counts as “marginal” in relation to the west has often been central and foundational in the non-west...postcolonialism continues to render non-western knowledge and culture as “other” in relation to the normative “self” of western epistemology and rationality (ix).

A fifth form of colonialism that will be examined in this section of the chapter is anti-colonialism. The Canadian writer Pratt (2004) maintains that one of the key starting points of anti-colonial thought is that it “identifies openly with a process of decolonization that is understood to be incomplete...anti-colonialists see postcolonial perspectives as mystifying and co-opted” (451). Angood (2006), a Canadian writer, is critical of the implication that there is a distinct “after colonialism” stage of development that is reflected in the postcolonial perspective. “By doing away with ‘post’ as it applies to colonialism, anti-colonialism forges links between past and present bodies, histories, challenges and resistances, thus violently rejects the [postcolonial] tacit insinuation that colonialism is in any way over” (164). Dei (2000), an African Canadian, suggests that “whereas postcolonial theorists depend on Western models, anti-colonial theorists work with oppositional paradigms based on the use of Indigenous concepts and analytical systems and cultural frames of reference” (118).

Shahjahan (2003) cited in Dei and Kempf (2006) is critical of the focus of postcolonial theory on “a discursive analysis and approach that directs our attention to the intersection between Western knowledge production and the “Other” and Western colonial power” (5), rather than the anti-colonial perspective which is premised on agency and liberation. Dei and Kempf (2006), Canadian theorists, argue that politics and economics cannot be separated from history and culture.

The discursive analysis of postcolonial theorists [has been criticized] for its heavy reliance on textuality and idealism at the expense of deep historical enquiry and materialist interpretations. In offering a bridge between these stances, contemporary anti-colonial thought argues that colonial constructions affect knowledge production with profound material consequences (13).

Young (2001) emphasizes that the underlying objective of anti-colonialism is the “reversal of a structure of power” (164). Along with materialist interpretations of production relations, the role of culture is a central feature of anti-colonialism. “Cultural activism, often deployed alongside the development of modes of resistance that meet with force, was designed to counter the ideological assumptions, justifications and sense of inferiority that colonists propagated upon subject peoples” (Young, 2001: 164).

Cabral (1973) describes the link between cultural activism and liberation. Independence is not simply the right of self-determination, but rather the “right of every people to have its own history...[the liberation movement] is the organized political expression of the culture of a people who are undertaking the struggle” (43). Liberation struggle, therefore, was “not only a product of culture but a determinant of culture” (Cabral, 1973: 55). Young (2001) maintains that liberation, according to Cabral, “was both about ending foreign domination and about building a new social fabric through which the people would achieve both identity and dignity. Liberation

was only possible because people possessed these qualities already as a product of their own culture” (289).

Activism that promotes decolonization is what (Fanon) describes as a critical element in the “creation of a new man [woman]...through the very process of liberation. Decolonization implies the urgent need to thoroughly challenge the colonial situation. Its definition can be summed up in the well known words: “the last shall be first”. Decolonization is verification of this”(2). Fanon (1963) believes that activism needs to disrupt the existing order and goes as far to advocate the use of violence in order to transform power relations and to further develop individual agency. “At the individual level, violence is a cleansing force. It rids the colonized of their inferiority complex, their passive and despairing attitude. It emboldens them, and restores their self-confidence” (51).

Dei and Kempf (2006) identify that anti-colonialism challenges any form of economic, cultural, political and spiritual dominance. “An anti-colonial perspective is about developing an awareness/consciousness of the varied conditions under which domination and oppression operate...to subvert the dominant relations of knowledge production that sustain hierarchies and systems of power. It challenges the colonizer’s sense of reason, authority and control”(5).

Anti-colonial thought promotes the importance of agency and resistance. Dei and Kempf (2006) point out that “agency emerges from the power of knowing and knowledge, and it gives meaning to social and political action. The resistance that is embedded in every power relation is possible through an affirmation of individual and collective subjectivities, and the knowledge that comes

with understanding one's social condition and context"(15). The colonized are able to change their social reality through the power and politics of resistance.

The Canadian writers, Dei and Asgharadek (2001), outline the key components of the anti-colonial framework including the development of a "common zone" for resistance and struggle; the recognition of the inter-locking nature of the systems of power and domination; challenges the privileging of Marxist class oriented analysis and argues that the collective desire for emancipation should not be essentialized to any one single category of oppression; maintains that there is no such thing as impartiality, non-partisanship, indifference or neutrality; recognizes that legitimate forms of knowledge come from local experiences; and the importance of revitalizing of Indigenous values as being pivotal in resisting the dominant order.

With respect to the concept of knowledge production, Dei (2000) asserts that Indigenous knowledge acts like an entry point for an anti-colonial approach. Hart (2007), a Canadian writer, contends that

Locally produced knowledge is recognized as important and where social understanding is developed from local language and Indigenous cognitive categories and cultural logic. Strategies based on such an understanding require deconstruction of colonial thinking and its relationship to traditional Indigenous knowledge. Hence, anti-colonialism also includes critical analysis of colonialism and how it has led to the current state of traditional Indigenous knowledge (108).

Hart (2007) further suggests that anti-colonialism also includes "actions and political mobilization to stop the colonial attack on Indigenous knowledge and peoples...It works to create the spaces needed for the recovery of Indigenous knowledge systems using the processes, values and traditions inherent in those knowledge systems" (111).

The devaluation of Indigenous knowledge is a key attribute of the colonial relationship.

Indigenous knowledge is characterized by Dei, Hall and Rosenberg (2002) as

A body of knowledge associated with the long term occupancy of a certain place. This knowledge refers to traditional norms and social values, as well as mental constructs that guide, organize, and regulate the people's way of living and making sense of the world. It is the sum of the experience and knowledge of a given social group, and forms the basis of decision making (6).

Dei (2000) further identifies the main features of Indigenous knowledge. "It is (1) personal; (2) tied to integrity, familiarity and the perceptiveness of the "speaker"; (3) orally transmitted; experimentally based; (5) dependent on subjective experiences and inner workings of self; (6) holistic, and; (7) relational" (34). Castellano (2000) states that Indigenous knowledge is "rooted in personal experience and lays no claim to universality" (25).

Battiste and Henderson (2000), writing about the colonial experience within the Canadian context, build on the point made by Castellano (2000) regarding the issue of universalizing impact and argue that attempts to define Indigenous knowledge help to enhance understanding but can be problematic in terms of a comparative analysis as there were no methodologies in existence to undertake such analysis. Hart (2007) summarizes the problems that emerge in relation to Eurocentric methodology. "First, Indigenous knowledge does not fit into [the Eurocentric] conceptualization of culture. Second, [Indigenous knowledge] is not a uniform concept since it is a diverse knowledge that spreads throughout different peoples in many layers. Third, it is so much part of the people, their communities, and individuals of these communities that it cannot be separated from the holder for the development into a definition" (36). According to Battiste and Henderson (2000), "instead of trying to define Indigenous knowledge,

the process of understanding would be more important. [This] understanding requires the inquirer to be open to accepting different realities, however one uses this term” (36).

Thesee (2006), a Canadian author, maintains that the superiority of Western knowledge has been internalized by both the colonizer and colonized. “Indigenous knowledge has been classified as a folklore of rituals, beliefs or myths, which according to Western epistemology, is non-knowledge” (34). However, as the Canadian writer, Battiste (2005), points out, a generation of Aboriginal scholars have “successfully exposed the Eurocentric prejudices against Indigenous ways of knowing and the Eurocentric biases that associated Indigenous thought with the barbaric, primitive and the inferior” (3).

The American authors Sellick, Delaney and Brownlee (2002) challenge the privileging and mystifying of Eurocentric professional knowledge by arguing that “claims to truth are really acts of power that protect and serve the dominant culture while silencing alternative knowledges and marginalizing the social groups from which they rise...if professional knowledge does not connect with the experience of the people we serve, if it does not resonate with meaning for them, if it is not true to their experience, it becomes an instrument of their domestication” (495-497). Castellano (2000), a Canadian writer, concludes that “the ultimate test of the validity of knowledge is whether it enhances the capacity of people to live well” (33). It would be reasonable to conclude that the impact of Eurocentric knowledge on Indigenous peoples has failed miserably based on this kind of benchmark.

This chapter looked at the ideological perspectives of feminism, anti-racism and anti-colonialism in order to deepen the analytic capacity of the proposed CED ideology model. These lenses of analysis serve to supplement the class, market and state theory perspectives that were initially presented as a framework of the proposed CED ideology model. By combining these analytic perspectives, CED practitioners can develop a broader understanding of the dimensions and the challenges of engaging in transformative CED practice. These CED ideological analysis perspectives will be used as one of the elements of the analytical framework that will guide the three case studies of SEED Winnipeg, the Assiniboine Credit Union and the People's Cooperative in the upcoming chapters of the thesis.

CHAPTER 5: CED THEORY, STRATEGIES AND OUTCOMES

The theory and strategies of CED that inform the proposed ideological analysis will be explored in this chapter. This will include a discussion of the processes of underdevelopment and its impact and manifestation in an urban environment such as the inner city of Winnipeg. The CED strategies that will be reviewed in this chapter include outward perspectives involving export base theory; staple theory; and location theory. Inward perspectives of CED strategies to address the impacts of underdevelopment that will be presented include the convergence approach; government services strategies; and import substitution strategies. The CED impact outcomes that will be examined in this chapter include the scale of CED initiatives, the impact on incomes of CED initiatives and the sustainability of the CED initiatives.

Underdevelopment

The contemporary manifestations of the inter-related impact of colonialism, underdevelopment and systemic racism are quite evident in underdeveloped regions in our present society including areas such as Winnipeg's inner city. As outlined earlier in this paper, some of the key characteristics of colonialism include the imposed White superiority on Aboriginal peoples, the devaluation of an Aboriginal worldview, the loss of power and self-determination, the creation of economic dependency, the destruction of social, political and culture structures, the interactive influence of colonialism that conditions both the colonized and the colonizer, and the extraction of benefits by the dominant society from colonized peoples (Adams 1999, Hudson and McKenzie 1981, Memmi 1991, Morrisette and McKenzie 2003, Puxley 1977).

Historically, land was taken away from Indigenous peoples in the settlement of the west. In contemporary times the extraction of benefits by the dominant society has been undertaken through what has been described by Indigenous leaders as the “Indian industry”. Brizinski (1993) identifies the colonial and systemic racism characteristics of the ‘helping’ professions and Aboriginal peoples in terms of the resources that are extracted from the present relationship. “Native people support an industry of government workers who make a living providing services to impoverished, colonized people” (362).

According to McKnight (1977), non-Aboriginal professionals and organizations create markets for their services and make a great deal of money off of the misery of the circumstances faced by many Aboriginal people. McKnight (1977) identifies how the economic interests of service professionals are established and maintained. “The professional definition of need is you are deficient, you are the problem, and you have a collection of problems. In terms of the interests of service systems and their needs, the propositions become we need deficiency, the economic unit we need is individuals, the most productive economic unit we need is an individual with multiple needs” (82).

McKnight (1977) goes on to further describe the view of superiority that professionals ascribe to themselves – a view that is consistent with the basic tenets of colonialism. “Professionals believe that we are the solution to your problem, you can’t understand the problem or the solution, and only we can decide whether the solution has dealt with your problem. The needs of the professional system are we need to solve your problems, we need to tell you what they are, and we need to deal with them in our terms” (89). This type of relationship between service

providers and the people they serve promotes the further entrenchment of inequality and dependency in our society.

Rothney and Watson (1975) define the contemporary process of underdevelopment as the blockage of potential, sustained economic and social development geared to local human needs.

Watkins (1977) identifies that the primary mechanism by which local development is suppressed is by the outward drain of economic surplus from the region. The most significant loss from the failure to retain economic surplus is the destruction of local self determination.

Within the urban context, poverty is not only caused because money does not come into the inner city, it is also caused because money does not stay in the inner city. A key strategy to address the issue of poverty in the inner city involves stopping the leakages of resources from the inner city economy. Fairbairn (1991) uses the image of a “rusty bucket” to illustrate the dynamics of underdevelopment and the need for community based strategies to build the “plugs” to stop some of the leaks in the “rusty bucket”. Local economies are strengthened when money is re-circulated and re-invested in the local community. According to Nozick (1994), “a dollar circulates six to eight times in a healthy economy, in a poor community dollars leave almost immediately. Plugging the leakage of capital from a community is a first step towards intensifying the level of exchange among members of a community and keeping dollars in circulation” (76).

Thomas (1974) identifies three key elements that need to be addressed regarding the process of underdevelopment including “the reliance on foreign technology; the critical role foreign

decision making plays in domestic employment, output and income generation; and the persistent income drains which occur because surpluses obtained locally are being transferred to the owners of capital, technology, and managerial skills outside the region or country” (51).

For the purposes of this paper, it is proposed that the process of underdevelopment and the related contemporary impacts of colonialism and systemic racism in an inner city economy such as Winnipeg can be translated to include an approach that looks at the role of the inner city human service sector and its relationship to the urban Aboriginal community. Dynamics such as center and peripheral relations can be examined within the context of Eurocentric decision making authority and recognition of legitimate knowledge as being viewed as the center or foundation of how the inner city human service system is structured, and the involvement of Aboriginal peoples regarding issues such as decision making, resource allocation and role of Indigenous knowledge can be seen as the periphery within this framework of social relations. Technology can be defined within the human service sector as the different approaches used in the “helping relationship”. The inner city can be identified as a definable underdeveloped geographic region.

By framing the relationship between the inner city human service sector and the urban Aboriginal community through a lens of underdevelopment, gender, colonialism and systemic racism, the inter-connected impact of power within these processes of oppressive relations can be de-mystified and strategies to re-distribute power can be engaged. Shields (2003) identified key questions to further unmask these relations of power including “who benefits and who is

disadvantaged; who is included and who is excluded; who is marginalized and who is privileged; who is legitimated and who is devalued” (81).

According to Thomas (1974), the key challenge for underdeveloped regions must be the development of an Indigenous technology which is being defined within the inner city human service sector context as the different approaches used in the “helping relationship”. Thomas (1974) identifies the main characteristic of the process of underdevelopment is the divergence in the pattern of domestic resource use, domestic demand, and needs. The development of Indigenous technological capacity provides a basis for forming a link between resource use and demand. It also addresses the impact of external decision making regarding local economic development and plays a critical role in the promotion of local control and self-determination.

Thomas (1974) strongly believes that in order to address the process of underdevelopment, a development strategy must focus on the convergence of resource use and the needs of the community in the context of the development of a vibrant and Indigenous technology. “The strategy of convergence of the material relationships of resource use, production, technology, demand and needs provide an economic system its internal autonomy and determine its capacity for sustaining growth and development so that poverty and underdevelopment are no longer crucial features of the economic system” (133). In other words, local economies will be strengthened if communities work towards producing what they consume, and consume what is locally produced.

An examination of resource allocations of selective public sector programs that have an objective to address the issue of poverty within the urban Aboriginal community in Winnipeg illustrates

the dynamics of systemic racism, contemporary colonialism and underdevelopment in action, especially the reliance on non-Indigenous technology and the issue of income drain or leakage of human service funding resources from the local inner city economy as it relates to urban Aboriginal peoples. The following is a summary of the resource allocation patterns of selected funding programs including: Neighbourhoods Alive! (a provincial government program for community development in inner city neighbourhoods); Healthy Child Manitoba (a provincial government program for population health strategies for low income children and families); non-statutory child and family support service organizations (including New Directions, MacDonald's Youth Services, Marymount, Ma Ma Mawi Wi Chi Itata Centre, Family Centre of Winnipeg and Knowles Centre); and the Winnipeg Homelessness and Housing Initiative - Affordable Housing Program (a tri-level program for housing in inner city neighbourhoods).

The four tables illustrate the amount of funds provided by these human service programs broken down by allocations to non-Aboriginal organizations and Aboriginal organizations.

Table 3: Neighbourhoods Alive! Neighbourhood Renewal Fund Funding Allocation 2001-2005

Type of Organization	Funding for 2001-2005 Provided by Neighbourhood Renewal Fund	%
Non-Aboriginal	\$5.4 Million	93.7%
Aboriginal	\$336,571	6.3%

The Neighbourhoods Alive! Neighbourhood Renewal Fund is an initiative that is focused on funding community development projects in 5 inner city neighbourhoods (West Broadway, Spence, Lord Selkirk Park, William Whyte and North Point Douglas) that have a high population

of Aboriginal people (these neighbourhoods range from 2.5 times to 6 times higher Aboriginal population than the average percentage of Aboriginal people living in the City of Winnipeg – 2006 Census Data). The main beneficiaries of this program that is targeted to these 5 inner city neighbourhoods in terms of the impact of power, decision making and the allocation of resources are predominantly non-Aboriginal organizations.

Table 4: Healthy Child Manitoba Funding Allocation 2001-2005

Type of Organization	Funding for 2001 - 2005 Provided by Healthy Child Manitoba	%
Non-Aboriginal	\$54.0 Million	89.7%
Aboriginal	\$6.0 Million	10.3%

Healthy Child Manitoba targets health support services to low income children and families for the entire province of Manitoba. The 2006 Statistics Canada Census indicates that 28.6% of the Aboriginal population in Manitoba live below Statistics Canada’s low-income cut off after tax, whereas 10.2% of the Non-Aboriginal population in Manitoba live below the low-income cut off. Almost three times as many Aboriginal people live below the poverty line as compared to Non-Aboriginal people in Manitoba. Noel et al (2009) notes that this data is incomplete as it does not include all on-reserve Indians in Manitoba. “According to a report prepared jointly by the Canadian and Manitoba governments, nothing indicated that their situation was any more favourable” (Service Canada and Manitoba Aboriginal Affairs Secretariat, 2006: 66). Noel et al (2009) further point out that “the same report specified as well that when they were poor, Aboriginal persons tended to fall far below Statistics Canada low income cut off and to stay there for many years. In Manitoba, Aboriginal poverty was particularly prevalent, deep and

persistent”(7). Given the prevalence of poverty experienced by Aboriginal people in Manitoba, Aboriginal families are a group that would be a significant target for services provided by this program. The vast majority of the funding, however, is provided to non-Aboriginal organizations.

Table 5: Non Statutory Child and Family Support Program Services Funding Allocation for 2003/2004

Type of Organization	Funding for 2003/2004 Provided to Child and Family Support Program Services	%
Non-Aboriginal	\$53.4 Million	87.8%
Aboriginal	\$7.4 Million	12.2%

Aboriginal children are overrepresented in the child welfare system. While the Aboriginal community represents 15.5% of the population of Manitoba, 5,100 of the 6,100 or 83.6% of the children in care are Aboriginal (Province of Manitoba 2005). This table identifies the funding provided to the six largest non-statutory child and family services agencies in the province including New Directions for Children, Youth Adults and Families; Macdonald’s Youth Services; Knowles Centre for Youth; Marymound Inc.; Family Services of Winnipeg; and the Ma Mawi Wi Chi Itata Centre..A significant number of children and families that use these agencies are Aboriginal. Once again, the allocation of funding does not reflect this reality.

Table 6: Affordable Housing Program Funding Allocation 2001-2005

Type of Organization	Funding for 2001 -2005 Provided by Tri-level Affordable Housing Program	%
Non-Aboriginal	\$18.7 Million	91.3%
Aboriginal	\$1.8 million	8.3%

These grants were targeted to 5 Winnipeg inner city neighbourhoods that have high populations of Aboriginal people (the Aboriginal population in the William Whyte, Lord Selkirk Park, North Point Douglas, West Broadway and Spence neighbourhoods range from 66% of the neighbourhood total population to 27% - this is two and a half to six times more than the Winnipeg average of 10.2 percent of Aboriginal that live in the Winnipeg according to the 2006 Census by Statistics Canada) . The irony of this allocation of resources is that urban Aboriginal housing groups that have been in operation for over 30 years have received very little support from this program. In contrast, the emerging non-Aboriginal groups that have been in operation for less than 5 years have received the vast majority of the funds from this program.

The research of the funding allocation for these four service areas in the inner city clearly establish a trend in which non-Aboriginal organizations are receiving the most significant share of the funding for services that are being provided predominantly to Aboriginal peoples. The research data serves to clearly indicate that the resource allocation approach is out of balance.

As pointed out previously by Bonilla-Silva (2003), a clear distinction needs to be made regarding the issue of intent and impact of systemic racism, and the funding allocation profile identified in this research. Government officials and program funders are not intentionally promoting racism

in our community. However, the impact of their actions undermines the aspirations of the urban Aboriginal community to have greater self-determination and control over the delivery of services for their people. These funding allocation decisions expand and entrench the power and influence that non-Aboriginal groups have over the lives of Aboriginal children and families.

This lack of balance in the allocation of funding provides some very simple images of underdevelopment, contemporary colonialism and systemic racism in action. Key dynamics regarding colonialism and systemic racism have been previously identified in this thesis including the impact of non-distributive justice issues, the nature of power relations, and inclusion regarding decision making processes and structures, which in turn impact the allocation of resources. In these service areas questions of inclusion and exclusion need to be asked regarding the issues of power, decision making and the allocation of resources with respect to the organizations that are providing these services to Aboriginal children and families. In terms of governance structures, who is included and excluded in decision making at the policy level of the organizations? Who is included or excluded in the senior leadership and management positions of the organizations? What are the employment practices of these organizations in terms of recruitment, retention and promotion strategies regarding Aboriginal staff? What are the organizational values of these organizations? Do they honour a wide range of worldviews, do they value difference, is their service orientation “doing with” or “doing for” the children and families they serve? These are the type of questions that need to be examined in order to unmask the dynamics of underdevelopment, contemporary colonialism and systemic racism in terms of the relationship of Aboriginal peoples to the human service sector in the province as a whole and within the inner city of Winnipeg in particular.

CED Strategies: Outward Perspectives

Loxley (1981), Loxley (1986), Loxley and Lamb (2007), and Lamb (2007) outline a range of economic development theories that provide a foundation for the development of CED strategies to improve the quality of life in oppressed communities. At one end of the continuum, these economic development theories can be categorized as “outward” looking in that they seek to attract investment and markets outside the local community; the other set of economic development theories are more “inward” looking in that they seek to maximize capacity building and the retention of economic surplus within the local community.

One of the key economic development theories within the “outward” looking perspective is the export base approach. According to Loxley and Lamb (2007), “the export base approach is a commonly used strategy wherein production within a community is geared to satisfying extra-community market demand” (199).

The export base model views the economy as having two sectors – the export or basic sector and the non-export or non-basic sector. The basic sector involves all economic activity whose final market is outside the community. The non-basic sector includes all economic activity with a final market that is local. Total economic activity is determined by export activity. Employment and income are a function of external demand for a community’s exports (Davis, 1993; Hewings, 1977). “Economic growth in a community is largely determined by the success of its exports, either from an improved position of existing exports relative to competing areas or as a result of the development of new exports” (Lamb, 2007:60).

Staple theory is a variant of the export base approach. It involves the extraction of raw materials such as wheat or timber and the distorting impact on the development of local economies. “The central concept of staple theory is the spread effects of the export sector...the impact of export activity on the domestic economy and society” (Lamb, 2007:61). While applying staple theory to an urban economy is a bit of a stretch, given that most staples are rural based, the notion of the concept of linkages and leakages is valid component of staples theory that could be useful to analyze the dynamics of the negative impacts of income drains that have been identified in relation to the human service sector and the local inner city economy.

According to Hirschman (1958) and Watkins (1963), an increase in export activity may promote domestic investment by way of three linkage effects – backward linkage, forward linkage and final demand linkage. This concept of linkages has proven to be a key concept for CED in underdeveloped communities. Loxley and Lamb (2007) define these critical economic development concepts.

A backward linkage is a measure of the extent of expenditure on inputs produced in the community, including capital goods. Backward linkages are created when a sector’s input requirements are compromised of resources and technologies produced or owned by the community. A forward linkage is a measure of the extent to which a sector’s output is sold as inputs to other sectors in the community. Forward linkages are formed when the product of one industry requires further processing by, and thus investments in, another industry in the community. A final demand linkage is a measure of the extent to which domestic industries are producing consumer or investment goods for use in the community. The greater the proportion of domestic production sold inside the region, rather than as exports, the greater the final demand linkage effect will be. Linkages are also determined by supply-side expansion of the export sector; in other words, the growth of the community’s export sector resulting in an increased efficiency of markets for the inputs used in export production. The degree of supply-side export expansion therefore depends on the relationship between staple production and the supply of entrepreneurship and complementary inputs, including technology (200).

A key contribution of staple theory, therefore, is to maximize and strengthen linkages so that the local economy will grow. However, as Loxley (1986b) points out, the role and the need for extensive capital investment for export-led development creates dependency on outside investors and decision-makers – investment decisions are predominantly made to expand the export activities rather than strengthen linkages at the point of production within the local economy. As a result, little diversification and capital retention takes place within the community as profits from imported capital flow out of the community. “The term ‘leakage’ is used as a measure of the income flows leaving a region” (Loxley and Lamb, 2007: 201). The staple economy, therefore, can be described as divergent – a term used by Loxley (1986b), based on a concept first introduced by Thomas (1974) that implies that “what is locally produced is not locally consumed, and what is locally consumed is not locally produced” (Loxley and Lamb, 2007: 201). This notion of maximizing linkages and minimizing leakages has become a key foundation of CED strategies and practices. In terms of the inner city context, there is a huge income drain that leaves the inner city economy regarding human service sector jobs that promotes a divergent structure within the local inner city economy.

Location theory regarding economic development is another “outward” looking perspective regarding CED. Blakely (1984) identifies that there are a range of variables that influence outside interests to locate or invest in local communities. These include labour costs, energy costs, availability of suppliers, communication, training facilities and quality of local government. Regions attempt to enhance their assets in order to better compete with other communities to attract industrial firms. Blakely (1984) has further argued that modern technology and telecommunications has reduced the significance of the impact of location on

production and distribution business decisions. Now, factors such as the quality of life have increasingly become a factor in location decisions. In terms of CED, Lamb (2007) maintains that “location theory offers an explanation for why some communities are not predisposed to development. The idea of enhancing location, especially education and training facilities, is relevant to CED theory” (Lamb, 2007: 63).

CED Strategies: Inward Perspectives

The convergence or self-reliance CED strategy could be identified as the key “inward” looking approach for local economic development. According to Wismer and Pell (1981), a convergence or community based approach attempt to match community needs to locally available resources (1981). Loxley (1986b) identifies that the convergence strategy

Seeks to converge local demands with local resource use and, ultimately, local needs with local resource use – to reverse, therefore, the main structural weaknesses of dependent economies, i.e. their dependent production structure. In a nutshell, the goal of this strategy is for communities to produce what they consume and to consume what they produce (45).

C.Y. Thomas (1974) is generally credited to be one of the initial proponents of this approach and is based on his studies of small neo-colonial economies. Thomas (1974) maintained that underdevelopment was the consequence of the increasing divergence and unresponsiveness of domestic production to meeting the needs of local people due to the foreign ownership and control of domestic resources. The corrective development process requires economic planning of resource use and consumption to meet local needs.

The convergence strategy focuses on the creation of a series of industries producing “basic goods” – goods which feature prominently in the production of a wide range of consumption and

investment goods. According to Loxley (1981), these basic goods are characterized by “extensive forward and backward linkages, and by high growth elastic ties – increase in per capita value added in a given sector relative to changes in per capita income” (164). A whole range of products fall into this category making a number of industries worthy of consideration including examples such as food, machine tools and construction.

Small scale production is one of the key elements of the convergence approach because of the linkage possibilities, the opportunity to promote the development of a more balanced economy, a less impersonal work environment, the possibilities of community participation and control, and the use of appropriate or intermediate technology that is based on the maximum use of local employment and skills along with a goal to minimize negative environmental impacts in the local economy (Loxley 1986b, Schumacher 1973). The convergence approach commitment to small scale production is based on the recognition that the benefits of large scale production are often over-stated and exaggerated.

This emphasis on small scale production is seen to be in conflict with traditional micro-economic theory which generally supports the view that economies of scale are crucial in determining the appropriate nature and level of production. However, Thomas (1974) effectively argues that in order to operate within size constraints, production efficiency is not always achieved at what is regarded as the technical optimal scale size. Thomas (1974) points out that the rate of fall in average cost as scale increases is often greatest at scale sizes which are well below the optimum.

The scale guideline to be followed is that not of the optimum, or least cost, but rather that of a critical minimum where the rate of fall of average cost is greatest. The aim is to produce basic goods at a critical minimum level of scale. The assumption is that the additional cost of producing goods locally, relative to the price of imports, will offset

savings in social costs through long run gains to regional income from this economic activity which would not otherwise take place (212).

The convergence approach does acknowledge that small scale production will carry higher unit costs than those that are larger in scale. These small scale enterprises may require subsidies to compensate for the foregone benefits of larger scale production. Some of the ways that smaller scale enterprises could attempt to reduce unit costs include inter-community cooperation, the maximization of capital costs through multi-usage facilities and a shorter work week (Loxley and Lamb, 2007).

The higher costs of smaller scale production may also be offset by external economies – individual community enterprises “may see its costs reduced and revenues improved by the existence of other enterprises in the community, since these allow the sharing of production expenses, stimulation of the market and general encouragement of a suitable economic environment” (Loxley and Lamb, 2007: 203). Blakely (1984) argues that external economies can also be developed through linkages as well as through activities such as marketing organizations, credit facilities, labour force programs, housing projects and social institutions. Thomas (1974) maintains that exports can also play an important role for the local economy by enlarging the markets for a community’s production output just enough so that the unit cost can fall to their critical minimum level. Trade outside the community, therefore, serves a different function than export base theories because it serves only to extend domestic demand and domestic need.

A pure convergence strategy is based on ambitious political assumptions. According to Loxley (1986), these assumptions include the existence of a political system able to regulate or prohibit trade flows, impose taxes, expropriate property into public hands, redistribute income and plan production. Loxley and Lamb (2005) point out that such a system is very different from the dominant present day political environment where laissez-faire capitalism that features unregulated free markets and a minimal role for the state are the basic principles for economic development.

Lamb (2007) identifies that oppressed communities are characterized by low incomes and low savings rates have a difficult if not impossible challenge of raising capital within the community. “Capital most often originates from sources outside the community. Profits tend to leave rather than be re-circulate in the community when the source of capital is external, regardless of whether the capital is borrowed or invested” (67). Although the convergence approach is grounded in the philosophy of community self-reliance, “the scarcity of local capital and the development implications of external capital suggest a need for public subsidization of CED initiatives” (Lamb, 2007: 67).

Shragge (1993) concludes that the main challenge of the convergence approach is the requirement of long term state support. This may be denied if it threatens the private sector or empowers the community to voice its demands and discontent.

Lamb (2007) summarizes the main features of the convergence approach to promote economic development at the community level through “the creation of inter-industry linkages through

small scale production, production focused on satisfying local demand, with a limited export sector, the creation of external economies and with capital from within the community or subsidized by the public sector” (67). Loxley (1986b) suggests that given the demanding assumptions made by the convergence approach, in Canadian society, at best only approximations of a pure convergence approach can be followed.

A second form of an “inward” looking CED approach is a government services strategy. The underlying assumption of the government services strategy is that the basic needs of the local community are not being met and economic opportunities are limited. The state intervenes to provide basic infrastructure investments in areas such as housing, health, social services and education. The funding for these initiatives come from operating and capital budget contributions from outside the local community.

Loxley (1986) identifies that the advantages of the government services strategy is that basic needs of the community are met which might otherwise not be met. This approach provides the opportunity to generate additions to local income through employment development and asset management initiatives. The disadvantages are that often there is little local community input into decisions about the development and implementation of initiatives due to the dependency on outside funding resources. As well, many of the long term, well paying jobs in the health, education and social services are often recruited from outside the community which further contributes to leakages and the perpetuation of the divergent economic structure of the local community.

A third “inward” looking CED strategy is import substitution which seeks to expand the local economy by establishing projects which produce goods previously imported or provide services previously purchased outside the community (Loxley, 1986). The focus is on enhancing and capitalizing existing resources including investing in individuals in order to develop their knowledge, skills and assets (Levine et al, 2002). As well, “the approach seeks to strengthen economic structures so that the generation of local jobs and income become a self-reinforcing process” (Skelton et al, 2006: 6).

As identified previously in this chapter, Fairbairn et al (1991) have proposed a rusty bucket analogy as a means to illustrate the import substitution strategy for CED.

In this analogy, the community is symbolized by a rusty bucket: income is represented by water and the water level in the bucket reflects how much of the income is staying in the community. Rusted holes in the bucket represent leakages or expenditures items such as rent groceries and utilities. After these expenses are paid to outside businesses, there is little income left to circulate within the community and increase its economic opportunities. Communities that desire greater economic opportunities can look at ways of plugging the holes in the bucket (Skelton et al, 2006: 7).

According to Douglas (1994), “the way to avoid or combat a leaky bucket scenario is by the creation of linkages within the economy”(11). As discussed in a previous section, linkages are generally of three types. Backward linkages are opportunities to provide inputs into local community production. Forward linkages are opportunities to use the outputs of local community production. A final demand linkage is a measure of the extent to which local community industries are producing consumer or investment goods for use in the community. Increasing linkages will mean that any given production process in an economy will provide stimulus and employment to other production or services in the community.

According to Nozick (1994), “plugging the leakage of capital from a community is a first step towards intensifying the level of exchange among members of a community and keeping dollars in circulation” (76). Fairbairn et al (1991) suggest that an economy that has high levels of local linkage retains income for its own residents and maximizes their employment.

An import substitution strategy is an approach used by many CED groups to improve local community economies. Rather than importing products such as groceries or housing from outside suppliers, the community seeks to engage in initiatives to supply these products itself. Shuman (1998) points out that this focus on self-reliance and community control does not mean transforming the local community into a fortress. Although self-reliance is often associated with individualism, a focus on community self-reliance promotes a process of empowering communities while decreasing dependence on outside markets.

The main critique of the import substitution strategy made by Loxley (1986) include,

Production patterns are geared to existing levels of demand that has little relevance to the real needs of the community; high cost, inefficient, small scale production necessitating tariff protection; increased finished product prices or heavy subsidization; reorders the pattern of imports without reducing total leakages; and leakage of local production because of non-local ownership of capital and reliance on outside management and skilled labour (42).

CED Impact Outcomes

The key outcome measures used in the three case studies of SEED Winnipeg, Assinboine Credit Union, and the People’s Cooperative to analyze the impact of these CED initiatives include scale, income and sustainability. At the end of the day, one of the main objectives of CED is to address the issue of poverty alleviation through the creation of long term jobs that pay a living

wage through alternative economic development strategies to meet the needs of people and communities that the mainstream economy has failed to address. A key challenge of the CED movement involves promoting an alternative economic development agenda on the one hand which is ideologically progressive, but on the other hand, which may have only a marginal impact with respect to the number of long term jobs created that support a living wage.

Fillion (1998) argues that many CED writers promote CED as a promising solution to address issues of marginalization and poverty but they often “neglect to consider the possibilities of the actualization of CED within the present economic and political context, thus giving it a utopian flavour. Meanwhile, in practice CED ventures often encounter serious difficulties, accounting for their small scale and high failure rate and this contributes to the marginality of the movement” (1101). Fillion (1998) concludes that CED is in a bind, “the result of the sharp dissonance between the wave of interest it presently generates and the insufficient availability, within the current context, of economic and political resources to assure its success”(1102).

Lawless (2001) also is concerned about the limitations of CED regarding issues of scale, longevity and impact on the incomes. “CED is characterized by the existence of a myriad of small, marginal projects, offers few longer term job prospects for many of those in the most economically disadvantaged localities” (152). Lawless (2001) maintains that CED should not be looked towards as a major instrument for economic development and job creation. “As currently understood, CED can play only a marginal role in economic restructuring” (Lawless, 2001:152).

Hopkins (1995) maintains that a lack of widespread political support for the concept of economic redistribution has contributed to a lack of resources for CED.

This in turn, has led to the creation of small economic initiatives that generally have only had marginal effect on their localities. In order to break this marginalization it is essential that community businesses rethink their dependence on economic initiatives and increase their understanding of how to combine an advocacy role with their practical and technical skills...If CED initiatives do not engage in politically oriented interventions that contribute to fundamental institutional changes in the public and private sectors, they will continue to remain small enterprises, constrained by narrow horizons, whose direct benefits extend only to a limited number of people on the economic margins of their communities (53-54).

Gaffkin and Morrissey (1990) share this concern about the limited influence that CED has regarding its impact on the local economy. They are also concerned of the potential negative, unintended role that the CED movement can play to reinforce dominant socio-economic values and ideology.

Community enterprise has many limitations including raising unrealistic expectations; indulging in generalize rhetoric; disavowing the need for rigorous evaluation; enabling government to shed its responsibilities for alleviating poverty and underdevelopment and offering small scale projects to counter larger scale structural decline.

Small scale initiatives help to manage the unemployed by taking relatively small numbers off of the register. These act as an example to the rest, legitimizing the claim that the unemployed themselves are responsible for their condition. If some can create their own business, why can't everybody? (Gaffkin and Morrissey, 1990: 258-259).

Ghorayshi, Graydon and Kliewer (2007) make the point that this type of poor people's capitalism reinforces a neo-liberal ideology "that implies power resides with individual members of a community and can increase with the successful pursuit of individual and collective goals. The implication continues that empowerment of the politically and economically marginalized could be achieved within the existing social order without significant negative effects upon the power of stronger political economic agents" (46).

These neo-liberal approaches in essence promote the development of coping and survival strategies to assist the poor and the marginalized to better integrate into the global capitalist economic order. Ghorayshi, Graydon and Kliewer (2007) further argue the primary beneficiaries of this neo-liberal CED approach are often intermediary groups who oversee the promotion and implementation of local CED strategies and programs.

Morin and Hanley (2004) believe that the challenges faced by the local development within a global context need to embrace a community based regionalism or inter-community cooperation in order to address issues regarding scale and impact. “Regional development planning should pay special attention to low-income communities and on the other hand, community development must acknowledge the importance of the region”(377).

This chapter has explored CED theory regarding the impact of the processes of underdevelopment on a local economy such as the inner city of Winnipeg. It has also identified both outward and inward CED strategies that will be used as additional elements of the framework to guide the case studies involving SEED Winnipeg, the Assiniboine Credit Union and the People’s Cooperative that will be examined in the upcoming chapters of this thesis. As well, three CED outcome measures including issues of scale, impact on incomes and sustainability were identified as variables that would be looked at within the framework of the case studies on the three CED organizations.

These elements, along with the CED ideological lenses involving class, market and state theory perspectives, as well as feminist, anti-racism and anti-colonialism perspectives, form the basis of the framework for the case studies.

It has been argued in this thesis that the CED movement needs to have a clear analysis of its value base or ideological orientation in order to effectively engage in transformative CED practice. This will require a conflict rather than order perspective of change (Reasons and Perdue, 1981). A collectivist ideological approach that was developed in the CED ideology analysis model presented in this thesis will form the foundation of this transformative CED practice. Political activism will be required to address the structural challenges that must be confronted within a capitalist system in order to promote and implement a transformative CED agenda. There will be a central role for community partnerships with the state that embraces Gramsci's view of civil society (Hoare and Smith, 1971) that will promote CED on a scale of development that will make a significant impact in terms of employment, income and surplus retention within oppressed communities. A vision of a new de-bureaucratized state will need to be pursued that engages in authentic shared leadership partnerships with civil society. This form of transformative CED practice will need to address issues of gender and racial equality, along with an ongoing commitment to the anti-colonial struggle.

This is a demanding vision for CED but one that is required in order to build a more just society. An underlying benchmark for the case studies involving SEED Winnipeg, the Assiniboine Credit Union, and the People's Cooperative that follow will be the extent for which these CED organizations are able to engage in this transformative vision of CED practice, which is admittedly, easier said than done. The next chapter will outline the research methodology that was used for the three case studies.

CHAPTER 6: RESEARCH METHODOLOGY

Noor (2008) identifies two basic methodological approaches in social science – positivism and postpositivism (phenomenology). “Positivism is based on the natural science model of dealing with facts and is more closely associated with quantitative methods of analysis. Postpositivism deals with the subjectivity of social phenomena and requires a qualitative approach”(1602). According to Denzin and Lincoln (1994), “qualitative [research] implies an emphasis on processes and meanings that are not rigorously examined, measured (if measured at all), in terms of quantity, amount, intensity or frequency”(5). Qualitative research encompasses an interest in insight, discovery and interpretation rather than hypothesis testing (Meriam, 1988).

This thesis will use a form of qualitative research – the case study approach – to develop further insight and interpretation regarding the application of the proposed CED ideology analysis model based on three case studies of SEED Winnipeg, Assiniboine Credit Union and the People’s Cooperative. One of the major criticisms of qualitative research methods is that “the entire qualitative research process is biased by the implicit assumptions, interests, worldviews, prejudices and one-sidedness of the researcher” (Collins, 1992: 182) as cited in Diefenbach (2008). According to Patton (1990), “the human factor is the great strength and the fundamental weakness of qualitative inquiry and analysis”(372) as cited in Pyett (2003).

As Diefenbach (2008) points out, “creativity and invention, science and social science are not possible without subjectivity...the question, therefore, is not how to exclude the human factor in research but how to cope with the possible downsides of subjectivity”(876-877). Pyett (2003) suggests that the researcher can best address this challenge “by making one’s own (implicit)

assumptions, interests, objectives concerning the research and social practice as explicit as possible and to acknowledge one's own philosophical and political perspectives" (1171). This approach regarding the issue of subjectivity is consistent with the critical theory orientation identified earlier in this thesis which challenges the notion of objectivity, deconstructs the underlying impact of the power relations of positivism, and consciously makes the choice to work in solidarity with the oppressed to build a more just society.

Diefenbach (2009) argues that the critical question that the researcher needs to ask is "whose and which ends, objectives, and interests social science serve"(890). Wainwright (1997) cited in Diefenbach (2009) contends "there is a great danger that social science research relates to and supports in particular predominant ideologies, values and beliefs, objectives and interests of powerful and influential people, that it serves a passive legitimation of dominant ideology"(890). Diefenbach (2009) makes the case for greater critical analysis within the social science field, especially with respect to concepts such as objectivity, neutrality and emancipatory practice.

Our world is packed with ideologies, personal and group interests. And it is usually the ideologies of the powerful and privileged which get more attention. Whatever the positions or convictions of the researcher are – the responsibilities of the researcher go far beyond a mere presentation of the findings. It is foremost the responsibility of the social science researcher to reveal the ideologies behind the allegations of functional necessities, to reveal the interests behind institutions and discourses, and to address privileges, inequalities and inhuman practices in an active, critical and straightforward manner, and to enter into and contribute to the discussion about values, interests, and objectives that shape current social practice and possible future developments (890).

The researcher of this thesis would be situated as a white middle-class male, with an ideological orientation that would reflect what has been described within this thesis as collectivist (social democratic). The researcher has a commitment to promote and engage in transformative rather than gap filling CED practice. As well, the researcher has a strong belief in critical social theory

that provides an underlying motivation to work in solidarity with the oppressed in an ally role to promote emancipatory practice. The researcher adopts this explicit political stance and the view that meaningful change will only take place through a conflict rather than order perspective of social and production relations in society.

The case study method has been criticized because it does not address the issue of generalizability (Johnson, 1994) cited in Noor (2008). Qi (2009) points out that “the study of a small number of cases can offer no grounds for reliability of findings...the intense exposure [of the researcher] to the study of the case biases the findings”(22). However, Vallis and Tierney (2000) cited in McGloin (2008) identify one of the strengths of the case study approach is that it provides an intensive, in-depth method of enquiry focusing on a real life single case using a variety of sources of evidence. Corcoran et al (2004) cited in McGloin (2008) consider other strengths of case studies to include providing a critical analysis of practice that will result in the transformation of the practice of others by confronting practitioners through case study research with their theories and stimulating the building of further theory to bring about change. Bassey (1999) cited in McGloin (2008) suggests that case studies provide opportunities for theory seeking, theory testing, storytelling and can enable evaluation of a situation. Hartley (1994) cited in Meyer (2001) maintains that case studies are tailor-made for exploring new processes or behaviours that are not well understood. Leonard-Barton (1990) cited in Meyer (2001) further adds that the case study approach is especially relevant in responding to *how* and *why* questions about current events and practices.

Yin (1993) defines the case study approach as a form of research inquiry that “investigates a contemporary phenomenon within its real-life context and addresses a situation in which the boundaries between the phenomenon and context are not clearly evident”(59). Yin (2003) cited in McGloin (2008) identifies a conceptual framework for three types or levels of case studies including exploratory, which debates the value of further research and suggests various hypotheses; explanatory, which explains aspects and causal arguments identified by descriptive research; and thirdly, descriptive, which describes the phenomenon. The level of the case studies used in this thesis would be within the descriptive range of this conceptual framework in that the case studies provided narrative accounts of each organization. The narrative accounts were then analyzed within the framework of the CED ideology analysis model that was developed within the thesis.

Qi (2009) identifies the purpose of case study” is not to represent the world, but to represent the case”(22). According to Cohen et al (2000) cited in Qi (2009), “case study is intended to portray, analyze and interpret the uniqueness of real individuals and situations through accessible account and to present and represent reality” (79). Wallace (1998) cited in Qi (2009) contends that the role of case study research is solving particular problems, applying theories to practice, generating hypotheses, and providing illustrations”(164).

Meyer (2001) outlines the choices and steps involved in the design of case studies.

1. Selection of cases – single or multiple sampling; unit of analysis
2. Sampling time – number of data collections; when to enter
3. Selection of data collection procedures – interviews including sampling interviewees, structured vs. unstructured, use of tape recorder; documents including sampling of documents and use of documents; and observation including choosing method, when to enter, how much and which groups (350).

This thesis will involve multiple sampling as three case studies will be undertaken including SEED Winnipeg, Assiniboine Credit Union and the People's Co-operative. Babbie (1979) identifies that the unit of analysis can be an individual, group or organization. In this thesis, the unit of analysis for the case studies will be the organization. The sampling time took place over a three year period of 2008 to 2010 through the collection of data based a series of personal interviews with key informants who were associated with these three organizations. The interviewees were selected through a purposive, non-probability sampling approach (Babbie, 1979).

Kumar et al (1993) points out researchers “do not select key informants to be representative of the members of a studied organization in any statistical sense. Rather, they are chosen because they are supposedly knowledgeable about the issues being researched and able and willing to communicate about them”(1634). Pauwels and Hardyns (2009) define key informants as “persons who are in a privileged position to provide detailed information on local area processes...whereas random selection is the use in surveys, key informants are chosen on the basis of their knowledge about community processes. Key informants are thus field experts”(404).

Marshall (1996) suggests that “key informants, as a result of their personal skills, or position in society, are able to provide more information and a deeper insight into what is going on around them”(92). Tremblay (1989) cited in Marshall (1996) identifies the characteristics of an ideal key informant to include “role in the community, knowledge, willingness, communicability and impartiality. The extent to which each of these criteria are met is likely to determine the

usefulness of the information gained by the interviewer”(92). The main advantage (Marshall, 1996) of the key informant approach is that in-depth quality data can be obtained in a short period of time.. Marshall (1996) outlines a number of weaknesses of the key informant technique including informants might not understand or represent the members of their community; informants might focus on sharing information that is perceived to be politically acceptable; and the relationship between the researcher and informant might be too close and bias the findings of the interview.

The key informants interviewed for the case studies were drawn from a sampling group that involved either the staff or the board members of each of the respective CED enterprises. In the case of the People’s Co-operative, many of the staff and board members had deceased. The data for these key informants were obtained from the Manitoba Archives and the series of tapes of interviews that were on file based on the Oral History Project that was conducted by the People’s Co-operative during the period of 1997 to 1999. The individuals interviewed in the Oral History Project were either former staff or board members of the People’s Co-operative. A total of 12 key informants were interviewed for the SEED Winnipeg case study, 12 key informants were interviewed for the Assiniboine Credit Union case study, and the tapes of 19 key informants were reviewed from the Oral History Project undertaken by the People’s Co-operative and used for the case study of that organization.

Once the selection process of the key informants has been made, a determination needs to be made regarding the use of a structured or unstructured interview process. Nachmias and Nachmias (1981) outline three forms of personal interviews – the schedule-structured interview,

the nonscheduled-structured interview, and the nonscheduled interview. “The most structured form is the schedule-structure interview in which the questions, the wording, and their sequence are fixed and are identical for every respondent. This is done to make sure that when variations appear between responses, they can be attributed to the actual differences between the respondents and not to variations in the interview”(Nachmias and Nachmias, 1981: 190). The nonscheduled-structured interview is” structured and all major aspects of the study are explicated, [however] interview respondents are given considerable liberty in expressing their definition of a situation that is presented to them. The nonscheduled-structured interview permits the researcher to obtain details of personal reactions, specific emotions, and the like”(Nachmias and Nachmias, 1981: 191).

According to Nachmias and Nachmias (1981), the least structured form of interviewing is the nonstructured or non-directive interview. “With little direction from the interviewer, respondents are encouraged to relate their experiences, to describe whatever events seem significant to them, to provide their own definitions of their situations, and to reveal their opinions and attitudes as they see fit. The interviewer has a great deal of freedom to probe various areas and to raise specific queries during the course of the interview (Nachmias and Nachmias, 1981: 192).

The interview format used for the case studies in this thesis was a nonscheduled-structured interview, also known as a semi-structured interview. As Noor (2008) points out, “the choice of a semi-structured rather than structured interview offers sufficient flexibility to approach different respondents differently while still covering the same areas of data collection”(1604).

The following interview question guide was used with each of the key informants interviewed in the case studies. The interview question guide was sent out to each key informant prior to the interview in order that they could prepare themselves for the interview ahead of time.

1. Describe the role you played within this CED initiative.
2. Describe the history of the CED initiative.
3. Describe the purpose and objectives of the CED initiative.
4. Describe the operation of the CED initiative.
5. What are/were the strengths of the CED initiative?
6. What are/were the limitations of the CED initiative?
7. What are/were the major things you learned about being involved with the CED initiative?
8. Are there any other comments you would like to make about the CED initiative?

Probing questions were also used to complement the data obtained from the interview question guide. Nachmias and Nachmias (1981) define probing as “the technique used by the interviewer to stimulate discussion and obtain more information...They motivate the respondent to elaborate or clarify an answer or explain the reasons behind the answer; and they help focus the conversation on the specific topic of the interview.

Each of the key informants interviewed for the case studies agreed to have their interview recorded using a digital audio recording device. As well, the research took notes of the interview conversation. The interviews were recorded “to secure an accurate account of the conversation and avoid losing data since not everything can be written down during the interview” (Noor,

2008: 1604). Transcripts of the quotes used in the thesis were made to provide a documented source of the responses of the interviewees.

In order to supplement that data obtained from the personal interviews, a range of documents were used including internal organizational documents such as annual reports and internal program reports; documents regarding the organization that were found in literature reviews; and books and periodicals found in literature reviews related CED theory and practice of the organizations in the case studies. “Documentary evidence acts as a method to cross-validate information gathered from interview and observation given that sometimes what people say maybe different from what people do”(Noor, 2008: 1604).

The case studies that were done of the three organizations involving interviews with key informants received ethics approval from the Psychology/Sociology Research Ethics Board of the University of Manitoba in 2008 and two renewals of the ethics approval were provided in 2009 and 2010. Informed consent forms were signed by all interviewees prior to conducting personal interviews. The informed consent form reinforced the concept that the participation of the interviewee in the research project was voluntary and they could withdraw at any time. Participants also provided consent to have the interview recorded with a digital recording device. One of the issues identified in the informed consent form was a request to identify the interviewee by name in the research paper. This meant that confidentiality or anonymity would not be provided if the consent form was signed. Participants were asked directly if they had any objection to any of the clauses in the informed consent form. They was also a clause in the consent form that the participant’s signature on this form indicates that they have understood to

their satisfaction the information regarding participation in the research project and agree to participate as a subject. As well, there was a clause that stated that the participants were free to withdraw from the study at any time, and/or refrain from answering any questions they prefer to omit without prejudice or consequence.

This chapter has documented the research methodology used in this thesis for the case studies. The next three chapters will provide involve a case study of SEED Winnipeg, Assiniboine Credit Union and the People's Co-operative. Each case study will begin with an organizational description including the environmental context and history of the CED initiative; the purpose of the organization; structure of the organization; and services provided by the CED initiative. The second element of the CED ideological analysis will involve an examination of the nature of the CED objectives of the organization – the extent to which it is gap filling or transformative.

The third component of each case study will explore the class, market and state theory elements of the ideological analysis that will focus on identifying whether the orientation of the organization reflects an anti-collectivist, reluctant collectivist or collectivist ideological perspective. No organization falls neatly into one of these three categories. They tend to represent a range of ideological values within the spectrum of the three categories presented in the CED ideology analysis model. However, each CED initiative involved in the case studies tend to favour or adhere to many (but not all) of the ideas, beliefs and values of a particular ideology. They have a predominant emphasis – especially with regards to the role of the market and the role of the state. The ten elements that will be examined within this component of the ideological model include View of Society; View of Social Problems; Value of Freedom; Value

of Equality; Value of Community; Role of the Market; Role of the State; View of Power; View of Change; and Nature of CED Practice. The ideological analysis will also examine each of the case studies from a feminist, anti-racist and anti-colonialist perspective.

The fourth component of the analysis of the case studies will review the nature of the CED strategies employed by the CED organizations including outward perspectives such export base, staple theory and location theory. Strategies to address the process of underdevelopment will include inward perspectives such as convergence, government services and import substitution. The final component of the analytic tools used for the case studies will be to examine the key CED outcomes of the organizations including issues of scale, impact on incomes and sustainability.

CHAPTER 7: CASE STUDY OF SEED WINNIPEG

Organization Description

Prior to describing the history, purpose, organizational structure and services of SEED Winnipeg, it is important to provide an overview of the social, economic and political context for the development of this CED initiative. The roots of SEED Winnipeg can be traced back to the mid-1980s and the work that many community activists were involved with in the inner city cooperative field that included the formation of housing cooperatives and worker cooperatives (Simms, 1987). One of the key public policy initiatives that was unique to this era was the Winnipeg Core Area Initiative or commonly known as the CAI. The CAI was established in 1981 by the federal, provincial and municipal levels of government as a tri-partite approach to address issues of poverty and inner city decline in the core area of Winnipeg (Simms, 1987). Lloyd Axworthy, former head of the Institute of Urban Studies and regional cabinet minister in the federal Liberal government, was one of the important advocates of this inner city renewal initiative (Layne, 2000). The impetus for the CAI can be linked to the work of inner city activists to stop the Sherbrook-McGregor overpass in the 1970s and early 1980s (Simms, 1987). The Sherbrook-McGregor overpass concept initiated by the City of Winnipeg involved a plan to build a major thoroughfare or corridor that would link the south and north sides of the city. A significant feature of the plan was to build an overpass over the CPR Rail Yards that would link McGregor St. to Sherbrook St. This thoroughfare would result in the expropriation and demolition of homes, businesses and community centres along the proposed north-south corridor route.

Many other inner city communities in North America were fighting similar freeway construction projects that were having a devastating impact on inner city neighbourhoods (Simms, 1987). A community coalition was organized consisting of a range of community leaders including Sister Geraldine MacNamara from Rossbrook House, Greg Selinger from Community Education Development Association and Lloyd Axworthy from the Institute of Urban Studies at the University of Winnipeg, to successfully pressure City Council to adopt alternative urban development strategies. Rather than building the Sherbrook-McGregor thoroughfare, the coalition, titled the Inner City Committee for Rail Relocation, advocated that the CPR Rail Yards should be re-located to north of the perimeter of the city and the government should invest in inner city revitalization instead of bulldozing inner city neighbourhoods for freeway infrastructure.

Axworthy was elected as a Member of Parliament in 1979 and became the Minister of Employment and Immigration in the Trudeau Liberal's federal government. Members of the Inner City Committee for Rail Relocation continued to pressure Axworthy to secure federal funds to move the rail yards. Unfortunately, Axworthy was unable to convince federal cabinet colleagues to support this initiative. As an alternative, Axworthy promoted the idea of a federal, provincial and municipal tri-partite partnership approach to invest \$96 million (\$32 million from each jurisdiction) over a 5 year period of 1981-1986 on a comprehensive inner city renewal program that would be known as the Winnipeg Core Area Initiative Agreement (Layne, 2000). The CAI would be renewed for a \$100 million over an additional five year period for the years 1986 to 1991 (Layne, 2000).

The CAI had no program focus on community economic development directly as the CED concept was still a relatively underutilized approach in Winnipeg during this period of time. The first CAI agreement did have a \$9.5 million employment program component and a \$12 million industrial development and small business assistance program component that were used by community groups that were working on worker co-ops such as Neechi Foods and Winnipeg Native Family Economic Development to secure funding for CED initiatives (Winnipeg Core Area Initiative Report, 1992). The second CAI agreement had a \$12 million training and employment program as well as a \$4 million industrial and entrepreneurial program and \$5 million neighbourhood main street and small business program that were also used by CED activists at the time to fund local CED initiatives such as a construction worker co-op, housing co-op property management training program, and office cleaning co-op. These cooperative ventures saw the need to develop further CED financing and technical assistance resource infrastructure in order to further expand the presence and long term impact of the CED sector in Winnipeg.

The early part of the 1980's reflected a reasonably positive environment regarding the role of the state to make public investments for inner city revitalization. The provincial NDP government of Howard Pawley was in power between 1981 and 1988. Between 1980-1984 the Trudeau Liberal government returned to power at the federal level with Lloyd Axworthy as a prominent regional cabinet minister. Bill Norrie presided as Mayor of the City of Winnipeg between 1979 and 1992 was generally supportive of inner city renewal.

Cyril Keeper, Member of Parliament representing the NDP for Winnipeg-St. James and Winnipeg-North Centre between 1980 and 1988, was also strong ally of the inner city renewal and CED movement during this period of time (Simms, 1987). Keeper used his constituency office to mobilize grassroots community activists and groups to further explore and develop CED initiatives. It was through these network gatherings that local activists worked to organize the Winnipeg Initiative – a local economic development gathering that was held at the Franco-Manitoban Centre in 1987 to discuss ways to address inner city poverty (Greening of the Assiniboine, undated manuscript of the Assiniboine Credit Union). About 100 participants were involved in this event including community activists, community organization representatives, government bureaucrats, staff from the Core Area Initiative, cooperative and credit union sector representatives, people from the abilities community and staff from the University of Winnipeg's Institute of Urban Studies who had a strong interest in CED.

Key participants who attended this event would serve to form the core leadership for the development of SEED Winnipeg included Dave Leland, a board member from the Assiniboine Credit Union; Ken Murdoch, Social Planning Council of Winnipeg; Neil Cohen, Community Unemployed Help Centre; Debbie Lyon, Institute of Urban Studies; and Tom Simms, Community Education Development Association. This was the first time that the community based representatives were to meet Dave Leland and to explore the role of a credit union in the development of financing and technical assistance resources to develop the required infrastructure for the CED movement. After some informal networking, these key people decided to form a working group to further explore the development of CED infrastructure in Winnipeg.

The working group that began to meet in the late 1980's was working in an era that would shift dramatically away from state involvement in the support of inner city revitalization and CED initiatives. The Conservative government of Brian Mulroney took power federally in the fall of 1984 with more of an interest in free trade than investing in social justice initiatives. Gary Filmon's Conservative government defeated Howard Pawley's NDP provincial government in 1988 and ushered in an era of severe protracted restraint featuring massive cutbacks of public services, especially as it related to inner city renewal and social programs. The Filmon government remained in power until 1999. Susan Thompson, who was elected Mayor of Winnipeg between 1992 and 1998, represented a more pro-business perspective at City Hall and had little interest in inner city issues or community economic development. The Mulroney government was defeated in 1993. However, the federal Liberal Party under the leadership of Jean Chretien and Paul Martin initiated a program of significant public service and investment cutbacks as part of their deficit reduction agenda.

Thus, while there was a bit of momentum and support from the state for supporting CED in the early 1980s, the environment began to shift significantly by the end of the 1980s and early 1990s. This larger political environment greatly impacted the ability of the working group of CED activists to develop CED infrastructure in the areas of finance and technical assistance support. After meeting regularly for a number of years, the working group decided to formally incorporate a new charitable, non-profit organization – Supporting Employment and Economic Development Winnipeg, more commonly to be known by its acronym SEED Winnipeg.

With regards to the initial vision of SEED Winnipeg, Neil Cohen, one of the founding board members of SEED, recalls (Cohen, Personal Interview, 2010), “we wanted to develop some community economic development activity in Winnipeg’s core area to help people who were economically and socially disadvantaged to start up things like worker co-ops”. One of the ongoing dilemmas for SEED Winnipeg was to implement this collective vision for CED. This was especially challenging given the shifting political environment that was becoming more conservative with a narrow focus on the traditional business development approach to economic development.

SEED Winnipeg was incorporated on May 13, 1988. The founding directors were Dave Leland, Debbie Lyon and Tom Simms (SEED Winnipeg, 1988. Articles of Incorporation). Dave Leland secured the legal services of Sandy McKenzie to incorporate SEED Winnipeg. Leland had “gotten to know Sandy when we had been neighbours in the Pembina Woods Housing Cooperative” (Leland, Personal Interview, 2009). Given the shift in the political landscape and diminishing role for the state in supporting CED initiatives, SEED Winnipeg needed to raise capital in order to support enterprise development. Leland (Personal Interview, 2009) identified that

A legal issue arose. Would Revenue Canada accept it is charitable to help people get loans and therefore have an opportunity to relieve poverty? It was important that SEED Winnipeg be a registered charitable organization in order to obtain funding from foundations for operating expenses. Sandy McKenzie carried on a correspondence and a series of telephone conversations with Revenue Canada eventually persuading the authorities that there was a precedent. Apparently in the reign of Queen Elizabeth I a similar question came before the courts and it was decided that it was a charitable act to help a destitute workman finance the tools by which he could earn a living. By analogy, helping a low-income entrepreneur obtain a loan to start-up a micro-business would be deemed a charitable activity.

The legal issue about the necessity to obtain charitable tax status created tensions within the working group. On the one hand members of the working group understood that the political climate was bleak with respect to supporting a more collective approach to CED. Cohen (Personal Interview, 2010) recalls that “a lot of our thinking was very much influenced by other kind of worker co-op enterprises. In particular, there was a lot of talk in those days about the Mondragon model that we should look at as a CED model. That kind of worker ownership – it wasn’t a question of creating individual inner city entrepreneurs. It was based on the principles of collective economic development, not for the benefit of individuals, but for the betterment of the community”.

On the other hand, working group members had to make decisions within a very narrow range of options given the legal restrictions involving the question of securing registered charitable tax status. While working group members were very concerned about undertaking a direction towards individual oriented micro-enterprise development and entrepreneurialism, the feeling was from a pragmatic perspective, that given the prevailing political climate, this could be seen as the first step in a series of steps to achieve the group’s ultimate objective regarding a more activist and collective approach to CED. It was also felt that innovative strategies could be used to support worker co-op initiatives by providing resources to individual members of the co-op and they could ultimately pool their individual resources into the collective or cooperative enterprise. This issue of pragmatism and incrementalism in the transition from individual oriented micro-enterprise to collective/cooperative CED enterprises would be an ongoing tension that would be re-visited throughout the history of SEED Winnipeg.

After convincing Revenue Canada about the precedent of acknowledging Elizabethan judicial rulings regarding the merit of SEED Winnipeg's case for charitable tax status, Sandy McKenzie assisted the group to formulate the following undertakings of the corporation in order to be granted charitable tax status:

- a) To operate exclusively as a charitable organization for the relief of poverty;
- b) To operate as a charitable organization by enabling needful tradespersons and handicraft persons to become self supporting and thereby relieve poverty;
- c) To provide funds to needy persons who appear to have the ability to effectively utilize such funds to become self supporting and thereby relieve poverty;
- d) To cooperate with other charitable organizations; especially such as do or will establish maintain and operate workshops and training and educational centres and train poor and needy persons in gainful trades, professions and occupations with a view to enabling such persons to become self supporting;
- e) To solicit, accept, receive, acquire by purchase, lease, agreement, grant, donation, legacy, gift, bequest or otherwise any kind of real or personal property and to enter into and carry out agreements, undertakings and conditions in connection herewith;
- f) To acquire, hold, purchase, convert, lease, mortgage, sell or dispose of any asset owned by the association; and to invest and re-invest any principal in such manner as may from time to time be determined;
- g) To disburse and distribute money and property in the furtherance of the objects of the association;
- h) To exercise and enjoy all voting, participation and other rights, privileges and benefits arising directly or indirectly from the ownership of shares in companies;
- i) To engage in all such activities as may promote the forgoing objects; and the solicitation of funds for the above purposes from both individuals and organizations both by mail and by personal appeal; and all such other activities as may promote the forgoing objects including in some circumstances the recovery of principal monies advanced (SEED Winnipeg, 1988. Articles of Incorporation).

The next significant date in the history of SEED Winnipeg is 1991. At this time, a group of community, cultural and labour activist organized the Greening of the Assiniboine – a campaign to take over the board of directors of the Assiniboine Credit Union (Greening of the Assiniboine, undated manuscript of the Assiniboine Credit Union). The Greening of Assiniboine movement will be looked at in greater detail in the next chapter in the case study of the Assiniboine Credit

Union. It is sufficient to say for the purposes of this chapter that the takeover of the Assiniboine Credit Union provided the proponents of SEED Winnipeg with a financial institution resource that would become a key partner in ultimately launching and the sustainable success of SEED Winnipeg.

A second major event in 1991 that would prove to be an important development in the history of SEED Winnipeg was Garry Loewen getting hired by the Mennonite Central Committee beginning in July, 1991. “I had two years of funding to create employment/jobs for Aboriginal people, single parents and ex-offenders” (Loewen, Personal Interview, 2009). Loewen would become one of the key driving forces that would ultimately move SEED Winnipeg from the idea or concept stage to the implementation stage of this CED initiative.

Prior to Loewen’s involvement, SEED Winnipeg floundered for a number of years after it was incorporated. Planning meetings were held but little concrete progress was being made. As identified previously, the period of 1988 to 1993 were very difficult times as there was virtually little support by government for addressing social justice, anti-poverty and CED issues. The philanthropic sector funders such as the United Way and Winnipeg Foundation had not yet developed an awareness of the potential of CED.

During the early 1990s, Loewen (Personal Interview, 2009) recalls that he surveyed different groups to get ideas and feedback for the Mennonite Central Committee employment development project I was working on. “I met with Sel Burrows in 1993 who was working with CEDA on a CED project. He talked about this SEED Winnipeg project he was working on and

the idea of establishing an endowment fund to support the SEED concept” (Loewen, Personal Interview, 2009). “Sel’s idea was to build a \$750,000 endowment fund yielding 10% interest that would provide \$75,000 per year for sustainable operating funding” (Loewen, Personal Interview, 2009). After exploring this idea for a while, “both of us came to the conclusion that the idea of an endowment fund was not going to work as it would be too hard to raise the \$750,000” (Loewen, Personal Interview, 2009).

Loewen, however, firmly believed that there might be a niche for an initiative such as SEED Winnipeg. He felt that “the high level of unemployment in the early 1990s, the fact that governments were promoting the transitioning to self employment, the need to address the many barriers for low income people regarding this self employment concept, and that nothing was happening in Winnipeg in this area were factors that made me think about how we could further pursue this idea” (Loewen, Personal Interview, 2009).

Later in 1993, Dave Leland from the SEED Winnipeg Board and Assiniboine Credit Union Board, Gary Loewen from the Mennonite Central Committee, and Tom Simms and Blair Hamilton from the Community Education Development Association met

To think about a bare bones strategy with me as a staff person seconded from the Mennonite Central Committee and Blair as a staff person seconded from CEDA. We got a \$15,000 grant from the Manitoba Community Services Council and a \$15,000 grant from the Sill Foundation. The Greening of the Assiniboine greatly benefited SEED Winnipeg. The Assiniboine Credit Union set aside \$100,000 in loan capital and a similar arrangement was made with the Crosstown Credit Union which served the Mennonite community (Loewen, Personal Interview, 2009)

Loewen (Personal Interview, 2009) described this as the “build the road as you travel development strategy that involved building on small successes and developing a track record that can be used to make the case to secure greater support for your CED initiative”.

Hamilton (Personal Interview, 2009) maintains that the “founders of SEED Winnipeg saw a need for a full service CED organization”. This would involve a number of elements including “a poverty alleviation self help philosophy... moving beyond a charity model... looking at equity creating strategies to “own the means of production”... and [this approach] has always been more than poor peoples’ capitalism...the attractiveness of being able to sell it as poor people in business appealed across a wide variety of the political spectrum so that was used to our advantage”. The contradiction of this approach was not lost on Hamilton. “It’s a paradox. You come from a philosophical orientation that the market cannot really provide solutions but you are going to immerse [the approach] in market based methodologies...For me, it is important to separate the science of business from the ideology of business – this will always be a paradox” (Hamilton, Personal Interview, 2009).

Loewen (Personal Interview, 2009) describes the creative development strategies used by the Mennonite Central Committee (MCC) and CEDA to launch SEED Winnipeg. “I managed SEED Winnipeg for 5 years on the payroll of MCC – I dedicated 60% of my time to SEED Winnipeg and 40% of my time to two other CED projects – Opportunities for Employment and the development of the North End Community Renewal Corporation” (Loewen, Personal Interview, 2009). “Blair’s position was provided by CEDA through the re-allocation of core funding resources within the CEDA organization” (Loewen, Personal Interview, 2009). “We

started working out of the Justice Resource Centre on Ellice Ave. – I had a small office and Blair had to set up in the library area of the resource centre” (Loewen, Personal Interview, 2009).

According to Hamilton (Personal Interview, 2009), in contrast to the existing business development training programs, SEED “was looking to be more inclusive. We had some ideas around working with marginalized populations to attract and be much more open to people with lower skills and lower literacy levels... SEED initially thought it would work with ex-offenders and the Aboriginal community. We developed a much deeper understanding about the complexities of working in the Aboriginal community”. Loewen recalls some of the early successes of SEED Winnipeg.

One of our early clients was a single person that had been with a courier company and of portion of his pay went to cover the costs of the courier vehicle. The person wound up owning the vehicle even though the company went bankrupt. In order to keep operating the car the client needed funds to pay for GST and Autopac in order to get his car back on the road and to get off welfare. SEED Winnipeg was able to provide the person with a loan and he was able to operate his own courier business. SEED moved into collective enterprise strategies as well. The Bear Clan Patrol, a volunteer community safety network, developed an enterprise known as First Nations Security. The Logan Community Committee established Logan Recycling that included milk cartons and a second initiative that recycled broken wood pallets from warehouses that were used to make composters (Loewen, Personal Interview, 2009).

During this period of time, SEED Winnipeg made important partnerships with mainstream organizations such as Winnipeg 2000, an economic development organization affiliated with the City of Winnipeg, and also developed a good working relationship with the United Way. SEED Winnipeg also started to meet CED activists from across the country including leaders like Mike Lewis, David Pell and Stewart Perry (Loewen, Personal Interview, 2009). According to Loewen (Personal Interview, 2009), “SEED Winnipeg began to get a national reputation”. The

organization also moved its offices over to a new Logan Ave. location due in part to a good lease offered by Manitoba Housing Authority (Hamilton, Personal Interview, 2009).

In 1998, Garry Loewen transitioned over to work on the development of North End Community Renewal Corporation and the Canadian Community Economic Development Network (Loewen, Personal Interview, 2009). Derek Pachal was hired as the first full-time paid Executive Director in 1998 (Pachal, Personal Interview, 2010). His major goal for SEED Winnipeg was to “get an organization that was fledging to a point where it got some stable funding coming in and a broader range of programs [including asset building, micro-enterprise and community enterprises/co-ops]”. Pachal was also involved with a team of three people to assist in the development of the North End Community Renewal Corporation and SEED also managed the funds for the Christmas L.I.T.E. community economic development investment fund” (Pachal, Personal Interview, 2010).

Pachal was the Executive Director from 1998 to 2002. During this period of time, “the funders finally got behind SEED Winnipeg. The United Way embraced the capacity building approach and began 3 year planning and funding cycles with local community groups... the Greening of Assiniboine had a significant impact [especially when it came to loan capital from the Assiniboine Credit Union]... and the newly elected provincial NDP government and its development of a CED policy lens [was very positive for SEED Winnipeg]” (Murdoch, Personal Interview, 2009). According to Pachal, (Personal Interview, 2010), “When I started at SEED Winnipeg as Executive Director there was one full-time staff, two part-time staff and me, when I left there was 11 people on staff which reflects the changing funder interest in SEED and the

funding that was made available. Funders were approaching SEED to develop programs and provide services”. During this period of time, SEED was also able to lease a second building in a former bank building on the corner of Selkirk Ave. and McGregor St. for its newly expanding asset building programs (Pachal, Personal Interview, 2010).

Another person was hired for a brief period of time as the Executive Director in 2002 after Derek Pachal went to work with the United Way but proved to be unsuitable for the position. In the summer of 2003, Cindy Coker was hired as the Executive Director of SEED Winnipeg and still occupies this position with the organization (Coker, Personal Interview, 2009). “When I got hired it was a real time of growth for SEED” (Coker, Personal Interview, 2009).

They had made this transition from being really an organization of four or five people...I was the eighth hire...and it was just starting on the edge of the informal communication system not working as well and they were in the midst of opening a second office on Selkirk Ave...There was a feeling that the bridge [Slaw Rebchuk] was actually quite a barrier for the folks from the north end and we were starting the kick off of the asset building program which was expanding with a grant from the federal government...We were expanding the co-op program...Funding had been stabilized with two long term grants, one from the province and the other from the United Way...Local Investment Towards Employment (LITE) had been incorporated on its own [a CED fund previously associated with SEED]...and the North End Community Renewal Corporation [an organization which SEED helped launch] had been open for two years. New partner organizations came out of that work...Fairly quickly the organization went up to 12 staff (Coker, Personal Interview, 2009).

These developments required SEED Winnipeg to strengthen and formalize operational systems. “We needed to get management systems in place to help people move through change. We worked to get the board more actively involved. We got internal communication systems such as personnel policies and by-laws updated, and we developed communication strategies across the two sites” (Coker, Personal Interview, 2009). It was identified that there was “not a match” between the existing operating framework and the original by-laws of the organization. Prior to

Coker becoming involved with SEED, the work of the organization began to expand to the city of Winnipeg as a whole which was broader than the original stated mission that focused on the north end; the by-laws stated that SEED was a member organization which wasn't a statement of how the organization was running. After consulting with the original Executive Director Garry Loewen who acknowledged that SEED up until this point in time never really followed the by-laws around membership, a by-law review committee was struck that was chaired by Ken Murdoch (Coker, Personal Correspondence: 2010). In 2005, in order to better match the historical practice of the organization with the by-laws of the organization, the by-laws were changed to be based on a stakeholders group of representation on the board (Coker, Personal Interview, 2009). In 2006, SEED Winnipeg purchased a building on Salter St. in order that it could house all of its programs under one roof (Coker, Personal Interview, 2009).

The new by-laws identified that SEED Winnipeg is a non-profit registered charity that is governed by a 13 person elected board of directors that represent a) individuals from communities that face barriers to employment; b) participants in other CED organizations; c) technical expertise pertaining to the corporation; d) the financial community; e) past program participants; f) the general community (SEED Winnipeg Amended By-Laws, 2005). The organizational structure of SEED Winnipeg is "typical of a non-profit organization – it is governed by a policy board and run by a professional staff. It is not a community development model, it is more of a program versus development model. Funding comes from grants that are sourced from a highly diversified funding base" (Loewen, Personal Interview, 2009). "No one funder could cripple SEED Winnipeg – the organization targets percentages of funding support from local, provincial and federal funds" (Murdoch, Personal Interview, 2009).

The amended purpose of SEED Winnipeg as per the new by-laws (SEED Winnipeg Amended By-Laws, 2005) included:

- a) To operate exclusively as a charitable organization for the relief of poverty.
- b) To operate as a charitable organization by providing capacity building services that assist low-income individuals, groups, organizations and economically distressed neighbourhoods improve their social and economic vitality.
- c) To provide funds to needy persons who appear to have the ability to effectively utilize such funds to become self supporting and thereby relieve poverty.

(Clauses (d) to (i) are the same as the objectives stated in the original 1988 by-laws of the organization.)

The programs and services provided by SEED Winnipeg can be best discussed by examining the start-up era and current era. The start-up era could generally be viewed as the period 1993 to 2000. Loewen (Personal Interview, 2009) identifies the key programs that were provided during this start up era included:

1. Micro-enterprise
2. Social enterprise
3. Credit Circles
4. Individual Development Accounts
5. Animation of CED initiatives

The micro-enterprise program involved providing business development technical assistance and training as well as access to small loans under \$10,000 for low-income entrepreneurs who wanted to start-up their own business (Loewen, Personal Interview, 2009). Initially, SEED Winnipeg “started with the assumption that access to credit was the main barrier [for low-income individuals to start their own business] but it is not. It is a barrier but it is not the main barrier. The main barrier is management and planning capacity” (Hamilton, Personal Interview, 2009). Some of the other challenges regarding the micro-enterprise program in the start-up era included,

After we done a number of them [micro-enterprises] we found that statistically speaking that we weren't making much difference in terms of how much money people were getting. The income generated by the micro-enterprises was below the LICO poverty lines. Our business survival rate was pretty good as compared to industry norms. Our loan repayment rate was less than conventional lending but better than anyone thought they were going to be. [The first wave of micro-enterprise entrepreneurs attracted to SEED] were people impacted by the structural adjustment due to free trade – they were people with experience and skills who were looking to self-employment as their EI benefits expired. [The second wave of aspiring entrepreneurs] tended to be low income people with less skills, experience and knowledge (Hamilton, Personal Interview, 2009).

Pachal (2010) also expressed concerns about what could be perceived as a “creaming effect” of the micro-enterprise program during the period of time he worked as the Executive Director of SEED Winnipeg. In many instances, “participants might have been successful without SEED’s help”. Pachal (2009) suggests that ongoing support for funding micro-enterprises is a reflection of the dominant business paradigm that is the foundation of our neo-liberal society. The ongoing funding support for micro-enterprise from his perspective is “because of the link to business. Those loans are available to the general business community and then there is a little bit of the [business loan] fund hived off for low-income [participants]. If it was just about a low-income fund and the government wasn't in the business of giving business loans, I don't think it [funding for micro-enterprise] would be there” (Pachal, Personal Interview, 2010).

The second program area was social enterprises. SEED Winnipeg provided technical support and training in the areas of business development and management skills, as well as access to loan capital (Loewen, Personal Interview, 2009). Some of the early initiatives that SEED Winnipeg supported included First People's Security which emerged from a volunteer community safety initiative known as the Bear Clan Patrol; Bindigen Books, an Aboriginal book store attached to a social agency; Red Roots Theatre, an Aboriginal theatre group; and a

feasibility study was conducted to purchase a local north end restaurant called Luda's (Hamilton, Personal Interview, 2009).

According to Hamilton (2009), "the move to social enterprise and co-ops was slow and not at a sufficient scale" (Hamilton, Personal Interview, 2009). Some of the key lessons learned from the early experiences with social enterprises included that it is important not to work exclusively with poor people – a mixed income approach is needed; need right people to manage social enterprises if they are to be sustainable; and working with the Aboriginal community is highly relationship based – trust is the key issue (Hamilton, Personal Interview, 2009).

The third program area was credit circles which was introduced to SEED Winnipeg by a group called Women's World Finance and was based on Mohammad Yunus's Grameen Bank micro-financing model (Hamilton, Personal Interview, 2009). The idea of credit circles was to have a circle of women provide mutual support and accountability to each other for the repayment of credit that was given to each of the participants in the credit circle (Hamilton, Personal Interview, 2009). SEED Winnipeg sponsored the first round of credit circles and then Taking Charge, an employment training organization, ran the second and third rounds of the credit circle program (Hamilton, Personal Interview, 2009).

Loewen (2009) and Hamilton (2009) and Pachal (2010) question the relevance and feasibility of these types of peer lending programs in a developed western society. Loewen (2009) points out "there are limitations to importing global strategies such as lending circles in a local context such as the inner city of Winnipeg – context is important". Pachal (2010) further adds "you can't take

a model that works somewhere else and put it in a different context and expect the same results. There wasn't enough community – people did not see each other enough [in an urban setting as compared to a rural village] to put the peer pressure on to repay your loans”. Hamilton (2009) argues “that the Mohammad Yunus Grameen Bank model lacks critical thinking. Success of the model was based on social peer pressure within a village (geographic base)... the social vulnerability is the collateral – there was no social safety net there so people were used to hustling for a living [in order to survive]”. Questions also need to be raised regarding “expectations about what is acceptable level of livelihood that could be generated by these micro-financed enterprises” (Hamilton, Personal Interview, 2009).

The fourth program offered by SEED Winnipeg during the start-up era was Individual Development Accounts or IDAs. The IDA program was an asset building strategy that assisted low-income people to save through a matched savings program. Every dollar that a participant contributed to their savings account was matched by three dollars for savings for business start-ups, downpayments to purchase a home or for their education. . The IDA program was introduced to SEED Winnipeg in 1997 when SEED was selected by a Toronto non-profit organization, Social Enterprise Development Innovations (SEDI), to be a partner in a national Learn\$ave program to encourage the development of IDAs across Canada by promoting financial literacy, savings and asset building for low-income individuals (Loewen, Personal Interview, 2009). However, it took SEDI a number of years to obtain federal funding. Learn\$ave was not officially launched at SEED Winnipeg until 2001 (Simbandumwe, Personal Correspondence, 2010). In the meantime, SEED worked in partnership with the Alternative Financial Services Coalition to raise funds to implement a locally funded IDA program. SEED

partnered with the North End Community Ministry to launch the IDA program in 2000 (Simbandumwe, Personal Correspondence, 2010). Since this period of time, the matched savings programs which includes both an IDA and Saving Circle model, have become a significant service provided by SEED Winnipeg to inner city residents and through partnerships the program is offered in a number locations throughout the province (Coker, Personal Interview, 2009).

The fifth program area of SEED Winnipeg that was provided during the start-up era is social animation and advocacy services. “SEED Winnipeg provided the administrative and charitable registration status in the early days for the Christmas Local Investment Towards Employment (LITE) community economic development fund that provides grants to community based CED initiatives” (Loewen, Personal Interview, 2009). SEED Winnipeg also played a leadership role in removing welfare barriers in Manitoba for people on social assistance that want to start their own business. SEED Winnipeg, along with other community partners, was able to get the provincial government to pass legislation that would allow recipients to stay on social assistance for up to 52 weeks while they get their business going; make it possible for the entrepreneur to retain a portion of income from their businesses before social assistance allowances are reduced; and to provide an incentive for entrepreneurs to continue operating their businesses beyond the first year, even if they have not yet become totally self-sufficient (Loewen, 1998). SEED also worked with the Alternative Financial Services Coalition “to secure a waiver for income assistance recipients which would allow them to participate in the IDA program without adversely impacting their eligibility for means tested benefits. Liquid asset limits were a particular concern. We were the first jurisdiction in Canada to obtain the waiver. This waiver has

since been incorporated into EIA policy” (Simbandumwe, Personal Correspondence, 2010). As well, SEED Winnipeg played a key organizing role in developing the North End Community Renewal Corporation, a full service community development corporation that serves 11 neighbourhoods in the north end of Winnipeg (Pachal, 2010).

The program services provided by SEED Winnipeg in this present era, which could be described as the period of time from 2000 to 2010, are rooted in the programs that were developed in the start-up era, with a more developed and streamlined service delivery system. The four program areas in the current era include:

1. Business Development Services
2. Aboriginal Community Collaborations
3. Asset Building Program
4. Community Economic Development Technical Assistance Service

The Business Development Services program has two program streams – Build a Business (BAB) and Community and Worker Ownership Program (CWOP). “SEED’s BAB program works with low-income people to help create employment through starting a sole proprietorship, partnership or incorporated business. Services include training, business planning, consulting, access to financing, after business support and referrals to other services” (SEED Winnipeg Annual Report, 2008: 6). The CWOP provides assistance to “groups of three or more people who are interested in starting or expanding a cooperative, community owned business or social enterprise to create quality jobs for primarily low-income people” (SEED Winnipeg Annual Report, 2008: 6). According to the SEED Winnipeg Annual Report (2008), the CWOP provides

Free and fee-for-service assistance in assessing group or organizational skills and resources, determining governance structures, developing business plans, assessing business viability, access loan and equity financing, providing business management and

professional development workshops, and ongoing financial review and strategic planning services (6).

According to the SEED Winnipeg Annual Report (2008), in the year 2008, 37 people completed Business Management Training 9 launched businesses, 18 jobs stabilized/improved and participants accessed \$28,195 in loans and \$10,000 in grants; support for after business launch was provided to 26 people. SEED Winnipeg has focussed on increasing participation among youth, newcomers and immigrants in its BAB program. In 2008, the Youth Build a Business had 14 participants with 12 successful outcomes. Of the 17 participants who launched or expanded businesses in 2008 at SEED Winnipeg, 29% indicated a first language other than English. Of the 191 individuals who attended bi-weekly business training workshops, 63 self-identified as either immigrant or visible minority.

The SEED Winnipeg Annual Report (2008) identifies that CWOP worked with 15 groups (6 new); 3 CWOP participants completed Business Management Training; 9 groups were provided post-business launch support services; 3 new businesses were launched; 13 new jobs were created; 35 jobs were maintained or improved; participants accessed \$134,500 in grants; and two feasibility studies were initiated a food services contract with the University of Winnipeg and an eco-guiding enterprise. In 2008, 37% of the 161 individual participants involved with CWOP services were youth and 56% were newcomers or immigrants. CWOP also works in partnership with the North End Community Renewal Corporation to provide support to the Social Purchasing Portal which links local producer/suppliers with purchasing partners that are committed to supporting local CED enterprises. As of 2008, 59 Purchasing Partners and 27 Supplier Partners had joined the Social Purchasing Portal.

The second major program provided by SEED Winnipeg is the Aboriginal Community Collaborations (ACC) program which connects Aboriginal peoples to business development services. According to the SEED Winnipeg Annual Report (2008), the partnership between ACC and the Louis Riel Capital Corporation graduated 9 successful participants from SEED's Metis Build a Business Program; the Aboriginal Build a Business program had 10 graduating participants; SEED partners with the Ma Mawi Chi Itata Centre and Urban Circle to support these organizations to deliver matched savings or asset building programs; SEED joined the Aboriginal Chamber of Commerce in 2008; and partnered with several Aboriginal and community based organizations in the north end of Winnipeg to offer an Aboriginal Youth Business and Money Management Project which involved twenty-two hour workshops that introduced 77 Aboriginal youths to a range of business and money management topics.

SEED Winnipeg conducted a major review of its services and relationship to the Aboriginal community. According to Coker (Personal Interview, 2009),

Many people who were Aboriginal would prefer to go to an Aboriginal led organization. So that is where the idea of partnering came from and starting to look at how can we do that well. We had done some partnerships around immigrant only programming. We made some decision around Aboriginal funding. This is where we started talking about that we won't accept Aboriginal specific dollars. That if [Aboriginal funding] is going to come into a project that we are working on, it will be the Aboriginal partner that is receiving those funds (Coker, Personal Interview, 2009).

One of the big lessons learned through this ACC initiative was that "there was a big difference working with organizations that had a training culture rather than a business development culture. The Louis Riel Capital Corporation is based on a business development culture and is a good example of a successful partnership" (Coker, Personal Interview, 2008).

The third major program offered by SEED Winnipeg is the Asset Building Program including the Saving Circle which is a six month program where participants save up to \$250 of their own money and can earn a 3:1 match of savings from SEED Winnipeg or an additional \$750 for small assets like household appliances, furniture or health needs. As well, a two year Individual Development Account program involves participants saving up to \$1,000 and can also earn a 3:1 match of savings from SEED Winnipeg or an additional \$3,000 for a home purchase or renovation, education or small business start/expansion (SEED Winnipeg Annual Report, 2008:17). Matching funds for this program are provided by provincial and federal government programs, as well as the United Way of Winnipeg (SEED Winnipeg, Annual Report, 2008). The income eligibility guidelines for IDA program participants is based on a level that is 120% of Statistics Canada Low Income Cut-Off (LICO) which is an income maximum threshold of \$26,610 for a household with 1 person; \$33,120 for a household with 2 persons; \$40,720 for a household of 3 persons; \$49,440 for a household of 4 persons; \$56,070 for a household of 5 persons; \$63,240 for a 6 person household; and \$70,410 for a household of 7 persons or more (SEED Winnipeg web site, 2010). The income thresholds for the program are above the Statistics Canada Low Income Cut-Off or LICO. The income thresholds for the Saving Circle program is 60% of the LICO (1 person was a \$13,300 income limit, 2 persons was a \$16,560 limit, 3 persons was \$20,360, 4 persons was \$24,720, 5 persons was \$28,040, 6 persons was \$31,620, and 7 or more persons was \$35,200) In 2008, seventy-nine participants were accepted into the Saving Circle program and 35 participants were selected into the Individual Development Account program. (SEED Winnipeg Annual Report, 2008: 17). If the 9 replication sites for the Savings Circle program are included, the proportion of Saving Circle participants would be in

excess of 80% of the matched savings program participants associated with SEED Winnipeg (Simbandumwe, Personal Correspondence, 2010).

The Saving Circle program was developed in response to a critique from Verna McKay, the Executive Director of the North End Community Ministry (Simbandumwe, Personal Correspondence, 2010). Verna McKay and Louise Simbandumwe developed a new program to address these issues.

The IDA pilot project was not reaching the individuals that the Alternative Financial Services Coalition had in mind when the program was designed – the poorest of the poor – individuals whose opportunities were so constrained that they were living in survival mode on a day to day basis and were likely to rely on pawn shops and other fringe financial services to make ends meet. The length of the IDA program was too long and the prescribed savings goals were out of reach for many who had more immediate needs (beds for kids, glasses, disability supports, washer/dryer, etc). We designed the Savings Circle program in response to this critique. In addition to the lower maximum savings that would be matched, key program variations from the IDA program were shorter savings period (4 to 6 months instead of 1 to 2 years); flexible savings goals; and income threshold 60% of the LICO (Simbandumwe, Personal Correspondence, 2010).

From the outset, the primary focus of the matched savings program at SEED Winnipeg has been to reach the “poorest of the poor” and to be mindful of this critique of the IDA program that is found in the literature. Simbandumwe (Personal Correspondence, 2010) discusses the challenges of addressing this critique of IDA programs and the type of work that SEED engaged in to problem solve with respect to this issue.

At the first national IDA conference that I attended in San Francisco in 1999 I set up a table topic on reaching the “poorest of the poor” because I wanted to learn from other practitioners who had successfully worked with individuals living on very low levels of income. The focus groups that were held at SEED Winnipeg and Andrews Street Family Centre to help design our IDA program drew on the knowledge of people living on very low incomes (many were EIA recipients). Their recommendations have had a lasting impact on our matched savings program design. Our commitment to designing programming that meets the needs of people living on very low levels of income led to the development of the Saving Circle program variation [of the matched savings

program]. Core funding for the IDA program was provided through the Province from Family Services. As part of our funding agreement, we stipulated that at least one-third of program participants would be EIA recipients. We have always exceeded this threshold. In our fall 2010 intake – 81% of the Saving Circle participants were EIA recipients and 53% of the IDA participants were EIA recipients. All of the Saving Circle participants fall well below the Statistics Canada LICO and the vast majority of IDA participants also fall below the LICO. When we look at the IDA program participants funded through the province from 2000 to 2008, 94% had incomes below the LICO; three-quarters had incomes that fell below 75% of LICO; and over 50% had incomes that were less than half of the LICO.

Since 2000, SEED Winnipeg's Asset Building Programs have reached a total of 873 participants or on average 109 participants annually. During this period of time, the total money saved by the Asset Building Program participants has been \$578,990 or about \$72,374 per year. The total matched funding contributed by SEED Winnipeg for this period has been \$941,186 or about \$117,648 on average each year (SEED Winnipeg Annual Report, 2008: 18). The participants who completed the Individual Development Account program used their savings for education (20%); children's education (9%); home purchase (34%); home renovations (21%); and business start/expansion (16%). The Savings Circle participants that completed the program used their savings for education (5%); business start/expansion (19%); computer equipment (23%); furniture/household needs (45%); access to housing (5%); health/dental/eyeglasses (3%); and employment supports (1%) (SEED Winnipeg Annual Report, 2008: 18). The profile of participants in the Asset Building Program included newcomers (27%); First Nation and Metis (36%); and visible minority (37%). The number of female participants was 69% and the number of male participants was 31% (SEED Winnipeg Annual Report, 2008: 19).

SEED Winnipeg's newest asset building initiative known as My Child's Future supports low-income families to better access Government of Canada grants and incentives that help put

money toward children's post secondary education. According to Coker (Personal Interview, 2009), the residents of the province of Manitoba only tap into 9% of the available federal Canadian Learning Bond and Registered Education Savings Plan (RESP) funds". SEED Winnipeg is working to increase the number of Manitoba families using these RESP incentives.

SEED Winnipeg also works in partnership with the United Way of Winnipeg and the Assiniboine Credit Union to coordinate the AssetBuilders Partnership and provide training to other organizations wanting to deliver their own asset building programs (SEED Winnipeg Annual Report, 2008: 20). AssetBuilders Partnership Members include the United Way of Winnipeg, Assiniboine Credit Union, Urban Circle Training Centre, Fort Garry Women's Resource Centre, Ma Mawi Chi Itata Centre, Rossbrook House, Nor'West Community Health Co-op, Villa Rosa, Pluri-Elles, MacDonald Youth Services, SMD Clearing House, Immigrant and Refugee Community Organization of Manitoba, Thompson Neighbourhood Development Corporation, Samaritan House (Brandon), and the Roblin-Cartwright Community Development Corporation. SEED Winnipeg promotes asset building programs in the community "as a strategy for poverty reduction [by] getting the message out to business owners, community members and policy makers" (SEED Winnipeg Annual Report, 2008: 20). In 2007, participants saved \$12,538 that was matched by \$28,537 (SEED Winnipeg Annual Report, 2008: 20).

The fourth program provided by SEED Winnipeg is the Community Economic Development Technical Assistance Service (CEDTAS). The purpose of the CEDTAS program is "a matching service that connects volunteer professional to a broad array of CED projects" (SEED Winnipeg Annual Report, 2008: 23). In 2008, provided in-house service (33%); brokered service (60%);

and made referrals (7%) (SEED Winnipeg Annual Report, 2008: 23). CEDTAS has recently been transferred over to work under the auspices of the Canadian Community Economic Development Network.

Nature of CED Objectives

This section of the case study explores the extent to which SEED Winnipeg is engaged in what Loxley (2007) describes as “gap filling” or “transformative” CED objectives. While the early founders of SEED Winnipeg placed significant value on building an alternative economy by focusing on collective and cooperative ownership CED initiatives (Cohen, Personal Interview, 2010), the challenges of developing a transformative CED organization have proven to be more difficult to achieve. According to Murdoch (Personal Interview, 2009), SEED Winnipeg moved away from neighbourhood based cooperative and collective ownership work and moved towards a training model that focussed on enterprise development as well as a more individual focus with the asset building program.

I can't say that I wasn't unhappy with what was happening. It just wasn't moving in the way that I would have liked it to do. Once John [Loxley, an early chairperson of the SEED board of directors] left, there was no real momentum to be back to the neighbourhood level and work with the community aspect. So it became much more of a training program and there was lots of money around for that kind of stuff. So it was private enterprise development with a little bit of a flavour for things like Mondragon [worker ownership bookstore and café]... we had some patient money going out to Mondragon being one and a cleaning co-op being the other. Then we got into asset building which are interesting in themselves and have done some good work for mostly individuals. That's not where I am at or had been...That's why I was very supportive of the [Diversity Foods] the social enterprise approach (Murdoch, Personal Interview, 2009).

Blair Hamilton, one of the founding staff persons of SEED Winnipeg, concurred with Murdoch's sentiments about the drift away from the original transformative vision of SEED Winnipeg.

[One of the limitations] of the whole shift from enterprise launch to the training base model within micro-enterprise development... has been that the training has taken on a life of its own...It has a gravitational pull and the funders just flock to it. It's easier to count and I think the actual launching of enterprises gets lost in the shuffle (Hamilton, Personal Interview, 2009).

Garry Loewen, the founding Executive Director of SEED Winnipeg, further identifies the tensions and challenges of engaging in transformative CED work.

On the one hand, we were running programs to create opportunities for low income people. On the other hand, we had this vision if we pursued this CED vision, we could actually create an alternative economy. We were always a lot stronger on the running of the programs to help low income people than we were at the business of creating an alternative economy. Although I think I would argue that, given where Winnipeg and the country was at regarding CED in the mid 1990's, I think SEED Winnipeg had a lot to do with helping to prepare for the culture of CED. It was an important vehicle for establishing the possibilities of CED in the Winnipeg community. You did not have financial institutions or the United Way understanding CED at the time and fertilizing the ground around CED concepts and having places where people could come together. I remember our early AGMs were celebrations of CED. Everyone thought SEED as a CED organization...It made some progress there but it did not do it all (Loewen, Personal Interview, 2009).

Loewen further explores the challenges of working at systemic change and the impact of confrontational and collaborative tactics in the process of attempting to effect change.

SEED was always based on a justice model. SEED never understood itself as the good helping those poor pathetic people that we need to help. It was always based on a set of values that were justice based even if it wasn't successful in bringing about systemic change, it was always understood that it was necessary that there be systemic change in places where we could find it...[SEED's approach] is the weakest edge of systemic change. I always felt that systemic change involves creating relationships where they previously did not exist. If you are breaking down resistance where there used to be higher resistance – to me, that is at least initial changes of systemic change. SEED rarely got involved in hard edge advocacy kind of stuff...System change [takes place] through a collaborative way and system change [happens] through a confrontational way and there are limits to trying to do both. So you just got to choose which of those approaches you are going to use because it is very hard if you are heavily confrontationally oriented to win over collaboration, and it's hard to be a strong collaborator when you get too visible in the adversarial area (Loewen, Personal Interview, 2009).

These are the types of pragmatic challenges that SEED faced in attempting to engage in transformative CED work. They illustrate how demanding it can be to achieve transformative CED objectives. Simbandumwe (Personal Correspondence, 2010) talks about the “very real tension between our ideological commitment to build an alternative economy based on collective values and the day to day challenge of creating and sustaining viable organizations/programs/enterprises that will make a tangible difference in the lives of community members. Because resources are so limited and we are always implementing second best solutions due to external constraints, I believe that it is important to engage in a process of continual critical interrogation”. The founding board members and staff were committed to cooperative and collective forms of ownership and contributing to building an alternative economy. The present form of the organization continues to grapple with effectively confronting what (Mullaly, 2007) identified as the dominant paradigm of neo-liberalism which promotes values of individualism, private ownership, competition and the central role of the market in the functioning of society.

Murdoch (Personal Interview, 2009) uses the example of Diversity Foods, a social enterprise that is a joint venture between the University of Winnipeg Community Renewal Corporation and SEED Winnipeg to provide cafeteria services at the University of Winnipeg, to further illustrate the challenges of promoting the social enterprise and alternative forms of ownership concept within SEED Winnipeg. Diversity Foods involved creating a social enterprise that would employ people from various ethno-cultural communities and would specialize in providing food that reflected the cultural diversity of student population attending the university. As part of the joint venture agreement SEED holds permission to sell shares to a co-operative owned by the workers.

The timing of the selling of the shares was dependent on the shown viability of the business and the incorporation of a co-operative by the workers (Coker, Personal Correspondence: 2010).

We had thought we had cleared the [Diversity Foods] concept with the board one and half years earlier but when it started to get back on the agenda that maybe it was a real go we had to go through all this concept again as most of the board were much more into the business training approach...[The key question became] social enterprise what is this thing. We worked this through and really explored the concept. I was surprised – we thought we had a basis for moving forward but we had to address the pull back and hold an orientation session with the board. I thought we had won that, but obviously we had not. To be fair, in the end when it did turnaround, there was support and enthusiasm for moving forward. But that from my standpoint, [Diversity Foods] is the closest we got into what we originally wanted to accomplish... with the worker co-op CED approach (Murdoch, Personal Interview, 2009).

According to Coker (2010, Personal Correspondence), “the business has been successful and incorporation of the co-operative is now being discussed by the workers. Diversity Foods has many awards that highlight their commitment to the environment and buying locally, as well as jobs for immigrants and members of the Aboriginal community. They were also able to put in a health care plan for all staff this fall [2010] which is quite unusual in the industry”.

Coker (2010, Personal Correspondence) further writes,

SEED continues to have a strong intent to develop co-operatives and social enterprises. If you look at actual work and not just intent, I think SEED has been far more active in developing co-operatives and social enterprises in the last six years as compared to any prior time in its history. Our research on setting government policy to support co-op development and involvement in the visioning strategy for the co-op movement within the province would also counter [this] perspective [regarding SEED’s co-operative development efforts]. Both the co-op tax credit and work towards a co-op chair in a business school has been through SEED’s work with others. SEED was also instrumental in founding and coordinating a Worker Co-op Federation chapter for Manitoba. SEED is also piloting Asset Building programs for cooperatives to enable groups to buy collective assets. SEED received an award from the Canadian Worker Cooperative Federation for SEED’s work in promoting worker cooperatives. Lastly, SEED has organized Co-op developer training programs in Manitoba twice in the past two years to support others in developing co-operatives and identifying when it could be used. If there is anything like this in SEED’s prior history please feel free to let me know. Maybe it was there and got lost before I came but I have worked to build the co-op development services since coming

on board and think we have had some success in an environment which was not always particularly supportive(Coker, Personal Correspondence: 2010)..

Simbandumwe (Personal Correspondence, 2010) argues that SEED is presently investing more of its resources in the co-op sector than any time since she started working in the organization in 1998. She contends that the work SEED has done in the micro-enterprise and asset building programs have helped to build an internal infrastructure and relationships with funders that have supported the expansion of SEED's co-op development work.

When seeking funding for our IDA program SEED was introduced to an anonymous donor through the Thomas Sill Foundation. The donor provided significant core funding for the asset building programs on an annual basis (\$100,000 range). As SEED established credibility with this donor, we were able to introduce this donor to other areas of work. Eventually 100% of the funding provided by the donor was redirected to other areas of SEED's work including operations which helped support significant development work related to Diversity Foods as well as policy advocacy undertaken by the Executive Director to build the co-op sector and expand the financial resources available to the sector as a whole.

Another example is our relationship with the United Way. Initially, the United Way was tentative about embracing a CED approach and expressed concerns about profiling SEED's business development work including micro-enterprise programming. Working in close partnership with the United Way to replicate matched savings programs and by doing a significant number of speaking engagements about asset building which included a systemic analysis of poverty, we eventually arrived at a point where the United Way was willing to directly fund and positively profile co-operative and social enterprise development – most notably Diversity Foods.

If SEED did not have asset building or micro-enterprise programming it doesn't necessarily follow that we would have secured more funding to support the development of co-operative enterprises and to undertake advocacy work to build the co-op sector. In fact, the opposite could very well be true. Looking at the relative funding that has been invested in different aspects of SEED's program can be misleading. I think the key question is whether or not SEED has expanded its work in the collective enterprise development side of things in absolute terms over time. From what I have seen since starting at SEED [in 1998], it seems clear to me that, on balance, our involvement in other areas of work (asset building and micro-enterprise) has supported this work (instead of diverting organizational resources away from this work). Involvement in these other areas of work has helped to support an expansion in the Community and Worker Ownership Program at SEED and [this co-op development approach] has been more fully

integrated with the Business Development Services instead of being hived off as a specialized area of activity (Simbandumwe, Personal Correspondence, 2010).

Both Coker (Personal Correspondence, 2010) and Simbandumwe (Personal Correspondence, 2010) argue asset building programs seek to address structural inequalities regarding the issue of asset inequality in our society. Coker (2010) maintains that asset building approaches for people on low-incomes is a response to a systemic problem that uses tax credits to provide benefits not available to those of low incomes thereby perpetuating economic inequality. Simbandumwe (Personal Correspondence, 2010) further adds that

The roots of the IDA programs involves a significant amount of energy going into working at an institutional and policy level to address asset inequality. Asset building programs grew out of an overriding concern about the unequal distribution of wealth and included a critique of the market and regressive asset building government policy. In addition to advocating for more progressive asset building policy (including a call to end welfare policy that requires abject destitution in order to be eligible for social assistance), practitioners have also argued for regulation and other institutional interventions to ensure access to basic financial services for people living on low incomes. Asset building practitioners have identified the regressive nature of asset building mechanisms such as RESPs and RRSPs and have argued for the introduction of more broadly based policies that provide higher levels of benefits to individuals living on low incomes. There was a great deal of excitement about the introduction of the universal and progressive Child Trust Fund in the U.K. It was heralded as an important model for the progressive redistribution of wealth that would be hopefully adopted by other jurisdictions. The elimination of this program when the Conservative government came into power is seen as a major setback for the movement. The asset building movement in Canada has made some significant inroads on the public policy front such as the introduction of the Canada Learning Bond.

The Manitoba Saves! Program includes an increase in the liquid asset limits for all social assistance recipients as well as provisions for individuals with disabilities. The RESP aspect of our program is geared towards supporting low-income families to access the Canada Learning Bond. Much of our energy has been focused on addressing the institutional barriers that prevent families from accessing this entitlement (i.e. lack of appropriate financial products for low-income families, ID requirements, etc.)

I also see the AssetBulders Partnership as an excellent avenue for engaging in more policy advocacy work. At our quarterly meeting last week we discussed a number of EIA policy issues that we will be bringing forward to the Minister (based in part on a consultation with the EIA Advocate at the Community Financial Counselling Services).

SEED is also planning a National Asset Building Learning Exchange for next June which will include a strong policy focus and, hopefully, further widen the range of asset building activity in Manitoba.

The Child Trust Fund referred to by Simbandumwe (Personal Correspondence, 2010) is a good example that illustrates the importance of examining the underlying values or ideology of these CED approaches in order to move beyond the intentions of these initiatives and to have a critical analysis of their impact as a strategy to address inequities in our society. The Blair government's Third Way is strongly criticized by the left and authors such as Mullaly (2007) for a value base that diminished the role of the state; promoted equality of opportunity, not outcome; advocated for no rights without responsibilities; positions the role of the state as an enabler rather than a provider of social welfare; focused on law and order, tough love - curfews, parenting orders, removal of homeless people from the streets; and redirected obligations of the collective community to the individual. Mullaly (2007) argues that "the Third Way amounts to a gentler and kinder version of neo-liberalism rather than a different approach to the economy and social protection...if it walks like a duck and talks like a duck, there is a pretty good chance that it is a duck"(199).

Finlayson (2008) contends that the Child Trust Fund ultimate policy goal was to alter the behaviour of the poor that would be consistent with Third Way values and was marketed as an individualized benefit for individualized aspirations.

Over time, the justificatory strategy [of the Child Trust Fund] became detached from the goal or ideal of redistribution, from the strategic re-legitimation of social democracy and from any intentions to re-invigorate a sense of communal ownership. The Treasury viewed it in terms of its broader policy goals around savings. The policy came to be explained and justified in terms of measurable and observable policy goals and the role of the policy in assisting the development of financial and savings education became predominant - pushing other concerns out of the way. Debate came to be about

implementing this rather than anything else. Thus, while the complex and imaginative debates about asset-based welfare that helped shape the Child Trust Fund have left their traces in the policy, its object is not ownership but individual outlooks, aspirations and behaviours. The broader arguments concerned with solidarity and justice still took place in the wider academic and Think Tank circles but did not feature in the mainstream policy-forming process. With these elements downplayed, the object of the policy became ever more focused: the behaviour of the poor. The policy became understood as a tool for changing their culture in ways that would enhance saving and integrate them into the exigencies of a finance-dominated economy. It was no longer strongly connected to broader issues of ownership and by the time it went “live”, the policy, in form and presentation, was dominated by commercial concerns and by an individualized approach to welfare, concerned to create new kinds of attitude in people. And this would in turn seem to be congruent with New Labour's broader approach to welfare (105).

SEED has worked diligently with the challenge of engaging in transformative CED practice over the course of the evolution of the organization. The co-operative and worker ownership program represents this progressive form of CED values and practice. SEED's staff has also engaged in critical reflection to ensure that the asset building and matched savings programs have pushed the boundaries of this program lens to incorporate collective social change imperatives within this form of CED practice. While the intentions of the work that SEED is doing with asset building and matched savings programs are transformative, the underlying impact of this program component of the organization serves to complement rather than challenge existing economic and political order. This asset program area of SEED along with the micro-enterprise area reflects a gap filling rather than transformative range of CED objectives.

The gap filling CED approach identified by Loxley (2007) is consistent with the order perspective of Reasons and Perdue (1981) that was presented earlier in this thesis. SEED Winnipeg promotes this order perspective within the micro-enterprise and matched savings programs in that members of society are expected to conform and adapt to the consensus based social arrangements of the dominant neo-liberal paradigm. Acceptance, conformity and

adaptation to this coercive social order is not questioned. The underlying approach of micro-enterprise and asset building programs is to re-socialize poor people to develop the skills to be more entrepreneurial in order they can more successfully compete in the market place, to be better managers of their personal finances, and to be more frugal so they can become better savers. As Reasons and Perdue (1981) point out, this focus on re-socialization and behavioural change is a form of blaming the victim.

Loewen (Personal Interview, 2009) identifies the challenges or nuances of promoting systemic or transformative change regarding the choices that need to be made involving the use of collaborative or confrontational tactics to effect change. Loewen acknowledges that SEED Winnipeg has embraced more of a “weakest edge of systemic change” or collaborative oriented approach. The key question then becomes collaboration with whom and for what purposes. As Loxley (2007) pointed out, it does not mean that the advocates of transformative CED objectives “would not seek to promote CED within capitalism; they might. But they would see their efforts as models of widespread emulation, as a transition to transformation, and tend to have quite demanding standards for what passes as acceptable CED” (10).

Collaborating with corporate charitable funders and with government programs that promote more individual personal responsibility of poor people to be better money managers, savers and entrepreneurs does not achieve this demanding threshold. As well, these types of initiatives do not serve as effective transitional strategies to more transformative forms of CED. The questions that need to be raised here are ones of choice and sequencing of CED strategies. While SEED’s work with matched savings programs seeks to address the systemic inequities and barriers for

low-income people regarding the tax credit system, it would be important to look at whether there are more critical basic needs issues that must be addressed in order to ensure participation in asset building programs would be more effective. For example, the poorest of the poor desperately need quality social housing. They also need a job with a livable wage in order to support their families. It would seem to be a more important CED strategy selection choice to address issues of shelter and income. This becomes a strategy selection sequencing issue. Matched savings programs complement a poverty reduction strategy once basic need issues have been met. The strong focus on micro-enterprise and asset building within SEED help to define the organization. They, however, reflect a value base that blames the victims of an unjust political and economic system and amounts to being what Gunn and Gunn (1991) have identified as the “politics of simple self help” (165).

Simbandumwe (Personal Correspondence, 2010), acknowledges that the matched savings programs such as the IDAs and Saving Circle” run the risk of being interpreted as a “blaming the victim” approach by external observers and, worse yet, that our participants will experience our programming that way”. SEED is very conscious of this risk and according to Simbandumwe (Personal Correspondence, 2010) have done a number of things to mitigate this including,

Part of the interview process for all SEED staff includes asking them to provide their analysis of why “poor people are poor”. We are looking for individuals who have some insight into the structural and institutional factors that cause poverty (instead of attributing individual shortcomings or deficits in knowledge as the cause of poverty). We also look for individuals who are able to articulate how our programs link to transformative CED practice.

We have adopted an asset based approach in training and evaluation based on sustainable livelihoods. This means we adopt a lens that recognizes the assets (social, financial, physical, human, etc) that program participants already have to build on instead of focusing on needs and deficits that must be met or fixed.

Presentations to funders, potential donors, the general public about our money management training include a caveat that most people could benefit from this type of training and, in fact, people living on low incomes are often better at budgeting than people living on higher levels of income out of sheer necessity. The case for providing free money management training for individuals living on a low income is that these members are so close to the margins that gaining a greater sense of confidence and control over the finances make a significant difference in stabilizing family life and building greater resilience. I know that these skills were of great importance to the survival of my family when I was growing up as a refugee.

We have included workshops on CED and consumerism in our money management training. These workshops include a systemic analysis of the roots of poverty and encourage participants to explore the potential for collective community based solutions to these broader issues. We have had many passionate debates as a staff team about the extent to which and how we should incorporate our ideological commitments into this part of the curriculum. We have received some very positive feedback from program participants a sizeable number identify this workshop as their favourite session. Some have commented that SEED is one of the few places where they would be exposed to this critical perspective.

Even if the SEED Winnipeg proponents do not subscribe to, and in fact, reject these neo-liberal values of blaming the victim that could be associated with its micro-enterprise and asset building areas, it is important to move beyond intent and to unmask the impact of program initiatives such as micro-enterprise and asset building programs in relation to the underlying values which they are promoting within the community. This is why there is a need to have a more rigorous ideological analysis of CED initiatives in order to promote more critical reflection with respect to the direction that the specific programs or the movement as a whole is undertaking.

In terms of engaging in a deeper critical ideological analysis of matched savings programs, Schram (2005) contends that asset building and matched savings initiatives are often touted as transcending political differences and offering something appealing to both the right and the left.

For the right, asset building discourse moves policy away from income distribution across the classes and re-focuses policy on supporting low-income individuals in becoming more self sufficient by taking steps to enhance their own wealth production via

acquiring assets such as an owned home or the assets which come from developing one's own human capital through education or training. President George Bush made policies aimed at saving for assets the centerpiece of his "ownership society" that he detailed in his re-nomination acceptance speech in 2004 (2).

One of the most appealing dimensions of asset building policy discourse for the left is that it focuses on overcoming the discriminatory practices that deny the poor opportunities that middle and upper classes have for building assets and acquiring wealth. Such a focus enables us to see that asset building policy discourse is consistent with related shifts across the welfare states of Europe and other Anglo speaking countries as well as the United States in that it de-emphasizes directly attacking poverty and instead focuses on overcoming social exclusion as the main barrier to improved well-being for low-income individuals and families (3).

Erby et al (2009) are critical of U.S. asset building policy efforts as they "continue to disproportionately favour households that already hold assets as opposed to those without assets"(2). Bernstein (2003) is concerned about the focus on the individualistic oriented consciousness raising of the asset building approach that seeks to get the poor to internalize the role as capitalists while distracting attention away from the more structural sources of poverty. Erby et al (2009) suggest that asset building instruments such as IDA programs "further exploit low-income people by indoctrinating them into a capitalist system that is unresponsive to their needs. Reform of the system is absent and the system of exploitation is left intact"(4).

Schram (2005) maintains that what is particularly bad about asset building discourse is that it

Reinforces limiting social welfare policy initiatives to only those that are consistent with the imperative of the market system, and thus assumed to be more palatable to a broader audience. Asset building policy discourse dooms social welfare policy to be limited to getting low-income families to try to succeed in capital markets that are systematically designed to ensure their failure (7).

Gamble and Prabhakar (2005) fear that “asset based welfare could become a Trojan horse for undermining existing welfare provision. According to Shram (2005), none of the asset building approaches will go very far “without attention to the ways in which the existing political economy systematically works to devalue the efforts of low-income individuals by sequestering them in poor neighbourhoods, confining them to inadequate housing, limiting their access to decent schools, and ensuring them a life of low wage work”(9). The asset building discourse makes “social welfare policy change safe for capitalism...a way to talk about social change without actually calling for social transformation” (Shram, 2005: 27).

The value of personal responsibility is a foundation of matched savings approaches. Shram (2005) points out that these forms of asset building initiatives “risk having as their major consequence reinforcing the idea that the poor need to change their thinking and behavior and start demonstrating that they are competent before we are obligated to help them overcome their poverty”(45). This philosophy is highly consistent with anti-collectivist values of pulling yourself up by your own bootstraps. This would contrast with the rights based approach that is reflective of collectivist or social democratic values. As Gamble and Prabhakar (2005) point out, the asset building agenda represents another example of the “subordination of welfare policy to the demands of the global market. Instead of welfare being understood as a universal entitlement of citizenship, it becomes a means to fit individuals to the requirements of work in flexible labour markets and to compensate in part for declining collective provision for higher education and pensions”(11).

Bernstein (2003) challenges the impact that an IDA poverty reduction approach could really achieve. Referring to the first systematic study that was done on IDAs by Michael Sherraden (2001), Bernstein (2003) points out that,

They found that low-income participants were only able to put away a net value of \$20 per month on average, with a median of about \$10, leading to annual average accumulations – including the 2 to 1 match – of around \$700. It's hard to imagine that this level of saving could generate the kinds of investments that can change the economic trajectory of a poor family...for asset-building policies to have the transformational impact that their supporters desire, they need to be much bigger and bolder (14).

Shram (2005) believes that IDAs are not in the end good public policy in assisting the poor in the long run because they are not politically feasible.

In order to make such an approach really effective in attacking poverty, the government would have to spend much more money on matched savings. Further, if the necessary matching were done nationwide as a matter of national policy, it would pose a cost way beyond what the conservative champions of such an individualistic approach would be willing to even begin to think about supporting. In the end, IDAs are, for now at least, politically unrealistic. The discourse of political feasible is often its opposite – utopian, at least in thinking that it can extract real resources from those who do not want to give them up simply by sugar coating such demands in terminology preferred by the powerful. This form of naïve cynicism often leads to euphemistic politics that backfires – asset based discourse is a primary case in point (32).

Erby et al (2009) suggest that while there are a number of concerns about IDAs and the potential for poverty reduction impacts on both an ideological and practical level, asset building programs such as IDAs can be viewed to play an important role if put in context. Given the inequality of benefits of asset distribution regarding the middle/upper classes and lower classes, IDAs work towards at least reducing these inequities. As well, Erby et al (2009) point out

The required financial literacy component of IDA programs assists participants in understanding and identifying sources within the capitalist system that would seek to exploit them. For example, predatory lending practices, including check-cashing agencies, rent-to-own stores, high interest rate credit card companies or mortgage brokers, that historically target low-income communities are explored (5).

Erby et al (2009) also conclude that those that criticize the role that IDA programs play in engaging low-income people in building assets within the existing capitalist system could be seen to be hypocritical.

Critics who suggest that low-income populations should remain out of the capitalist system are challenged to examine whether they would be willing to forgo their own assets (e.g. home, retirement savings, education) as a form of protest of the capitalist system. If they are not willing to take this stand, then why would we deny low-income people the same opportunity to access and share in the benefits of the assets (5).

A reluctant collectivist or liberal view of social change promotes this notion of equal opportunity within the existing capitalist system whereas a collectivist or social democratic perspective focuses on the concept of equality of condition or outcome. The proponents of IDAs effectively argue that asset building strategies are more than simply strategies that promote personal responsibility and in fact address factors that tinker with changing institutional structures, however, this focus on making change within existing structures is rooted in a value of equal opportunity which is the foundation of reluctant collectivist rather than collectivist values. As Gamble and Prabhakar (2005) point out “at present the evidence on asset based welfare is small...empirical research on the value of asset holding are rare” (6). McKay and Kempson (2003) quoted in Finlayson (2008) further point out that based on research commissioned by the Department for Work and Pensions in the United Kingdom on savings and assets across time, it concluded that “when we refined the models that, previously, had shown a link between asset-holding and favourable life outcomes we found that the apparent link could be explained by other factors” (86). Bernstein (2003) argues,

For the most part, what holds back the poor is neither their personal desire to save (or not to save) nor the unfair tilt in the tax code that creates lucrative savings vehicles for the wealthy. What stands between the working poor and their fair slice of the economic pie

is their lack of political power in the policy arena and lack of bargaining power in the labour market (15).

Gamble and Prabhakar (2005) contend that asset building approaches need to be put in a context in order for this poverty reduction strategy to be relevant in terms of an agenda for change.

“Assets on their own are unlikely to be sufficient for relieving poverty. Assets should therefore not be seen as an alternative to current welfare provision, but rather as a complement to income replacement strategies”(Gamble and Prabhakar, 2005:4).

If SEED Winnipeg is to engage in a broader range of transformative CED objectives, it must adopt more of a conflict perspective (Reasons and Perdue, 1981) which would advocate for a more structural analysis and form of practice. Institutions and ideology rather than individuals must be the targets of change in order to address the root causes of poverty and inequality in our society. The ongoing efforts of SEED Winnipeg to grapple with the tensions between gap filling and transformative CED practice provide concrete illustrations of just how demanding and difficult this task can be.

CED Ideological Analysis Class, Market and State Theory Perspectives

The CED model presented in this thesis identifies three elements of the CED ideological analysis as anti-collectivists, reluctant collectivists or collectivists approaches to CED. None of the CED initiatives examined in the three case studies fall neatly into one of these categories. SEED Winnipeg reflects a mixed ideological orientation and not a pure ideological perspective. SEED can be viewed as demonstrating some tendencies towards a more reluctant collectivist approach. It recognizes the role for some limited state intervention to modify market forces through

institutional capacity building. It promotes some forms of what would be described as a collectivist approach through the Co-op and Worker Ownership Program (CWOP) initiatives. , SEED Winnipeg's ongoing commitment to the micro-enterprise model and the personal individual responsibility approach of asset building programs reflects CED practice within the range of the anti-collectivist category of the proposed CED ideological analysis model. With respect to the asset building program, it is acknowledged that SEED pushes the boundaries as much as it is able within the constraints of the theoretical and value based underpinnings of the personal responsibility lens to incorporate institutional change and the potential of collective oriented strategies that would involve an asset building approach.

The balance of this section of the case study will examine SEED Winnipeg from the ten identified elements of the class, market and state theory perspectives of the CED ideological model including View of Society; View of Social Problems; Value of Freedom; Value of Equality; Value of Community; Role of the Market; Role of the State; View of Power; View of Change; and the Nature of CED Practice.

1. View of Society

While SEED Winnipeg would not entirely subscribe to the atomistic view of society in which people were by nature competitive, acquisitive, self-absorbed and individualistic, the privately owned enterprise development and asset building programs operated by SEED are based on values of individualism. SEED Winnipeg does believe in the collective and cooperative potential action within our society and therefore does not solely reflect an atomistic perspective of societal relations. For the most part, SEED Winnipeg represents what Reasons and Perdue

(1981) would describe as an order or consensus view of society. Members of society are expected to conform and adapt to the consensus based social arrangements of the dominant neo-liberal paradigm which is heavily steeped in individualism, competition, self-reliance, and private ownership.

2. View of Social Problems

SEED Winnipeg, by its ongoing commitment to micro-enterprise development and matched savings programs,, in essence views that social problems are primarily located within the individual. If individuals are able to build their capacity regarding entrepreneurial skills, they will be more able to successfully compete in the market place and earn a living. If individuals are able to build their capacity regarding personal financial management skills and become more frugal, they will become better savers in order to purchase assets like computers, household appliances, have a downpayment for home ownership, start a business or fund their or their child's education. As pointed out previously in this thesis, the implicit value base regarding this asset building approach is that social assistance rates are too high because you should be able to have money left over for saving for an asset. Or that minimum wage laws are too high because, likewise, you should be able to have money to put in a savings program once you learn to be more frugal. This is classic "pull yourself up by your bootstraps" values that are rooted in the survival of the fittest mentality. If poor people are unable to save there must be something wrong with them as individuals. All they need is to get some personal money management training and they will be on their way. Ife (2002) describes this individual pathology approach "blaming the victim" – structural factors such as income distribution, racism and market induced inequalities are not acknowledged but are left unchallenged.

It is important to reinforce this point once again, if the staff and board members of SEED were asked directly about this narrow and regressive value orientation, they probably would not share these views. However, implicitly, irrespective of their intentions, a program focus that involves asset building and micro-enterprise development approaches is imbedded in values that are not necessarily transformative or emancipatory.

SEED Winnipeg does operate a community and worker ownership program that does move beyond this individual pathology perspective of addressing poverty in our community. However, this program area has developed slowly, is under resourced compared to other individual oriented programs within the organization, and does not operate on a scale of what the original proponents of SEED Winnipeg would have envisaged. It is interesting to note that at SEED's recent 2010 strategic planning workshop, it was identified that the CWOP should be given a higher priority in the upcoming years (Franck, Personal Interview, 2010).

3. Value of Freedom

A key value of the anti-collectivist perspective is freedom from coercion, especially regarding the role of the state and its relationship to the market economy. Participants in SEED Winnipeg's asset building program that use their savings to purchase homes identify the freedom they feel about being able to own their home and not being dependent on landlords (Hajer, 2009). Similar stories about the freedom of being your own boss by running your own business are expressed by participants in SEED Winnipeg's Build a Business programs (SEED Winnipeg Annual Report, 2008). While SEED Winnipeg's promotion of entrepreneurship reflects a commitment to private market values, SEED would also need to be viewed as holding values

regarding freedom that reflect reluctant collectivist values based on a belief that members of society have basic liberties or freedom from want and disease. In this context, the role of government is not seen as coercive in restricting individual freedom. SEED Winnipeg sees the importance of partnering with government to provide programs that assist low-income citizens to better support themselves and their families.

4. Value of Equality

Anti-collectivists believe in formal equality for all members of society in terms of appearing before the law and justice system, as well as equal opportunity to compete in the market place. They accept inequality will exist in society in both political and material terms based on their belief in the Darwinian values of “survival of the fittest”. SEED Winnipeg attempts to provide compensatory resources and supports for low-income people to mitigate the inequality that results from the Darwinian values of survival in the market place. These supports include capacity building training for business development and asset building programs. As well, SEED has established targeted programs to support communities such as Aboriginals, newcomers/immigrants and youths to assist these groups to more effectively participate in the market place or to build personal assets. Coker (Personal Interview, 2009) talked about trying to find the proper boundaries regarding the assistance SEED provides to individuals with its business development programs. “We are not doing someone a favour when you continue to work on a project which, for whatever reasons, is not probably feasible and you need to help them find another avenue for moving forward...It is better to re-direct people for 2 years and then come back and try to start a business – there is other work they need to do before they open a business ” (Coker, Personal Interview, 2009). While SEED Winnipeg attempts to provide supports to low-income individual entrepreneurs, it still understands the basic

survival of the fittest mentality of the market place. SEED Winnipeg demonstrates a more collectivist approach to the concept of equality in the Community and Worker Ownership Program in which employees would be seen to have more of a voice in the decision making/management of the enterprise and further develop their knowledge and skills to realize their full potential.

5. Value of Community

Individual responsibility is one of the fundamental values of anti-collectivists. They believe that the interests of the community are the sum of individual interests who compose it and nothing more. SEED Winnipeg demonstrates a value towards individual responsibility in its private enterprise approach and asset building programs. It's up to individuals to develop their own capacity to build and manage their businesses. It is up to individuals to take the responsibility to further develop their capacity to manage their own personal finances in order that they can become better savers to purchase identified personal assets. SEED injects pragmatic community interventions that reflect a more reluctant collectivist view to support these programs that are oriented to individuals by developing community based institutional supports such as training programs, access to loan capital and matching dollars for savings incentives. As well, the Community and Worker Ownership Program of SEED Winnipeg also reflects some elements of a collectivist approach that would promote values of solidarity and cooperation in the development and operation of social enterprises and worker co-op forms of CED initiatives. A good example of this more collective CED approach is the Winnipeg Taxi Co-op initiative that was organized with the assistance of SEED Winnipeg (Hamilton, Personal Interview, 2009). The Taxi-Coop, which is comprised over 170 newcomers and current drivers, collectively made

a request to the Taxi Cab of Board of Winnipeg for 100 new taxi licenses. Despite the fact that Winnipeg has the second lowest number of cabs per capita in the country, the Taxi Cab Board denied the request for the 100 new taxi licenses. As a result, the Taxi Co-op was not able to move forward.

6. Role of the Market

The anti-collectivists believe in the 'natural laws' of the market place – the laws of supply, demand and price determination. SEED Winnipeg, with its emphasis on entrepreneurialism and self help, provides assistance to low-income people to further develop their knowledge and skills in order that they can more effectively compete in the market place. SEED does enter into partnerships with the state and philanthropies to secure compensatory resources that have the objective to support low-income people to start up businesses to compete in the market place.

SEED's partnership with the state is consistent with the values of the market place. As pointed out previously in this thesis by Hamilton (Personal Interview, 2009), because of this congruence in values, both public and private sector "funders flock to it [SEED Winnipeg]". Coker (Personal Correspondence, 2010) contends that with respect to the micro-enterprise program,

Funding for the micro-enterprise program has not increased since 2000 except for a Federal grant which allowed us to specifically focus on working with "youth at risk" through business development programs...sadly this program grant was cut then eliminated in 2008-09. During this same SEED was able to increase funding for Community and Worker Ownership Program work to add another staff position to work specifically with immigrant groups on developing co-ops and social enterprises and over the period of 2006-2009 the CWOP budget increased by approximately \$250,000 for specific co-operative projects. On top of this, SEED supported co-operative groups to raise over an additional \$100,000 which went directly to groups. I probably disagree with Blair that any of this money 'flocked' to SEED; it was a combination of hard work and the warming of the ground that I mentioned to you by working to strengthen the co-op movement and its resources and funder understanding of the broader community. If you want to distinguish funding for asset building programs as having increased significantly you would be on safer ground.

SEED Winnipeg has done excellent work to develop and secure these funding partnerships. One of the strengths that SEED Winnipeg has been able to build upon to grow the organization is its emphasis on neo-liberal values that embrace the market based approach. Pachal (Personal Interview, 2010) interestingly points out how the level of support is provided to micro-enterprises by government on an ongoing basis due to these imbedded market place values despite questionable outcomes of micro-enterprise programs.

I am kind of surprised that it [micro-enterprise approach] is still supported. The success rate is not all that great [while I was working at SEED as the Executive Director]. There are some really good examples of micro-enterprises that are still going. But to be critical and candid about it – we creamed. Those were the ones that may have made it anyway...There is a group of people that are very well served [by the micro-enterprise approach]. Where the disappointment is for me is that it wasn't getting at the most marginalized [people]. And that's who we were after...The business lens is an important influence on the business of government. SEED used more of a business lens – not you should be doing this for the good of our community. Or you should be doing this because it is your responsibility. This is the economic argument”.

7. Role of the State

The anti-collectivists believe in a minimal role for the state. State intervention is seen as a threat to freedom; is inefficient; and is socially disruptive. Anti-collectivists support the concept of a residual welfare state model based on the idea that assistance should be provided only in the last resort – in case of catastrophes or emergencies for a temporary period of time, as well as a focus on the “deserving poor”. They believe in laissez-faire economics or minimal government involvement in the social and economic affairs of society. SEED Winnipeg does not share these strong anti-statist views of the anti-collectivists. The asset building programs that focus on savings for downpayments for homeownership, reflect the deserving poor philosophy, in that people in receipt of social assistance would have a difficult time participating in this type of program due to EIA restrictive regulations regarding homeownership assets. Simbandumwe

(Personal Correspondence, 2010) points out that “while it does present challenges, individuals on EIA can access the home ownership program”. Hajer’s (2009) paper on the SEED Winnipeg IDA Homeownership program indicated “only 3 of 31 reporting participants were receiving EIA at the time of enrollment [in the program]”(31).

SEED’s view of the state probably reflects a range between reluctant collectivists and collectivist perspectives. From a reluctant collectivist point of view, SEED would see the importance of pragmatic state intervention to fine-tune the shortcomings of the capitalist system to address specific problems such as promoting matched savings programs to encourage asset building by low-income people or by providing funding to SEED to assist low-income people to increase their business knowledge and skills to establish self-employment enterprises. This reluctant collectivist view of the role of the state would be tempered by the strong belief to ensure that individual and community self-reliance is the goal of any form of state intervention.

A case could also be made that SEED Winnipeg would maintain a collectivist perspective on the role of the state intervention based on the notion that the state should redistribute benefits and resources in order to modify market injustices. The state’s role in providing funding for capacity building support for the development of worker cooperatives and social enterprises, in partnership with government, in order to scale up the participation of the low-income individuals in the workforce or expand business opportunities for social enterprises would be a good example of this type of approach. While SEED Winnipeg is not a part of this initiative, BUILD Construction is a good example of a social enterprise and government partnership that combines green development, CED and poverty reduction strategies to train recently released adults from

the correctional system with training and jobs in the home insulation industry. BUILD reduces greenhouse gas emissions, creates employment for those individuals that are distant from the job market, and reduces heating bills for low-income residents in the inner city which enables them to have more disposable income (BUILD Construction Annual Report, 2008). These are the type of state partnerships that SEED Winnipeg needs to further develop in order to scale up the impact of its services to address issues of poverty, unemployment and underdevelopment.

Blair Hamilton, one of the founding staff members of SEED Winnipeg, passionately argues that not only SEED but the entire CED sector needs to understand the important role and relationship of the state with respect to a progressive collectivist oriented CED agenda.

Launching enterprises and doing CED work is no substitution for sound public policy. There is always the temptation and there is constant rearguard action to fight against all the crap that people want to offload onto you and think that you should be doing. Just do it and it will become self funding. This social enterprise sector is horrible for talking about the social economy... all the verbiage is still out there and we routinely get bureaucrats who want to get projects off of their funding profile and say here's a few bucks and go and develop a business plan and the expectation that you will become self funded is bullshit. It is a perversion about what social enterprise should be and we have to be really vigilant in telling them that this is not on. It's usually junior people – the deep thinkers probably get it when you tell them that. But most of the daily decisions are not made by the deep thinkers and getting access to them can be difficult. We can't be used as a stalking horse for off-loading public responsibilities. We should be a vehicle for the community to create wealth, to make impacts and to be economic and create new things. We can't become some kind of shadow market ideologically approved substitute for services that should be offered and funded[by the state]. This is a limitation of the whole [CED] sector. Because SEED is seen as a leading organization in Winnipeg of this sector, it must take responsibility to provide leadership on this issue (Hamilton, Personal Interview, 2009).

8. View of Power

The anti-collectivists subscribe to a pluralist perspective of power. Political power is seen to be shared equally among private individuals, business, pressure groups and the state. The role of

the state is to act as an impartial arbiter with respect to conflicts among these groups. SEED Winnipeg for the most part accepts this pluralist view of power. It works with various private sector organizations like Winnipeg 2000, philanthropies such as the United Way, and national CED networks such as CEDnet to engage in a perceived equal opportunity approach regarding power as a means to further the influence of SEED Winnipeg and the CED movement as a whole. These relationships form the basis for building a range of networks and partnerships that were used to promote the importance of CED approaches with funders and policy makers in both the public and private sector to promote programs and to secure resources to fund these CED programs. “Making national connections served to affirm what you were doing and to get attention for specific programs [that SEED was promoting].” (Loewen, Personal Interview, 2009). This type of approach does not look at the structural dynamics of power that limits or shapes demands for change.

9. View of Change

The anti-collectivists view of change is based on the belief of maintaining the status quo to protect the existing order and power relations. SEED Winnipeg believes in the workings of one of the central features of the neo-liberal status quo – that is the important role of the market place in the creation of wealth. However, SEED would also acknowledge the important values of the reluctant collectivist view of change in that adjustments must be made to the status quo in order to make society operate more effectively, efficiently and more fairly. Building institutional capacity within SEED Winnipeg to provide business training, loan capital and ongoing mentoring support to entrepreneurs from low-income communities is an example of the adjustments that need to be made to the status quo market forces in order that low-income people

or groups have a better opportunity to be successful in launching a business or cooperative enterprise. Other tinkering adjustments to the status quo would include SEED's programs that promote personal financial management training and matching savings incentives in order to support more low-income individuals to build up their own personal assets as an approach to reduce poverty. SEED Winnipeg moves towards the collectivist range of the view of change when it is involved in worker cooperative development which seeks to challenge the status quo regarding the issue of ownership of the means of production through the promotion of worker ownership models.

10. Nature of CED Practice

SEED Winnipeg provides a range of CED services that fit within the anti-collectivist, reluctant collectivist, and collectivist range of the CED ideological analysis model spectrum. The micro-enterprise can be situated within the anti-collectivist range of the CED ideological spectrum. SEED's participation in community coalition's such as the Alternative Financial Services Coalition (AFSC) which looked at developing community based institutions to address the banking needs of low-income communities is an example of reluctant collectivist CED practice. Simbandumwe (Personal Correspondence, 2010) points out that SEED Winnipeg worked AFSC on a business plan for a social enterprise that would have involved setting up an alternative pawn shop and second hand store to compete directly with fringe financial services. The initial research regarding this business plan identified a number of issues which did not make this idea of an alternative pawn shop and second hand store feasible. "The eventual solution that was developed – the Community Financial Services Centre and matched savings programs – was not a reflection of their ideological orientation and had everything to do with the feasibility of different options" (Simbandumwe, Personal Correspondence,

2010). That being said, the options that were chosen reflected an acceptance to pursue initiatives that reflected a strategy of institutional tinkering which is rooted in reluctant collectivist values. This is a good example of the tensions and challenges that are faced in CED practice. The key point here is that CED practitioners also need to reflect on the underlying impact of their initiatives in their pragmatic deliberations if they want to engage in transformative CED practice. Social enterprise and worker cooperative programs would fall more within the collectivist range of the spectrum.

The values of personal responsibility and individual self help are reflected in the promotion of private enterprise development and individual development accounts. The evaluation of the national *learn\$ave* Individual Development Account pilot project that SEED Winnipeg participated in indicates that the primary beneficiaries of the IDA program were new immigrants with more education and skill sets (Leckie et al, 2009). These findings are consistent with the research by Reutebuch (2001) on the impact of IDAs as a poverty reduction measure which identified that “IDA programs are not attracting poorly educated, single-parent households that comprise the chronically poor population. Households in the most need of assistance are left out of an asset based social welfare approach” (102).

Simbandumwe (Personal Correspondence, 2010) cautions against arriving at a conclusion that new immigrants with more education and skill sets are a different population than the chronically poor population.

We cannot assume that immigrants with more education and skills have higher earning potential in the Canadian context. My own family experience and numerous studies clearly indicate that despite higher levels of educational attainment, immigrants (particularly racialized immigrants) are still at risk of living in poverty when compared to

their Canadian counterparts. Key issues include lack of recognition of foreign credentials and foreign work experience. There is another bit of bad news that suggests that many of these immigrants may be condemned to chronic poverty. Historically the gap between immigrants and their Canadian counterparts narrowed over time. The last Statistics Canada longitudinal data that I looked at showed that there has been a shift in that pattern. Immigrants are no longer catching up to their Canadian counterparts and the gap in earning has continued to persist over time.

Hajer (2009) identified further concerns regarding the IDA approach in his study of the participants of the SEED Winnipeg IDA program that used the asset building program to save for a downpayment to become homeowners. “The promotion of homeownership leads to further polarization between the working poor (the “deserving” poor) and the workless poor (the ‘undeserving’ poor) as resources for homeownership programs have often come at the expenses of investment for low income rental housing” (Hajer, 2009: 24). Targeting resources to “the deserving poor” is a classic characteristic of an anti-collectivist approach to addressing issues of poverty. According to Hajer (2009), the program participants who purchased homes through SEED Winnipeg’s IDA for the most part would be classified as working poor. “This is to be expected as to purchase a home the participants had to qualify for a mortgage, which would exclude those deeply impoverished” (Hajer, 2009: 36). Thus, Aboriginal participants, who consisted of only 9.8% of the total participants that completed SEED’s IDA program, used their savings as a downpayment for a home (Hajer, 2009).

Personal responsibility is a key attribute of SEED’s IDA homeownership program. “While it is true that many of the participants faced financial challenges resulting from homeownership, many of them noted that this was not necessarily a bad thing since it taught them how to better manage their budgets and households. One participant said that homeownership made us more

responsible” (Hajer, 2009: 42). While promoting personal responsibility is a positive impact of a program of this nature, the fact that this homeownership approach is only available to people that are working and having relatively higher levels of income than the most marginalized members of the community is problematic. Schram (2005) points out the unintended consequences of homeownership programs identified “ in a growing number of reports...that many poor families are able to own the poorest of the homes that come with extensive repair and maintenance costs, often putting them at risk of being saddled with growing debts, leading at times to abandonment and repossession”(38). It is important to support the working poor through initiatives such as IDAs and homeownership programs, however, it is equally important to recognize the limitations of this type of CED approach and acknowledge that it is not the panacea for poverty reduction which the neo-liberals claim it to be.

Hajer (2009) argues the importance of continued support for quality public/social housing programs as a counterpoint to the IDA homeownership approach.

Those who are worse off and do not have the disposable income to save or deal with the additional costs of ownership are still in dire need of quality housing. While homeownership appears to be making significant positive impact in marginalized people’s lives, if funding for it comes at the expense of public/social housing, equality will be negatively affected. It is also important to note that most of the benefits of homeownership stem from reduced transience and higher quality housing it generates for the homeowners. It is possible that this can be generated just as efficiently through higher quality public/social housing (49).

It should be a priority for SEED Winnipeg to have greater balance in its approach to housing by investing as much time, energy and resources to organizing co-op and non-profit rental housing as it does for the private homeownership approach in order to reach a broader range of inner city low-income residents that are precluded from homeownership programs. Simbandumwe (Personal Correspondence, 2010) concurs with this important need to expand housing initiatives

beyond homeownership programs. “SEED is currently researching a number of promising asset based strategies for people in public housing. I would also very much like to find ways to develop asset building programs specifically geared to individuals with accessing co-op housing. The [SEED] Board is supportive in moving in this direction”.

SEED Winnipeg’s participation in the Alternative Financial Services Coalition (AFSC) is an example of a form of CED practice that reflects the reluctant collectivist range of the CED ideological analysis model. A key focus for this CED approach is building community based institutional capacity, promoting self-reliance and minimizing dependency on the state. The AFSC was organized by a number of community based organizations including SEED Winnipeg, North End Community Ministry, Mennonite Central Committee, North End Community Renewal Corporation and the Assiniboine Credit Union to address the issue of the lack of financial services in the north end of Winnipeg’s inner city, the negative impact of fringe banking services such as pawn shops and pay day loan businesses, and the flight of banks from the community (Buckland, 2008). In the north end of Winnipeg in 1980 there were 22 mainstream bank or credit union branches and only one pawnshop, but by 2003 there were 19 fringe banks (pawnshops and pay day loan operations) and 5 remaining bank or credit union branches (Buckland et al, 2003).

The AFSC organized tax-filing services through the North End Community Ministry and with SEED Winnipeg it launched the asset building program. ASFC also researched the possibility of opening up a non-profit pawnshop or second hand store (Buckland, 2008). The AFSC worked in partnership with the Winnipeg Research Alliance to develop a feasibility study for what would

become known as the Community Financial Services Centre (CFSC). “The Centre helps people transition to a regular relationship with a bank and combines a means to access a basic bank or credit union account, a system to overcome cheque hold policy, access to small loans and provide personal identification” (Buckland, 2008: 17). The feasibility study argued that the CFSC was only feasible if government and private support was available. “The feasibility assessment argued that this support was justified by the fact that the centre would reduce social costs e.g. stolen cash and income lost to fringe bank fees” (Buckland, 2008: 17).

The Canadian Imperial Bank of Commerce agreed to fund a full business plan; the Winnipeg Partnership Agreement – a tri-level municipal, provincial and federal government program provided \$300,000 for the first 3 years of operation; the Winnipeg Foundation provided \$50,000 in grants; the Assiniboine Credit Union provides in-kind supports such as staff time, waiving monthly account fees and paying membership fees; and the North End Community Renewal Corporation provides a line of credit to capitalize the micro-loan fund (Buckland, 2008).

While the North End Community Renewal Corporation became the ultimate sponsor of the CFSC, SEED Winnipeg played an important role as one of the founders of this initiative through its participation in the AFSC. The CFSC is a good example of how community based institutional capacity development can be used not so much to challenge structural inequalities, but to make adjustments of the existing market place system to mitigate the harm that is being done to individuals and communities. This represents a reluctant collectivist form of CED practice – structural relations regarding the market place remains intact and is humanized

through pragmatic interventions that serve to tinker but not replace the existing dominant neo-liberal paradigm.

A collectivist form of CED practice that SEED Winnipeg engages in would involve examples with its Community and Worker Ownership Program. Early initiatives that SEED Winnipeg was involved with in terms of supporting worker co-ops that sought to be transformative in that the worker's own the means of production include the Mondragon bookstore and café worker co-op. Recent initiatives such as Diversity Foods, a social enterprise that will be transitioned into a worker cooperative, provides food services and employment opportunities at the University of Winnipeg which reflects the ethno-cultural diversity of the student population; Manitoba Eco-Guiding Co-op, a co-op model which has attempted to address the limitations of the seasonal nature of this tourist industry by diversifying the skill capacities of the co-op members; the Eco-Safe Cleaning worker co-op; Organic Planet Worker Co-operative; Natural Cycle Worker Co-operative; ParIt Worker Co-operative; War on Music Worker Co-operative; Urban Eatin Gardener's Co-operative; and the advocacy work to support co-op development policy and infrastructure are examples of CED practice undertaken by SEED that reflects a more collectivist range within the CED ideological analysis model.

The Asset Building Program also has some potential to reflect more of a collectivist orientation regarding the CED practice of SEED Winnipeg. Simbandumwe (Personal Correspondence, 2010) described how SEED has launched a Community and Worker Owned (CWOP) IDA pilot project and has set aside 45 IDA spots and recruited program participants. The idea emerged from SEED's commitment to strengthen the number of worker owned enterprises that SEED was

working with. Simbandumwe (Personal Correspondence, 2010) has done some research on this concept and found a worker owned co-operative in the United States that provides IDAs for purchasing member shares in the co-operative. This concept of individual members pooling investments to support the formation of equity capital for a worker co-op is very similar to the discussions among the original founders of SEED Winnipeg to address the narrow parameters placed on SEED in order to obtain its charitable tax status.

On paper the focus of the program staffing of SEED is heavily weighted towards the Build a Business and Asset Building Programs with 14 of the 17 staff positions supporting these program areas while only 2 of the 17 staff positions support the Community and Worker Ownership Program (CWOP) (SEED Winnipeg Annual Report, 2008). However, Coker (Personal Correspondence, 2010) argues that a deeper analysis of the staffing and program resource allocations regarding a more collective approach to CED needs to be undertaken as 50% of the Executive Director's time is committed to co-op sector development; managers of the Build a Business and Asset Building programs engage in community and worker ownership development service provision; service contracts are used for co-op development work; and each of the business development staff people are provided cross-training in co-op technical assistance. While it is important to take these staffing variables into account, none-the-less, a significant amount of SEED's staffing and program resource capacity is dedicated to initiatives that reflect personal responsibility and market related values.

There appears to be a great demand for more collectivist oriented CED approaches. The major challenge is being able to secure expanded program and staff resources to meet this level of

interest. Franck (Personal Interview, 2010) talked about the popularity of the CWOP. “The moment we launched CWOP probably that same day we were full...we had at least 12 social enterprise projects that backed up and ready to go...it was overwhelming with 12 [probably the maximum that each staff should work with is 4 social enterprises”. Both Franck (Personal Interview, 2010) and Proulx (Personal Interview, 2010) talked about the need to expand the social enterprise development positions at SEED Winnipeg. They discussed the importance of sector based strategies that would influence the industry sector in terms of issues like wages and working conditions. They have been able to organize a worker co-op that has provided an alternative model of how business could be conducted by newcomers in the cleaning industry; the eco-guiding co-op is providing a model of how this tourist industry sector could benefit by developing more stable employment opportunities through a co-op approach; SEED helped with the organizing and business plan development that had the potential to greatly influence the working conditions and compensation in the taxi industry; and SEED is currently working on developing a funeral co-op to address the up-selling and exploitation at a vulnerable time for consumers who are purchasing funeral services.

Franck (Personal Interview, 2010) believes that these sector strategies would address strategic questions such as “how many jobs can be created... will these jobs pay a quality wage... and ensure that we are not competing with union type businesses”. Simbandumwe (Personal Correspondence, 2010) also talked about the need for SEED to continue to expand its sectoral approach strategy such as the EnviroSave and Diversity Foods initiatives which attempted to influence industry standards in the cleaning and restaurant sectors regarding the participation of newcomers in these industries. Simbandumwe (Personal Interview, 2010) is “strongly supportive

of the growing emphasis on this type of work within SEED because it can have a broader sectoral impact instead of just an individual impact...it addresses the need to create more jobs at a higher scale and a need to impact industry sectors” in terms of wages and working conditions. If these ideas were to be pursued, SEED would need to shift its program resources in order to better address these collectivist CED directions.

CED Ideological Analysis Feminist, Anti-Racist and Anti-Colonial Perspectives

This section of the case study will examine the perspectives of the CED ideological analysis model including feminist perspectives, anti-racist perspectives and anti-colonial perspectives. Within the proposed CED ideological analysis model, the class/market/state theory perspectives and the feminist/anti-racist/anti-colonial perspectives are seen to have both strengths and limitations. The strengths of each perspective will be used to be a corrective for the limitations of the other.

Feminist Perspective

The ideological analysis of SEED Winnipeg using a gender lens will involve an examination of the organization from a second wave approach of a liberal and a radical feminist perspective. As well, elements of third wave feminist perspectives including the issue power relations within the organization will be explored.

Simbandumwe (Personal Interview, 2010) discusses the structural relations of power that underline a gender perspective analysis of CED and why women are attracted to work at SEED Winnipeg.

It is important to have a critical perspective on conventional business approaches and on capitalism. People are not in poverty because of their individual failure. There is a need to look at broader structural issues. In trying to integrate both social goals and business goals, more women understand this approach. They are aware of the way women are disadvantaged because of the way the economy operates.

Esquega (Personal Interview, 2010) concurs with Simandumwe's (2010) structural analysis of why women are heavily involved in SEED Winnipeg organization. "SEED's mission is to address the economically distressed. Most Aboriginal women are economically distressed". The oppressed position of women in society provides a context and experience to engage in SEED and a gendered influence regarding CED practice. Forbes (Personal Interview, 2010) believes that "CED is an Aboriginal way to do things, is a women's way to do things and is just a humanistic way of doing things. SEED needs to walk a fine line... between serving a [low-income] constituency but not being inadvertently seen as the solution[to alleviating poverty]... We need to look at the systemic issues why people have low incomes".

Forbes (Personal Interview, 2010) says that SEED was

Always very considerate about people's family needs and in terms of safety we were always talking about having policies in place for people to be safe when they were working on their own in the evening...I think those are big concerns for women. They [SEED] have a good work balance attitude – there were good HR policies and good accommodation for people who had different situations with family...[policies regarding part-time work and work sharing...all those things are important for women to be able to work here.

Forbes (2010) concludes that in regards to providing an environment that supports women "SEED got it – having childcare, food, transportation [for program participants] and an on-site social worker [for social support and advocacy]".

The challenges regarding the issue of gender at SEED Winnipeg according to Forbes (Personal Interview, 2010) is that “predominantly women work at SEED, it is hard to hire men”.

Simbandumwe (Personal Interview, 2010) identifies that “the problem [gender lens] has been the opposite at SEED. It is hard to attract and retain male business counselors, particularly in the business development program. It is really hard to find business counselors that have not been indoctrinated by narrow business ideology. It has been hard to attract men with a progressive orientation”

One of the themes of the work of SEED Winnipeg that would reflect a radical feminist perspective is the organization’s commitment to dismantle hierarchical relations through the value it places on participatory management. This notion of participatory management is not only promoted within SEED’s organization, but it is also a key theme regarding its CED work in terms of its business development and worker cooperative programs. Coker (Personal Interview, 2009) discusses this important lens of democratizing the workplace of SEED Winnipeg’s work that is done in order to address hierarchical power relations that is so imbedded in our society.

A lot of the focus of CED is that there are social and personal impacts that depend on how you do the economic development. Are you by having people own their own business or be part of a cooperative that have a good management structure [developing] workplaces that are also giving them the chances to grow. Part of the philosophy is if you spend up to 40 to 50 hours per week in a very autocratic environment it is not that likely that you will build skills to do what you do in your community. That people acting democratically and participating means they need to have the opportunity to practice and develop those skills in their workplace could be pretty important (Coker, Personal Interview, 2009).

The participatory management approach was attractive to Forbes (2010). “SEED has the healthiest organizational structure I have ever worked at or seen... We had a say in all the things

that affected us... The Executive Director would go to front line workers and she would say, here's the budget, what do think". I always thought I had a say... I was seen as an expert as a front-line worker working with my clients". Esquega (Personal Interview, 2010) felt that the "participatory management philosophy [at SEED] is great for conflict management and great for team work" and this serves to promote employee retention.

Simbandumwe (Personal Interview, 2010) believed that the Executive Director "promotes authentic participation in decision making". However, Simbandumwe (Personal Interview, 2010) points out that "SEED is not a flat organization. It has recently instituted a managerial level within the organization. As staff has increased, it is harder to keep the organization flat. It is more a matter of creating authentic channels of communication. I manage 9 staff now. This creates more challenges to promote participatory management". She adds, "a lot of young anarchist types have joined SEED from Mondragon – they have more of a "we don't need a manager" kind of approach".

SEED also challenges patriarchy in terms of the decision making and governance structures of the within the organization, as well as its CED programs. In terms of board representation, eight of the 13 board members or 62% of the board were women (SEED Winnipeg, Corporation's Act Annual Return, 2008). An examination of SEED Winnipeg's Corporations Act Annual Return for the 21 year period between 1988 and 2008 indicates that 45% of the board members were women (SEED Winnipeg, Corporations Act Annual Returns 1988-2008). According to the SEED Winnipeg Annual Report (2008), the Executive Director is a woman; all three for the

Director positions are women; and 16 of the 23 or 70% of the staff employed by SEED Winnipeg are women.

In terms of the programs offered by SEED Winnipeg, Coker (Personal Interview, 2009) indicates that 50% of the participants in the Build a Business Program are women and 70% of the participants in the Asset Building Program are women. The management, staffing and program participant profiles reflect the effective work that SEED Winnipeg has been able to achieve with respect to a gender lens regarding their CED practice.

While the organizational culture, program participation, staffing and decision making structures at SEED Winnipeg reflect a radical feminist perspective in terms of patriarchy and power relations, some of SEED's programs are based more on liberal feminist values. Ehlers and Main (1998) are particularly critical of the false promise of micro-enterprise approach for women that they documented in their research on this form of CED. In their case study of a urban micro-enterprise programs they are critical of what they call "the pink-collar business" that is promoted by these programs. Ehlers and Main (1998) argue that

Female micro-enterprises tend to be small (typically sole proprietorships), home based, and labour intensive, with modest sales volumes and narrowly defined neighbourhood clientele. We use the term pink-collar businesses to refer to these cottage industries or home operations that are built around the type of work or hobbies women already do or are familiar with including cleaning, day care, cooking or baking, sewing, handicrafts, selling women's products to neighbours and friends. Pink-collar businesses, like most pink-collar wage work, are predominantly dead-end, contingent, and unstable businesses that reflect women's subordinated social condition and marginal business status. Most businesses fail to produce the financial and psychological transformations that women were anticipating (430).

A study of micro-enterprise programs by the Institute for Women's Policy research identifies that self-employment among social assistance recipients "does not contribute a substantial share to families" income and is not a route to self-sufficiency for welfare recipients" (Spalter-Roth, Soto and Zandniapour, 1995: 33). Ehlers and Main (1998) critique the liberal feminist values that their case studies identified regarding micro-enterprise programs for women. These programs were

Teaching women that they, too, could be entrepreneurial if the adopted masculine characteristics such as competitiveness, aggressive marketing, and risk taking. They were told that they could raise their level of self esteem simply by devoting themselves to developing a business. In other words, hard work is its own reward. The implicit message was that if the individual really wanted something badly enough, she can make her dreams come true. Real problems faced by women were often dismissed as "personal troubles" that could be overcome by determination and tenacity (435).

Eversole (2007) maintains that micro-enterprise programs for women "tend to paint an oversimplified picture of the road to prosperity" (365). Micro-enterprise programs have earned their "reputations largely on the basis of the "fit" between capitalist ideology and practice. Small business and support programs reinforce the American[and Canadian] cultural commitment to the free market system, hard work and the Protestant work ethic" (Ehlers and Main, 1998: 436).

Eversole (2007) is concerned that the micro-enterprise approach "reframes poverty into narrow terms of engaging with external markets – on their terms. This has the unfortunate side-effect of discouraging critical thinking about the larger contexts and constraints to economic development that are facing [women]" (366).

Ehlers and Main (1998) believe that micro-enterprise programs need to be more critically examined in order to move beyond the liberal feminist equal opportunity approach and to address the structural dimensions of the misguided goals of these programs.

By ignoring the conditions in which their clients [women] live, programs place the responsibility for small business success squarely on the operators themselves. They suggest that individuals should be able to take control of their own lives and impoverishment. The stated goals of these programs are beyond the alleviation of poverty or economic development in that they often measure success in terms of moral rejuvenation, psychological improvement, and character building (437).

Ehlers and Main (1998) conclude that micro-enterprise programs for women are more problematic in their aims and impact than what they lead people to believe. “We found that they encourage women to partake in undercapitalized, small-scale businesses that maintain the economic vulnerability and social peripheralization of a gender-biased world” (438). SEED’s commitment to micro-enterprise development needs to be examined from a more critical perspective in terms of its impact on women.

It should be also noted that the early history of SEED Winnipeg did not reflect the current gender representation that it does today. For the most part, the founding members of SEED Winnipeg were males, although there were some exceptions. The first three Executive Directors of SEED were males. Under the leadership of the present Executive Director, Cindy Coker, SEED has greatly enhanced the organizational culture to re-structure power relations and to create an environment that is attractive and supportive for women.

Anti-Racism Perspective

The anti-racism analysis regarding SEED Winnipeg will look at three elements including that acknowledgement of the concept of difference, organizational culture and the role of race equity statistics. SEED Winnipeg demonstrates a sound understanding of the systemic dimensions of racism including the role of power and the concept of difference. Key questions that need to be

asked when addressing issues of systemic racism include “Who is included and why are they included?” “Who is excluded and why are they excluded?” and “What are the barriers?” SEED Winnipeg looked at these important questions to dismantle systemic racism by looking at the barriers that SEED’s organization had unintentionally developed and negatively impacted its program participants – special focus was placed on SEED’s relationship to the Aboriginal Community. Coker, (Personal Interview, 2009) discusses a major evaluation that SEED undertook with its program regarding this question of systemic barriers faced by the Aboriginal community in terms of its participation in SEED Winnipeg programs.

We reviewed our outreach and our impact in the Aboriginal community. We were really feeling like there wasn’t good success there. That is when we actually took all our data and looked at who was coming in the door; who came to the orientations; who actually applied; who got in and who was successful – that was not happening in the Aboriginal community... We needed to look at any barriers that we were putting in our business development services. Was there something about the way we did intake? Were there barriers in the application process that would have impacted the Aboriginal community differently as compared to those barriers that were really about being ready to think about starting a business. The piece of that we came to was about really removing those barriers.

SEED Winnipeg established a program called Aboriginal Community Collaborations in order to institutionalize this partnership or ally approach in its work with Aboriginal organizational partners. Esquega (Personal Interview, 2010) shared that “having an Aboriginal specific program component” attracted her to work at SEED Winnipeg. Esquega (2010) sees “relationship building is key to working in the Aboriginal community and that building trust takes time. It is very important for program participants to see an Aboriginal person right from the start. It makes a difference for me and it will make a difference for other people as well”. Esquega is employed as the Aboriginal Community Collaboration Coordinator at SEED. The organization sees the importance of having a staff person having the time to invest in this

relationship building process that honours the cultural priority of relationship based development in order to successfully deliver programs.

Esquega (Personal Interview, 2010) is working presently with the Aboriginal Seniors Resource Centre to provide a money management for seniors“ program who have to save for things like drugs and eyeglasses not covered by their pensions. “We incorporate the teachings of the seven sacred laws of Aboriginal culture [into the program]... We have different languages[spoken in the group] – Objibway, Cree and Saulteaux so I organize different people to help out as interpreters. SEED has adapted the money management training material with the seven sacred teachings. We have also adapted EAL and simple language material in the curriculum so it is accessible to everyone.”

“SEED Winnipeg has done two partnership programs with the Louis Riel Capital Corporation that have been quite successful” (Coker, Personal Interview, 2009). This partnership with the Louis Riel Capital Corporation led to the development of the Metis Business Development Program. SEED Winnipeg also partners in a similar way with Ma Mawi Wi Chi Itata Centre and Urban Circle Training Centre to deliver Asset Building Programs within these agencies. SEED Winnipeg joined the Aboriginal Chamber of Commerce in order to further develop relationships and partnerships within the Aboriginal business community.

SEED Winnipeg has been able to develop an organizational culture that promotes the examination of systemic issues of racism within the organization. As Bishop (2005) points out, senior managers that have a structural analysis of racism “will more likely take responsibility for

their privilege, use their sphere of institutional power to act as allies...respond with curiosity rather than defensiveness, engage in collective problem solving involving all parties [that] may lead to new solutions and learning at both the personal and institutional levels” (148). The senior managers at SEED Winnipeg demonstrated this type of ally leadership role by engaging in a process of partnerships with Aboriginal organizations that ensured the funding flowed to the Aboriginal partner organization and program delivery was based on values of acting as an ally.

This type of leadership has also served to promote positive relationships with newcomer, refugee and immigrant groups as well. SEED Winnipeg recognizes the importance of maintaining race based statistics to understand and evaluate the effectiveness of the efforts to address institutional racism. The SEED Winnipeg Annual Report (2008) indicates that 41% of the participants in the Build A Business Program were Aboriginal and 22% were visible minorities or immigrants. The Asset Building Program had 36% of the participants self-identify as First Nation or Metis; 37% were visible minorities; and 27% were newcomers. The management staff include 20% Aboriginal and 20% from racialized groups. The overall staff includes 9% Aboriginal and 35% from racialized groups or 44% of the staff are from either Aboriginal or racialized groups. An informal review of the profile of the board of director of SEED Winnipeg was undertaken for the period of 1988 to 2008 which estimates that 12% of the board members for this 21 year period were Aboriginal and 6% were from racialized groups (SEED Winnipeg Corporations Act Annual Return, 1988 to 2008). Coker (Personal Correspondence, 2010) notes that in recent years SEED Winnipeg has been able to expand participation of Aboriginal peoples and members from racialized groups with the board of directors which is the highest level of decision making and

power within the organization. “SEED’s present board has 4 of 12 seats held by Aboriginal community members and 3 of 12 are immigrants” (Coker, Personal Correspondence: 2010).

SEED engages in a variety of strategies to build relationships with the newcomers community. Simbandumwe (Personal Interview, 2010) says that “the diversity of the staff has evolved. Almost fifty per cent of the staff are former participants in SEED’s programs. These former program participants who came to Canada as immigrants are able to effectively articulate the needs of refugees and immigrants because of their personal life experiences”. Simbandumwe (Personal Interview, 2010) believes that “having staff with a [refugee and immigrant] background is very beneficial. SEED has developed good partnerships with immigrant serving organizations” which has assisted SEED to build relationships with the newcomers’ community. SEED has worked on a variety of strategies to make the organization more accessible to newcomers including hiring an EAL teacher to revamp the curriculum to gear the training to a Grade 8 level. Newcomers have greatly benefited by this simple and straight forward language approach. Simbandumwe (Personal Interview, 2010) adds that she has spent more time helping newcomers understand the business regulatory framework in Canada which is very different from starting a business in their home country. She also does some basic training on what a cheque is and how you fill it out. For many people, writing cheques is something very new. The content and format of the training is critical in order to engage newcomers to be involved in SEED.

Simbandumwe (Personal Interview, 2010) talked about how the various programs offered at SEED connected with newcomers. “One in five that go through the Asset Building Program

[matched savings program] are refugees. They are the group with the highest rate of retention in the program. We got feedback from IRCOM tenants [Immigrant and Refugee Community Organization of Manitoba transition housing facility] about how we could improve the ABP. IRCOM has recently joined our Asset Builders Partnership”. Simbandumwe (2010) further points out that refugees have unique money management issues that other low-income groups do not have. Besides sending money back home, refugees can end up paying in excess of \$10,000 in transportation loans to the federal government to pay back the costs of leaving their country of origin in order to come to Canada. “Transportation loans are huge issues for refugees” (Simbandumwe, Personal Interview, 2010). SEED’s matched saving program is seen to be a very attractive opportunity to obtain additional funding support to pay off these loans. Simbandumwe (Personal Correspondence, 2010) points out that right now the matched savings programs cannot be used to pay down debt including transportation loans. “At this time we [SEED] are exploring the idea of how we can adapt matched savings programs to support former refugees with paying down these loans. It will probably be at least a couple of years before we are able to implement anything along these lines”.

Simbandumwe (Personal Interview, 2010) sees that a greater number of refugees are coming to Canada that have more challenges including illiteracy, low levels of education and a lack of marketable skills. Programs like SEED’s Build a Business program will probably not be as relevant to these individuals because their ability to launch a business is problematic. This is where SEED’s Community and Worker Ownership Program comes in to provide jobs for newcomers through worker co-operatives that can provide on the job training and integrated learning for its members. SEED has demonstrated its capacity to listen to the needs of the

newcomer communities and re-structure its programming to meet these identified needs of the community.

A good example of this involves the decision to change the role of a staff person from a social enterprise development position to a role that would support the development of worker co-operatives for refugees and immigrants. SEED has attempted to develop “worker co-operatives and social enterprises that could influence an industry sector” (Proulx, Personal Interview, 2010) in terms of improving working conditions and wages. Some of the co-operatives and social enterprises supported by SEED Winnipeg that involve the newcomers community identified by Proulx (2010) include the Enviro-Safe Cleaning, a worker co-op with a diverse group of members from the Congo, Thailand and Burundi have been able to improve their wages and working conditions by forming a co-operative that also provides them with greater flexibility with their work scheduling so they can attend school to obtain their post-secondary education; a group of members from the Sudanese community established the Nyam Nyam restaurant and SEED has been able to support the development of their numeracy skills through an innovative on the job training program; SEED worked in collaboration with the University of Winnipeg to establish Diversity Foods that operates the cafeteria services at the University of Winnipeg by serving foods that reflect the diverse cultures of the student population and employs approximately 25 people that are from newcomer communities that will be eventually converted to a worker co-op. As discussed previously in this chapter, the University of Winnipeg owns 52% of the shares in this social enterprise, SEED Winnipeg owns 48% with plans to have an investors co-op of workers assume half of SEED’s shares or 24% ownership once they are established and ready to assume a worker ownership stake in the enterprise.

Proulx (Personal Interview, 2010) also identified that SEED works with the Canadian Muslim Women's Institute sewing enterprise which assists women to practice their English skills with the support of an EAL teacher that comes in 3 mornings per week and SEED also provides business development skills training to the group. One of the larger initiatives that SEED supported in terms of the organizing and business development planning was with the new taxicab co-op (Proulx, 2010). People at Welcome Place, a refugee and immigrant serving organization, wanted to explore developing a taxi-cab co-op as many newcomers drive cabs to earn a living. SEED was able to work with the taxi-cab co-op to sign up 170 members, develop a business plan that would put 100 taxis on the road, and secured the services of a lawyer to do pro-bono work for the co-op. Unfortunately the Taxi Cab Board would not grant the taxi co-op a license for the 100 taxis. The taxi co-op would have provided its 170 members with higher wages than what is paid by the existing owner operated taxis and would have gone a long way to influence the working conditions of the taxi industry. Some of the original members of the taxi co-op are exploring the feasibility of forming a handi-transit co-op.

SEED attempts to structure its programs based on the identified needs of the newcomers communities. Staffing strategies that have focussed on hiring graduates of SEED sponsored programs from the newcomers community has enabled the organization to have a staff that better reflects the diversity of the newcomer communities that it serves. SEED has re-structured its programming and staffing through the Aboriginal Community Collaboration initiative to better address and reflect the needs and aspirations of the Aboriginal community with respect to the services that SEED provides. Forbes (Personal Interview, 2010) pointed out that SEED transferred the learnings from the Aboriginal programming to the entire organization in terms of

how it operates. She cited the use of feasts at all graduations for all of SEED's programs to honour program participants and to encourage family support for the participants.

SEED could be seen to operate within a range of what Henry et al (2000) describe as a multi-cultural and anti-racist organization. In recent years SEED has been able to ensure greater representation that reflects the service use population of the organization from the newcomers and Aboriginal community on the board of directors in order that racialized voices are further involved in the highest level of decision making within the organization. SEED has made an effort to re-structure decision making and power relations by having a Aboriginal and racialized representation in management, has instituted participatory management strategies to ensure all voices of staff are involved in decision making, and has restructured its staffing and programming to better meet the needs of Aboriginals and racialized groups.

Anti-Colonial Perspective

This section of the case study looks at how the various forms of colonialism are reflected in and impact the CED organization. One of the key issues to be examined regarding the dynamics of colonialism is the nature of the power relations involving the organization and the community serves. SEED Winnipeg's mandate is to serve low income people and communities. The greatest concentration of the poor is in the inner city of Winnipeg and includes a high proportion of women, Aboriginal peoples, newcomers and racialized groups. The highest level of decision making within the organization is the board of directors. An informal review of the profile of the board of director of SEED Winnipeg was undertaken for the period of 1988 to 2008 which estimates that 12% of the board members for this 21 year period were Aboriginal and 6% were from racialized groups (SEED Winnipeg Corporation's Act Annual Return, 1988 to 2008).

SEED Winnipeg needs to strengthen participation of Aboriginal peoples and members from racialized groups with the board of directors in order address this form of colonial relations where those in decision making authority are doing “for” and “to” the people they seek to serve instead of working “with” them.

A form of neo-colonialism is also present in the organization. Members of the Aboriginal community and racialized groups that are on the board of directors or work in the agency could be viewed as promoting neo-liberal hegemony by embracing the values of market place as a strategy to address issues of poverty. As has been identified previously in this thesis, a major focus for SEED Winnipeg programmatically is the private enterprise development and asset building programs which are based on the values of personal responsibility, individualism, competition, private ownership and market economics. Alfred (2009) argues that the neo-colonial mentality is rooted in the values and perspectives of the status quo. Programs such as private enterprise development and asset building in essence provide “assimilative opportunity structures... to co-opt and weaken challenges to the state’s hegemony [of neo-liberalism]” (Alfred, 2009: 94).

SEED Winnipeg is more oriented to technical assistance provision and capacity building rather than a critical analysis which challenges any forms of economic, political and spiritual dominance which is the essence of an anti-colonial perspective. SEED Winnipeg does not function within the context of this anti-colonial framework. The community and worker ownership aspect of the organization has the potential to engage this approach but these initiatives play a subordinated role within the organization. An anti-colonial stance would

involve SEED Winnipeg playing a much more activist role in raising consciousness of the varied conditions in which domination and oppression operate. It would promote agency and resistance to the neo-liberal dominant paradigm of market oriented values and economics in order to give meaning to social and political action that would place the issue of the collective ownership of production, as expressed through the development of worker and consumer cooperatives as well as social enterprises, as the focus of the organization's mandate. Private enterprise development and asset building programs which serve to perpetuate the neo-liberal status quo would be minimized.

It should be noted that SEED Winnipeg has attempted to acknowledge the importance of Indigenous knowledge in the development of its training curriculum for the asset building program which reflects the recognition of one of the important elements of an anti-colonial approach. An Aboriginal elder was consulted to develop the training curriculum to ensure the materials were culturally appropriate while covering many of the same topics as other financial literacy curriculums such as banking, credit, budgeting and goal setting (Social Enterprise Development Innovations, 2004). As well, SEED has established an Advisory Council through its Aboriginal Community Collaboration and has an elder as a member of this council who provides guidance and wisdom to the program (Esquega, Personal Interview, 2010).

In summary, SEED Winnipeg can be viewed as operating within the anti-collectivist range of CED ideology model with its micro-enterprise program, and the matched savings programs could be seen within an anti-collectivist range as well, although the case could be made that it also addresses institutional change through a perspective that promotes greater asset equity

within tax credit government programs that favour middle or upper class individuals. SEED has been involved within the reluctant collectivist CED orientated practice with the work it has done with respect to CED institution building including initiatives such as the development of the North End Community Renewal Corporation, Social Purchasing Portal, Community Financial Services Centre and the Local Investment Towards Employment fund. As well, SEED has worked within the collectivist range of the CED ideology model by supporting the development of worker co-ops and social enterprises through its Community and Worker Ownership Program.

The limitations of the anti-collectivist approach of SEED's micro-enterprise and asset building programs in terms of its underlying values that focus on personal responsibility, competition and a strong marketplace orientation have been documented in this chapter. This class/market/state theory oriented critique of SEED Winnipeg's micro-enterprise and asset building programs can be supplemented with an analysis of SEED from feminist/anti-racist/anti-colonial perspectives. In terms of a feminist ideology analysis of the organization, SEED has challenged patriarchy within the organization in terms of its decision making structures and issues of representation at the board and management levels, promotes participatory management, has a staff that is predominantly made up of women, and program supports that address the needs of women. From an anti-racism perspective, SEED has attempted to re-structure its programming to address the aspirations the Aboriginal community through its Aboriginal Community Collaborations initiative and has developed programs that reflect the unique needs of newcomers including refugees and immigrants. Representation of racialized groups within management and the staff of the organization is significant. In recent years SEED has been able to increase the representation of Aboriginal and racialized groups at the board level to better reflect the profile of its service users in order that their voices would be

present at the highest level of decision making authority within the organization. In terms of an anti-colonial perspective, SEED needs to continue to grow in this area by challenging the status quo in terms of the organization's orientation towards individual market based CED approaches.

SEED effectively addresses issues of women and racialized groups. It could strengthen its CED approach by focusing less of its staffing and program resources on micro-enterprises and asset building programs, and continuing the challenge of securing more staffing and program resources to the Community and Worker Ownership Program that could target strategies to influence industry sectors. As well, SEED could use the political capital it has developed in the community to engage in greater anti-colonial approaches to CED by more actively challenging the status quo market forces that contribute to the perpetuation of poverty in our community.

Nature of CED Theory and Strategies

This section of the case study will examine the extent to which SEED Winnipeg is effective at addressing the dynamics of underdevelopment in the inner city. As well, SEED will be looked at in terms of the CED strategies that it engages – whether the strategies were outward oriented CED strategies such as the export base, staple theory or location theory approaches, or whether the strategies of CED were inward focussed including convergence, government services or import substitution approaches.

One of the challenges in looking at SEED Winnipeg regarding its theoretical orientation, regarding the extent to which it addresses dynamics of underdevelopment or whether it engages

in outward or inward CED strategies, is the fact that the organization does not really have an economic development focus. Loewen (Personal Interview, 2009) maintains that

SEED Winnipeg was always more of a program delivery organization than an economic development organization. If you think of where we were looking for our inspiration at the time, looking at Rankin McSween, for example at New Dawn, and looking at the broad economic development they have been able to create out there specifically for the benefit of the community they care about. We never got anywhere close to doing that kind of economic development. Or looking at Lac LaRonge in Northern Saskatchewan and all of the enterprises they have been able to pull together to provide economic development for one Aboriginal community. It has always been easier for SEED Winnipeg to do the programs that are individualistic based as opposed to collectively based. So I was really excited when they might have been able to change the taxi cab system in Winnipeg by getting that cooperative taxi cab company going. That would have been great stuff if they would have been able to make that happen. SEED gets their numbers out of working with individuals as opposed to making their numbers through stakeholder enterprises.

Given this emphasis on programming to individuals for market oriented initiatives, it is hard to determine the organization's role in addressing the dynamics of underdevelopment in the inner city. This is a limitation of a gap filling CED approach. It does not critically challenge the underlying structural oppression caused by the maintenance of the status quo capitalist system and therefore perpetuates the social and production relations of inequality of inner city communities. Individuals may be able to further develop their capacities and assets to pull themselves out of poverty, but the broader impact on communities remains problematic.

A primary mechanism of underdevelopment involves the process by which local development is suppressed by the outward drain of economic surplus from the region and the resultant loss of community self-determination (Watkins, 1977). A key strategy to address this dynamic of underdevelopment in the inner city involves stopping the leakages from the inner city economy

(Fairbairn, 1991). It is difficult to determine what kind of role SEED Winnipeg plays regarding this important CED function.

It could be argued that SEED plays a role in plugging the leaks in the inner city “rusty bucket” through building both private and cooperative enterprises that locate in the inner city and employ inner city residents. The SEED Winnipeg Annual Report (2008) indicates that the Community and Worker Ownership Program “continues to see an increase in newcomer participation...newcomers to Canada represent 56% of the people that CWOP worked with this year – an increase of 29% over the previous year”(11). Depending on the location of these community businesses and who they employ, this trend within SEED Winnipeg could have broader impacts in terms of re-circulating surplus in the inner city and stopping some of the leakages from the inner city economy.

SEED Winnipeg’s Individual Development Account (IDA) asset building program that supported participants to save for a downpayment to purchase a house could also be seen to encourage the re-circulation of dollars in the inner city economy. “Between 2000 and 2008, 90 individuals participated in the IDA program and declared that their asset goal was to purchase a home. Of these, 47 successfully purchased homes and 24 were saving for a downpayment to buy a home” (Hajer, 2009: 2). The SEED Winnipeg IDA homeownership program further identifies that of the 47 individuals that purchased a home of this 8 year period,

Forty-seven per cent [22 participants] were inner city residents, while 57 per cent [27 participants] chose to buy their home in the inner city. These statistics suggest that the IDA homeownership program attracted new homeowners to the inner city. Seventeen per cent [8 participants] moved to the inner city, while only six per cent [3 participants] moved out of the inner city. The vast majority (76 per cent) [36 participants] purchased homes where they were previously located (inner city or non-inner city). This result is

significant given other research that suggests that programs intended to increase homeownership by low-income people weakens low-income communities since home buyers tend to buy in other neighbourhoods (Hajer, 2009: 36).

There could be factors that are unique to Winnipeg's inner housing market that contributed to this net increase of IDA participants moving into the inner city. As identified previously in this paper, during the course of the 1990's, the housing prices in the inner city crashed. According to Winnipeg Real Estate Board Multiple Listings, the average price of a house in the north end was \$40,000 in 1989 and by 1999 had fallen to \$19,000. House prices in the inner city were very attractive for first time homebuyers. These housing market factors were undoubtedly influential in the pattern of the IDA homeowner participants and could not be attributed to the SEED Winnipeg program. However, the fact that these individuals were in a position to purchase a home is attributable to SEED's IDA program. Even though the number of homeowners that purchased homes in the inner city over the 8 year period is extremely modest (27 or on average under 4 per year), the program served to attract a net 5 new homeowners to the inner city.

Another initiative that SEED Winnipeg supported was the development of the North End Community Renewal Corporation (NECRC). This collective and place-based approach to CED serves to enhance the social, cultural and economic development of 11 neighbourhoods within their geographical boundaries. NECRC has a multi-pronged approach involving an import substitution CED strategy through further developing local employment skills of local residents through job training programs, employing local labour for housing renovations and energy retrofits, ownership of assets such as local buildings that are rented out to organizations, and local purchasing of goods and services from community enterprises (North End Community Renewal Corporation Annual Report, 2008).

CED Impact Outcomes

The three key CED outcomes or impacts that will be looked at in this section of the case study are scale of the CED initiative; impact on incomes; and sustainability of the CED initiative.

Hamilton (Personal Interview, 2009) discusses some of the challenges for both SEED Winnipeg and the local CED sector as a whole regarding the issue of expanding the scale of the impact of CED initiatives to address issues of poverty in a more substantive way.

When you talk about the wide spectrum of strategies, we need some top down and some bottom up. We need to get something that will get a number of people in jobs. Not everyone can be the entrepreneur and know how to do a business plan... A lot of social enterprise or CED businesses that have been launched in Winnipeg are notorious for small scale marginal operations that are very ideologically pure. I don't know why we are not doing that [scaling up CED initiatives] (Hamilton, Personal Interview, 2009).

Hamilton (Personal Interview, 2009) suggests that SEED Winnipeg could better address these issues of scale if it became more involved in working on what he describes as public sector procurement partnerships.

The other things that are encouraging that SEED as not necessarily been a leader on but is finding some tie in with and could continue to do that if they are cognizant about it are these public sector partnerships, BUILD is the hot example of that right now. It would be great to say to BUILD look there is this co-op of cleaners and put them in touch with [SEED's co-op development staff person] and there is this government program for hard to house individuals happening [huge renovation and cleaning contract for converting and maintaining existing rental accommodations for people that are homeless with mental health challenges] and so a big outcome could happen potentially. This kind of public procurement orientation and use of the economic leverage of the public sector is something as a sector we need to be doing more of and that SEED needs to be actively engage in. We have always talked about it but having the proper resources to chase it down has always been a challenge.

Coker (Personal Correspondence, 2010) notes that in the area of government procurement “the social purchasing portal was able to sign up 50 businesses to commit to buying from inner city and CED businesses. SEED also pursued service purchasing contracts from the Assiniboine Credit Union (who now has a co-operative business structure as one of its criteria on RFPs) and

then of course the University of Winnipeg which has been very successful". The point that Hamilton (2009) was making spoke to the need to target further co-operative and social enterprise development that targets the state to ensure greater value added is generated from public sector investments by adopting a multiple bottom line perspective in order to address the broader socio-economic impacts that social enterprises pursue as objectives for their organizations.

SEED Winnipeg maintains a fairly good tracking system of its program outcomes but as Hamilton (2009) points out the scale of impact of the sum of the program initiatives is not substantive. SEED has carved out a solid niche and functions effectively. In order to have a larger impact on further developing social and economic vitality in low income neighbourhoods which is set out in the organization's by-law in terms of an objective, SEED needs to re-examine its program priorities and CED strategies.

SEED Winnipeg does a follow-up every two years with the Build A Business graduates to see if their start-up businesses are still open, the level of their sales and how many people they employ (does not include home business start-ups). The last time SEED Winnipeg did this follow-up survey was two years ago and it found that 55% of the businesses were still open after five years of operation, 65% were still open after 3years and 70% were open after 2 years of operation (Coker, Personal Interview, 2009). Of the 10 co-operatives that SEED Winnipeg has provided support to start-up, 80% are still in business (Coker, Personal Interview, 2009). In 2008, the Build a Business Program assisted in the launch of 12 businesses (including 3 businesses launched by youth); expanded 8 business; 18 jobs were stabilized/improved; and program

participants were able to access \$28,195 in loans and \$10,000 in grants (SEED Winnipeg Annual Report, 2008). The Community and Worker Ownership Program in 2008 provided post business launch supports to 9 groups; 3 new businesses were launched; 13 new jobs were created; 35 jobs were maintained or improved; program participants accessed \$134,500 in grants (SEED Winnipeg Annual Report, 2008). In terms of the business development programs, therefore, 15 business were launched; 8 businesses expanded; 13 new jobs were created; 53 jobs were maintained or improved; \$28,195 was secured in loans and \$144,500 were obtained in grants for program participants.

According to the SEED Winnipeg Annual Report (2008), 873 participants have been involved in SEED's asset building program since 2000 or an average of 109 participants per year over the 8 year period. Between 2000 and 2008, the asset building program has encouraged program participants to save \$578,990 or an average of \$72,374 per year. On an average yearly basis, each participant would have saved \$663 or \$55 per month. The total amount of matched savings contributed by SEED Winnipeg to the asset building program participants between 2000 and 2008 was \$941,186 or an average of \$117,648 each year. On an average yearly basis, each participant received \$1,078 or \$90 per month basis in matched savings contributions from SEED Winnipeg. Between 2000 and 2008, 47 participants or about 5 participants per year from SEED's Individual Development Account asset building program used their savings to purchase a home (Hajer, 2009).

To summarize, in 2008 SEED Winnipeg helped create 13 new jobs; stabilized/improved 53 jobs; encouraged 109 individuals to save \$663 annually which was matched by \$1,078 per year

from SEED; and supported 5 individuals to purchase a house. According to Census Data (2006), the number of eligible number of people in the labour force in the inner city of Winnipeg was 53,180 people. This type of scale of impact in terms of job creation and retention needs to be greatly expanded if meaningful poverty reduction objectives are to be achieved in the inner city of Winnipeg.

The information on the impact on the incomes of SEED Winnipeg program participants is not collected and therefore cannot be analyzed.

In terms of the issue of sustainability, SEED Winnipeg has been in operation for over 20 years. Due to its close alignment with neo-liberal market values, its existing program structure enables SEED to have a secure future. The question for SEED Winnipeg, however, would be is this value base and scale of impact something that a CED organization believes should continue in its present program configuration. Or should SEED Winnipeg use the political capital, influence and capacity that it has developed to re-engage with the more critical activist, collectivist and transformative CED approach that is linked to the original vision of this CED organization.

CHAPTER 8: CASE STUDY OF ASSINIBOINE CREDIT UNION

Organization Description

The history of the Assiniboine Credit Union can be traced back to 1942 when two employees of the Winnipeg Electrical Company, Ed McCaffery and E.C. Brown, explored the possibility of opening a new credit union with the ongoing advice from the Manitoba Registrar of Cooperative Associations (Assiniboine's History, 2006). After they had organized other employees to set up the credit union, they sent a letter to the chairperson of the Winnipeg Electric Company asking permission to use the name "Winnipeg Electric Employees Credit Union". In his reply the chairperson "discouraged us from adopting the name but promised to give us every assistance in our endeavour. Over the years, we received wonderful cooperation from the officials of the Winnipeg Electric Company" (Assiniboine Credit Union History, undated manuscript: 1). The Winnipeg Electric Company was located on Assiniboine Ave. and so it was decided that the new name would be the Assiniboine Credit Union Society Limited.

The original purpose of the credit union society was "to promote thrift among its members and to create for its members a source of credit at legitimate rates of interest, for provident and productive purposes" (Assiniboine Credit Union Society Limited General By-Laws, 1943: 1). In January, 1943 an organizational meeting was held that was attended by 15 persons and \$100 was paid into the share capital of the newly organized credit union. Of the initial \$100 paid to the credit union, \$40 was used to buy passbooks, receipt books and disbursement vouchers and ledgers and \$60 was left to make the credit union's first loan (Assiniboine Credit Union History, undated manuscript).

The first loan made by the Assiniboine Credit Union Society provides an interesting insight regarding the important collective self help role and values of cooperation that were the basis for the movement. Mr. E. C. Brown, one of the charter members of the credit union recalls,

I will always remember our first loan as it was not only an indication that the credit union philosophy put into practice really worked, it gave us more courage and conviction to approach our co-workers to join the credit union. The loan was made to a desperate member whose child had an incurable blood disease. As the child could not make blood, our member gave his blood on numerous occasions to save her life. Shortly after her death, he received a bill for \$100 from the City of Winnipeg Hospital Collection Agency. He applied for a loan to pay off the bill. As our funds on hand amounted to only \$60, the Secretary-Treasurer wrote the Collection Agency a letter asking them how much they would accept as a cash settlement. In their answer they indicated they would accept \$50 in full settlement provided the bill was paid within 24 hours. The loan was immediately granted and we still had \$10 to loan out. This was our first transaction as a credit union (Assiniboine Credit Union History, undated manuscript: 3).

The Assiniboine Credit Union (ACU) operated very successfully for a number of years. By the beginning of the 1980s, the credit union had 28,000 members (Assiniboine Credit Union Annual Report, 1980). In the early 1980s a world-wide recession hit the ACU particularly hard.

The credit union had invested in a number of speculative development and real estate loans that crashed as interest rates moved into double digits. The credit union had gone directly into the real estate market itself, building a \$9 million head office on the corner of York Ave. and Garry St. The decision to build meant that \$9 million was tied up in a building that paid a return at best two per cent a year when Canada Savings Bonds were paying 18 per cent. By the time the economy bottomed out, Assiniboine's deficit had ballooned to \$4.5 million on assets of \$90 million (Greening of the Assiniboine, 2001).

On May 13, 1981, the Registrar that administered the Manitoba Credit Union and Caisses Populaires Act appointed the Credit Union Stabilization Fund as Supervisor of the Assiniboine Credit Union because "the realizable value of the credit union's assets is less than the aggregate of its liabilities and issued shares" (Registrar's Correspondence, 1981). The general manager and most of the board of directors resigned. The Credit Union Central of Manitoba sent in a

team of consultants to review the credit union's operations. Richard Feist, formerly of the Saskatoon Credit Union, was appointed the new general manager. For the next 5 years Assiniboine Credit Union had to deal with the fact that the Credit Union Stabilization fund would supervise its operations from a very conservative management perspective.

The new management team had a clear understanding of its mandate: eliminate the deficit, restore the credit union's financial stability, and re-establish Assiniboine's autonomy. Not surprisingly, the early 1980s were years of retrenchment. Everyone heaved a sigh of relief when the head office building was sold. Non-profitable branches on St. Anne's Rd. and in Pinawa were closed and assets were transferred to other Assiniboine branches (Greening of the Assiniboine, 2001).

Dave Leland joined the board of directors of ACU in 1982. "The Stabilization Fund representatives attended all meetings of the board of directors, and they had the authority to govern, direct and control the operations and affairs of the credit union" (Leland, Personal Interview, 2009). By the mid-1980s the deficit had been eliminated and the Assiniboine was able to get back on stronger financial footing. On December 29, 1986 the Registrar informed the Assiniboine that it was "released from supervision from the Credit Union Stabilization Fund" (Registrar's Correspondence, 1986). "While the latter part of the 1980s may have, from some perspectives, been boring, few hankered for the exciting days of near bankruptcy" (Greening of the Assiniboine, 2001: 4).

Leland was concerned about the state of Winnipeg's inner city. "This led him to participate in organizations and meetings where, it turned out, bankers did not bother to tread. One series of meetings was organized by Winnipeg Centre Member of Parliament Cyril Keeper. Known as the Winnipeg Initiative, these meeting brought together people to address inner city poverty. Leland found himself the sole representative from any of the city's financial institutions" (Greening of

the Assiniboine, 2001: 5). It was these people that Leland met through the Winnipeg Initiative that would provide a network for him to make the progressive changes that he wanted to see happen at the Assiniboine Credit Union.

In the fall of 1990, Sel Burrows, who was working at the Community Education Development Association doing economic development work in the inner city, organized a meeting with Eugene Kostyra and Shirley Lord from the Canadian Union of Public Employees; Mike Gidora, the manager of the People's Co-op Dairy; Mitch Podolak, the founder of the Winnipeg Folk Festival; and Dave Leland from the board of directors of the Assiniboine Credit Union (Kostyra, Personal Interview, 2009). Their discussions ranged from their dissatisfaction with approaches that credit unions took to non-profit organizations and low-income people, to the types of initiatives a more progressive union might want to undertake.

Kostyra (Personal Interview, 2009) recalled that the “group felt that the credit union should be more responsible to the members and connected to the socio-economic activities in the community”. Sel Burrows had lived on the west coast for a while and familiar with how the progressives in the community had taken over the VanCity Credit Union, the largest credit union in Vancouver. Burrows (Personal Interview, 2009) recalls,

When I had been out in B.C., VanCity Credit Union was an absolute glowing dream of financial management. They were providing people with really solid banking experience but they were on the cutting edge on environment, social issues, and they spoke out on major issues all the time. And people who were involved in the left were heavily involved in the credit union. They had open elections and these guys kept getting re-elected. They had the best return on capital of any financial institution in Canada.

Burrows “came up with the Greening of the Assiniboine term as a way to promote the takeover campaign without bringing too much attention to the strategy. We needed to get 400 people out to the Assiniboine’s AGM – previous AGMs were attended by about 50 to 70 people – the existing management group ran the credit union like a bank” (Burrows, Personal Interview, 2009).

Burrows worked closely with Leland to develop a set of guiding principles to drive the future directions and actions of the credit union (Burrows, Personal Interview, 2009). A larger meeting was held at the Union Centre in November, 1990 to talk about what an alternative credit union might look like. The Guiding Principles of the Greening of the Assiniboine (1990) movement were presented and adopted at the meeting. These principles included:

Objectives:

1. To ensure it is a stable, successful financial institution by:
 - a. following acceptable lending policies
 - b. working closely with Credit Union Central and the Credit Union Stabilization Fund
 - c. attracting new members to the organization
2. To ensure it is committed to supporting the development of a more environmentally friendly and creative community.

A. INCOMES

1. Responsiveness to underrepresented groups in employment: visible minorities, women in non-traditional roles, older workers, the physically challenged.
2. Business loans which generate employment or in which a sole proprietor “earns wages” accessible to the white-collared unemployed, early retirees, laid-off workers, and operators of home-based businesses. Ensuring the accessibility of business loans to the underrepresented groups such as in point #1 above.

3. Participation in the economic revitalization of Winnipeg.

- a. preference for local suppliers when cost and performance are comparable
- b. liaison with entrepreneurial development initiatives such as the Y Enterprise Centre, Core Area Initiative Entrepreneurial Support Program, Women's Business Centre, etc.
- c. Supportive of inner city economic development.

B. ETHICS

Formulating some principles of ethical business behaviour and integrating them into staff training.

1. Honesty.
2. Elimination of conflicts of interest.
3. Confidentiality
4. Knowledge. (employees who give advice should be knowledgeable about its suitability to the member's situation)
5. Refusal to deal with undesirable members (might include property gained from illegal activities, business that are boycotted due to trade with South Africa, pollution, etc.)
6. Advocacy of holistic healthy employee lifestyles.
7. Consideration of an ethical investment fund.

C. HUMAN RIGHTS

1. Non-discrimination.
2. Compliance with Manitoba Human Rights Act.
3. Affirmative Action.
4. Policy and procedures to curb sexual harassment.

D. CONTRIBUTIONS

1. Recognition of staff's voluntary community service activities.
2. Charitable donations.
3. Chequing services gratis to registered charities.
4. A bundle of services at cost to assist non-profit organizations in fundraising.

E. ENVIRONMENTAL CONCERNS

1. Loans for the development of end markets for recycled materials.
2. Loans to upgrade cottage septic systems, retrofit homes, or other environmentally friendly domestic purposes.
3. Consider environmental impact of any give aways or premiums. (Reusable canvass lunch bags and shopping bags with logo versus credit union calendars)

A series of planning meetings were held at the West End Cultural Centre to mobilize more people to get involved in the Greening of the Assiniboine movement. “The outreach formula was for 20 people to get each get out 20 people. The pitch was simple – support the guiding principles, take out a membership at the Assiniboine Credit Union, and come out to one meeting – the AGM – to vote” (Burrows, Personal Interview, 2009). Sel Burrows became the coordinator of the membership mobilization drive.

The Greening of the Assiniboine members believed that they had to walk a fine line in this innovative strategy to takeover the largest credit union in Winnipeg. Kostyra recalled that it was recognized from the outset that “We have to make sure that it’s a credit union for the members and ensure that it’s fiscally responsible and looks after members” money properly. On the other hand, it could do things that were much more in tune with the community and much more progressive in terms of financial institutions and not look or sound and smell like a bank” (Greening of the Assiniboine, 2001: 8).

The Greening group spent a great deal of time and thought about identifying the first three candidates that would be put forward as a Greening of the Assiniboine slate at the credit union’s AGM that was going to be held in the spring of 1991. According to Kostyra,

We recognized that there could be quite a backlash to a decision by people on the left becoming so involved in directing a financial institution. We did not want to leave ourselves open to charges that our candidates did not have any business acumen, didn’t understand the complex nature of running a credit union. The first candidates chosen for the slate were Dave Leland, who had a lengthy history with the credit union, Van Hall, an accountant who described himself as socially progressive and fiscally conservative, and Jan Lederman, an NDP activist with links to one of the city’s oldest and most conservative law firms (Greening of the Assiniboine, 2001: 8).

Hall was very supportive of the Greening strategy. “Since a lot of my client base is non-profit, I could see the need for this sort of change. Banks are very cautious in their lending policies, which is understandable. But they do not take into account the fact that a non-profit may have been receiving government funding for decades and was likely doing so when they make lending decisions” (Greening of the Assiniboine, 2001: 8). Hall thought that “it was possible to take a much more creative approach to lending in this area, without significantly increasing the risk of the credit union. He also thought that the community as a whole suffered when non-profits failed to get access to financing” (Greening of the Assiniboine, 2001:8).

Burrows organized a dedicated team of volunteers to mobilize the people to attend the credit union’s AGM in the spring of 1991. Burrows points out “that without Cho!ces, the Greening of the Assiniboine credit union would have never taken place” (Burrows, Personal Interview, 2009).

The early 1990s had also given rise to a rather unique social action organization in Winnipeg: Cho!ces: A Coalition for Social Justice. Cho!ces was formed shortly after the Conservative party under the leadership of Gary Filmon won a majority government in the spring of 1990. Less a coalition than an umbrella that brought together academics, political activists, trade unionists, feminists, and students, the organization’s name was meant to be a rebuke to those who claimed that there were no alternatives to market-based approaches to social, political and economic issues. Each year, Cho!ces’ members prepared and delivered an alternative provincial budget, one that sought to live within the existing economic restraints and at the same time address unmet human needs. But Cho!ces was more than a brief-giving organization. It organized a series of imaginative demonstrations marked by a tongue-in-cheek approach to politics. And while it never had a formal leadership, it amassed an organizer’s most valuable asset – a sizeable mailing list. Not surprisingly, there was a crossover between people involved in the Greening campaign and in Cho!ces (Greening of the Assiniboine, 2001: 7).

In the spring of 1991, the massive effort to takeover the Assiniboine Credit Union went into action with outstanding support from the activists that were also in the early stages of organizing the Cho!ces coalition.

Greening supporters began working the telephones, tapping personal and organizational connections. People were asked if they were members of Assiniboine. Those that said yes were encouraged to attend the meeting and vote for the identified slate. Those who were not members were encouraged to shift their banking to Assiniboine. As the campaign gathered momentum supporters met every two weeks. It was this effort that led to the large turnout and the election of three Greening candidates to the credit union's board of directors in 1991 (Greening of the Assiniboine, 2001: 8).

The Greening initiative served as a rallying point for many in the community, cultural, women's, environment and labour movements who were disturbed about the neo-conservative agenda of the newly elected Filmon provincial government that was aggressively instituting a program of restraint by cutting social and cultural programs, funding to advocacy groups and wage rollbacks for public servants. The Greening movement gave these groups that were feeling dispirited a constructive outlet to channel their anger and exercise their influence for a progressive cause.

It was clear before the Assiniboine Credit Union's 1991 annual meeting had ever been called to order that something unusual was happening. In the past, annual meetings had been sleepy events, rarely attracting more than sixty or seventy people. But on this night, people just kept coming through the doors of the Winnipeg's Masonic Temple. Soon there were not enough chairs in the meeting room. Once more chairs had been brought in, people realized that the room itself was too small. While it was not uncommon for candidates to be nominated from the floor for positions on the credit union's nine-member Board, it was rare for a sitting member to be defeated in a bid for re-election. But that is just what happened that year. Of the three incumbents running for another three-year term only one, Dave Leland [a Greening slate member], was re-elected. Even the President of the Board was defeated (Greening of the Assiniboine, 2001: 2).

Lederman (Personal Interview, 2010) recalls in the days following the election of the Greening slate to the Board of Assiniboine, "inside the credit union and the credit union movement there was a tremendous amount of fear about what this would mean and that they were taken over by a

group of radicals”. Lederman (Personal Interview, 2010) felt that “the existing people on the board didn’t jump to do anything particularly innovative but we could discuss things and I think that was a positive thing. I really do give credit to these existing board members. The chair of the board was pretty solid”. Hall recalled that “Once people realized that we weren’t there to distribute the assets that were left in the organization, the relations between the new members and the old ones were pretty good. Which is not to say that they were without conflict” (Greening of the Assiniboine, 2001: 9).

However, “at the ACU staff level, there was a tremendous amount of anxiety” (Lederman, Personal Interview, 2010). According to Al Morin, the current President and CEO of Assiniboine and a senior member of the management team at the time of the Greening of the Assiniboine, “during the early days of the Greening era the credit union lost 5 or 6 mid-management male staff within the first 6 months as they felt that they would have no future with the credit union given the employment equity objectives of the Greening movement” (Morin, Personal Interview, 2009). “Previously, the Board and management team had shared the same set of values. The Board had increasingly allowed management to set the credit union’s goals and directions. It was clear that if the Greening group gained control of the Board, there would be a new relationship between Board and management” (Greening of the Assiniboine, 2001: 9).

The management reaction to the changes was varied. For Morin, “the Greening of the Assiniboine reflected my values about what a credit union should be, it looked very exciting and I embraced the new direction” (Morin, Personal Interview, 2009). Prior to coming to the ACU, Morin worked for Credit Union Central of Manitoba and one of the initiatives he was involved

with was to help set up financing for the Community Income Tax Service, a non-profit tax service that provided an affordable option to tax return discounters. Morin's key concern regarding the Greening initiative was "the issue of sustainability – how to achieve the triple bottom line. Most credit unions have a single mandate to generate the biggest return possible for their members" (Morin, Personal Interview, 2009).

Others on the management team had very different reactions to the Greening initiative. They believed that "industry standards had become standards for very good reasons" (Greening of the Assiniboine, 2001: 9). The existing management team, the CEO in particular, was used to leading the board rather than taking direction from the board. This redistribution of power and roles was to be an ongoing source of tension (Greening of the Assiniboine, 2001).

In 1992, the Greening of Assiniboine once again mobilized over 400 people to attend the credit union's AGM to elect three more candidates including Addie Penner, former Dean of the University of Manitoba's Faculty of Social Work; Leslie Spillett, an activist in the city's Aboriginal community; and Karen Bell, a labour activist with the United Food and Commercial Workers Union (Greening of the Assiniboine, 2001). The Greening movement was able to complement the business experience of its first slate of candidates, with the community activist experience of its second slate of candidates. The Greening group now had a majority on the board of directors. As well, five of the nine board members were female for the first time ever in the credit union and financial sector.

One of the significant changes made by the Greening group was the implementation of a multi-year strategic planning process. This was one of the ways the board could reassert its leadership role in terms of running the organization by giving policy direction for management to implement. This was in contrast to the staff driven leadership culture that was present not only at Assiniboine but in most credit unions within the movement in Manitoba (Greening of the Assiniboine, 2001). “The strategic plan became not just a blueprint for the credit union’s operation, but a blueprint for change” (Greening of the Assiniboine, 2001: 10). In 1994, the Assiniboine adopted a new mission statement that better reflected the values of the Greening movement,

Assiniboine is a co-operative, community-based financial institution dedicated to being the leading provider of innovative financial services to our members and people in our community generally not well served by financial institutions. Our strength is generated by our commitment to our members, our people, and our industry (Greening of the Assiniboine, 2001: 10).

According to Lederman (Personal Interview, 2010), “the new board members took the first couple of years just wanting to understand the ACU operation. They wanted to introduce ideas that could be easily integrated into the existing operation of the credit union and would not be seen as upsetting the apple cart or doing anything drastic in the initial stages”. During this period of time, “senior managers were more receptive to the ideas put forward by the board than was the CEO... It was frustrating working with the CEO... I was very comfortable and confident that the ideas being put forward were not radical or extreme and would have benefited the credit union from a business case perspective” (Lederman, Personal Interview, 2010).

At the same time, many of the people involved in the Greening movement were concerned about the pace of change and whether the group was losing momentum. The Greening of the

Assiniboine movement would attempt to hold meetings just prior to the annual general meeting of the ACU with the members of the Greening endorsed board members to build dialogue and do some mutual planning about present and future directions for the credit union. At the March 30, 1995 meeting to discuss the future directions of the ACU, the following recommendations were made to the board members elected by the Greening of the Assiniboine movement:

1. That committees of the board be established in 1995 consisting of community representatives to provide recommendations to the board of directors with respect to planning and policy issues. Committees should be developed in the following sectors: Non-Profit Organizations, Labour, Inner City Development, Aboriginal community, New Canadians, Cultural organizations, and Women's organizations.
2. That the *It's Up to All of Us Community Economic Development Principles* developed by Neechi Foods be adopted as guidelines to be incorporated into the operation of the credit union.
3. That a review of the purchasing policies and practices of the credit union be undertaken in order to determine how the credit union could support local community economic development enterprises.
4. That a structure be put in place to facilitate social investment practices for the credit union.
5. That the board work with the community to develop the job description for the community economic development position that the board plans to create. The role of this position should be to act as an ombudsman on behalf of the membership of the credit union and community at large.
6. That the board members replace management staff as representatives of the credit union on Credit Union Central.
7. That credit union and cooperative education be promoted among the membership and within the community at large.
8. That the credit union become a financial voice for progressive economic policies.
9. That senior management staff be hired that reflect the ideological orientation of the board of directors (Greening of Assiniboine, Minutes March 30, 1995 Meeting).

Some, but not all of these recommendations were acted upon. The ACU became a lead sponsor of the Christmas LITE campaign (a CED organization as opposed to the charity approach to funding CED enterprises in the inner city); established an internal \$100,000 community loan fund for SEED Winnipeg as well as a grant for operational support; established a Community and Small Business Loan Centre; opened a credit union branch in an inner city neighbourhood in West Broadway; adopted the Neechi CED principles; established a CED Manager position in consultation with the community; replaced the management staff as representative to the Credit Union Central with a member of Assiniboine's board; and began to seriously look at hiring senior management staff that represented the ideological orientation of the board of directors (Greening of Assiniboine, 2001).

The issue regarding the senior management was becoming an important one for some members of the board. Jan Lederman was elected as board President in 1994. "My experience as board chair led me to understand that the CEO was the impediment, not the business principles [being promoted]" (Lederman, Personal Interview, 2010). In 1996, Eugene Kostyra succeeded Lederman as President of the board. Lederman (Personal Interview, 2010), "I felt more free [not being the board chair] to be more aggressive [about my concerns regarding the CEO]" (Lederman, Personal Interview, 2010). At the same time, other newly elected members endorsed by the Greening movement had similar concerns about the need to make changes at the senior management level of the organization.

In 1996, another board and management strategic planning session was held facilitated by Greg Selinger, who was at the time a professor at the University of Manitoba's Faculty of Social Work. Lederman recalls,

I drafted a two page memo to myself about where I thought the ACU should be going... I called Eugene [chair of the board] prior to the planning session and said that I am going to take a really aggressive position in the planning session because I was so frustrated with the CEO. In the large group session I stated that the ACU was being out managed and that the credit union was not being responsive to new trends and new initiatives being put forward. I understood that there should be a business plan for these new initiatives by management should be taking our ideas and developing them into a business plan...When we went into small groups I was in a group with the CEO who was very defensive. It was not long after that the CEO was gone...A couple of the management team after the planning session went to the CEO and said that they [the board] are right. We need to do these things. The CEO disagreed with them and the precipitated the CEO leaving...The CEO was becoming increasingly isolated – it was the beginning of the end for this CEO (Lederman, Personal Interview, 2001).

Kostyra (Personal Interview, 2009) also believed that changing the CEO was key. “The board conducted a 360 degree evaluation of the CEO. I remember getting phone calls from the vice-presidents [senior management team] at that time saying that they wanted to chat with me and it basically came out that they wanted to move in the kind of directions that the board did but they were being blocked by the CEO. When we got Al [new CEO] in place that's when we began to see significant movement”.

In the summer of 1997, the CEO, Richard Feist retired after serving as the credit union's manager for 17 years. “Feist's skills had saved the credit union from bankruptcy. Different leaders would take the credit union on the course that the Greening group had charted” (Greening of the Assiniboine, 2001: 15).

The board of directors wanted to ensure that the new Chief Executive Officer that was hired was committed to the values of the Greening movement. At the same time, they were also aware of the need for continuity within the credit union within the context of all the changes that would need to take place. While the outgoing CEO did not see eye to eye with the board members on the Greening agenda, other senior management staff played a key role in building a bridge between the board and the agenda for change. It was ultimately decided that the new CEO position would be given to Al Morin, who came to the Assiniboine in 1980 as part of a Credit Union central team that was reviewing ACU's operations in light of its deficit difficulties and had stayed on as a senior manager with the credit union.

Morin had worked for financial institutions for nearly 30 years. He started working with the Bank of Montreal in 1968 and then moved to Credit Union Central of Manitoba in the mid-1970s.

Switching from a bank to a credit union did not have any particular significance at the time. But as part of his work with Credit Union Central he took courses offered by the Canadian Cooperative College in Saskatoon. "The more I got to understand the credit union approach, the more I liked it and felt that its values and my values made for a good fit. After a year with Central, I knew I would never go back to a bank. Credit unions cared about people, while the banks had an awful, but justifiably earned reputation for the way they treated staff (Greening of the Assiniboine, 2001: 16).

"After the former CEO left, the credit union really moved forward. We got lucky with Al Morin – he is a great manager, sensitive guy and very committed" (Lederman, Personal Interview, 2010).

The other major milestone in the history of the Assiniboine Credit Union was a series of mergers with other major credit unions in Winnipeg in the years 2006 and 2007. On September 13, 2006,

members of Assiniboine Credit Union voted unanimously to merge with the Vantis and Astra Credit Unions. Vantis Credit Union's roots go back to 1948 when employees of Manitoba Hydro opened the Hy-Line Credit Union. A year later, Manitoba Telecom Services opened an employee-based credit union called Decibel. Hy-Line and Decibel merged in 2002 and by 2006 Vantis operated with 6 branches in Winnipeg and 2 northern Manitoba branches in Thompson and Gilliam with an asset base of \$498 million (Assiniboine Credit Union Annual Report, 2008). Astra Credit Union's roots go back to 1958 when the credit union was formed to meet the needs of the Department of National Defense personnel and civilians working at the Canadian Forces Base. By 2006, Astra operated with 6 branches throughout Winnipeg with an asset base of \$388 million (Assiniboine Credit Union Annual Report, 2008). On January 1, 2008, the Buffalo Credit Union officially merged with the Assiniboine. The Buffalo Credit Union was formed by the employees of the provincial government and had \$140 million of assets and two branches in Winnipeg (Assiniboine's History, Undated Manuscript). The recent mergers have assisted the ACU to grow to 25 branches (23 in Winnipeg, 1 in Thompson and 1 in Gilliam) and 108,000 members making Assiniboine the largest credit union in Manitoba, both in number of branches and members. The combined assets of ACU are over \$2.4 billion making the Assiniboine the 8th largest credit union in Canada. (Assiniboine Credit Union Annual Report, 2008). Later in this case study, the mergers' impact on maintaining the continuity of the organizational culture and the agenda developed by the Greening of the Assiniboine will be examined.

The Assiniboine Credit Union's name was maintained after the merger with Vantis and Astra Credit Unions. After the merger a new mission statement was adopted that was similar to the mission statement adopted previously by the Assiniboine Credit Union in 1994.

Our purpose as a social responsible and profitable financial co-operative is to provide accessible financial services for the well being for our members, employees and community; offer fair and meaningful employment in a safe and respectful workplace; and build partnerships that foster self-reliant, sustainable communities (Assiniboine Credit Union Annual Report, 2008).

The organizational structure of the credit union includes governance by an elected 10 person board of directors which gets elected by the membership of the credit union at the Annual General Meeting. As per International Cooperative Principles, the credit union's board of directors is elected based on the principle of one member, one vote. The elected board of directors appoints the President and CEO of the credit union. As well, the board delegates the following committees to monitor adherence to governing policies: Human Resources Policy and Compensation Committee; Audit and Risk Committee; Community and Members Relation Committee; and Governance and Ethics Committee (Assiniboine Credit Union Annual Report, 2008).

In providing an overview of the services provided by the Assiniboine Credit Union, three categories of services will be reviewed. The first service category will be member services such as account transactions, investments, and loans – these are the traditional services provided by financial institution. The other two service categories that will also be presented reflect a more CED or social justice approach to credit union services including the credit union's early community economic development initiatives under the leadership of the CED Manager, Russ Rothney, and, secondly, the ACU's commitment to corporate social responsibility (CSR) initiatives.

Given the unsettled times in 2008, the Assiniboine was able to have a successful year in the traditional members services category. According to the Assiniboine Credit Union Annual

Report (2008), the financial results met or exceeded almost all of our goals for 2008. Some of the highlights included: assets of \$2.4 billion or 15.3% growth over the previous year; loans of \$2.2 billion or a 15.1% increase in growth; deposits of \$2.2 billion or a 12.2% increase in growth; equity was at \$129.5 million or an increase of 16.2% in growth; net income or profitably totaled \$15.6 million which was an increase of 33.5% over the previous year. The efficiency ratio improved by 2.1% to 73.5% - this ratio tells you what it costs the credit union to produce a dollar of financial margin. Garry Loewen, the present chairperson of the board of directors of ACU points out “there are credit union competitors in Winnipeg [with efficiency ratios] that are at 55% and the average is closer to 65%. So you can see the competitive disadvantage when you see those kind of numbers – this leaves ACU with less margin to do other initiatives. This higher efficiency ratio is at least partly due to Assiniboine’s commitment to CSR [corporate social responsibility] and our branch structure – when you add up additional CSR staff positions and the management time put into all this good stuff there is a higher cost” (Loewen, Personal Interview, 2010).

Member satisfaction surveys conducted by the Assiniboine Credit Union continued to provide positive feedback from the membership – overall satisfaction with ACU (somewhat or very satisfied) was 87%; how well was ACU at providing exceptional service to you was 82%; ACU’s performance in the last 12 months (the same or better) was 88%; and likely to recommend ACU to a family member or friend was at 90% (Assiniboine Credit Union Annual Report, 2008).

Assiniboine Credit Union delivers services through a network of 25 branches, a Member Communication Centre, CU@HOME internet banking, CUbyPHONE telephone banking, Assiniboine financial group, two business centres, a dealer finance division, mortgage specialists and Assiniboine's virtual division, Outlook Financial (Assiniboine Credit Union Annual Report, 2008). The Member Communication Centre employs 46 staff that answered 300,000 calls in 2008 or approximately 24,000 per month. The Assiniboine Financial Group employs seven full-time professional investment advisors that manage in excess of \$235 million for members with more complex portfolios. ACU operates two offices of the Business and Community Financial Centre. While both offices offer traditional lending, the Main Street office also has a unique community lending program that specializes in services to small and micro-businesses, cooperatives and non-profit organizations. During the year, the centres managed nearly \$475 million in loans, mortgages and lines of credit for over 1,500 commercial and non-profit members. The Direct Sales division provides two service options to members – Dealer Finance which delivers on the lot financing for vehicles at dealerships throughout Manitoba; and the Mortgage Specialist program that provides mortgage services to brokers and real estate agents as well as members after hours.

The ACU recently completed the construction of two new branches in Fort Richmond and Rivergrove that featured an impressive array of green solutions and services aimed at increasing comfort and lessening environmental impact that also reduced the operating costs over the life of the building. The construction of these branches was also done by a social enterprise, Inner City Renovations, which employs a majority of inner city residents.

In terms of the more CED or social justice oriented service categories, the second service area provided by ACU that will be examined is the programs developed under the leadership of the CED Manager, Russ Rothney. In 1996, Rothney was hired to be the first ever CED Manager at ACU – five years after the Greening initiative took place. Initially, under the leadership of the resistant CEO (who eventually retired) and other senior management staff that did not support the Greening of the Assiniboine agenda, Rothney felt he was welcomed but support was limited by a lack of familiarity with CED concepts.

When I first started on the job and I was introduced by the then Vice President of Human Resources and Marketing to head office staff. He said, here's Russ...from all I know he seems like a nice guy. He's been doing a lot of neat things and has a lot of experience. But he also explicitly said, 'It's going to cost the credit union a lot of money to have a position like this now.' I felt like kicking him under the table. He did not seem to get it that this could undermine staff support right at the outset. It was things like that that pushed me to see that there has got to be buy in on CED beyond one office. (Rothney, Personal Interview, 2010).

Originally, Rothney's office was seen as the face of CED at the ACU. According to Rothney, "I worked quite hard to broaden that out. CED and the broader concept of CSR were formally embraced as binding to the mission of the entire credit union. Every staff bear pit [planning] session has consistently identified CED as one of the top 3 five year priorities given the choice of what the credit union should focus on...The [CED] commitment is structured into the credit union now" (Rothney, Personal Interview, 2010). However, Rothney believes that ground has been lost regarding advancing CED in Assiniboine during the recent mergers.

There was an intellectual buy in but if you haven't ever worked with the concept or if you don't quite know what is going on... between the division between a traditional charity mentality and a critical CED mentality. It was not that there was opposition to a CED mentality it was just that this [understanding] doesn't come by turning on a light switch. No one was saying no, in fact, it was embraced more as a marketing strategy by the incoming credit unions [involved in the mergers] (Rothney, Personal Interview, 2010).

While Rothney is comfortable with having the CED initiatives under the CSR umbrella, he believes there are differences between CED and CSR.

There are definite distinctions between CED and CSR. In addition to CSR having a community economic development focus, CSR includes things like governance and human resource relations, an emphasis on environmental responsibility... and generally includes how donation policies are used. CED focuses on building economic activity that involves job generation, creating surpluses, skill development in the context of community strengths, and personal dignity. To me, CED has a theoretical strategy behind it which looks at the way the economy is actually structured. You could talk about governance within institutions without talking about income circulation, local purchasing and retention of profits. So CED is very much about strengthening the economic balance and integrity of the local economy. That's the distinguishing piece to me (Rothney, Personal Interview, 2010).

In terms of CED services that Rothney worked with in his capacity as the CED Manager of the credit union, he identifies four key themes – housing, community enterprises, community banking for low income households, and community investments which evolved into the Socially Responsible Investment (SRI) program sponsored by the ACU (Rothney, Personal Interview, 2010). ACU was one of the leading financial institutions in Winnipeg that provided financing for inner city housing revitalization. The credit union was instrumental in supporting innovative inner city community and social enterprises such as Inner City Renovations, a residential and commercial construction company that primarily employed inner city residents; BUILD Construction, a social enterprise that employed inner city residents that fused green development, CED and poverty reduction strategies through the training of people involved in the justice system to learn how to insulate homes and public housing units in order to promote energy conservation and reduce heating and water bills; and Pollock's Hardware Co-op, a successful initiative by local north end residents to save their local hardware store by converting it into a consumer co-operative.

The CED program at ACU worked in partnership with north end community organizations to initially organize the Alternative Financial Services Coalition to explore options for low-income residents regarding the proliferation of fringe bank services in the north end such as pawn shops and pay day loan operations. An asset building program that featured a matched savings program emerged from these efforts in partnership with community organizations such as SEED Winnipeg. An AssetBuilders Partnership was also organized that involved 10 organizations including the ACU, United Way of Winnipeg and other community based organizations. The Assiniboine also worked in partnership with the North End Community Renewal Corporation to establish the Community Financial Services Centre that provides low-income people with access to a bank account, a system to overcome cheque hold policy, access to small loans, and provides personal identification services. In terms of supporting the development of community investment initiatives, the ACU was instrumental in establishing a micro-lending fund to SEED Winnipeg to support the development of micro-enterprises for low-income people. As well, the CED services at ACU assisted the faith community to establish the Jubilee Fund in 2000, to develop an ethical investment fund to provide loan guarantees to support CED enterprises for low-income and inner city residents.

Rothney was also involved in organizing the National Credit Union CED Network that promoted inter credit union cooperation across Canada on issues related to CED. Since the late 1990s, Rothney was also active in the Social Investment Organization of Canada that was interested in supporting ethical community investments rather than just screening multi-national investment, either with a negative screen if they were destructive to the environment or violated social justice principles, or positive screens if they had a strong record in investments that promoted the

environment and social justice. Rothney encouraged a number of senior ACU staff to attend the 2003 Social Investment Organization conference. They were so impressed with what they learned that they worked with the ACU to establish in 2005 a Socially Responsible Investment staff position, the first of its kind in Canada (Rothney, Personal Interview, 2010).

Rothney retired from the ACU as its CED manager in the fall of 2009. While the CED position has not been replaced because of decreasing margins and additional stress with the new software transitions at the ACU, Rothney is optimistic that a CED position will be established in the near future when the environment for the credit union is more settled. Rothney (Personal Interview, 2009) points out that

The Business and Community Financial Centre (BCFC) at ACU on Main St. has a strong CED orientation. A lot of housing initiatives and small co-ops are being supported through the lending of the BCFC. It's not like this type of work has all stopped. There is more going on around CED than there was in the late 1990s even though there is no position and that is actually positive. It doesn't mean there won't be more specialization down the road (Rothney, Personal Interview, 2010).

Part of Rothney's vision to get CED out of one office and having CED more integrated throughout the credit union seems to be taking roots. In the long term, this is how CED will be sustained within Assiniboine.

The third service area that will be examined is the ACU's corporate social responsible (CSR) initiatives. The Assiniboine Credit Union created a position of Vice-President of Corporate Responsibility in 2005 in order to take its CED initiatives and corporate responsibility vision to the next level. Priscilla Boucher was hired for this position in February, 2006 – she had previously worked with the VanCity Credit Union. Shortly after ACU hired Boucher, the credit union was going through a merger with Vantis and Astra Credit Unions. "I needed to strategize

to maintain the prominence of CSR within the new organization. It was important to develop a common understanding of CSR” (Boucher, Personal Interview, 2009). The Assiniboine Credit Union developed a Report on Corporate Responsibility in 2007 which identified that

CSR reflects our commitment to doing business in a way that is financially sound and socially, environmentally and ethically responsible. It speaks to the value we see in using our skills and resources as a financial cooperative to help foster self-reliant and sustainable communities. It explains why we take care to consider the impact of business decisions on our employees, our members, the communities we serve and the environment. CSR is embedded in our mission statement and core values. It is one of five strategic drivers on the Balanced Scorecard that we use to measure our success. We aim to achieve financial returns while making a difference. Anchoring our commitment to CSR is our co-operative and democratic structure and the Co-operative Principles of the international co-operative movement (Assiniboine Credit Union Report on CSR, 2007: 1).

Assiniboine’s CSR agenda is delivered through six themes of service including:

1. Access For All
2. Community Investments
3. A Great Place To Work
4. Environment
5. Ethical Business Practices
6. Socially Responsible Investing

The Access For All theme is based on the belief that everyone should have access to affordable financial service especially those who are underserved by other financial institutions. ACU works closely with community partners to increase access to affordable financial services for low-income households, micro-enterprises and communities. According to the Assiniboine Credit Union Report on CSR (2007), some of the initiatives that promote greater access to affordable financial services include:

West Broadway Branch – while other financial institutions have closed their branches in inner city neighbourhoods, ACU opened a small service branch in 2001 which now has 1,300 members and works with community leaders to help foster a strong, healthy and sustainable neighbourhood.

Community Financial Services Centre - ACU worked in partnership with the North End Community Renewal Corporation and other north end community groups to establish in 2006 a financial services centre on Main St. that offers low-income people an alternative to payday-loan operations, cheque-cashing outlets and pawnshops. The centre provides identification for people so they can cash cheques, cashes government cheques at no charge, removes the 7 day holds on cheques, provides small personal loans, and offers money management workshops in partnership with SEED Winnipeg.

Community Sponsor Program - Many people lack the identification to open a bank account. Through this program, ACU works with community partners who “sponsor” individuals and confirm their identity so they can open up an account with ACU. Workshops on basic money management and banking are also offered.

Matched Savings Account - This account was created for participants of Asset Building Programs that are run by non-profit organizations that provide money management training and support to promote participants to save for identified assets like education, housing, starting a business, household appliances or personal items like glasses or computers. The non-profit matches each dollar saved by the program participants with three dollars of incentive funding.

SEED Winnipeg Loan Fund - ACU partners with SEED Winnipeg who provides business management training for low-income individuals to develop a business plan and access to small business loans through ACU.

Cashing Government of Canada Cheques for Non-Members - Some low income people have to turn to expensive cheque cashing outlets to cash their cheques. ACU has a policy to cash Government of Canada cheques to non-members at no charge provided that they are sponsored by one of ACU’s community partners.

Advocating Access for All – ACU was a member of the Alternative Financial Services Coalition that played an advocacy role about the closing of financial institutions in the inner city and the growing role of fringe banking services such as pay day loan operations, cheque cashing outlets and pawnshops. Part of the solution has been for ACU to work with community partners to develop Asset Building Programs and the recently launched Community Financial Services Centre. As well, ACU made a presentation to the Manitoba Public Utilities Board Government Cheque Cashing Hearings regarding the high cost of services at cheque cashing outlets.

The Community Investments theme is based on the belief that ACU uses its skills, expertise and resources to help build self-reliant, sustainable communities and neighbourhoods. “We know

that strong and vibrant communities are good for people and the environment and strengthen ACU's long-term business. We do this through the financial services we provide, the purchasing decisions we make and dollars, time and expertise we donate" (Assiniboine Credit Union Report on CSR, 2007: 8). The ACU guides these investments based on "the principles of social inclusion, economic self-reliance, ecological responsibility and community building" (Assiniboine Credit Union Report on CSR, 2007: 9). The ACU has received eight national CED awards recognizing the credit union's community investment approach. Some of the key elements of the community investment initiatives (Assiniboine Credit Union Report on CSR, 2007) include:

Community Accounts - ACU offers a Community Builder chequing account and a High Rate Savings account specifically for community organizations such as non-profits and co-operatives that are helping to build our communities.

Financing Affordable Housing - ACU partners with community housing groups to contribute to neighbourhood renewal through the development of affordable shelter for low to moderate individuals and families, including students, seniors, newcomers, people with disabilities and Aboriginal peoples. Nearly fifty percent of ACU's affordable housing financing is invested in helping to renew inner city neighbourhoods.

Financing Community Owned Buildings - ACU helps social service centres, community centres, cultural centres and daycares purchase or renovate their own buildings. Community owned buildings help non-profits and co-operatives build assets for long-term sustainability.

Access to Credit for Business - Through innovative government and community partnerships, ACU is able to provide flexible sources of credit for small and micro-enterprises that have a sound business plan but don't meet the criteria for conventional financing.

ACU Micro-Loan Program – In partnership with Western Economic Diversification Canada (WD), ACU provides loans of up to \$35,000 and flexible terms to entrepreneurs, small businesses and for profit social enterprises. Between 2006 to 2010, WD will provide ACU with up to \$560,000 towards loan loss support to offset ACU's credit risk. ACU will make up to \$3.58 million available in repayable loans with this support from WD.

Manitoba Business Start Program - ACU partners with the Manitoba provincial government to provide business planning workshops and loans of up to \$20,000 for owner managed businesses.

Rural Entrepreneurial Assistance Program - This is a Manitoba government loan guarantee program for small and home-based business located in Manitoba, outside of Winnipeg. ACU provides loans between \$10,000 and \$200,000 for new business starts and expansions, and for the purchase of existing businesses.

SEED Winnipeg Loan Fund - ACU partners with SEED Winnipeg to provide access to business training and credit for small loans for low-income participants involved in SEED's Build a Business Program.

Jubilee Fund Loans - ACU partners with the Jubilee Fund, a faith-based organization, to provide access to credit for CED business, community and housing projects that do not qualify for traditional financing. The Jubilee Fund provides the loan guarantee and ACU provides the credit.

Using our Purchasing Power - ACU uses its purchasing power to support cooperative and social enterprises that create jobs while adding social and environmental value to the community including the purchase of promotional items, catering services, courier services, cleaning services and construction services.

Sharing Financial and Business Expertise - ACU partners with community organizations to offer specialized workshops on topics like understanding business financing, basic banking, buying a home, and presentations to various community and education programs that provide business development training.

Sustainable Community Grants - Each year ACU invests a minimum of 2% (averaged over three years) of its pre-tax earnings to provide grants to community projects and programs based on the following guiding principles – social inclusion, economic self-reliance, ecological responsibility and community building.

Community Sponsorships - ACU provides community sponsorships to support fundraising efforts of its members, sponsor community arts and cultural events and community festivals, and make it possible for community organizations and individuals to attend community events that they would not otherwise be able to afford.

Employee Community Involvement - ACU supports its employees to contribute to the community through partnerships with community organizations such as Habitat for Humanity and the United Way, as well as by supporting fundraising events such as the Dragon Boat Races that support CancerCare Manitoba and the Run for Rights which raises funds for organizations working for social justice and human rights.

Participation on Community Board and Committees - ACU employees represent the credit union on various community boards and advisory committees including SEED Winnipeg, The Jubilee Fund, Winnipeg Partnership Agreement Social Economy and Community Development Advisory Committee, Social Investment Organization, Canadian Community Investment Network Cooperative, and the Manitoba Co-operative Association.

The Great Place To Work theme is based on the belief that ACU “value our employees and makes a conscious, focused and determined effort to respect, support and encourage them as true partners in our shared success” (Assiniboine Credit Union Report on CSR, 2007: 14). According to the Assiniboine Credit Union Report on CSR (2007), some of the key initiatives regarding the credit union’s employment practices include:

Employment Principles - ACU’s employment policies are based on principles including a commitment to provide a safe and healthy workplace; a commitment to employment equity and diversity; providing opportunities for career advancement; and supporting employees in balancing their commitments to work, families and the community.

Compensation Philosophy - ACU’s policy is based on equal pay for work of equal value; ensuring that compensation reflects a reasonable standard of living; maintaining a reasonable range from the lowest to the highest compensated full time position; structuring any incentive compensation so that it rewards employees for acting in ACU’s and the members’ best interests rather than for their own personal gain.

Workplace Training Partnerships - In order to recruit qualified employees and promote diversity in the workplace, ACU actively partners with community organizations to offer workplace training opportunities with the credit union. Community partners include Argyle High School, Employment Projects of Winnipeg, Urban Circle, KaNi Kankichihk, Manitoba Employment Equity Practitioners’ Association and the Manitoba Aboriginal Youth Career Awareness Committee.

Immigrant Integration Program - This program was started in 2004 in partnership with the Cambrian and Steinbach Credit Unions, the provincial government’s Labour and Immigration department, and Employment Projects of Winnipeg. The program targets individuals with previous banking experience from their countries of origin including a 5 week pre-training component and a 12 week paid on the job training program. Since 2004, 40 people were hired by the ACU from this program and there has been a 78% retention rate with these individuals (Anderson, Personal Interview, 2010).

Aboriginal Integration Program - This program was started in 2008 and is based on the success of the Immigrant Immigration Program. ACU partners with the Manitoba Metis Federation, the Assembly of Manitoba Chiefs and the Employment Manitoba department of the provincial government. The program targets individuals that are unemployed or underemployed including a 5 week pre-training component and a 12 week on the job training program. The program has been in operation for two years and 6 people were hired by ACU with a 67% retention rate (Anderson, Personal Interview, 2010).

The Environment theme is based on ACU's commitment to minimize the credit union's footprint and to support ACU's members and the community to find positive solutions to address environmental concerns. The ACU "considers the potential impact on the environment when making business decisions, such as how we build or renovate a branch, what kind of paper we will use, or who we will purchase services from" (Assiniboine Credit Union, Report on CSR, 2007: 18). Some of the environmental initiatives identified in the Assiniboine Credit Union Annual Report (2008) include:

Green Buildings - The ACU has recently completed two green branches, one on Pembina Highway and the other on north Main St. These branches are highly energy and water efficient, constructed with recycled and green products, designed with green maintenance in mind, have geo-thermal heating and cooling systems supplemented by solar heating, have bike racks and showers to support employees to choose alternative forms of transportation to travel to work, and used Inner City Renovations to do the construction work. As well, the Pembina branch was built on the site of a former gas station – a new green building therefore replaced a contaminated 'brown field' site.

Improving Waste Management Practices - ACU has developed a new multi-product and electronics recycling program, conducts annual waste audits and sets 5 year targets for waste reduction.

Eco-paper Choices - ACU uses paper that is Forest Stewardship Council certified made with 100% post-consumer mixed-office waste that is 100% processed chlorine free and acid free. ACU has also replaced all paper pay statements with electronic pay statements for all its employees.

Eco-Transportation - ACU encourages employees to take public transit by reducing the cost of an adult monthly bus pass by 30%; all branches have bike racks; and the credit union tries to place and relocate employees to branches closer to their homes to reduce the distance they need to travel.

Green Purchasing - ACU considers environmental impact of purchasing decisions and uses its purchasing power to support environmental enterprises such as Natural Cycle Courier and Enviro-Safe Cleaning Worker Co-operative.

Eco-Grants - ACU includes ecological responsibility as one of the four guiding principles for the Sustainable Grant Program offered by the credit union.

The Ethical Business Practices theme is based on the belief that the ACU is committed to make decisions and act in the best interest of their members, employees and the communities in which the credit union operate. The ACU “hold all employees and directors to high standards of ethical conduct and expect them to do business in a manner consistent with our Code of Conduct and Business Ethics, our Mission and our Core Values” (Assiniboine Credit Union Report on CSR, 2007: 21). As well, the ACU is committed to meet or exceed the legislated standards of the Consumer Protection Amendment Act, Manitoba Human Rights Code, Personal Information Protection and Electronic Documents Act, and Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Assiniboine Credit Union Report on CSR, 2007).

The Socially Responsible Investing (SRI) theme of ACU’s corporate social responsibility approach is based on the belief that a company’s social and environmental impact, as well as its financial performance, needs to be taken into consideration when making investment decisions. ACU provides its members with a range of SRI products, investment professionals who are well versed in SRI principles and investment opportunities, and employ an SRI Specialist to provide important leadership for this service area. The ACU staff “help members match their personal values with the appropriate investment so they receive the benefits of a triple bottom line – social returns, environmental returns and financial returns” (Assiniboine Credit Union Report on CSR,

2007: 23). Some of the services (Assiniboine Credit Union Annual Report, 2008) provided by ACU for Socially Responsible Investing include:

SRI Specialist - This position was established by the ACU in 2005 is only one of two SRI Specialist positions in Canada – the other position was established last year by the Desjardins in Quebec. The SRI Specialist is responsible for external education presentations to make people more aware of SRI, training ACU sales staff on SRI, research for members on SRI, and represent ACU on community and national boards.

SRI Mutual Funds - These mutual funds use a number of SRI strategies including Community Investing or Economically Targeted Investing – a strategy which invests in a local region to stimulate economic growth and economic activity; Corporate Engagement/Shareholder Activism – fund companies first engage with senior management of a particular company to change an unfavourable business practice e.g. human rights violations, environmental degradation, CEO compensation practices. If this approach is unsuccessful, the fund company will then present a resolution at the company's AGM concerning the destructive business practice to have all of the shareholders vote on it. Finally, if they feel they have not made significant progress over several years they will divest in the company; ESG Analysis – this analysis integrates environmental, social and governance indicators into the investment decision making process when selecting a company to be put in a portfolio; and Negative Screening – screens out companies that do not meet an investor's social, ethical or environmental concerns (Assiniboine Credit Union Socially Responsible Investing Worksheet, 2009).

SRI Mutual Fund Member Support - During 2008, members invested an additional \$7.9 million in SRI products, bringing SRI assets managed by ACU to \$35.3 million or 28% of total mutual funds under management by ACU. To put this in perspective, the national average for SRI mutual funds sales for financial institutions is 1 to 3% (Crowe, Personal Interview, 2010).

The Jubilee Fund - ACU provides administrative services which sells 3-year and 5-year Jubilee Investment Certificates to social investors. The pool of Jubilee investment funds managed by ACU totaled \$455,000 in 2008. These funds are used to provide loan guarantees for CED initiatives for housing projects, social enterprises and micro-businesses for low-income communities.

Social Investment Organization - ACU is a member of this national SRI organization that promotes socially responsible investing across Canada. For the past two years now, the ACU's SRI Specialist has served as president and chair of the SIO board of directors. The SIO provides research reports to federal and provincial governments on various SRI issues including how SRI needs to be included in pension legislation. SIO and ACU made presentations in 2008 to the Manitoba Pension Commission and recommended that the provincial government to include the requirement of social and environmental audit reports in legislation for pension funds (Crowe, Personal Interview, 2009).

Nature of CED Objectives

This section of the case study will look at the extent the Assiniboine Credit Union is engaged in what Loxley (2007) describes as “gap filling” or “transformative” CED objectives. A starting point for this analysis is to identify that Assiniboine is “guided by International Co-operative Principles” (Assiniboine Credit Union Annual Report, 2008). According to the International Co-operative Alliance (1995), these principles include:

1. Voluntary and Open Membership
2. Democratic Member Control – One Member, One Vote
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Co-operation Among Co-operatives
7. Concern for the Community

Given that the Assiniboine is a financial co-operative, it has a historic commitment to principles such as democratic member control and concern for the community that forms a foundation from which the ACU can be viewed to engage in “transformative” CED objectives. Loxley (2007) argues one of the key features of a transformative CED is the democratization of capital. The one member, one vote democratic principle of co-operatives allowed the Greening of the Assiniboine movement to be an effective strategy to elect members to the board of directors that had a vision to move the credit union in a direction that better reflected these International Co-operative Principles and values, especially ones related to co-operation among co-operatives, concern for the community, equality, equity and solidarity.

The power to govern the credit union was not based on the capitalist value of how much wealth you had in terms of the amount of shares that an individual owned. The power was based on the ability to mobilize members to exercise their democratic rights to elect a board of directors that

would provide progressive and potentially transformative leadership to the financial co-operative. The organizational structure and guiding principles of the credit union, therefore, placed the Assiniboine within a framework that was transformative as it challenged the private ownership and production tenets of capitalism.

While the structure of the credit union was transformative, the operational objectives of the Assiniboine reflected the huge challenges of engaging in transformative CED practice within a capitalist society. The ACU actively embraced the market driven approach and values that were as Mullaly (2007) describes the dominant neo-liberal paradigm of the day. As a result, ACU's CED approach has reflected more of what Loxley (2007) describes as a "gap filling approach" – islands of CED initiatives could co-exist quite harmoniously under capitalism that do not challenge the existence of private enterprise. The ACU has been very effective in utilizing the market based approach and values to build the organization. Assiniboine's \$2.5 billion of assets is the second highest level of assets for credit unions in Manitoba and is now the eighth largest credit union in Canada (Credit Union Central of Canada, 2009). Loewen (Personal Interview, 2010), points out that "last year, for the first time, ACU earned more profit than any other credit union in the province".

Recently, ACU has shifted its emphasis to promoting Corporate Social Responsibility (CSR), with CED situated within the CSR umbrella. Al Morin, the President and CEO of Assiniboine, maintains that "corporate social responsibility has become imbedded in the DNA of ACU regarding how the credit union relates to staff, suppliers and the community" (Morin, Personal Interview, 2009). Rothney (Personal Interview, 2010), the recently retired CED Manager at

ACU, is comfortable with CED being under the CSR umbrella but, as previously described in this chapter of the thesis, maintains that CED is different than CSR in that it looks at the way the economy is actually structured in terms of addressing issues such as income circulation, local purchasing and the retention of profits. The key distinguishing feature for Rothney is that CED is very much about strengthening the economic balance and integrity of the local economy – a dynamic that CSR does not explicitly seek to address.

Rothney (2010) is talking about a much more activist approach that involves not just participating and thriving in the existing market place, but rather to challenge the existing production relations and attempt to restructure the local economy to better meet the needs of local residents. Hamann and Acutt (2003) point out that there are more skeptical views about the corporate social responsibility approach that see it “as an attempt to pre-empt and preclude corporate accountability or compliance with state-sponsored regulations and standards. A more critical view of CSR suggests that business may be making only partial, superficial or image-related changes to give the impression that it is accommodating social interests” (257). Hamann and Acutt (2003) further contend that “CSR serves to maintain and perpetuate normative systemic structures in a way that serves the interests of the status quo. The fact that much of CSR remains within the voluntary, non-regulatory realm may be seen as legitimizing and entrenching the existing system” (261).

Loewen (Personal Interview, 2010) is adamant that the work done by the Assiniboine is deeper than the traditional corporate social responsibility approach, even though it is described in that type of corporate language.

You know the Royal Bank is a pretty socially responsible financial institution, for example. But it doesn't have anywhere near, like proportionately, the kind of commitment to all the different aspects of social and economic justice that the ACU does. It is not in there building branches in West Broadway, for example. It is not the partner in asset building accounts. It's not doing a Jubilee Fund. It's more than corporate social responsibility. CSR is a pretty liberal sort of principle. But being an organization that is dedicated to social and economic justice, it starts to take you a little bit beyond being just a liberal principle to something a little more progressive. I would say ACU is pretty much there. When I reflect on the environmental initiatives, the diversity initiatives, contribution to community initiatives, the serving the underserved initiatives – all of those main themes – I think ACU is very strong in all those areas and it's strong at every level. It's committed to it at the board level and the governance level. Management lives and breathes this stuff by now at the senior levels. There is a huge buy in by most of the staff as well. It is part of the culture, it's part of the DNA of the organization at this point.

One of the indicators of Assiniboine's commitment to move beyond the traditional CSR framework is its willingness to integrate the costs of doing this social and economic justice work in its bottom line. According to Loewen (2010), ACU's efficiency ratio, the amount it costs to earn \$1 of margin or profit, is .75. Other credit union competitors efficiency ratio is .55, the average efficiency ratio is .65. Assiniboine's commitment to what it now terms CSR initiatives as well as its commitment to serve members through its large branch structure, puts ACU at a competitive disadvantage. It costs the credit union more to generate profit than it does other credit unions – it is a cost to promote social and economic justice that Assiniboine is willing to assume.

In terms of transformative CED objectives, especially in comparison to the People's Co-operative that will be examined in the next case study, ACU does not play as an effective critical public policy advocacy role to challenge the functioning of the capitalist system as it has the potential to do. Assiniboine would adopt more of what Reasons and Perdue (1981) would describe as an order perspective rather than a conflict perspective. ACU reflects a belief that

members of society are expected to conform and adapt to the consensus based arrangements of the dominant neo-liberal paradigm which places a high value on the role of the market.

Acceptance, conformity and adaptation to this coercive social order is not questioned.

Burrows (Personal Interview, 2009), believes that “the ACU should comment on the economy from a progressive perspective and be in your face talking about economic issues publicly. And that [wound up being] a total failure. So as our board members got [elected] they said [that they were told] only Credit Union Central was allowed to comment. I said what the hell, who says. They [management] said this is the agreement we had with them. I said break the damn agreement”. Loewen (Personal Interview, 2010) acknowledges this limitation of the ACU in relation to the original aspirations of the Greening movement.

Assiniboine is not out there making any strong public statements. It isn't going to the Chamber of Commerce saying "come on you folks, we as a business community need to be focusing more on our social obligations. It [ACU] does do that within the credit union movement. But it does not do it within the general business community in Winnipeg. That would be part just a matter of time. To take political positions takes a lot of internal processing. Before you take those political positions, you have to agree that everyone agrees with them and that they have done the analysis. They have assessed the implications. If we are saying how well the Assiniboine has implemented the Greening agenda, we are very, very strong right across the board. There is this area where it may not be as strong as it may be could have been.

There are obvious challenges and limits of the scope for engaging in a conflict oriented approach (Reasons and Perdue, 1981) for the Assiniboine Credit Union given that it operates within a very competitive environment with other banks and credit unions. None-the-less, the ACU needs to be continually testing and stretching the limits of these boundaries by providing leadership within the larger business community to promote its innovative business model that has a value base rooted in social justice. The Assiniboine has underutilized its political capital to be a moral voice within the private business sector in our community. ACU could expand their

leadership role in this realm within the limitations and constraints of this competitive industry without jeopardizing the financial well-being of the cooperative.

In summary, ACU is historically rooted in a transformative CED framework, actively embraces market approaches complemented with gap filling CED initiatives, engages an order rather than conflict perspective regarding the need for structural change, promotes a CSR agenda that is more progressive and authentic than traditional CSR initiatives, and challenges the profit maximization ethos of the capitalist system by committing resources to CED at a level of support that puts the ACU at a competitive dis-advantage to other credit unions in our province. As noted previously, in spite of these challenges, Assiniboine made the most profit of any credit union in the province in 2009. The ACU has developed and continues to refine a successful business model that proves that a co-operative enterprise can walk the talk when it comes to improving the quality of life in our community while, at the same time, operating a profitable organization.

CED Ideological Analysis Class, Market and State Theory Perspective

The three elements of the CED ideological analysis model identified within this thesis was the anti-collectivist, reluctant collectivist or collectivist. As discussed in the SEED Winnipeg case study, no one of the case studies falls neatly into one of these categories, they each reflect an emphasis within the range of these categories of the proposed CED ideological model. The Assiniboine Credit Union can be viewed as demonstrating tendencies within the collectivist range in that operates within a co-operative structure which democratizes capital with the one member, one vote principle – from this perspective ACU engages in transformative CED objectives.

However, Assiniboine's ongoing commitment to market based strategies that have enabled the organization to achieve record profits, the promotion of institutional adaptations rather than structural change to address the negative impact of market, and the reluctance to confront the business community on social and economic justice issues reflects more of a market-based, liberal or reluctant collectivist ideological orientation.

Assiniboine has for the past five years re-structured its CED program adopting a corporate social responsibility (CSR) focus in both the language used to describe its work and also within its organizational structure. Loewen (2010) asserts that the ACU does not embrace the liberal approach of the commonly held view of corporate social responsibility. He also maintains that the Assiniboine is deeply committed to the values of social and economic justice. The fact that ACU's efficiency ratios are higher than most of its competitors is in part due to the Assiniboine's higher cost structures of CSR investments is an impressive demonstration of the credit union's commitment to values beyond the single bottom line of making the highest possible financial return for its members. However, as Shamir (2004) points out, there needs to be critical analysis of "corporate oriented efforts to structure the discourse of what constitutes social responsibility" (680). Banerjee (2008) maintains that market oriented business cannot be counted on to act in the interests of society because "social investment and social justice can never become the corporation's core activity" (74). Blowfield and Frynas (2005) identify that "many critics of CSR consider the provision of social justice the domain of the state and dispute that capitalism can make any contribution to social and environmental justice"(506). The market place cannot achieve social equity and justice, only the state has the potential power, function and resources to achieve this task.

The hypocritical role that the corporate community plays regarding CSR and issues related to poverty and social justice needs to be de-mystified. Banerjee (2008) contends that “glossy corporate social responsibility reports are a form of greenwashing that often does not reveal the grim realities that lie behind them. To quote the words of the famous philosopher, Marx (Groucho, not Karl), ‘The secrets of success in business are honesty and transparency. If you can fake that, you have got it made’ “(64). Newell (2008) maintains that

One of the central contributions that business can make, but often do not make, to poverty alleviation is to fully pay taxes owed to the state...[they should] promote tax compliance and oppose tax evasion, tax avoidance, and all the mechanisms that enable owners and controllers of wealth to escape their responsibilities to the societies on which they and their wealth depend (1070).

This is not to say that voluntary adjustments related to the failings of the marketplace made by progressive institutions such as the ACU are not both complementary and necessary. These initiatives are just limited. The internal logic of the marketplace will not and cannot address the root causes of poverty, oppression and inequality, no matter how enlightened the leadership and management of an institution like Assiniboine strive to be. Newell (2008) argues that “the state remains the primary actor for development and tackling poverty...addressing poverty is a moral responsibility. We shouldn’t have to dress it up as a business case”(1075). Frank (2001) concludes that “restoring a sense of social justice and equity cannot be achieved through some final triumph of the corporation over the body and soul of humanity, but some sort of power that confronts business such as the state can”(143). The ACU’s problem solving approaches are framed within a market oriented lens and with pragmatic partnerships with the state. This places the credit union within the reluctant collectivist range of the proposed CED ideological model.

The balance of this section of the case study will examine the Assiniboine Credit Union from a reluctant collectivist or liberal perspective of the CED ideological model based on the ten identified elements of the modernist perspective including View of Society; View of Social Problems; Value of Freedom; Value of Equality; Value of Community; Role of the Market; Role of the State; View of Power; View of Change; and Nature of CED Practice.

1. View of Society

Unlike the anti-collectivists that view society as atomistic and individualistic, the reluctant collectivists acknowledge the importance of collective interests and mutual relationships between the well-being of the individual and that of society. The co-operative structure which is the foundation of the Assiniboine is definitely based on these kinds of collective values. For the most part, ACU sees society as characterized by a consensus with respect to the neo-liberal dominant paradigm, rather than a conflict perspective in relation to the normative capitalist values of competition, private property and profit accumulation. Because it is a co-operative, it will have a different perspective on how the accumulated profits are distributed. In the reluctant collectivist tradition, the ACU is concerned about the negative impacts of an unregulated market and supports minor adjustments that are consistent with the nature of the existing economic system. Developing institutional capacity to support poor people to be better savers through incentives like the ones offered in asset building programs, or providing services to support individuals to influence the behaviour of corporations through socially responsible investments in mutual funds, and providing loan funds to low-income entrepreneurs are all examples of ways to mitigate the negative impacts of the market. Reasons and Perdue (1981) describe this approach as an order perspective of society.

2. View of Social Problems

From a reluctant collectivist perspective, social problems are seen to be located within the institutional structures of our society. In order to address these inefficiencies or technical flaws, tinkering or fine tuning strategies are undertaken to strengthen or improve the functioning of institutions within the existing system. The problem with the flight of banking institutions from the north end of the inner city of Winnipeg and the resulting growth of fringe banking outlets is addressed by organization's like the ACU through the development of partnerships with community groups to develop an alternative non-profit institution – the Community Financial Services Centre – which is designed to provide greater access to low-income people to cheque cashing, small loans and matched savings services. This is a creative solution that has involved funding partnerships from public sector and philanthropic sector funders. Community based institutions are developed to address market imperfections by filling the void left by banks and to provide alternatives to the exploitation of cheque cashing and payday loan outlets.

One of the strategies of poverty reduction that is seen by the Assiniboine is the lack of assets of people living in poverty. ACU provides support to build the community institutional infrastructure with organizations like SEED Winnipeg that enables low-income individuals to get money management training and an incentive of \$3 for every \$1 saved of matched contributions from public sector and philanthropic sector funders to strengthen the capacity of poor people to save assets like downpayments for houses, business start-ups, education, household appliances or computers. The ACU sees the merit of expanding institutional capacity beyond one non-profit organization such as SEED Winnipeg to sponsor asset building matched savings programs and has entered into to partnerships with 10 community based groups to form the Asset Builders

Partnership in order that this matched savings approach can reach more poor people in order that they can learn the skills to become more effective savers.

For 15 years, ACU has worked in partnership with SEED Winnipeg to offer a loan fund for low-income people in order that they could become self-employed entrepreneurs. Management training services are provided by SEED and the Assiniboine provides small loans to these home businesses, micro-enterprises and small businesses. Poor people lacked the business skills and access to loan capital. ACU and SEED formed a strategic alliance to build the institutional capacity to address the imperfections of the market to meet the needs of these low-income entrepreneurs.

In 2006, the Assiniboine hired a Vice-President of Corporate Social Responsibility to provide leadership within the organization to develop a framework for the credit union for how ACU does business in a way that is financially sound, and socially, environmentally and ethically responsible. The CSR lens would provide the Assiniboine with a structure for viewing social problems. Blowfield and Frynas (2005) argue that one of the main criticisms of a CSR approach is that it lacks historical analysis and a structural understanding of the causes of poverty.

Poverty is presented as a regrettable fact rather than a consequence of any causal condition and events. The advantage of this is that it allows poverty to be presented to business as something undesirable and solvable on par with, for a malfunctioning valve or a quality control problem. However it does not to encourage examination of the complexity of multi-layered, structurally rooted problems or the role of business within them (510).

Newell (2008) adds that contrary to the way it is portrayed within the CSR field, “poverty is not an unpredictable, unintended and unfortunate outcome of political and economic processes. It is created by them” (1068). Newell further contends that” despite the hype about the ability of

innovative business models, in and of themselves, they are unlikely to make deep inroads into tackling poverty, let alone address its causes” (1068).

Newell (2005) asks a key question as it relates to CSR and the business approach to addressing the multi-dimensions of poverty. “What about issues for which there is not an obvious business case?” (545). Blowfield and Frynas (2005) suggest that

We need to consider how far the business case shapes not only the choice of issues or relevant constituencies, but also the very discourse that delineates the boundaries of CSR. This influence is evident in the unquestioned adoption of business measurement and management techniques to address social and environmental issues which contributes to business re-defining the meaning of development. These techniques determine to some extent, who or what is the stakeholder, and what issues are addressed. In other words, participation in CSR discourse is disciplined by the need to use language and modes of thinking acceptable to the business (512).

These variables restrict the depth and range of how social problems are viewed by organizations such as the ACU. The CSR lens brings into question the extent to which the expressed progressive values of social and economic justice will be authentically used to address the root causes of poverty rather than its symptoms.

3. Value of Freedom

Pragmatism and humanism are the key foundational values of reluctant collectivists. In order to promote freedom from poverty, unemployment and disease, reluctant collectivists understand that some form of state intervention will be required. ACU’s Annual Report (2008) identifies a central theme for the credit union – to “make a difference” in the community from a humanistic perspective. In order to make a difference and fill a void in the financial services sector by serving the underserved, Assiniboine is pragmatic about the need to partner with the state and civil society sector groups to mitigate the risks associated with these type services for low-

income people and marginalized communities. The Community Financial Service Centre (CFSC) is a good example of this type of approach. The CFSC provides financial services to low-income people as an alternative to the exploitive fringe banking services such as pawn shops, pay day loans and cheque cashing outlets. Through partnerships with the North End Community Renewal Corporation, SEED Winnipeg, the federal and provincial governments, along with funders from the philanthropic sector, Assiniboine is able to work with state and civil society partners to meet basic financial services for low-income people. Involvement with the CFSC is driven by pragmatic humanistic values rather than solely market based considerations. The development of the CFSC as a community based institution provides low-income people and marginalized communities with alternatives that provide them with freedom from the exploitation of private sector fringe banking operations.

4. Value of Equality

The reluctant collectivists' believe in inequality regarding differences of reward as a fundamental underpinning of a free and efficient labour market. They accept the existence of inequality of circumstances because of a profound belief in equal opportunity – no one has more freedoms or liberties than anyone else. As Mullaly (2007) pointed out previously in this thesis, the problem with the concept of equal opportunity is that not everyone starts out in the same place in life – some people have an unfair advantage and access to these "equal" opportunities. Karger (1987) further argues that you can't attain equal opportunity in an unequal society. While reluctant collectivists seek to address issues of poverty, they are not committed to the search for equality of condition that would be a priority for collectivists or social democrats that are further to the left of reluctant collectivists on the ideological spectrum.

The Asset Building Program that Assiniboine is involved with in partnership with SEED Winnipeg is a good example of the limitations of the equal opportunity concept. The program offers financial management training and a matched savings incentive program to encourage low-income people to save. Between 2000 and 2008, the SEED Winnipeg Annual Report (2008) identifies that 873 participants collectively saved \$579,000 which leveraged \$941,000 in matched savings incentives from public and philanthropic sector funders. Over this period of time, on an average annual basis 109 participants collectively saved \$72,000 and leveraged \$118,000 in matched savings.

While it is important to acknowledge the extra resources that participants received from this poverty reduction approach that focuses on asset development rather than income support, the limitations of this initiative also need to be critically examined. While the annual number of people participating in this program is growing, the scale of the impact is limited. Some of these limiting factors would involve resource and capacity availability in terms of funding for scaling up the program. However, another limiting factor involves the equal opportunity concept which a reluctant collectivist approach supports. As a poverty reduction strategy, an important question for the asset building programs involves the extent to which these programs preclude the poorest of the poor. The underlying assumptions of the approach are steeped in individualism or personal responsibility rather than looking at the structural barriers that face people living in poverty. As pointed out previously in the case study on SEED Winnipeg, the unspoken assumptions about asset building programs are that social assistance benefits and minimum wage rates are too high. If you take a course on personal financial management, you will learn to

become more frugal and to be a better saver with the income you get from social assistance from your minimum wage job.

It was also acknowledged in the SEED Winnipeg case study chapter of this thesis that if proponents of the asset building programs were asked directly, they would probably not share this view about the value orientation and impact of the asset building programs. However, the implicit impact of asset building programs when held up to scrutiny from a critical ideological perspective reflects neo-conservative or anti-collectivist values. The same clarification would hold true for the proponents of the asset building program at the ACU. Through processes of deductive reasoning it can be inferred that there is a belief that surplus income exists within the present social assistance income levels and minimum wage rates in order for a matched savings program to be of any benefit to recipients of social assistance or minimum wage earners. These implicit assumptions need to be unmasked or brought to the surface in order for CED organizations to make decisions about what type of priorities should be undertaken in the name of progressive CED practice.

Every low-income person has an equal opportunity to get into the asset building program. While it is clear that this is an opportunity for some individuals given the results of the program to date, critical questions must be raised about issues of just income distribution and equality of condition in order to get at the structural dimensions of inequality in our society. Asset building programs do not address these important social justice issues. They are more rooted in a view of equality that promotes the concept of equal opportunity in spite of the fact that this cannot be attained in an unequal society.

Assiniboine's commitment to employment equity is an example of the credit union's belief in the value of equality. ACU has an active human resource program that recruits and trains members from equity groups including Aboriginals, newcomers and persons with disabilities. In order to promote great equality, the human resource program understands that additional compensatory resources and policies are required in order that the credit union's workforce reflects the community it serves.

5. Value of the Community

Reluctant collectivists place a high level of value on individualism, private enterprise and self help. Beveridge (1948) argued that liberals or reluctant collectivists believed that "the making of a good society depends not on the state but on citizens acting individually or in free association of one another" (320). While the ACU places high value on private enterprise and a market based approach, it promotes more of a community self help approach rather than just an individual approach to self help. In this sense, the Assiniboine would fit more within the range of the collectivist perspective of community rather than a reluctant collectivist approach. The fact that the Assiniboine is a co-operative further reinforces this commitment to community. According to the International Co-operative Alliance (1995), co-operatives are based on values of self help, self-responsibility, democracy, equality, equity and solidarity. Levi (2006) points out that "member servicing instead of profit maximization typically distinguishes the cooperative from the capitalist enterprise" (155). Other community oriented characteristics of cooperatives are identified in the principles of co-operation identified by the International Cooperative Alliance (1995) including:

Principle of Co-operation Among Co-operatives - Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

Concern for the Community - Co-operatives work the sustainable development of their communities through policies approved by their members.

The community orientation regarding how the membership and employees can collectively address environmental issues is a priority for the ACU. According to the Assiniboine Credit Union Annual Report (2008), 88% of the members of the credit union said that addressing environmental issues was important. As a community of employees and members, the ACU has self-initiated a number of environmental programs including building new green branches, advocating for green building practices, improving waste management practices, promote eco-paper choices, subsidizing employees to use public transit or active transportation options like bicycles, using its purchasing power to support environmental enterprises (Assiniboine Credit Union Annual Report, 2008). These are all community self help strategies that are not based on state regulation or interventions.

6. Role of the Market

Reluctant collectivists, like anti-collectivists, view market as playing a central role in the allocation of economic and social benefits. However, unlike anti-collectivists, the reluctant collectivists do not believe in an unregulated market. Rather than abolishing the market, as some collectivists might advocate, reluctant collectivists believe that the faults of capitalism are technical in nature in and can be mitigated by pragmatic government regulation and intervention.

The ACU reflects this reluctant collectivist view of the market. The credit union is a large enterprise that functions very effectively in the marketplace. As identified previously, Assiniboine is the second largest credit union and most profitable in Manitoba and the eighth largest credit union in Canada in terms of assets under management. The success of the credit union in terms of its commitment to support CSR investments and initiatives is directly related to the success the Assiniboine is able to achieve financially by being able to effectively compete in the marketplace.

ACU attempts to mitigate some of the risks of CSR oriented investments by working with the state to underwrite these risks. Financing affordable housing initiatives in the inner city is undertaken in partnership with municipal, provincial and federal housing grant and loan guarantee programs; the ACU Micro-Loan Program is done in partnership with Western Economic Diversification Canada, a branch of the federal government, to provide loan guarantees; ACU partners with the Manitoba Business Start Program to access business planning training and loan guarantees from the provincial government; and ACU works with the Rural Entrepreneurial Assistance Program to access loan guarantees from the provincial government for small and home-based businesses located in Manitoba outside of Winnipeg.

In terms of promoting CSR initiatives that promote employment equity objectives within the credit union, Assiniboine works in partnership the provincial Labour and Immigration department of the provincial government to cost share job training program for the credit union's Immigrant Integration Program. ACU works in partnership with the Employment Manitoba department of the provincial government for job training funding for Assiniboine's Aboriginal

Integration Program. The credit union sees the merit of a pragmatic government role to address specific imperfections of the market regarding access to low-income and small business entrepreneurs for loans, and for additional employment training resource supports to assist newcomers and Aboriginals to enter into the labour market.

The ACU places an ethical lens on how the credit union's members would like to influence the market through Socially Responsible Investing (SRI). While this tends to be a voluntary activity of members, state regulation has been critical in providing more leverage and accountability to SRI efforts through shareholder activism in Canada, particularly since 2001. Crowe (Personal Interview, 2010) describes the shareholder action as attempts by shareholders of investment funds to hold corporations accountable through pressuring companies by resolutions at their annual meetings. SRI funds like Meritas have gone after Tim Horton's regarding fair trade issues involving coffee. Shareholder activism has been used to go after corporations regarding the outrageous salaries and perks of CEOs; to get investors in the Tar Sand to clean-up their act; or go after HIV drug companies to make generic option drugs more affordable, especially in third world countries.

According to Crowe (Personal Interview, 2010), shareholder action did not really come into play in Canada until 2001 when the federal government made some important amendments to legislation governing corporations.

The Canadian Business Corporation Act had a little clause in it that said if there is a social issue that came to management's attention that compromised the economic financial stability of a company, they actually didn't have to bring it to a shareholders' meeting. The federal government took that clause out in 2001 and that's when shareholder action just exploded. So you will see from 2001 and on in Canada, SRI funds really embraced shareholder action.

Assiniboine attempts to support members to engage in various elements of SRI strategies with the support of an SRI Specialist that was hired in 2005, one of only two positions of this nature working for financial institutions in all of Canada. The ACU encourages members to engage in a number of SRI strategies including shareholder activism, as well as community investing or economically targeted investing, environment/social/governance analysis, and negative screening. The role of federal legislation regarding the SRI field is a good example how pragmatic government intervention was used to address market imperfections and promoted greater public accountability for corporations regarding standards of ethical, socially responsible and environmental practices. ACU has developed the SRI capacity within its organization to actively promote SRI investments with its members. As pointed out previously in this case study, while the industry average for SRI mutual funds sales is in the 1% to 3% range of mutual fund portfolios, in 2008 ACU had 28% of its total mutual funds under management as SRI funds.

7. Role of the State

Reluctant collectivists support state intervention on pragmatic grounds – to fine tune the existing social and economic system in order to address specific imperfections. They have a strong belief in self-reliance for both individuals and communities. As George and Wilding (1996) pointed out, that the collectivists see government as essentially an instrument for changing society, whereas the reluctant collectivists are more concerned about preserving capitalism and using the levers of government to make it operate more effectively. Newell (2008) identifies how the role of state regulation is a critical element in shaping CSR approaches to ethical and accountable business practices in the market even if the focus remains in the realm of self-regulation.

“Regulation remains an important part of the picture. Despite claims to the contrary, all CSR

initiatives are defined by it and in relation to it, even those that go by the name voluntary”

(Newell, 2008: 1076).

Reluctant collectivists believe in an institutional model of the welfare state which includes partnerships between the state, private sector and civil society to meet social and economic needs. Throughout the case study of the Assiniboine, we see examples of how the ACU’s commitment to CSR seeks to build partnerships with the state and civil society to address social and economic justice objectives. Critical analysis of this CSR partnership agenda has led to questions about the potential influence and impact of corporations like the ACU on the one hand who are committed to social and economic justice, and on the other hand are immersed in a market based corporate culture in terms of its primary purpose for its existence. Shamir (2004) is concerned about the growing corporatization of civil society and the emergence of what he has called Market Non-Governmental Organizations (MaNGOs) and how they apply business methods to social change causes.

The general trend of enlisting the non-profit sector for displaying corporate social responsibility raises complex questions concerning the current molding of civil society according to the neo-liberal framework. More and more NGOs become key players because they speak the same language as that of their corporate counterparts, because they employ similar methods of justification, and because they deploy similar models of action. There seems to have emerged a hegemonic business oriented model concerning the ‘right way of doing thing’...Increasingly MaNGOs become detached from any grassroots basis and are embedded within a culture of professional expertise that is not unlike the one around which corporations are organized (685).

Shamir (2004) is critical of these MaNGOs for narrowly focusing on strategies of individual skill development initiatives that serve to reinforce the market based philosophy which is so deeply imbedded in the corporate culture that promotes CSR as a means for the corporate sector to voluntarily seek to improve conditions of our society.

NGOs have subtly swapped a rhetoric of political empowerment for a rhetoric of socioeconomic empowerment by educating and equipping people with the skills and organizational tools for coping with the harsher realities of capitalism. Through MaNGOs, the idea that education is a primary means for social change becomes naturalized, in fact, also transforming the very meaning of the term 'social change' from one concerning political empowerment and participation to a question of skills (682).

Shamir (2004) fears that MaNGOs are being conditioned to engage with corporations "by looking for issues that are not politically sensitive and are being discouraged from looking at CSR as a site of potential conflict between core business practices and social issues" (681).

Newell (2008) despairs that "in a neo-liberal world the case for addressing human misery has to be sold as a market opening" (1073).

In terms of the Assiniboine and its success in developing state and civil society partnerships, it is not being suggested that the credit union, under the guise of CSR, is consciously intending to contribute to the corporatization of civil society. However, the ACU needs to critically reflect on the underlying impact of some of its partnership initiatives in terms of shaping and limiting the discourse on social and economic justice strategies in our community.

One of the major civil society organizations that the ACU works with, often in partnership with the state, is SEED Winnipeg. These partnerships are based on helping low-income people to develop the skills to become entrepreneurs to operate micro-enterprises or better savers through asset building programs. The underlying implicit assumption of the asset building programs is that social assistance rates are too high and minimum wage rates are too high because if you were frugal enough you could save money once you have the skills to do so. Individuals need to take more personal responsibility and pick themselves up by their bootstraps. The broader structural dimensions of poverty and inequality are seemingly ignored or glossed over. SEED's

enterprise development and asset building programs have grown substantially over the past number of years because they are based on a business model and as Shamir (2004) has identified as “a right way of doing things”. SEED speaks the neo-liberal language and promotes what Reasons and Perdue (1981) describe as an order perspective rather than a conflict perspective about how society functions that are consistent with neo-liberal values and models of poverty reduction action. Good intentions are not good enough. Critical reflection is required by organizations that embrace CSR and MaNGOs objectives.

One of the major shortcomings of the reluctant collectivists approach is the belief that the marketplace is paramount and that the state’s role is to tinker or fine tune existing social and economic systems in order that capitalism can be more effective. System tinkering by the state solely based on CSR partnerships with the corporate sector and civil society will not address the root causes of poverty in our society.

8. View of Power

Reluctant collectivists maintain a pluralist perspective of power in which political power is shared equally among interest groups with the state playing the role of an impartial arbiter regarding conflicts involving these groups. The ACU has a pluralist view of power. They have worked with the Alternative Financial Services Coalition along with other civil society NGOs to attempt to influence the withdrawal of banks from the north end of Winnipeg and the resultant growth in fringe banking services for low-income people and their communities. The

Assiniboine’s promotion of shareholder activism through its socially responsible investment services reflects a belief that individual investors have the potential to pressure corporations to

act more ethically. The essence of co-operatives is based on a pluralist perspective as a collective action or community self help is seen as method to influence social and economic needs and objectives of the members of co-operatives.

The Assiniboine's commitment to CSR is also based on pluralist perspectives of power involved in the stakeholder theory of voluntarily mobilizing actors within the community to achieve greater corporate accountability for ethical, social and environmental objectives. Garvey and Newell (2005) challenge the notion of the pluralist character of CSR by arguing that "that the struggles for corporate accountability are essentially contests of power between actors with very different capabilities" (392). Banerjee (2008) maintains that "stakeholder relations are systematized and controlled by the imperatives of capital accumulation... stakeholders that do not toe the line are either co-opted or marginalized. The stakeholder theory of the firm represents a form of stakeholder colonialism that serves to regulate the behaviour of stakeholders" (72).

Blowfield and Frynas (2005) raise critical questions of the role of the poor in CSR approaches and the filters that define who is involved in the decision making processes.

Are the voices of those known to have little influence being heard? Are the issues raised really the priorities of the poor and the marginalized, or rather those that have the most resonance with civil society organizations and their funders? Since inclusion or exclusion from stakeholder status is not based on either legal rights or moral obligations, a stakeholder's recognition is contingent upon the business case for that recognition (507).

Newell (2005) maintains that colonial relationships regarding the poor and their participation in CSR stakeholder roles are often the result of this so called pluralist approach.

There is danger that the CSR debate will become a conversation between corporate managers, and, on some occasion, some elite NGOs and unions, many of which maintain only the tenuous of connections with poorer groups that either ignored this process or considered only passive recipients (557).

Garvey and Newell (2005) make the case that in order to promote authentic dialogue with the poor and the marginalized within the context of this supposed partnership of stakeholders that is promoted by the CSR approach, it must be acknowledged that power imbalances need to be challenged regarding the pluralist assumptions about stakeholder involvement. “It is therefore not just change in company behaviour to accommodate citizens” demands that is significant, but changes in the structures of representation that may allow for the expression of future accountability demands” (392).

This recognition of marginalized voices to identify their authentic rather than interpreted needs regarding issues of poverty would be an important issue for the ACU to reflect upon with respect to its CSR initiatives and its corporate accountability to the poor regarding the credit union’s poverty reduction objectives. Arnstein (1969) points out that there are fundamental differences between processes of consultation and processes of citizen engagement. Consultation processes represent a token form of citizen participation because participants are often not provided with the structural power to hold those who are conducting the consultations accountable to implement what is recommended by the participants. Citizen engagement reflects a higher form of participation that forms the basis of genuine partnerships. Organizational structures are modified to ensure accountability for the implementation of the recommendations that are made to those who have been consulted. It is not clear that this level of inclusive and authentic citizen engagement has developed at the ACU.

9. View of Change

Reluctant collectivists tinker or fine tune the status quo social and economic systems in order to make society function in a more humane and effective manner. The Assiniboine would embrace this approach regarding the process of change. The ACU does not seek to change the market based system, in fact the credit union thrives within this type of system. The Greening of the Assiniboine movement sought to change the orientation of the credit union from narrowly focusing on creating surpluses and redistributing it to its members, to a more progressive vision that embraced social and economic justice values. It is interesting to note that this commitment to social and economic justice is seen by both senior management and the board to be imbedded in the DNA of the organization (Loewen, Personal Interview, 2010 and Morin, Personal Interview, 2009). The leadership that the Assiniboine demonstrates with respect to CED was nationally recognized in 2006 when the ACU was presented with the National Credit Union Award for CED.

It is heartening to see almost twenty years later that this vision for change has strongly taken root in the credit union. The commitment to effect change is, however, limited in that it is pursued within the context of an order perspective of society that does not question the unjust structural dimensions of the market economy and the resulting inequality and oppression that it generates. The credit union acknowledges (Loewen, Personal Interview, 2010) that it does not effectively publicly advocate within the local business community regarding issues of social and economic justice. Change is defined within a liberal ideological framework that that is committed to strengthening the institutional capacity of the organization and the community to mitigate the

negative impacts of market imperfections without challenging the legitimacy of the ethos of the market as a mechanism for distributing social and economic benefits within our society.

It has been previously acknowledge that mounting this type of challenge within the business community is no doubt a difficult task that requires the ability to walk a fine line in order that the financial viability of the credit union is not jeopardized within the competitive marketplace in which it functions. The point being made here is that the ACU needs to take greater leadership to push and stretch these boundaries in order to promote meaningful change in our community.

10. Nature of CED Practice

The Assiniboine Credit Union engages in a range of CED practices. A key focus is on community institution building within a market oriented context. This CED approach “poses no threat to the dominant economic or political system, but rather helps to improve its workings” (Loxley, 2007:9). This orientation represents the underlying values of a liberal or reluctant collectivist approach – fine tuning or tinkering in order to preserve the existing systems rather fundamentally changing the social and production relations of the systems. Some of the community based institutional building strategies would involve what has been described as having anti-collectivist elements such as the Asset Building programs that provide training and incentives for poor people to become better savers and the micro-loan programs that promote poor people to develop their entrepreneurial skills and access to some small loans in order to become more competitive business people. ACU’s involvement in the Jubilee Fund and Community Financial Services Centre are good examples of the system tinkering or fine tuning of a reluctant collectivist to make the existing system work better for poor people that do not have access to basic banking services or lack the ability to secure financing and require a loan

guarantee. The promotion of socially responsible investments (SRI) is another way the ACU assists in the preservation of the existing investment systems by fine tuning strategies based on the actions of individual investors – whether it be by positive or negative screening of investments or shareholder activism.

This assessment is not intended to discount the strong values and commitment that the Greening founders, present board members and senior managers have to social and economic justice. The progressive vision and commitment that has been demonstrated since the Greening of the Assiniboine in 1991 has been truly remarkable and commendable. However, the entire Greening strategy was focused on a modified market approach. As discussed previously in this chapter, there are inherent limitations of this type of approach. The underlying mechanisms and values that guide the workings of the marketplace are not structured to achieve social justice or social equity. In contrast, the state has the potential and capacity to play a critical role to promote greater social justice and equity in our society. While the ACU does work in partnership with the state regarding loan guarantees in order to mitigate risks for a range of its lending programs to the marginalized, the modified market approach will never be able to address the root causes of poverty and oppression. As Loxley (2007) points out,

The very existence of the poor is considered by more radical CED theorists to be a necessary requirement for the operation of the market-driven private ownership model, because their existence helps discipline those fortunate to have jobs. Furthermore, capitalism reproduces poverty through its tendency to generate overproduction. Private assistance to certain forms of CED can, therefore, be seen as helping fill the gaps that are, necessarily, the very by-product of capitalism (18).

The Assiniboine has adopted the term ‘Corporate Social Responsibility’ (CSR) to be the umbrella under which CED is practiced at the credit union. As pointed out earlier by Loewen

(Personal Interview, 2010), the leadership of the credit union views the Assiniboine's approach to CSR to have much more depth than the traditional liberal CSR approach used by the Royal Bank that the interviewees have cited as an example. It is clear that the values of social and economic justice are strongly held by the board and senior management of ACU. They have a much deeper commitment to CSR – this is evident not just by their words, but by their actions as well. The ACU's cost structure is higher than its competitors in part because of its investments in CSR in terms of staff positions, senior staff time and direct investments in community based initiatives through loans, grants and services. This is not disputed. However, the lens for which the ACU now looks at engaging with the community reflects many of the traditional characteristics of a CSR philosophy including building partnerships with NGOs and government; ethical governance policies; environmental responsibility; community investing through loans and donations; a commitment to employment equity and linking employees to community initiatives; and the promotion of socially responsible investing. This lens has limitations regardless of how far the boundaries of this approach are pressed.

Rothney (Personal Interview, 2010), while fully supporting the move to have CED under the umbrella of CSR, effectively argued earlier in the chapter that there was a distinction between CSR and CED. Corporate Social Responsibility does have a community oriented focus but, unlike CED, does not look at ways the local economy is structured and to work at strengthening the economic balance and integrity of the local economy. This transformative CED lens is based much more on an activist perspective in terms of intervening in the local economy through the development of CED enterprises that promote greater income and surplus re-circulation.

There are various views from those involved with the Greening movement and present board members regarding the approach that the ACU to influence the local economy. Lederman (Personal Interview, 2010) felt that the “Greening plan was really well executed – the strategy, the pragmatism and the patience... Success was achieved through gradual evolution”. This reflected the view that it was important not to jeopardize the confidence of the membership about the changes at the Assiniboine due to the takeover by the Greening group. If the ACU was able to further establish itself as a viable credit union, it would be able to develop credibility and capacity to effect change both within the credit union and community. Burrows (Personal Interview, 2009) believed that one of the key ways that the ACU could have a broader voice in the community would be for the ACU to comment on the economy. However, this was deferred to Credit Union Central which from his perspective was an error.

Kostyra (Personal Interview, 2009) was originally attracted to the Greening of the Assiniboine movement because he believed that there needed to be a strong network of membership or community based private enterprises that shared the same values with a provincial social democratic government in order to make more significant inroads in building a progressive local economy and influence the structure of the local economy.

I believed that government wasn't enough. I was in the labour movement and government... I always felt that we needed more private sector organizations that were following the same type of agenda that the NDP wanted to establish in government... We needed to get a whole network of organizations like that and/or reform existing organizations... The community needed to control more assets, not control in the Soviet sense, but community control so they were responsive to the community... Red River Co-op, Manitoba Blue Cross, Canadian Automobile Association (CAA) are all on paper community organizations controlled and run by a small group, usually driven by management... CAA actually have a membership meeting... Blue Cross is appointed by member organizations – the government appoints some, the MFL and the WRHA... There is also the Winnipeg Airport Authority and CentrePort of Canada... how do we

work with some of the other major players in the Winnipeg economy ...to take what happened at Assiniboine ...to get us to another level of CED development.

Kostyra (Personal Interview, 2009) also believes that the Assiniboine has developed a significant presence in the Winnipeg business community and needs to use this political capital to play a broader leadership role in the community about issues such as poverty and CED.

Key organizations to target include business organizations and how you get them more connected and get them thinking [in a more progressive way] whether it be the Chamber of Commerce, Manitoba Business Council, Poverty Reduction Council which is a collection of the big players in town... And then you get some partnerships going with major corporations that could be able to do some creative things around CED... a bit of that is going on around discussions about poverty right now.

Over the longer term, Kostyra believes ACU will need to play more of this type of leadership role in the business community, especially when the inevitable cycle of change happens at the provincial government level and the support for the social justice agenda promoted by the NDP is no longer present on Broadway.

Down the road...I hope there is enough entrenchment [of a progressive social justice agenda] that is not going to change dramatically with a rural right wing government. But it could, so how do you build up the capacity in the communities to maintain that and organizations like Assiniboine that will buck that trend and also help modify or hold back that government so they don't go too far the other way (Kostyra, Personal Interview, 2009).

Loewen (Personal Interview, 2010), acknowledges that, while the Assiniboine has attempted to play this type of leadership role within the credit union movement, the ACU has not effectively played an influential role within the local Winnipeg business community. Loewen (Personal Interview, 2010) believes that the co-operative principles which include a commitment to the wellbeing of the community provides a framework for ACU to encourage others in the credit union movement to further engage in CED and corporate social responsibility initiatives.

There is an impulse in the credit union system and in the co-operative system, at least among elected people, to be attracted to this kind of stuff [CED and CSR]. But there is an inertia that somehow prevents them from going there. I think there is potential for us to provide some leadership to get more of the system to move in this direction. That is a lesson we are just learning now. When I talk to board chairs, they are mostly attracted to this – they believe that is why they are sitting on boards. They see this as important. But the credit union is mostly run by paid staff and they can't move their paid staff in this direction.

The Assiniboine board was eventually to overcome this type of inertia in the credit union system and was successful in getting the senior management staff to engage with the economic and social justice agenda. As Leland (Personal Interview, 2009) pointed out previously in this chapter, the CEO that was in place at the time of the Greening movement took place in 1991, Richard Feist, was instrumental in saving the credit union from bankruptcy during the 1981 to 1986 period when it was under supervision of Credit Union Stabilization Fund. However, Feist's leadership approach was not what was needed in order to move the credit union in the direction that the Greening movement envisioned. Kostyra (Personal Interview, 2009) maintains that changing the CEO was key. The CEO who succeeded Feist was Al Morin. Loewen (Personal Interview, 2010) concludes that the "criticalness of the CEO supporting this agenda is a huge lesson in this thing... It's huge having Al Morin in that position".

Within the credit union movement, one of the most significant issues that impacts how the Assiniboine can influence the structure of the local economy and the promotion of co-operative principles is the approach it chooses to take regarding the consolidation of credit unions not only within Manitoba but the movement to start the consolidating credit unions on an inter-provincial level as well. According to Loewen (Personal Interview, 2010),

Size to some extent is a threat to some of the more progressive elements of the Greening agenda. The Assiniboine is very, very aware of that. We had two choices. We could

either decide to try to get ahead of the merger curve to be a large influential player in that whole system and trust that somehow we could be able to sort of infect the system as a whole to retain the co-operative principles and the original objectives of serving the underserved and community contributions...Or we could decide to stay where we were before, I would use the words “a tiny perfect credit union” where our influence is not as big, where we are not really aligned with anybody else, but by golly we sure have hung on to our values. We decided that we wanted to be big... We are now the 8th largest credit union in Canada and we are committed to staying in that league and showing leadership in that league.

Loewen (Personal Interview, 2010) points out that the number of credit unions in Canada is plummeting all the time due to merger activities. Presently, there are 12 credit unions out of 450 in the country that represent 60% of the assets of the whole system. To exercise its leadership role within the credit union system to ensure that co-operative principles and the essence of the credit union movement are not lost in this consolidation environment, ACU has convened a meeting of the 12 largest credit unions in April, 2010 to discuss the future direction of the credit union system.

As we have been watching the people who have really been banging on the doors to get [federal] legislation for inter-provincial credit unions, we have started to talk to like minded credit unions across the country... to ensure we align ourselves with progressive oriented credit unions...We have chosen to be in that league because we feel that our kind of focus needs to be at the table.

The Assiniboine, by taking a pragmatic and patient approach after the takeover by the Greening movement to build up its credibility and capacity, has the opportunity to shape the future role of the credit union movement regarding social and economic justice objectives. As well, it does have the potential to play much more of a leadership role within the local business community on issues of social and economic justice – a role that it has not yet embraced.

One of the ongoing threats that the Assiniboine faces to maintain this leadership role to shape a progressive agenda within the local economy and credit union system as a whole is rooted in the democratic nature of the co-operative model. Loewen (Personal Interview, 2010) argues,

The natural forces in the marketplace are always pushing away from [the social justice direction], with the exception of the sort of liberal interpretation of CSR... the Royal Bank way of doing CSR. It takes an intentional effort to maintain this direction. The critical element in maintaining the direction is what happens at the governance level. So keeping in place a board that supports this direction is the critical piece.

The Assiniboine changed its process for electing board members from a face to face annual meeting to hold discuss credit union business and to elect a board of directors, to a mail-in voting system. According to the Assiniboine Credit Union Annual Report (2008), 6% of the members participated in the 2008 board of director elections, this compares to an average of 5.2% among Canadian credit unions. The movement to a mail-in ballot does not substantially increase democratic participation for board elections. Many members of the Greening movement had major concerns about the movement to a mail-in ballot as they believed that it was important that intentional members coming out to an annual meeting was preferred approach to electing members to the board of directors. Loewen (Personal Interview, 2010) acknowledges

We have given away the tool that the Greening movement used to make it happen to begin with – the annual meeting... To some extent giving it away gives me second thoughts about it. If we care about member democracy it makes us much more of a democratic organization to have mail in balloting and it does make sure that a conservative rump cannot organize something that the Choices group did... It has essentially put the control of this thing now in the hands of the board. The board essentially can self perpetuate – it cannot totally as it doesn't have control of who becomes a board member but it has the ability to influence just by endorsing candidates... So far no non-endorsed candidates have ever been elected.

Both Kosytra (2009) and Loewen (2010) conclude that the Greening of the Assiniboine movement has demonstrated over an almost 20 year period that a financial co-operative can be

committed to the goals of greater economic and social justice in our community and still be a viable business. Kostyra (Personal Interview, 2009) maintains

You can do this stuff and still be a profitable, growing organization. Assiniboine's continued to grow, it's done well financially, it's very competitive in the marketplace but it has done all these other things that other credit unions have not done. You can do these things and be much more responsive to the community and help support CED and other things at the same time being a profitable organization. The fundamental lesson of this whole thing is that it doesn't have to be seen as a charity kind of thing or that it affects your bottom line. If you did an analysis of Assiniboine against VanCity – dollar for dollar it [ACU] is way better.

Loewen (Personal Interview, 2010) echoes these sentiments about the legacy of the Greening movement has demonstrated over a twenty year period regarding CED practice focused on a market oriented approach that integrates economic and social justice objectives.

It is possible to both run a successful credit union based on normal business parameters and to do all the other good stuff at the same time – this is not just a bunch of do gooders that are going to run this place into the ground. It is possible that this is the major lesson learned through the Greening process... It was more than sustainable. We are not growing as fast as the Steinbach or Cambrian credit unions... however, we are still growing at 10% a year. How do you grow at 10% a year for 10 years when the economy is not growing at 10%? We are doing a lot of stuff really well. This year, 2009, for the first year in history, Assiniboine Credit Union will earn more profit than any other credit union in Manitoba, including Steinbach and Cambrian.

As the old saying goes, “the proof is in the pudding” with respect to Assiniboine being a model of how market oriented approaches can embrace more than the financial bottom line to find a niche to make a contribution to addressing the social and economic wellbeing of the local community. In spite of the limitations of a lens of CED that primarily is market oriented with limited state involvement, the ACU approach that was initiated by the Greening of the Assiniboine movement is a form of CED practice making a targeted impact within the constraints of the CED strategy that it has undertaken.

CED Ideological Analysis Feminist, Anti-Racist and Anti-Colonial Perspectives

This section of the case study will examine the perspectives of the CED ideological analysis model including feminist perspectives, anti-racist perspectives and anti-colonial perspectives.

Feminist Perspective

The ideological analysis of the Assiniboine Credit Union will involve an examination of the organization from a second wave, radical feminist perspective. A radical feminist approach could be viewed in Assiniboine's approach to address patriarchy within the organization. This is more evident in the post-Greening of the Assiniboine movement after 1991. In terms of decision making structures within the organization, 5 of the 10 present board members or 50% of the board in 2008 were women (Assiniboine Credit Union, Corporation's Act Annual Return, 2008). It is interesting to note that during the pre-Greening of the Assiniboine era, the period between 1977-1990, only 6% of the board members were women (Assiniboine Credit Union, Corporation's Act Annual Returns, 1977-1990). In the post-Greening of the Assiniboine era, the period of 1991 to 2008, 48% of the board members were women (Assiniboine Credit Union, Corporation's Act Annual Returns, 1991-2008). The agenda of the Greening of the Assiniboine has demonstrated a greater commitment to address the patriarchal culture of the "old boys" network that governs the credit union movement. There is a greater representation of women at the highest level of decision-making and policy making roles within the organization, including having the first female chair of the board in the history of the credit union and likely the credit union movement in Manitoba. Women have been regularly elected to the chairperson role on the board since the Greening movement took over the board in 1991.

According to the Assiniboine Credit Union Annual Report (2008), the credit union employs 593 people of which 78% are women. Of the six persons on the Executive Management Team, three or 50% are women; the Senior Management Team consists of seven people and 3 or 43% are women; and at the credit union branch level, there are 50 managers and 36 or 72% are women. In contrast to national trends, women occupied 30.7% of the senior management positions in Canada's six largest banks (Canadian Bankers Association, 2009). Statistics Canada, Women In Canada: Work Chapter Updates (2006) indicates that 26.3% of women are employed in senior management positions in Canada; 36.9% are employed in other management positions; and 36.3% of women are employed in total management positions. A study conducted by the executive search firm Rosenzweig & Co. found that women made up 5.8% of the 535 highest paid and most senior positions at those Canadian companies top executive positions in 2007 (Gunelius, 2007). A survey done by Catalyst in 2007 of all the Financial Post 500 companies in Canada found that 15.1% of upper management positions were held by women (Gunelius, 2007). Comparatively speaking, Assiniboine Credit Union is exceeding the national trends of women in managerial positions and senior executive level positions.

These issues regarding the relationship of power and decision making with respect to the role of women in the ACU can be interpreted through a radical feminist perspective in terms of the importance of the ongoing work to de-construct patriarchy in our society. Conn (2006) argues that "a women-centred approach is a more radical form of CED because it challenges deeper and more systemic elements of economic and social inequality" (25). The Manitoba Research Alliance Report on CED and the New Economy: Women (2004), identifies that "a feminist model of CED seeks to examine the gender power dynamics that have traditionally limited

women's participation in economic development planning"(13). These challenges are particular evident in the financial industry sector. As Glasser (2008) puts it, "women crowd banking, but men control the corner office"(1). These systemic factors are evident at the Assiniboine – 78% of the employees are women.

Conn and Alderson (1997) discuss how the women's movement has had to consistently challenge the established co-op sector on the issue of representation at the board and senior management levels. The Assiniboine, in the pre-Greening era, was governed by the "old boys club" mentality that is prevalent in the co-op movement as the analysis of gender representation on the board of directors at the ACU for the period of 1977 to 1990 indicated. Conn and Alderson (1997) point out that "for many years women have raised issues within co-op organizations about the barriers to participation in co-ops such as access to information, training, capital and leadership positions...the struggle for inclusion continues to be difficult"(39).

The gender power analysis reinforces the critical importance of the role of women in the highest levels of decision making within co-ops in order to ensure that their interests are met. "The experience of the women's movement has shown us how important it is for women to sit at the decision making table so that our concerns can be presented and addressed. We have learned how hard it is to get into those rooms where policies and decisions are made. Women's CED work presents similar challenges"(Conn and Alderson, 1997: 43).

The Assiniboine's compensation philosophy is committed to "pay equally for work of equal value" (Assiniboine Credit Union CSR Report, 2007: 15). Statistics Canada's Women in

Canada: A Gender Based Statistical Report (2006) indicated that “in 2003, women working on a full-time, full year basis had average earnings of \$36,500, or 71% of what their male counterparts made” (3). Saulnier (1996) argued previously in this thesis that the concept of pay equity is characteristic of a liberal feminist perspective that focuses on promoting greater equality in the workplace.

The Assiniboine’s commitment to corporate social responsibility and a ‘multiple bottom line’ is also reflected in a women’s centred approach to CED. The CED and the New Economy: Women Report (2004) by the Manitoba Research Alliance identifies that “a feminist model of CED puts more emphasis on social versus commercial accounting, thereby ensuring that the true purpose of development is not lost in the flurry of statistics and equations” (13). Amyot (2007) argues that “social accounting considers all the benefits and consequences of economic decisions, including social, political and environmental factors”(84). Women’s experience as it relates to the economy lends itself to an appreciation and commitment to social accounting approaches as a measurement of economic development. Amyot (2007) points out “that because women are often the ones who are left to deal with the consequences of economic downturns and the side effects of economic strategies that have depleted resources, destroyed the environment, or resulted in changing societal structures, they are best positioned to envision a new form of economics that includes a multiple bottom line” (84).

The Assiniboine’s focus on individual approaches to address poverty through its asset building program partnerships and micro-enterprise programs would be criticized by socialist feminist perspective because of a lack of analysis regarding root causes of poverty and power relations.

Amyot (2007) maintains that “socially transformative [women-centred CED] practice must take into account systemic reasons for the marginalization of certain populations and must avoid the tendency to undertake micro-development that recreates the neo-liberal economic paradigm” (85). Amyot (2007) further argues that the individual oriented approach does not “challenge the structural inequities that are inherent in the socio-economic system, thereby failing to challenge the underlying belief that poverty and the escape from poverty is the responsibility of the individual rather than changing the systems in which the lack of opportunities for certain groups exist”(90).

Anti-Racist Perspective

The framework of race conscious theory regarding organizational culture previously presented by Henry et al (2000) identified three forms of approaches – assimilation, multiculturalism and anti-racist. ACU would reflect a multiculturalism approach regarding its organizational culture. It is willing to make modifications to the organization but is not willing to alter its fundamental culture or structure with regards to the power dynamics of the organization including developing new and more inclusive structures and styles of leadership and decision making. Prior to the Greening of the Assiniboine era, “the ACU board members had been there for a long time and did not reflect the diversity of the community” (Spillett, Personal Interview, 2009). After the Greening movement took over the board, representation from Aboriginals and racialized groups improved. According to the Assiniboine Credit Union Corporation Act Annual Returns Report from 1991 to 2008, of the 169 board members elected to the board of directors, 9.5% were Aboriginal and 13.6% were from racialized groups. However, Spillett (Personal Interview,

2009) argues that board members in general “might have been socially conscious, but did not have a class, race or even a gender analysis of power and power relationships”.

This issue regarding the power relationships and decision making structure of an organization are critical elements which distinguish a multiculturalism organizational culture from an anti-racist organizational culture. Young (1990) contends that the impact of power in our society needs to be viewed by not only the unbalanced distribution or allocation of resources, but the role of power also needs to be examined regarding non-distributive variables such as decision making and culture. The issues of inclusion and exclusion from the decision making process raises the question of how decision making structures enact and reproduce their power. These dynamics are often more important than the distribution of resources “to the extent they causally condition distributions” (Young 1990: 75). As a result, Young (1990) further argues that procedural issues of participation in the deliberation and decision making process and structures need to be examined in order to unmask the institutional constraints on self-development (oppression) and self-determination (domination).

Young (1990) suggests that a democratic society needs to provide mechanisms to ensure that the goal of social justice and social equality is achieved in order that “the full participation of everyone in society’s major institutions, and the socially supported substantive opportunity for all to develop and exercise their capacities and realize their choices” (173). Institutional mechanisms and public resources are required to promote the democratic participation of oppressed groups such as the urban Aboriginal community including “resources for self organization of group members to achieve collective empowerment; policy research resources

and requirements for decision makers to take recommendations into consideration; and, group veto power regarding specific policies that affect a group directly” (Young 1990: 174).

A major area that ACU sought to modify its organization culture was in the area of employment equity. In the early stages of the Greening movement era Spillett (Personal Interview, 2009) maintains that

Structurally, there was a real slowness about changing the workforce by bringing in people at the senior level that could implement the changes that were required within the whole aspect of employment equity...There wasn't resistance, people weren't saying that we don't want to do that [employment equity] but had no idea how to do it [employment equity]...We made very small gains maybe more in terms of policy rather than in terms of practice or action.

Lisa Anderson was hired as the Manager of Employment and Diversity in 2007. She had worked for the ACU since 2000 in a variety of roles including Manager of Member Services in the Main St. Branch and then with the Human Resources Department (Anderson, Personal Interview, 2010). The evolution of employment equity in the ACU since she has been at the credit union including strategies around Aboriginal recruitment with a focus on developing partnerships with Aboriginal organizations to leverage their strengths to assist the ACU in their recruitment efforts. In 2004, ACU worked in partnership with the Cambrian and Steinbach credit unions along with the provincial government's Department of Labour and Immigration to establish the immigrant integration program. Since 2004, 40 people have been hired by the ACU through this program with a 78% retention rate regarding ongoing employment with the Assiniboine. “Retention of newcomers is high, they have a strong loyalty and stay long enough in order to get promotions. Cambrian has not been as successful [regarding the issue of retention]. Our managers have now

developed the skill set to support [employment equity target group hires] and give them that extra time” (Anderson, Personal Interview, 2010).

Anderson (Personal Interview, 2010) identifies that in 2008, ACU developed an Aboriginal integration program that mirrored the immigrant integration program in partnership with the Assembly of Manitoba Chiefs, Manitoba Metis Federation and the provincial government Department of Employment and Training. Today 6 people have been hired by the ACU through this program with a 67% retention rate to date.

According to the Assiniboine Credit Union Annual Report (2008), Aboriginal employees represent 7% of the ACU workforce in comparison to a 10% benchmark of number of Aboriginals in Manitoba based on 2001 census data; persons of colour represent 17% of the ACU workforce as compared to a 14% benchmark based on census data in 2001 for Manitoba. Anderson (Personal Interview, 2010) identifies that Aboriginal representation in management is 6% and for racialized groups the level of representation is 7% of the ACU workforce.

In comparison, the banking sector in Manitoba employs 5% of its workforce made up of employees that self-identify from the Aboriginal community (Manitoba Job Futures, 2009). Sexsmith and Pettman (2007) identify that the “proportion of Aboriginal persons working permanently, full-time in the bank sector across Manitoba ranges from 1.2% for the CIBC to 5.6% for the Royal Bank” (158). Across Canada, Aboriginals representation in the banking industry is 1.3% (Human Resources and Skills Development Canada, Employment Equity Act Annual Report, 2008). The ACU’s 7% representation of employees from the Aboriginal community exceeds both provincial and national comparisons with the chartered banks.

In terms of racialized groups or persons of colour, the provincial average of representation for the banking industry is 5% (Manitoba Job Futures, 2009). The national average of racialized group representation in the banking sector is 24.9% (Human Resources and Skills Development Canada, Employment Equity Act Annual Report, 2008). The ACU's 17% representation of racialized groups is higher than the provincial levels of the banking industry but lower than the levels within the chartered banks when examined at a national level.

Anderson (Personal Interview, 2010) outlined the range of transitional supports that the ACU has developed for Aboriginals and racialized groups including the use of elders for its Employee Assistance Program; ongoing relationships with community partner training programs to support staff; mentorship supports for Aboriginal staff; and peer mentoring. ACU is presently with a consultant to develop a diversity strategy which will be completed by the end of 2010, including moving beyond the ad hoc cultural and diversity training for managers. The ACU was awarded the Top 100 Employers in Canada for its work regarding diversity and the Chamber of Commerce gave the Assiniboine a Top Employer Award for its immigration integration program initiative.

Anderson (Personal Interview, 2010) believes that the commitment demonstrated by the board and executive management is critical to the success of the diversity initiatives. The diversity strategy that is being developed will look at how diversity can be further integrated into the culture of the organization beyond her two person staff team. The Vice-President of Corporate Social Responsibility has established a CSR Corporate Council to further promote how the issue of diversity can be embedded into the organization.

Some of the other modifications that the ACU has made to the organization include using the employee diversity questionnaire which identified that Assiniboine's employees spoke almost 50 different languages to develop a language bank which is used to provide members with options to be served in their first language. As well, ACU has recently developed a customized Islamic mortgage service that reflects this community's values regarding the concept of interest and private ownership.

One of the key issues identified by Garvey and Newell (2005) regarding the depth and authenticity of the corporate social responsibility agenda is the extent to which the organization is willing to make structural changes in order to "facilitate greater representation of previously excluded citizens through increasing access and inclusion in decisions affecting their lives. It is therefore not just change in company behaviour to accommodate citizens' demands that is significant, but changes in structures of representation that may allow for the expression of future accountability demands" (392). This speaks to the issue of redistribution of power and power relations within the organization which also differentiates what Henry et al (2000) would identify as the key factor between an multicultural organizational culture and anti-racist organizational culture.

Spillett (Personal Interview, 2009) articulates the barriers that she experienced as a board member and the need for this kind of structural change to take place in order to truly address the issue of engaging oppressed groups in an anti-racist organizational culture.

I was the only Aboriginal person on the board of directors and that felt really isolating and really alone. I always deeply felt that I was a token. That when I shared a particular perspective it wasn't well understood or I did not feel validated or valued. That is why I thought it was critical that we had more than one Aboriginal person on the board. Even if

you got an Aboriginal person who came out of the banking industry that did not have much roots in the community but could readily make the transition into that structure. If you just have one Aboriginal person in a management system in a bank I think it is isolating and alienating... There was no understanding or appreciation or value or support or any of those sorts of things. There was no analysis then about how do you bring people in that don't have the same experience. How do you support that person in order to get what you need?

In 2001, the Greening movement met and tried to address this issue raised by Leslie Spillett who was concerned about succession planning given that she decided that she would not continue on the board of directors after serving 9 years on the board. The Greening group approached two Aboriginal candidates to run on the Greening slate at the annual meeting. Another group of members organized an alternative slate to the Greening group that in effect would mean that only one of the Aboriginal candidates would be elected to the board. Spillett (Personal Interview, 2009) recalls at the end of the AGM meeting when the alternative slate got elected and only one Aboriginal person was elected to the board of directors that a prominent activist who was white said to me after the voting “ that one Aboriginal person on the board was enough”.

Spillett (Personal Interview, 2009) was told by the Aboriginal person that got elected to the board that during the one year term she served on the board that

She felt alienated... isolated and marginalized... and made to feel inferior by the supposed socially progressives that ran on the alternate slate to get elected to the board. No race, class or gender analysis took place there when they mobilized against us... We don't engage in a political process without that analysis and that understanding... When our allies don't get it, it is a very, very socially isolating place to be.

The ACU needs to explore alternative governance structures if it wants to move beyond a multicultural organizational culture that focuses on adaptations to the organization (Henry et al, 2000) without fundamentally changing structures of power and decision making. While one of

the key objectives of the ACU's CSR agenda is to serve the underserved, a key question that must be asked is how these voices from the Aboriginal, newcomers and inner city communities are represented in decision making roles within the organization and not simply passive recipients of services.

The Assiniboine could learn from the work that the Affinity Credit Union has done on the issue related to governance (Affinity Credit Union Annual Report, 2008). Affinity has developed a decentralized governance structure that involves credit union members electing representatives to 9 District Councils – some of these councils are based on geography other councils are based on equity target communities such as the Aboriginal District Council. Each of the District Councils elect 2 members that sit on the board of the Board of Directors of the Affinity Credit Union. The 18 member board is structured in a way that reflects a broad range of interests. If the ACU wants to authentically serve the underserved, it needs to re-structure the existing set of power relations that are established within the present governing structure of the credit union. This would begin to address what Young (1990) described as the non-distributive power variables of social justice work.

Anti-Colonial Perspective

The anti-colonial perspective challenges any form of economic, cultural, political and spiritual dominance. Agency and the mobilization of resistance are key elements of an anti-colonial approach. The devaluation of Indigenous knowledge is a key dynamic of colonialism. Superiority of Western knowledge is internalized by both the colonizer and the colonized.

The Assiniboine's involvement with the Loan Loss Provision Initiative sponsored by Indian and Northern Affairs Canada (INAC) is classic example of the dynamics of colonialism in action. Four Canadian mainstream banks and credit unions have been provided \$15 million as money to guarantee loans of \$250,000 to \$5 million for Aboriginal owned businesses (Grassroots News, 2010). Assiniboine Credit Union received \$2.8 million for loan guarantees.

Allan Park, CEO of Tribal-Wi-Chi-Way-Win Capital Corporation (TWCC), a Winnipeg based company owned by five Manitoba tribal councils, is upset because the program was developed without any consultations with First Nations. Park argues, "It's like building a two-lane highway through Peguis and not talking to the people of Peguis first" (Grassroots News, 2010: 1). The funding for the loan guarantee program to the Assiniboine gives the credit union an unfair competitive advantage. "They will be able to offer much lower interest rates to native communities because essentially their loans will be risk free. In addition, the mainstream lenders already had the powers of asset leveraging that their Aboriginal competitors do not have under federal rules" (Park, 2010: A10).

A spokesperson for the Minister of Indian and Northern Affairs maintains that the loan guarantee program will remove longstanding barriers to business development in First Nation communities. Rabson (2010) quotes the federal spokesperson as saying "the Loan Loss Reserve program was designed to encourage loans where the business proposal is strong but securing financing could be difficult or limited because of the Indian Act" (A6). Aboriginal lenders will not qualify for the Loan Loss Reserve program.

Park (2010) states that Aboriginal Financial Institutions (AFI) were set up 20 years ago with \$200 million in seed money from the federal government to provide loans to First Nations, Metis and Inuit communities to stimulate small and medium sized business development because mainstream banks were not interested in doing business with First Nations communities. During this twenty-year period, “AFIs have provided more than 35,000 loans worth \$1.4 billion to Aboriginal businesses with a success rate of 58 per cent. This compares to a success rate of 35 per cent in the mainstream. The Winnipeg based TWCC re-invested its original stake of \$7 million that into \$34 million for 725 business loans to First Nations“ businesses” (Park, 2010: A10).

Park further argues that the new loan loss guarantee program operated by the ACU will not recirculate loans and profits from loans within the Aboriginal community. Park maintains that “bottom line, the profits on the loans and fees they charge will go to the ACU’s members and out of the community like it always has. Our loans get turned over and lent back out. That’s Aboriginal economic development” (Grassroots News, 2010: 6).

It is hard to believe how the Assiniboine became a partner in such an initiative with the federal government. It demonstrates that the ACU has very limited relationships with the First Nations communities with respect to this particular issue. No consultation appears to have taken place. While the federal spokesperson for the Minister of Indian and Northern Affairs says that the Loan Loss Reserve program is complementary to the Aboriginal Financial Institutions in that Aboriginal lenders can only make loans up to \$250,000 and this newly announced partnership with the ACU guarantees loans over \$250,000, Park maintains that is false as some Aboriginal

financial organizations make loans up to \$500,000 (Rabson, 2010). The power relations surrounding this issue represent the classic dynamics of colonialism – mainstream institutions are making a profit at the expense of Aboriginal communities and are contributing to the underdevelopment of these communities. Surpluses are leaving the local economy and are contributing to padding the financial bottom line of the credit union.

Besides the issue of surplus drain, it could also be argued that the ACU is devaluing knowledge, experience and capacity of the Aboriginal capital corporations to provide financing to their community members. Park (2010) makes the case that the Aboriginal organizations have track records of success over the past 20 years in lending to small and medium size businesses that exceed the lending outcomes of mainstream lending programs. Park (2010) concludes that “Native poverty can’t be solved by dependence on white man’s largesse and an army of bureaucrats in Ottawa”.

In order to resist this colonial approach taken by INAC and the financial institution partners like ACU, the TWCC has launched a public campaign to bring attention to the closed-door loan loss reserve program deal between the federal government and the financial institutions including the ACU. As well, the Tribal Wi-Chi-Way-Win Capital Corporation “is filing an application in the Federal Court of Canada for a judicial review of the program as well as formal complaints to Treasury Board and the Auditor General” (Grassroots News, 2010: 1).

At a minimum, the Assiniboine should acknowledge and honour the anti-colonial actions that are being undertaken by the TWCC and withdraw as a partner with the federal government with

respect to this loan guarantee program. In order to maintain its stated values and commitment towards CSR and social justice, the ACU should work in solidarity as allies with the TWCC to lobby the federal government to have the Aboriginal Financial Institutions deliver this \$15 million loan loss reserve initiative. A member of the Assiniboine has brought this issue to the attention of the chairperson of the board of directors of the ACU. The chairperson has taken this issue up with management and the board and is following up with the Tribal Wi-Chi-Way-Win Capital Corporation to do some further problem solving regarding this issue.

To summarize this section of the chapter, the Assiniboine Credit Union is an example of a CED enterprise that falls within the reluctant collectivist to collectivist range of the CED ideological model that is proposed in this thesis. The ACU has attempted to address issues of patriarchy by having women in senior leadership roles in management and represented on the board of directors. This radical feminist perspective provided a greater voice for women in the organization by addressing the structural dynamics of the power relations of the organization in terms of the issue of gender. This is in contrast with the liberal feminist approach that would have reflected more of system tinkering rather than structural change approach regarding gender power relations within the organization. From an anti-racist and anti-colonial perspective, the organization represented what (Henry et al, 2000) identified as a multicultural organization which is consistent with the underlying liberal philosophy that influences the value base of the credit union. The structures of decision making within the organization need to be changed in order that the ACU develop a more anti-racist and anti-colonial organizational culture (Henry et al, 2000).

Nature of CED Theory and Strategies

This section of the case study will examine the extent to which ACU is effective at addressing the dynamics of underdevelopment in the inner city. As well, the Assiniboine will be looked at in terms of the CED strategies that it engages – whether the strategies were outward oriented CED strategies such as the export base, staple theory or location theory approaches, or whether the strategies of CED were inward focussed including convergence, government services or import substitution approaches.

Assiniboine Credit Union has adopted the CED Principles that were developed by the Neechi Foods worker co-operative including use of locally produced goods and services; production of goods and services for local use; local re-investment of profits; long term employment of local residents; local skill development; local decision-making; public health; physical environment; neighbourhood stability; human dignity; and support for other CED initiatives (Neechi Foods Co-op Ltd., 1993). These CED principles form the basis of a convergence strategy to address the impact of the dynamics of underdevelopment, especially with respect to lessening the leakage of surplus from the local economy. However, ACU's gap-filling and project oriented approach to CED limits the credit union's capacity to engaging in transformative convergence strategies to address underdevelopment processes within the structure of the local economy. As was noted in the previous section of this chapter, Assiniboine's involvement in the Department of Indian and Northern Affairs and the Loan Loss Reserve loan guarantee program moves beyond the scope of limiting the potential to address processes of underdevelopment, and actually puts the credit union in the role of actively promoting the process of underdevelopment in First Nations' communities and violates the CED guiding principles which it has adopted.

Loxley (2007) argues that “inward-looking or convergent approaches to CED have very demanding sociological and political dimensions that are both under-appreciated by activists and under-theorized by academics” (124). Loxley (2007) suggests that the linking of social inclusion theory and convergence theory would be an important direction to take if CED organization’s seek to move beyond gap-filling or project based approaches and move towards more transformative forms of CED practice that goes much further than simply poverty alleviation objectives.

Social exclusion/inclusion appears to offer some way forward in its structural, more holistic form, permitting analysis of the various institutional ways in which people in particular localities are excluded economically, socially and politically. Grafting this approach onto the “divergence” explanation of C.Y. Thomas (1974) would help integrate a macro-structural political economy explanation for poverty, marginalization and exclusion, as well as for uneven and unequal development, with the specific mechanisms operating at the local level. What is needed ...is to incorporate the specifics of in-ward convergent CED and to extend the analysis beyond the political to encompass also the sociological [in terms of the requirements for successful citizen participation] (125).

Assiniboine’s CSR lens, while more progressive than traditional liberal CSR approaches, does not adequately address issues of social inclusion regarding the importance of re-structuring power relations within the organization in order to provide the marginalized (or to use the ACU’s term the underserved) an authentic voice in the credit union’s decision making structures. ACU is also reluctant to use its political capital to provide more of a leadership role within in the community, and the business community in particular, to promote issues of social and economic justice. The Assiniboine has embraced the less demanding gap-filling CED approach that focuses more on projects rather than addressing structural social, economic and political obstacles.

Within this project or gap-filling approach, ACU has engaged in building community institutional capacity that reflects more of an import substitution inward looking CED strategy rather than the more demanding convergence CED strategy. ACU has played a critical role in developing and promoting the Jubilee Fund which provides loan guarantees to CED enterprises and housing groups that address the needs and aspirations of oppressed communities. For the past 20 years, ACU has been a leader in financing inner city housing initiatives that served to lessen the leakages of housing related expenditure surpluses from the inner city. The Assiniboine has been an active partner with the Social Purchasing Portal administered by SEED Winnipeg to purchase local produced goods and services from inner city CED enterprises. A good example of this approach involves ACU contracting with Inner City Renovations, a residential and commercial construction company that employs mainly inner city residents, to build two of the new ACU branches on Pembina Highway and on north Main St. ACU also contracts with Enviro-Cleaners, a worker co-op of newcomers (immigrants and refugees) that developed their enterprise with the support from SEED Winnipeg. The Assiniboine was instrumental in providing financing and technical assistance to the Pollock's Hardware Co-op, an enterprise that was developed by north end residents to save their local hardware store. These are some of the examples of ACU's project or gap-filling approach that support the retention of surplus in the inner city economy through an import substitution strategy.

ACU's Business and Community Finance Centre has also developed the capacity of its loans staff to develop the strategic orientation and technical skills to further promote inner city development through import substitution strategies. As Rothney (Personal Interview, 2010) pointed out earlier in this chapter, the Business and Community Finance Centre (BCFC) has

integrated a CED orientation in its service approach. CED services are no longer just coming out of the CED Manager office – the BCFC is a good example of how CED practice has been integrated into the overall operation of the credit union.

The Assiniboine’s employment equity approach which promotes the recruitment, training and hiring of Aboriginal and immigrants is also another example of how the ACU employs its assets within an import substitution strategy. The manager of the West Broadway branch of the ACU is from the Aboriginal community – a constituency that is highly represented in this area of the inner city. The ACU’s Socially Responsible Investing Specialist supports members to better understand Community Investing or Economically Targeted Investing (ETI), an ethical investment strategy which invests in a local region to stimulate economic growth and economic activity. This ETI approach also has the potential to support import substitution CED strategies.

CED Impact Outcomes

The three key CED outcomes or impacts that will be looked at in this section of the case study of the Assiniboine are the scale of the CED initiative; impact on incomes; and sustainability of the CED initiative. With regards to the scale of the ACU in terms of a CED enterprise, the numbers are quite impressive. The Assiniboine is now the largest credit union in Manitoba in terms of membership and branches. The Second Quarter Report of 2009 by the Credit Union Central of Canada indicates that the ACU had 107, 833 members, Steinbach Credit Union had 74,002 and the Cambrian Credit Union had 54, 184. Assiniboine had 25 branches, Steinbach 2 branches and Cambrian 11 branches. The membership and number of branches requires that the ACU have a much different business model with a focus on member service and corporate social

responsibility. The cost structure of ACU is much higher than Steinbach or Cambrian. The Steinbach Credit Union is the largest credit union in the province in terms of asset size at \$2.676 billion. ACU is the second largest at \$2.502 billion in assets and Cambrian is third largest at \$1.871 billion. With an asset base of \$2.5 billion, Assinboine is now the eighth largest credit union in Canada. VanCity Credit Union is the largest credit union in Canada with an asset size \$13 billion and 410,934 members.

According to the Assiniboine Credit Union Annual Report (2008), the credit union employs 571 employees. While no formal data is maintained in the CED field in Winnipeg regarding size and scale of enterprises, the ACU is undoubtedly the largest CED enterprise in Winnipeg. The other issue regarding scale as it relates to the ACU would involve the question of the extent of the scale of its activities which impact inner city development and its impact on incomes in the inner city. Loewen (Personal Interview, 2010) acknowledges that this type of analysis has not been undertaken and would be difficult to determine.

There has been no analysis about the number of jobs, number of enterprises and increase in income. This would be hard to measure. You would have to make some assumptions about how many people got hired [by the ACU] through employment equity approaches, how many enterprises started, something around Individual Development Accounts, the Community Financial Services Centre, and procurement policies.

The closest the Assiniboine comes to identifying this type of impact in the community is data provided in the “Making a Difference” section of the Assiniboine Credit Union Annual Report (2008). In 2001, ACU established its West Broadway branch to fill the gap after all other financial institutions left this area. The neighbourhood has high concentrations of poverty – 65% of the households and 73% of the children live below the poverty line. The branch now has 2,700 members. In an era of bank closures and financial institution consolidations, a branch of

this size would not have been established and remain open if there was only a single financial bottom line. ACU demonstrates its commitment to this inner city by operating this branch and building partnerships to improve the quality of life in the local community. The operating costs of this branch are an important investment in CED in the inner city.

The ACU partnered with the North End Community Renewal Corporation to establish the Community Financial Services Centre (CFSC) in the north end of Winnipeg to provide an alternative to the fringe bank services that exploit inner city residents. According to the ACU Annual Report (2008), 180 people who use the CFSC have become members of the Assiniboine, up from 94 memberships from the previous year in 2007.

Assiniboine partners with SEED Winnipeg, the United Way and 10 other community organizations to offer a matched savings program through the Asset Builders Partnership. The number of participants that used the ACU matched savings account in 2008 was 379; 173 participants completed the asset building training program; total savings used to purchase assets was \$79,000; matching funds provided to participants was \$201,000; and the total value of the assets purchased by the participants of the program was \$280,000 in 2008 and the value of the assets purchased since 2000 has been \$1.5 million (ACU Annual Report, 2008). In 2008, ACU's employee led United Way Campaign raised \$63,000 in donations to support the Asset Building Program.

In 2008, the Assiniboine partnered with the Assembly of Manitoba Chiefs and the Manitoba Real Estate Association to develop pilot project for an urban Aboriginal home ownership program for

40 families. ACU provided mortgage financing for 5 of the 40 program participants (ACU Annual Report, 2008).

The Business and Community Finance Centre provides financing and specialized services for small and micro-enterprises, co-operatives and non-profit organizations. The community financing done by the ACU for the years 2007 and 2008 are summarized in the following Table

7:

Focus of Investment	New Financing (\$) Approved in 2008	Number of Organizations Financed in 2008	New Financing (\$) Approved in 2007	Number of Organizations Financed in 2007
Affordable Housing	\$3.7 million (30 units)	8	\$12.3 million (150 units)	11
Community Facilities	\$7.0 million	27	\$6.7 million	12
Business Start-ups and Expansions	\$1.5 million	51	\$1.6 million	66
Total	\$12.2 million	86	\$20.6 million	89

The amount of loans in the community financing are decreased by 40% from the previous year of 2007 which was primarily due to the reduction in loans for affordable housing. Total financing as of December 31, 2008 invested in affordable housing was \$17.8 million; in community facilities \$14.0 million; and in business start-ups and expansions \$3.2 million for a total investment by the Business and Community Financing Centre of \$35 million (ACU Annual Report, 2008). Besides providing community financing to community organizations and co-operatives, the ACU also provides special community accounts to these groups that feature lower transaction charges and higher interests. At the end of 2008, there are 3,100 Community Builder and 260 High Rate Savings accounts serving community organizations (ACU Annual Report, 2008).

The Assiniboine partners with the Jubilee Fund which provides loan guarantees to CED enterprises. The Jubilee Fund has provided \$690,000 in loan guarantees to date (Jubilee Fund Annual Report, 2009). In 2008 and 2009 ACU provided \$1,759,000 in loans to Jubilee Fund supported CED projects. ACU also partners with SEED Winnipeg to finance loans for its micro-enterprise program. In 2008, Assiniboine invested \$20,000 in five micro-enterprises supported by SEED Winnipeg, this is done from the \$26,000 invested by the ACU in 2007 in six micro-enterprises supported by SEED Winnipeg (ACU Annual Report, 2008).

ACU uses its purchasing power to support CED enterprises in our community, including business involved in the SEED Winnipeg sponsored Social Purchasing Portal. In 2008, the Assiniboine purchased promotional items, gifts, supplies, catering services, courier services, cleaning services and construction services from a range of CED enterprises. Among these were Aboriginal co-operatives such as Neechi Foods and Northern Star Co-op; inner city businesses such as Cosmopolitan Florists and Food for Thought; social enterprises such as Enviro-Safe Cleaning Worker Co-operative, Inner City Renovations, Natural Cycle Courier, West Central Women's Resource Centre's Childminding Program, Fort Whyte Farms and Organic Planet Worker Co-op (ACU Annual Report, 2008).

The ACU's Sustainable Community Grants program is another measure of the credit union's CSR investment in the community. Assiniboine has a policy of donating annual a minimum of 2% of pre-tax earnings averaged over the past three years for projects that support social inclusion, economic self-reliance, ecological responsibility and community building. In 2008, ACU donated \$230,000 to 64 community organizations, this is up from the \$196,000 that was

donated in 2007. As well, the Assiniboine provided community event sponsorship support of \$80,000 to 57 community events in 2008 (ACU Annual Report, 2008).

ACU creates opportunities for its employees to get involved in their local community through partnerships with various community organizations. In 2008, the Assiniboine provided 43 ACU employees with paid time off to work with Habitat for Humanity to build homes for low-income families, this is an increase over 2007 when 32 employees were provided paid time off to work with Habitat builds. As well, ACU is a sponsor of the LITE (Local Investment Towards Employment) campaign and its Wild Blueberry Pancake Breakfast. Seven employees volunteered to help out at this event (ACU Annual Report, 2008).

ACU is involved in a range of CED initiatives that is making a difference in our local community. As Kosytra (Personal Interview, 2009), pointed out, he felt that the Assiniboine on a proportional basis, was probably making a greater impact in the local community than the VanCity Credit Union that has 5 times larger asset base. The scale of support for CED in the community is probably on the highest scale of any CED initiative in the city of Winnipeg. However, as pointed out earlier in this chapter, the scale is limited because of its market oriented lens. Assiniboine's contribution to social and economic justice is to be commended. In order to get the kind of scale to make a significant impact in addressing issues of poverty alleviation and re-structuring the economy in order to better supports the needs of the citizens of our community, greater state involvement will be required to mobilize the leadership and resources to function on a scale of development that will make a significant impact on building a more just society.

In terms of the issue of sustainability, the ACU has been on a significant growth curve since the Greening of the Assiniboine in 1991. Assets under administration has grown from \$302 million in 1990 (Assiniboine Credit Union Annual Report, 1990) to \$2.5 billion in 2008; the number of members has grown during this period of time from 35,000 members in 1990 (Assiniboine Credit Union Annual Report, 1990) to 107,000 members in 2008; in 1990 the ACU operated 8 branches and in 2008 the Assiniboine had 25 branches; the staff has grown from 171 employees in 1990 (Assiniboine Credit Union Annual Report, 1990) to 571 employees in 2008. The ACU is taking a leadership role with the 12 biggest credit unions in Canada to explore how the credit union movement can retain its commitment to the community as plans for inter-provincial credit union legislation is being contemplated. ACU is aligning itself with like-minded large progressive credit unions such as VanCity in Vancouver and Affinity in Saskatoon to ensure that the legacy of the Greening of the Assiniboine movement regarding the important social justice role of financial co-operatives is protected and enhanced through the scaling up strategies that are being planned within the credit union system.

A further critical issue that both Loewen (Personal Interview, 2010) and Morin (Personal Interview, 2009) identified with respect to the sustainability of the credit union and its commitment to social justice will be the leadership of the board of directors. If there is a significant change in the board membership from the values for which the Greening of the Assiniboine were based, the ongoing sustainability of a CED oriented agenda could be easily undermined with a more narrow vision which is so prevalent in the existing credit union movement and based on generating the greatest return for its members through patronage

rebates. It will always be a challenge swimming upstream and the progressive forces within the credit union must always be vigilant.

CHAPTER 9: CASE STUDY OF PEOPLE'S COOPERATIVE LTD.

Organizational Description

The People's Cooperative, originally known as the Workers and Farmers Cooperative Association (WFCA), was formed in the north end of Winnipeg in 1928 by leaders involved in the Communist Party, Ukrainian Labour Temple Association and the Worker's Benevolent Association (Mochoruk and Kardash, 2000). The objective of the WFCA was to develop enterprises that would address the basic needs of working class people. The first cooperative venture originally established was a wood yard and coal fuel heating enterprise for north end residents. The function of the WFCA as envisioned by its founding members was to be an "educational and revolutionary institution" (Mochoruk and Kardash, 2000: 12) and viewed the cooperative to be "a cause, not just a business venture" (Mochoruk and Kardash, 2000: 18).

The WFCA was inspired by the formation of the Workers' Cooperative of New Ontario in Timmins, Ontario in 1926. The WFCA was heavily rooted in an ideological orientation that sought to challenge capitalism through the development of an innovative collective organization of producers and consumers. According to Mochoruk and Kardash (2000),

The WFCA and other cooperatives had an important role to play in the larger class struggle and would teach people to work together...to group into a single force, a force of workers and poorer farmers that in time could learn to overcome all difficulties and learn to advance to a better future (21).

The original vision of the WFCA founders was to develop a fuel yard, a grocery store, butcher shop, information bureau and bookstore (Mochoruk and Kardash, 2000). The Co-op decided to initially focus on establishing a fuel yard. This initiative proved to be very popular and grew

quickly. The fuel yard attracted 1,200 customers in 1929 and by 1930 the number of customers doubled to 2,500 (Mochoruk and Kardash, 2000). In 1931, the WFCA decided to establish a dairy operation in order to address the price gouging of the established dairies in the city of Winnipeg which had the highest price spreads in the country.

Early in 1939 a delegation of farmers from Glenella, Manitoba asked the Co-op to establish a creamery in their community. The WFCA was impressed by the extent of support the farmers were able to mobilize and invested in building a new creamery plant in Glenella. The big challenge faced by local dairy farmers was they “had to ship their milk to Neepawa or to Gladstone at that time because there were no trucks or vehicles. They had to take the milk to the station and ship it by trains. When the Co-op came in everyone was glad they could provide such a service to serve all the district. It also provided a lot of jobs in the district by building a brand new building” (Stefaniuk Interview, 1998). The grand opening of the Glenella plant was celebrated with the picnic and concert that was attended by two thousand area farmers (Mochoruk and Kardash, 2000).

The WFCA changed its name to the People’s Cooperative in 1938. By the end of the 1930’s,

The cooperative had emerged as a half-million dollar business; 100 employees (up from 23 full-time employees in 1931); several new plant additions to the dairy operation on Dufferin Ave. in Winnipeg’s north end; built a new state of the art butter plant in Glenella, Manitoba; purchased another butter plant in Minnedosa; and opened one of the north end’s largest grocery stores on Selkirk Ave. – the first of several that were being planned (Mochoruk and Kardash, 2000: 74).

However, this growth and momentum unfortunately proved to be short lived. These expansion initiatives by the WFCA put tremendous debt load pressures on the Co-op. In 1941 the Glenella plant and Selkirk Ave. grocery store had to be sold in order to address the mounting debt crisis.

The Minnedosa plant struggled for the next couple of decades. A series of anti-communist articles fueled by the beginning of the Cold War era in the early 1950s criticizing the Co-op in the local Minnedosa newspaper had a negative impact on the Minnedosa plant, including the decline of local milk sales by 40%. John Wityshyn was sent in 1959 to be the new manager of the Minnedosa plant. “Sales were poor when I got there. We didn’t serve the local stores. I started out meeting with the stores in the area, I got involved in the community, I sat on the town council for 14 years, people began recognizing us as a community company” (Wityshyn Interview, 1998).

Under Wityshyn's leadership the Minnedosa operation began to diversify its product line to compliment its butter production operations.

We would sell eggs purchased from the Hutt rites and Grand Valley in Brandon, French fries and fresh chicken was supplied to local restaurants such as Chicken Chef and Chicken Delight – for restaurants we sold anything they wanted. Milk came from the Co-op's Winnipeg plant – we started out at 60 cases/week when I first started there and eventually increased sales to 1,500 cases/week (Wityshyn Interview, 1998).

Wityshyn (Interview, 1998) noted the economic impact that the Co-op had on the town of Minnedosa and the surrounding area. “The town developed a lot of faith in the Co-op. We had 12 trucks and it kept a local garage going and their fuel yard going. They said they had an additional one or two employees because of us”. The local dairy producers sold the raw dairy

materials to the local creamery which provided linkages to the Winnipeg processing plant and markets.

In 1961 the People's Cooperative established a lumber and building supplies division.

Unfortunately, "the lumber yard did not go well over the course of its existence. It was on shaky ground a lot because the manager was not good from the outset. They tried to attract someone who was more qualified but couldn't attract anyone. Perhaps they were locked into needing someone from the fold [Communist Party]" (Nancy Kardash-Ursulak Interview, 2000). "For several years the lumber yard recorded considerable deficits and would not produce anything approaching a surplus until 1966-67 when its sales were boosted by the Co-op's decision to develop a housing sub-division on the ground of the former fuel yard" (Mochoruk and Kardash, 2000: 141). In order to "drum up business for the lumber yard, building houses was seen as a natural connection to build the lumber enterprise" (Kosty Kostaniuk Interview, 1998).

The Co-op felt that the lumber yard could become an integrated house building enterprise that would involve materials, land and financing. In 1967, the Co-op established a new housing division. Kosty Kostaniuk (Interview, 1998) describes the collaborative strategy involving the lumber yard and the new house building division.

The Co-op subdivided the lots where the old fuel yard was located [east of the rail line around Pritchard Ave. and Battery St. in the north end] for building new houses. We also wound up building houses on Leila Ave. and Knox Ave. in St. James. Mortgages were provided by the Co-op at interest rates lower than the going rates offered at the banks. If interest rates went down, the Co-op lowered the interest rates on these mortgages. If interest rates went up, the Co-op ensured the interest rates would remain the same. Sometimes the Co-op acted as the general contractor for the homes that were built. Sometimes the individuals who took out the mortgage hired their own contractors [based on the condition that the contractor would purchase materials and supplies exclusively from the Co-op].

The Co-op built 20 homes using this integrated lumber yard and house building model (Mochoruk and Kardash, 2000). The lumber yard had other challenges, however, with the building contractors that purchased supplies for the Co-op that were not involved in this integrated development approach. Harry Stefaniuk (Interview, 1998) who was the accountant and office manager at the Co-op, recalled that many of

the contractors that built houses in Winnipeg were very good, they sold the houses they built and would pay their bills. However, some bills would build up to \$60,000 and the contractor would go bankrupt and couldn't pay their bills and we would have to write it off as bad debt. One contractor could not pay his bill. He had built a house out on Leila and he said to us here's the home, he gave it to us in order to pay his bills. It was a real killer for the Co-op, these small contractors and Norsman Enterprise. This cost hundreds of thousands of dollars in the eighties.

According to Kosty Kostaniuk (Interview, 1998) the Co-op's involvement with Norsman Enterprise was related to the Co-op's interest to expand its building supplies market to First Nations' communities.

The Co-op had to ship supplies through an intermediary – Norsman Enterprise. Band Councils would pass a resolution to commit to the securitization of the materials. Norsman mishandled the house building contracts. The TD bank called in all of Norsman's loans and the Co-op was the largest unsecured creditor [over \$500,000]. Funds from the receiver Coopers Lybrand dribbled in over a number of years but this failed initiative severely hurt the Co-op.

John Sas (Interview, 1998) recalls that the lumber yard got into really big trouble in the 1980s. "No one wanted to say we were not making money here, let's close it down. We were going to keep going with this lumber yard come hell or high water". A deep recession hit in the early 1980s with accompanying high rates of inflation and high interest rates. This impacted the whole housing and building supplies industry, not just the People's Co-op lumber yard operations. Poor management decisions further exacerbated the situation for the Co-op. Sas (Interview, 1998) further recalls that "a hotel built across from the racetrack cost the Co-op more

than \$1.5 million because it was built on the land that provided the water supply to Headingly, they could not get a variance to install the sewage system for the hotel”. According to Sas (Interview, 1998), “the lumber yard was a long time loser and it was not run properly. At that time there were a lot of lumber yards opening up. Everyone was getting into the business. The reason we kept the lumber yard going is because we had a good gas business going. The lumber yard was masked by the gas business. We sold a ton of gas”. Kosty Kostaniuk (Interview, 1998) maintained that over the course of history of the Co-op the “fuel yard would carry the creamery operations for a number of years...as well as after the transfer to oil when coal was being phased out...and later the gas services were opened up to the public which proved to be a big money maker”.

Besides running a lumber yard and housing building division, the Co-op always operated a garage, mainly to service the fleet of vehicles operated by the Co-op. “At one time the garage took care of 70 vehicles owned by the Co-op” (Tim Kostaniuk Interview, 1999). In the early 1980s a decision was made to open the garage up to the public in order to generate more revenues for the Co-op. The gas bar expanded to sell diesel and propane. The Co-op was able to get fleet servicing accounts with City Bread, Brinks and Canadian News. The garage had a parts department, 5 mechanics during the day and 1 mechanic in the evening and a gas bar. “In the beginning the garage ran very well. Then it slowed down. It didn’t have public support because of where it was located on Jarvis Ave. and Sinclair St. It was not some place that you could drive by, it was out of the way of the main traffic routes” (Tim Kostaniuk Interview, 1999). The garage was downsized a couple of years after the Co-op was sold to the employees in the early 1990s. It was in full operation up to that point.

The Co-op also became a bank of sort. Kosty Kostaniuk (Interview, 1998) said that “one of the characteristics of the People’s Co-op capital fundraising campaigns was that more funds were raised from loans rather than by donations. The Co-op was used as a bank. Loan interest was always paid a rate of interest higher than banks. Loans were a distinctive feature of the Co-op, no other co-op did loans and passbooks for bank accounts”. According to Mochoruk and Kardash (2000), “these loans earned depositors an average of 2 percent more than the banks were paying and because the Co-op never missed an interest payment, considerable confidence developed in this unusual financial institution”(57). Nick Dubas (Interview, 1999) personally attests to the track record of the Co-op in terms of creating an attractive return on investment for its community based investors. “Over 25 years, my original share turned into a \$1,008 cheque from my investment”. Nancy Kardash-Ursulak (Interview, 2000) reflects on the irony of important leadership role her father, Bill Kardash, played as General Manager of the Co-op regarding the investments made on behalf of the Co-op’s members. “He was a conservative investor. He made a lot of money for the Co-op and its loan account holders. For a guy who was against the capitalist system he had a good understanding of it and how to take that and help to serve the people and that was the bottom line for him”.

The Co-op also put money back into the community by providing loans to small stores and restaurants to purchase refrigeration equipment, small loans to members in need, loans to farmers to provide feed to their herds, loans to truckers who hauled milk for vehicles and insurance, and loans to the Co-op’s employees including mortgages to purchase homes. Loans were made to co-op stores in rural Manitoba where the Co-op had a large number of milk and cream shippers and wood suppliers (Mochoruk and Kardash, 2000). Since its inception, the Co-op secured

financing from sister organizations within the left wing community including the Worker's Benevolent Association. Over the years, the People's Cooperative was able to establish a broad range of enterprises based on cooperative principles to serve the needs of working class people, including a very effective alternative banking system.

The People's Cooperative was governed by a 12 person board of directors. The General Manager of the co-op provided management oversight to four divisions – the creamery, butter plant, lumber yard and garage. In 1991, the co-op employed 124 employees, had an annual operating budget of \$14 million, and assets valued at \$7 million. (People's Cooperative Annual Report, 1991).

Nature of CED Objectives

This section of the case study explores the extent to which the People's Cooperative engaged in what Loxley (2007) describes as “gap filling” or “transformative” CED objectives. While the Co-op operated its enterprises within the framework of the marketplace in a capitalist society, it would have to be viewed as one of the few CED initiatives in the history of Winnipeg as practicing transformative CED. The historical context in which the People's Co-op emerged was rooted in the conflict oriented ideological analysis of the Communist movement. As Morochuk and Kardash (2000) point out,

From the outset, the Workers and Farmers Cooperative Association/People's Co-op was one of a small group of far more radical cooperatives. Along with the Timmins, Ontario based Workers Cooperative of New Ontario, the International Stores of the Lakehead region and a few smaller Marxist co-ops in Toronto, Montreal, Hamilton and the mining towns in Alberta and British Columbia, The WFC/People's Co-op saw its role far more than saving its members money or even ameliorating the conditions of workers and farmers under capitalism (12).

The WFC/People's Co-op saw itself as a revolutionary movement to mobilize the working class to establish an alternative economic system. Ted Kardash (Interview, 1999), the son of Bill Kardash, the long-time General Manager of the Co-op, identifies some of the foundational elements of the alternative vision of the People's Co-op.

The Co-op was established to provide services and to provide jobs and to provide an example of how people could live – to live in a cooperative manner. Goods and services could be distributed in a way that was non-exploitive. It was supportive of everybody. It was supportive of producers, supportive of consumers and supportive of workers that were directly associated in that industry. The Co-op was also about educating people and showing them that there was a different way of organizing themselves and social structures so that social structures could be more equitable. The founders were thinking along the lines of socialism and communism and establishing the Co-op [as a vehicle] to educate people about the viability about something like that. Certain achievements over time were garnered like pensions and better working conditions. The Co-op achieved many of its goals. It provided jobs for people. It provided that example. It provided customers with rebates. It showed how things could be organized so that while the business has to make a profit, it is how you use that profit that is important.

Nick Dubas (Interview, 1999) worked at the Co-op for over 25 years. He believed that the Coop gave working people in the North End a sense of pride and confidence that had a transformative impact on the community. “I think it was a sensible venture. It proved that working people were capable of managing a business just as well as those people who supposedly were more knowledgeable”. Kosty Kostaniuk (Interview, 1998) reinforces this point about the sense of empowerment the Co-op brought to the working class community of the North End of Winnipeg. “What the Co-op did was commendable for the feeling it created for the people of the North End of Winnipeg that they through their own efforts could create an institution and make it run and make it play an important role in the life of the community”. Melody Sas (Interview, 1998), the daughter of Andrew Bileski, one of the early General Managers of the Co-op, feels the People's Co-op was “an institution in the North End, almost

a

historic landmark that provided thousands of people jobs over 50 or 60 years. We take pride that we were part of the institution”.

Nancy Kardash-Ursulak, the daughter of the long time General Manager of the Co-op, Bill Kardash, believes that these underlying transformational values that guided the Co-op were the main reason why it was able to operate successfully for such a long period of time.

Very often when left wing things generally get discussed there is almost a tone of in spite of the fact that the Communists or left wing or ethnics or whatever were involved, it managed to do this and this. My thinking is because of those things and that spirit that developed at the Co-op became what it became because of all the ingredients. And all of the ingredients were there: there was a left wing organization, there were Communists in leadership, there was a left wing Ukrainian community, it was in a business of a basic necessity commodity and not the production of some luxury item. It was situated in the North End and not somewhere else. It did happen at the time that it happened. So I don't think you can pluck out any one thing and say this accounted for this. Without this, it would have been the same way. I think it is a very interesting mix of ingredients. It did happen in Winnipeg after the 1919 General Strike. It did have a General Manager that happened to be the first elected Communist. How do you separate all those things out?

For many years the Co-op employed educational staff to promote critical consciousness about the need for an alternative economic system for which the People's Co-op strived to achieve.

Kosty Kostaniuk (Interview, 1998) explained that the Co-op embedded this commitment to education in the policies of the organization.

One of the first things outlined in the Constitution of the Co-op was there must be an education fund because it was not good enough to run a business enterprise. We needed to help people learn about the conditions in which they live and how they came about and how those conditions can be changed and improved for the betterment of the people...This whole feeling was part of the ideology here that the system needs to be changed the co-ops can play a role to help people get that sense of importance that they can make change and change for the good.

Kosty Kostaniuk's commitment to transformative change is deeply rooted in his family history. Kosty's father, Myron Kostaniuk, was imprisoned for 2 years in the Burwash Penitentiary for his

leading role in the 1932 May Day demonstration in Sudbury, a demonstration that was violently broken up by police. “The only way my father could be released from prison was if someone guaranteed that he would have employment upon his release. The People’s Co-op agreed to offer my father a job as a condition of his release from prison. He worked initially in the coal and wood yard, and later transferred to the creamery” (Kosty Kostaniuk Interview, 1998).

The People’s Cooperative is a good example of a CED initiative that sought to transform capitalism through a conflict oriented, collective CED ideology. The Co-op challenged the mainstream capitalist ideology that promoted individualism and competition with values that reflected community and cooperation. It sought to democratize capital by adopting a cooperative organizational structure that was governed by its members rather than private entrepreneurs. Cooperative education positions were developed within the enterprise to educate members and citizens about the cooperative alternative to the capitalist economic status quo.

While the Co-op held these high ideals, they realized that the only way to put these beliefs into action and mobilize people to support this alternative view of a cooperative society was to ensure that the enterprises they operated were successful and sustainable.

Mochoruk and Kardash (2000) point out,

For the Co-op to have any impact upon the consciousness of the workers and farmers it would have to be successful, and that meant that it would have to be set up and run on a solid business basis. From the outset, the intention was to run its ventures as well as, and more frugally than, any capitalist enterprise (31).

CED Ideological Analysis: Class, Market and State Theory Perspectives

The People's Co-op is an example of a CED enterprise that embraces what this ideological analysis model describes as a modification of the George and Wilding (1996) framework of a collectivist or socialist approach to CED. The Co-op's conflict orientation with the market based values of the capitalist system, its collective and solidarity orientation, and recognition of the critical role of the state in development are key attributes which would place this CED enterprise within the collectivists' range of the CED ideological model.

As Fisher (1994) argued, national and global political and economic forces shaped the operations of the People's Cooperative. During this period of time, post 1919 General Strike period, the Great Depression, the "dirty" 1930's, the war and post war era, workers and farmers were organizing cooperative alternatives in the form of wheat pools, credit unions and consumer cooperatives as a means for communities to mitigate the brutish impact of capitalism. The state was beginning to acknowledge that laissez-faire capitalism was about to implode and the birth of Keynesian economics, which promoted state intervention into the economy, was beginning to emerge. Organized labour and a more radical form of politics that challenged the status quo social and economic structures were gaining momentum. It is within this historical social, economic and cultural context that the People's Co-op emerged and influenced the development of this CED initiative.

The balance of this section of the case study will examine the People's Co-op from the ten identified elements of the modernist perspective of the CED ideological model including View of Society; View of Social Problems; Value of Freedom; Value of Equality; Value of

Community; Role of the Market; Role of the State; View of Power; View of Change; and the Nature of CED Practice.

1. View of Society

The collectivist would reflect Reasons and Perdue's (1981) conflict perspective of society. Society is seen to be made up of classes and groups whose interests are in conflict. The People's Co-op was born from the working class struggles of left wing organizations in the North End of Winnipeg. Leaders from the Communist Party, the Ukrainian Labour Temple and the Workers' Benevolent Association were instrumental in founding the Co-op for the purpose of mobilizing both farmers and workers to challenge and change the existing social and production relations of the capitalist system.

The leadership of the People's Cooperative paid a heavy price for their political views and ideological orientation. Over the years, many stores and distributors refused to do business with the Co-op because of the involvement of the leading members of the Co-op in the Communist Party. During the beginning years of World War II, the federal government issued a list of banned organizations including the Communist Party. On June 12, 1940, the management of the People's Cooperative as well as its board members were arrested and detained. As Mochoruk and Kardash (2000) mused, "between 1940 and 1942, it would have been easier to find a quorum of People's Co-op directors at the Kananaskis, Petawawa or Hull internment centres than in Winnipeg" (88). Junior staff members and a new board had to take over the operations of the cooperative.

Eddie Bodnar (Interview, 1998) recalls that during the Cold War era the issue of the Co-op's left wing view of society was often brought up. "Some S.O.B. somewhere would say the Co-op, that's Communist. It would detract, deter and discourage a lot of the people that worked there. I fought a lot of battles outside the Co-op". Bodnar (1998) further recalled that particularly in the early days the Co-op attracted a wide range of people from the left to work at the Co-op. "There were Jewish guys, Ukrainian guys, Polish guys, and Russian guys – all lefties and everything was good. Then these guys retired and the picture changed. Then even the guys working [at the Co-op] would say you bloody Communist to me, sometimes just joking. It was a different attitude all together".

Steve Antoniuk (Interview, 1998) remembers when he was delivering milk and people started red baiting "I would say, there is no red cows, they all got white milk". Arthur Gunn (Interview, 1999), whose family has operated Gunn's Bakery at the same location on Selkirk Ave. since 1937 found that "a lot of people did not buy the Co-op products because of its political leanings. But after a while people got over that and just wanted to buy good products. As long as the product and service was good, they had no problem with it. In the early days, people were scared of them. But eventually they just thought of the dairy as a place to buy products".

The Co-op did not pressure non-Communist employees to join the party. Murphy Dola (Interview, 1998) worked at the Co-op as a milk delivery driver for 31 years. "When I was canvassing for new customers, people would sometimes say that the Co-op was run by Communists and they would not buy their milk from Communists. That was a factor out there hanging over our heads. I worked there for years and they never asked me to the join the Party.

I was not a Communist”. Dola (1998) also recalls that “every time you went to the States and you said you worked for the Co-op they would ask you questions and so it was always risky getting across the border”. John Wityshyn (Interview, 1998) would experience red baiting in Minnedosa where he managed the creamery plant.

You would hear about the red baiting. We were Catholic and we belonged to our local church. People knew about it. I don’t think it was held at all after awhile. From the first this is what you heard. But later it was not mentioned. From first it was. That was the only reason why our sales were poor at the beginning. Even the local co-op did not buy from us. We knew people like Bill Kardash belonged to the organization [Communist Party] and we weren’t. We were just the opposites because we were Catholics. But they never, they would come and ask about church, they asked us how we would carry on. They didn’t interfere with your religion or anything. As long as you did your job they seemed happy.

2. View of Social Problems

Social problems are viewed by collectivists as being rooted in oppressive and exploitive social and economic structures of society. The changes required involve a major re-structuring of the social and production relations of the existing capitalist system. The People’s Co-op understood the structural dimensions of the social and economic oppression of the working class. John Sas (Interview, 1998) recalled how this analysis was constantly provided to the employees of the Co-op by the senior managers of the Co-op.

By taking the side of the small guy, it was drummed into our heads about the importance of taking on the big corporations like Modern Dairies. I think it was basically because Andrew [Bileski, General Manager] and Bill [Kardash, who succeeded Bileski] who kept saying let’s help the small guy out, let’s help the consumers and producers, and that was the mindset. That’s what got us through the Cold War and it also kept us as the institution and the workers felt that too. If you didn’t have Bill Kardash standing up at the annual Co-op Christmas banquet which was held at the hall [Labour Temple] telling us for 20 minutes what was happening in Europe, what was happening in the Soviet Union, and what was happening with those Americans and all that – if you didn’t have that you didn’t feel that you were at a Christmas banquet. Little by little it stuck. Neither Bill or Andrew were educated guys. They weren’t PhDs. They were just the school of hard knocks. That was a big thing.

3. Value of Freedom

Collectivists believe in the reduction of inequality and greater self-determination. Economic freedom means that workers have a voice in the conditions of their workplace in the form of workers' participation and workers' control in industry. The People's Co-op was a union shop and management recognized the important role that the workers' union had in the operation of the company as well as how to improve working conditions. "The People's Cooperative did not function as the typical union shop. As member employees of the Co-op, the majority of them believed that support for the cooperative was the same thing as support for themselves" (Mochoruk and Kardash, 2000: 87).

The identification of the People's Co-op with the Communist Party had many consequences for the co-operative, including the union representing the workers. In 1940, after being expelled from the Teamsters union, the workers formed their own union independent from the mainstream labour movement. They called their union the Creamery Workers' Union, Local 1. "Although this union had no backing from any national or international office, it succeeded in negotiating contracts with the Co-op's Board of Directors which guaranteed them essentially the same wages and benefits as other workers in the industry" (Mochoruk and Kardash, 2000: 120).

The workers had an ongoing interest in re-joining the mainstream labour movement. In 1947, the Co-op's workers affiliated with the Food, Tobacco and Agricultural and Allied Workers' Union of America. However, by 1949 at the onset of the Cold War Era, they were cut-off once

again from their union because of anti-communist purges within the labour movement at the time. In 1954 the workers appealed this decision, the Canadian Labour Congress rejected their plea because of the Co-op's political affiliations. The workers at the Co-op were very loyal to the cooperative. They turned away from the broader union movement and re-established their own independent union, the Creamery Workers Union, Local 1, which represented them until the demise of the Co-op in 1992.

The People's Cooperative would often provide wage increases to their workers when many other unionized dairies were receiving no wage increases. Sharing prosperity with its shareholders and workers was a core value of the Co-op. In 1957, after many lean years, the Board of Directors was able to introduce a pension plan for its workers – a goal that it had been working towards for many years. “It immediately made company contributions far greater than the amounts specified in the union contract. The Board adopted a policy of making additional payments, many times those specified in the agreement, for every year that it was in a surplus position” (Mochoruk and Kardash, 2000: 136).

The pension plan and benefits packages negotiated by the Board of Directors of the Co-op with its unionized workers was another good example of how the Co-op put its ideological commitment to the working class into action. According to Mochoruk and Kardash (2000),

It became a source of pride to the Co-op that its pension plan was soon recognized by the insurance industry and other dairies as one of the finest and best financed plans of its kind in Winnipeg. When added to improved medical benefits and substantial wage increases, the work force's prosperity was moving in lock-step with the Co-op's prosperity – a situation the founders would have found extremely gratifying (136).

Phil Gersuny (Interview, 1999) worked at the Co-op as a milk delivery driver and was chairperson of the union's grievance committee. "It was easy to get along with management. They were quite responsive". Tim Kostaniuk (Interview, 1999) felt that "there was a good relationship between management and the union. In my history at the Co-op there was never a strike. There was a mutual respect between management and the union". Kostaniuk (1999) further adds, "Wages, benefits and working conditions were excellent. The Co-op put on a Christmas party each year for the employees and their spouses. The union put on a Christmas party each year for the children of the employees of the Co-op".

Murphy Dola (Interview, 1998) worked as a milk delivery driver for 31 years at the Co-op and was very active in the creamery workers' union. Dola would consistently make more with his milk deliveries and commissions than the managers at the Co-op. "In 1989 I made \$45,000 and the manager made \$35,000". Dola (1998) also felt that "we always had good relations with management. They never took anything away from us. They always added whatever they could. Because we worked for the Co-op we were loyal to them and we never asked anymore than what we thought the company had. The books were always open to us". Harry Stefaniuk (Interview, 1998) maintained,

Despite the Co-op being in a constant struggle with the big dairies, the wages at the Coop were always higher than the big dairies. Some of the unions at the big dairies would wait until the Co-op agreement was signed before they would begin their bargaining. There was no dairy in Winnipeg that had such a high structure on holidays. We had some people that had 8 weeks holidays.

Kosty Kostaniuk (Interview, 1998) talked about how the Co-op would distribute unexpected surpluses to the workers. "It was the consistent policy of the board that the surplus would be shared. This was never a question at the board level. If the Co-op did well, those who helped in

contributing to the success shared in the success of the Co-op – additional contributions would be made to the workers pension fund”. Dola (1998) recalled that “the union established a mutual aid sick fund that was administered by the union and partly funded by the Co-op. Employees got up to six weeks of paid sick leave”.

Dola (1998) compares the benefits he received from the Co-op as compared to the benefits that were being paid to the workers at the big dairies. “When a friend of mine left Beatrice dairies after being there for over 40 years, he was given a pension plan of \$22,000. I worked a little bit less at the Co-op and when I left they gave me a pension plan of \$100,000. So you can see that they looked after me. And I have to thank them because I would not have been able to do that on my own”. Dola (1998) adds, “the employees were number one. When you worked for the Co-op you were loyal. It wasn’t even loyalty, it was closer than that – it was a family. It never leaves you. It leaves an indelible mark on you. I will remember the Co-op for the rest of my life”.

4. Value of Equality

Collectivists are committed to equality of outcomes not simply the notion of equal opportunity. Reduction of inequalities create greater feelings of social inclusion. Individuals have the opportunity to achieve their full potential in a more equal society.

The Co-op had a practice of mentoring their workers in order that they could achieve their potential. Harry Stefaniuk (Interview, 1998) talked about how the leadership of the Co-op encouraged and supported him to acquire the skills he needed in order that he could become the accountant at the Co-op. “Kardash and Kostaniuk asked me to become the accountant. I had to

go to school for 3 years when I was 43 years old. Kosty showed me the procedures, he was very patient. The Co-op had a tradition of training their own people”.

John Sas (Interview, 1998) shared the story of how the Co-op supported people with disabilities to achieve their full potential in the workplace. “Eddie Bodnar was losing his sight as a young man. He was a bottle washer. He could pick bottles that had something in it. Then he couldn’t do that anymore because his eyesight was going so they got him a job in the basement. They found work for him. He worked there a long time”.

5. Value of Community

Collectivists place a high value on fellowship, fraternity and solidarity. They believe in cooperation rather than competition, on the good of the community rather than the wants of the individual, and on altruism rather than selfishness.

David Mackling, who was a member of the Board of Directors for 15 years between 1976 and 1991, reinforced this strength of the People’s Co-op in terms of its commitment to the local community. The Co-op had “great contact with the local community, particularly the residents of the north end” (Personal Interview with David Mackling, 2008). Mackling illustrated this loyalty in the classic story that was re-told about the concern local residents would have if the local corner stores would refuse to sell People’s Co-op products because of the Co-op’s progressive political allegiances. Along with organizing local boycotts of the local stores as a pressure tactic, “individual shoppers would go into the store order a large food order and then ask the store owner to include Co-op products in their large order. When the store owner informed the customer that the store did not stock Co-op products, the customer would then say

to the store owner that they would not be interested in completing their large food order until the store agreed to stock Co-op products. To the great disappointment of the store owner, the customer would leave the store without making any food purchases while definitely making a point to the storeowner regarding their business practices” (Personal Interview with David Mackling, 2008).

The Co-op had a strong sense of community and solidarity when it came to hiring practices. Roland Penner (Interview, 1999) said “the Co-op's practice was to hire our folks – we all knew most of the people from the Labour Temple and left wing organizations. It was a resource if you had to get someone employed. If you had a transfer come in from another branch of the left wing movement they could get a job. It was a left wing family”. Nancy Kardash-Ursulak (2000) recalled that “people would be hired who were associated with left wing organizations. We just didn't think of doing it any other way. We were all part of this community. It was not all just Ukrainian left organizations, it was ethnic as well as working class”.

According to John Sas (Interview, 1998), “a large number of people from the Jewish community worked at the Co-op. They needed to find work. Many were from the United Jewish Peoples Order and the Russian Canadian Federation or the Polish organization. The middle management were not the hall [Labour Temple] people. They were sympathetic to the hall but they didn't come from the Labour Temple”. Sas (1998) estimated that by the late 1950s and 1960s, “the hall types were maybe one-third and the non-hall types were two thirds. So it was hard to say that this red organization is all filled with a bunch of Commies and that is all you got down there”.

Kardash-Ursulak (Interview, 2000) points out that the Co-op's hiring practices was a two-edged sword. "People would grumble, why doesn't the Co-op run like a business, it's so inefficient. On the other hand, you would hear people grumble that my friend or son used to always get a job here and now they run it like a business".

Ted Kardash (Interview, 1999) said that "kids from the progressive Ukrainian community always got summer jobs at the Co-op. I drove an ice cream truck and got paid the same as the regular drivers. The Co-op paid \$66 a week, I previously worked at the Ashdown warehouse and only got paid \$32 a week". Eddie Bodnar (Interview, 1998) recalls that "the Co-op would also hire the kids of the storekeepers during the summer time". Dr. Milton Tenebein was in charge of the emergency department at the Children's Hospital in Winnipeg for over two decades. He remembers being one of those kids of a storekeeper that got hired on by the Co-op to work over the summer months. "It was a great job and I made good money. I got paid a wage and a commission. This job was very important to me because it allowed me to pay for my education".

The Co-op worked in solidarity with other labour and social justice initiatives across the country. Sas (Interview, 1998) maintained "the Co-op was always willing to help out. When B.C. fishermen were on strike we bought three trailer loads of salmon and sold them door to door with our home delivery drivers or put up a stand in front of our garage. The Co-op was always doing things like that".

The intentional effort to build consciousness about the importance of community and solidarity was deeply embedded in the Co-op. Kardash-Ursulak (Interview, 2000) argues

What made it a different kind of co-op was an awareness that I would say was way ahead of its time about human relations that you were hoping to foster, the gains or the profits in human terms. It is very difficult to separate the business operations of the People's Cooperative from the people operations, the educational operations, and what they were trying to foster in terms of how human beings can deal with one another. They did it in an unsophisticated way. They did not have the communication skills but in their hearts they knew what they wanted to do. When they heard someone was on relief even though they could not take on one more person they would say, well let's give him a week's work in the fuel yard.

These simple acts represented a strong expression of the Co-ops commitment to fellowship, fraternity, solidarity and community.

6. Role of the Market

Collectivists believe that the market is unethical, unjust, undemocratic and inefficient. They advocate to strong state regulation of the market in order to promote more equitable distribution of income and opportunities.

The Co-op's long standing campaign in support of milk subsidies by both the provincial and federal government reflected a belief in the positive role of the state to modify the injustices of the private market. The Co-op strongly believed that "only through subsidies could the dual goals of livable prices for milk producers and low prices for consumers be guaranteed" (Mochoruk and Kardash, 2000: 73).

In 1946, after the war was over the federal government decided to remove the federal subsidies for milk. Milk prices increased by 70% over a 20 month period. The People's Cooperative was the only dairy in Winnipeg that took part in a campaign to fight the removal of the milk subsidies. The Co-op saw the issue of milk subsidies as an issue of social justice as they

believed that it would be especially the poorest families that would have to cut back on their milk consumption. “The Co-op became a vociferous supporter of all controls and subsidies that benefited working-class Canadians” (Mochoruk and Kardash, 2000: 101).

Harry Stefaniuk (Interview, 1998) talked about the role the Co-op played in promoting regulation of milk prices to mitigate the negative impact of free market forces.

When milk prices would go up we got behind the public 100%. We didn't want the prices to skyrocket so some families could not afford milk. They couldn't buy it because it was pretty difficult so they would have to buy less. So always when there was something in the air that there was going to be a price increase we would present a brief to the milk board stating our opposition to it. That was also a plus for us, especially the home delivery people knew that the Co-op was the only one [dairy] that were interested in the well being of the people whether they could afford milk or not.

“We kept the milk prices down. The other companies wanted to raise, raise, raise the prices. But we were protecting ordinary people. That was one of the things the other dairies did not like” recalls Eloise Popiel (Interview, 1998).

John Sas (Interview, 1998) reinforces the importance the Co-op played in advocating for regulation of the dairy industry to protect both the working class consumers and the farmers who produced the product.

The Co-op kept the price of milk cheap in the city because all the other dairies knew that you damn well better not raise the prices because the Co-op won't go along with it. That's when the Co-op would fight the removal of price controls. The Co-op would make presentations to say that the workers and working people cannot afford it. The government should give more support to the farmers. So they fought it on both ends. Keep it as inexpensive as possible for the working class and give the farmers more subsidies so they can get more for their product. You had Andrew Bileski and Bill Kardash [managers of the Co-op]. These were top notch politicians. They knew how to work a crowd.

This type of public advocacy built strong allies for the Co-op in the community. Sas (1998) points out “by us trying to get a fair price for the people and trying to help the store keepers, it

gave us a good name”. The social justice role that the Co-op played proved to be an excellent form of marketing. Murphy Dola (Interview, 1998) worked as a milk delivery driver recalls “there was a great deal of loyalty in working class neighbourhoods of Winnipeg for the milk delivery service”.

The Co-op did engage with marketplace forces to attract customers to their enterprise through a commitment to excellence in the products it supplied. A key strength of the People’s Co-op was the quality of its products. Especially during the early years when there were a large number of local dairies in operation in Winnipeg, the Co-op’s award winning cream cheese and butter were distinguishing factors which contributed to the success of the Co-op (Personal Interview with John Sas, 2008).

David Mackling (2008) indicated besides the pride in producing good products and the impact that this had in distinguishing the People’s Co-op from other competitors, another motivation for the high standard of products had to do with the higher bar that the Co-op needed to set as a consequence of its progressive political allegiances. “The establishment forces were eager to have inspectors ready to pounce on quality standards regarding Co-op products, this is another motivating reason for the Co-op to set high product standards” (Personal Interview with David Mackling, 2008).

7. Role of the State

The collectivists believe that the state should play a key role of re-distributing benefits and resources within the society. The role of the state is to address the injustices of the private

market. The state has a positive role to play in society. The rationality of planning guides the society not the laissez-faire “invisible hand” of the marketplace. Only the state has the power and resources to address social and economic inequality in society.

The Co-op’s belief in the role of the state to regulate the market goes back to the 1930’s when the Co-op advocated for what would be the equivalent to the nationalization of the milk industry in Winnipeg – they proposed that a municipally run milk plant be established to protect consumer interests from the privately owned dairies. The Co-op was constantly battling the influence of the multi-national corporate forces that were to ultimately take control of the dairy industry by providing a local cooperative alternative for consumers.

Throughout the history of the Co-op, its ongoing viability was influenced by the extent of intervention in the marketplace with milk subsidies and price controls. The home delivery of milk was the main way milk was distributed in the 1920’s and 1930’s because people could not afford refrigerators. The typical household had to purchase many of their food goods on a daily basis in order that these products would not spoil. In 1929, the U. S. based chain store, Piggly Wiggly, purchased their own dairy and began selling milk through their grocery stores. Piggly Wiggly initiated a price war in order to force some of the smaller dairies out of business. It was during this period of time that the People’s Cooperative decided to establish a dairy in order to challenge these multi-national predatory practices.

The Co-op’s ability to take on the multi-national chain stores was greatly assisted by the decision of the provincial government in 1932 to put the milk industry under the auspices of the

Municipal and Public Utility Board in order to stabilize the milk industry during the crisis of the early years of the Great Depression. Mochoruk and Kardash (2000) identified that the province decided to intervene in this precarious situation because

Government officials worried that the price war initiated by the chain stores would create a “milk famine” in Winnipeg by driving the existing creameries out of business. In this worst-case scenario, the city would be left without an adequate milk supply or distribution system, thousands of workers would be unemployed and Manitoba’s milk producers would join the West’s grain farmers as the newest victims of the Depression (45).

During the hearings held by the Public Utility Board, the People’s Cooperative emerged as champions of poor farmers and the working class. The Co-op did not like the final terms of the agreement made by the Public Utility Board. It felt that the price set by the Public Utilities Board for the consumers was too high and the price paid to the producers was too low. Despite these concerns, the Co-op was glad to see the price war come to an end.

Later in the decade in 1939, Modern Dairies and other non-unionized dairies, initiated a milk price war which once again put a great deal of pressure on the viability of the People’s Co-op dairy. This time, the provincial government’s Milk Control Board ruled that it would support the lower price for milk initiated by Modern Dairies in view of the break out of World War II and did not want to impose undue hardships on milk consumers. This ruling caused the Co-op to lose a significant amount of revenue.

Fortunately, by the end of 1939, the Milk Control Board decided to once again to allow dairies to raise the price of milk in order that they could better recoup their production costs.

During the war years, government mandated rationing meant that everyone had to do more with less. The Co-op was able to benefit from war time regulations through the federal government's decision to establish milk subsidies in order to ensure that this food source would be available to children and families despite the rationing of other basic goods. This two part subsidy program provided one subsidy to producers and a second subsidy for consumers.

The federal milk subsidy served to greatly expand the revenues for the dairy industry, including the People's Cooperative dairy. "It was estimated that by keeping milk prices low with subsidies, per capita consumption of milk increased by 50 percent between 1942 and 1946" (Mochoruk and Kardash, 2000: 95).

Like all of the dairies, the Co-op greatly benefited from the federal milk subsidies.

"By 1945-1946, the Co-op was selling twice as much milk as it had in 1939 and it had almost ten thousand delivery customers. This was an impressive record for a dairy that had started out with only seven hundred customers fourteen years earlier" Mochoruk and Kardash, 2000:96).

This interplay between the growing multi-national corporate influence in the dairy industry and the role of the state to intervene with the market forces of the dairy sector through price controls and subsidies continued to be played out over the next number of decades. These dynamics greatly influenced the financial viability of the dairy operations of the People's Cooperative.

During the 1950's there was a decline in the home delivery of milk with the advent of refrigerators that more and more households were able to afford. Home delivery of milk and

serving independent stores was the backbone of the Co-op's market. More people began buying milk at the grocery stores and opting out of home delivery. There was a significant growth in chain stores other than Piggly Wiggly and Safeway – Shop Easy, Loblaws, A&P and Dominion. There was at the same time, a commensurate decline in the number of independent stores. Some of the big chain stores had their own dairies while the others refused to purchase milk from Co-op dairies as the economies of scale favoured larger not smaller dairies.

In the mid-1950's, there was a significant move by the larger dairies to buy out the smaller dairies. This culminated in 1956 with one of the larger players, Modern Dairies, buying out its largest and oldest rival – Crescent Dairies. The dairy industry was becoming monopolized by the three largest dairies in Winnipeg – Modern, Safeway's Lucerne Dairy and City Dairy. The signs were clear that it was becoming increasingly difficult for the Co-op to survive within this type of market environment.

In the 1960's, the growth of convenience stores such as Mini-Mart and Seven/Eleven operated by multi-national corporations further compounded the viability challenges of the Co-op dairy. These convenience stores would sell milk as a loss leader driving down the cost of milk to a level which made it difficult for the Co-op dairy to compete. The recession of the early 1970's along with high rates of inflation created further pressure on the milk industry. The federal government, once again, introduced milk subsidies to stem the impact of inflation and no price increases were allowed during the life of the subsidy program. This proved to be the fatal flaw in the milk subsidy program.

All increases in the labour and delivery costs would have to be absorbed by the dairies and increases in the milk producer's costs would have to borne by the farmers. In a

period of profound inflation such as the early 1970's, it was inevitable that these costs would rise dramatically, setting the stage for the disaster in the milk industry...When the federal government announced that it was not going to extend the subsidy past September 30, 1974, it was obvious that milk prices would skyrocket to cover both the value of the subsidy and the increased costs of milk production (Mochoruk and Kardash, 2000: 152).

Given this crisis faced by the milk industry, the provincial Milk Control Board approved the price increases in the summer of 1974. Milk consumption dropped off significantly. The Co-op's dairy division showed a sizable deficit in 1976. By the closing of the seventies, the Co-op dairy branch was in big trouble due to "high rates of inflation, a diminishing base of corner stores to sell its products (approximately 50 percent of these stores went out of business between the 1960's and 1976) and a frightening fall in home delivery customers (in 1978 it was estimated that the Co-op's home delivery reached only twelve thousand households, a decrease of eight thousand since 1970)" (Mochoruk and Kardash, 2000: 153).

Once again, the chain stores, which were now starting to build what would become the development big box stores, engaged in a vicious price war in which the dairy products became one of the main loss-leaders. Once again, the state would also play an influential role within the dairy industry given the changes in the marketplace. In 1980, Manitoba's Conservative government brought in legislation that in effect de-regulated the milk industry – the market place would determine the price of milk and there would no longer be government price controls.

The deregulation of the milk industry, coupled with the economic recession of the early 1980's which saw high levels of inflation, unemployment and bankruptcies, placed huge pressure on the Co-op's sustainability. The chain stores were now able to intensify the use of milk prices as a loss leader to expand their market share in the grocery sector.

This strategy threatened to destroy any company whose sole or primary business was the dairy trade – unless it had huge volume sales, an exclusive contract with a major chain, or

the money to survive prolonged losses. As the Co-op had none of these, it was unlikely to survive a lengthy milk price war (Mochoruk and Kardash, 2000: 154).

As always, the Co-op refused to give up even against the huge structural forces that it continually had to face in order to survive. Strategies were developed to increase volume based rebates to customers, expand home delivery to new suburban developments, and include a line of frozen foods for home delivery. These strategies were brave but proved to be insufficient.

In 1982, for the first time in thirty years, the Co-op was unable to pay patronage dividends to its members. Labour costs were cut by 20%, a four day work week was instituted supplemented with unemployment assistance payments, delivery routes were consolidated and other operational costs savings were implemented. To compound pressure on the People's Cooperative at this period of time, the building supplies, lumber and garage branches were also experiencing revenue losses due to economic downturn of the early 1980's.

In 1984, the NDP government of Howard Pawley re-introduced milk price control legislation because of the belief that some price collusion was taking place among the big multi-national dairies. The new legislation helped Manitoba dairies like the Co-op, Manco and Lakeland stay in business. "For the Co-op the turnaround was almost miraculous. Creamery sales picked up, rebate levels fell and there was some hope that the creamery would go back to the five-day week" (Mochoruk and Kardash, 2000: 157). At the same time, the recession of the early 1980's was lifting, and business volumes in the lumber and garage branches of the Co-op were increasing. "For the financial year 1985, the Co-op's operations generated a surplus of almost a

half-a-million dollars” (Mochoruk and Kardash, 2000: 158). Once again, state intervention played a key role in supporting the viability of the People’s Cooperative.

During the mid 1980’s, the Co-op was once again able to thrive. A new generation of management was hired to provide leadership for the co-operative. Leadership continuity was maintained through the presence of the founding generation of co-op management on the board of directors of the enterprise. The economy was much healthier and government control over the milk industry once again gave the smaller dairies the support they needed to stay in business. The Co-op was able to make significant investments in new equipment in the creamery and upgrade their delivery vehicle fleet.

The Co-op’s gains in volume sales surpassed the dairy industry average in 1984 and 1985, and rose again in 1986. The financial report showed sales increases of 6 to 10 percent in every branch over the previous banner year, while fall campaigns were bringing in over one thousand new customers at a time – particularly important given that by the mid-1980’s the Co-op was once again selling over half of its creamery products via home delivery. Once again the Co-op’s prosperity was shared not only with its shareholders and patrons, but also with its workers who received a bonus equal to 5 percent of their annual wages (Mochoruk and Kardash, 2000: 159).

This positive era for the Co-op was unfortunately short lived. In 1988, the provincial Conservatives defeated the NDP government. The Conservative appointed representatives to the Milk Prices Review Commission decided to once again make significant changes to de-regulate the milk industry. The big chain stores once again would use milk as a loss-leader. This price war regarding milk occurred at the same that there was a downturn in the economy. The same set of factors which had been one of the most significant challenges that faced the Co-op repeatedly over the years was again in play. “Although no one knew it at the time, there would

be no reprieve for the People's Co-op this time around. The roller coaster ride was coming to an end" (Mochoruk and Kardash, 2000: 161).

Within months of the Conservative government's decision to de-regulate the milk industry the People's Co-op was the only Manitoba-owned dairy plant in Winnipeg. Even the remaining larger Manitoba-owned dairies such as Manco and Silverwoods could no longer survive in marketplace without some form of government regulation of the industry. The writing was on the wall for the proud north end dairy. "If Manco and Silverwoods could no longer compete in the Winnipeg market, the much smaller People's Cooperative had little chance...by August of 1991 milk prices in Winnipeg were lower than since 1984-85. No small dairy could compete" (Mochoruk and Kardash, 2000: 162, 164).

The Co-op's managers desperately tried to keep the cooperative in business. Various strategies were attempted including selling off the lumber yard to get an influx of capital into the co-op, converting retail driver/salespeople into independent contractors (a practice in the dairy industry that the Co-op had staunchly opposed on principle for years), wage cuts, staff reductions, early retirements, eliminating delivery routes, negotiating contracts with a big chain store for its cream cheese specialty product and expanding revenues within the garage branch of the cooperative enterprise.

All of these strategies were not able to turn the business around. In 1991, the Co-op had a record deficit of \$702,000 after experiencing deficits of over a half-million dollars for the previous two

years. By 1992, the majority of the board members of the Co-op believed that it had to sell its remaining assets to protect shareholders and depositors.

This was an obligation the Board took seriously. [They] had spent most of their lives in or around the Co-op and knew that for a majority of shareholders and depositors, the money they had in the Co-op was literally their life savings; money that these senior citizens could ill afford to lose. By the summer of 1992 it was clear to the Board that the Co-op would have to be sold to protect those people (Mochoruk and Kardash, 2000: 165).

8. View of Power

The collectivists view power from a structural perspective. Society is seen as hierarchical with the owners of the means of production exercising all the power and control. These social and production relations that form the basis of the capitalist structure of society foster dominance and oppression. Challenging and dismantling these power relations is fundamental in order to build a more just and equitable society.

The winding down of the People's Co-op was done in a manner that reflected one of the key strengths of the Co-op during its existence – its principled ideological conviction which supported the struggle of the working class to develop and implement an alternative vision that challenged the destructive impact of the capitalist system. In early 1991, the employees of the Co-op organized a workers' co-op called the Dufferin Employment Cooperative Limited and developed a business plan to purchase the Co-op's assets and run the dairy, the garage and the Minnedosa processing plant for \$1 million. At the same time, one of the remaining large multi-national dairies, Beatrice Dairies, made an offer of \$3 million to purchase the People's Co-op dairy (Kosty Kostaniuk Interview, 1998).

On October 20, 1992, the Board of Directors of the People's Co-op called a special membership meeting to decide the fate of this historic north end institution.

After much soul searching, the Board of Directors decided to recommend to the assembled shareholders the sale of all the Co-op's assets to its employees [that organized the Dufferin Employment Cooperative Limited].

This was not an easy meeting to preside over or to attend, for it was pervaded by a sense of sadness and profound loss. It was conducted in the Ukrainian Labour Temple, the very same hall where the Co-op was formed and a sense of history haunted those in attendance. While the crowd was small – only seventy-two people cast votes that day – many had dedicated large parts of their lives to the Co-op. Yet, there was almost a sense of joy as well, for at the end of the day – and despite a last minute offer from Beatrice of \$3 million – the shareholders overwhelmingly voted to sell the Co-op to the workers for \$1 million. This final act of altruism, of “doing the right thing”, was perhaps the only way that the People's Co-op ever could have lived up to its own goals, and, in the final analysis, it did just that. It had secured enough from the Dufferin Employment Cooperative Limited to ensure that, along with the Co-op's existing resources, every depositor and every shareholder would be well provided for. But it also stood up to corporate capitalism one last time and proven that not everything – especially not the cooperative ideal – was subject to market forces. It was, in short, a magnificent and fitting end for “the little red dairy on the prairie” (Mochoruk and Kardash, 2000:167).

Unfortunately, this story was not to have a happy ending. Within two years of the sale to the Dufferin Employment Cooperative Limited, the worker cooperative was taken over by a British Columbia based corporation, Dairyland. “Two years later Dairyland decided it could meet its local demand from its other Winnipeg plant, and the old Co-op dairy building on Dufferin Ave. fell before the wrecking ball” (Mochoruk and Kardash, 2000:167).

Ted Kardash (Interview, 1999) recalled how his father, Bill Kardash, and Kosty Kostaniuk worked full-time distributing the remaining shares after the wind down of the Co-op. “They would put ads in the paper. They found people all over Canada and the United States and really went to a lot of effort to make sure people received what they were due from the shares in the Co-op. People were very grateful. I could see the joy it brought my dad. He could deliver fairly

large sums of money to people – the children and grandchildren of the shareholders”. Nancy Kardash-Ursaluk (2000) also recalls that the distribution of the remaining shares to the shareholders “was a very slow process. But they [Bill Kardash and Kosty Kostaniuk] took great pride in this”.

The People’s Cooperative and its heir, the Dufferin Employment Cooperative Limited, were ultimately the victims of a rationalization and consolidation movement within the dairy industry in Canada that has happened over the past four decades and accelerated significantly since 1990. The structural inequalities of the social and production relations of the capitalist system were forces that the Co-op ultimately could not overcome this last time. According to the Canadian Dairy Processing Industry Profile (2006), “In 1965, there were 1,413 plants in Canada...as of August, 2005, the number of process plants in Canada was 463. Of these, 295 are registered to sell their products outside their respective provinces. The majority of these processing facilities are located in Quebec and Ontario” (28).

Industry ownership became highly concentrated. “Today, 15% of the plants are owned by 3 leading processors (Parmalat, Saputo, Agropur) who process 71% of the milk produced in Canada” (The Canadian Dairy Industry Profile, 2006: 30). The large British Columbia company that took over the Dufferin Employment Cooperative Limited in 1994, Dairyworld, was bought out by Saputo in 2001.

Several factors are cited for the rationalization and consolidation trend in the dairy processing industry in Canada. These include the specialization of dairy farms and reduction of transportation costs; provincial and national government policies; economies of scale; changes in the retail sector which prefer dealing with one big supplier to serve their entire chain coast to coast, as opposed to dealing with a number of smaller regional suppliers; and market globalization (Canadian Dairy Processing Industry Profile, 2006). These were national and global trends that small independent dairies such as the People's Cooperative could simply not overcome.

9. View of Change

The necessity to challenge the status quo to redistribute power and resources is a key perspective of the collectivists regarding their view of change. Evolutionary change takes place through the election of an organized workers' political party, an active involvement in trade unionism and the formation of worker, consumer and producer cooperatives.

The People's Cooperative, particularly the leadership of the Co-op, was committed to make social change by being actively involved in electoral politics. William Kolisnyk was the Co-op's first general manager was elected aldermen to the Winnipeg City Council in 1926 and served to 1930. "He had the distinction of being the first Communist to hold public office in North America" (Mochoruk and Kardash, 2000:9). Jacob Penner, the Co-op's first bookkeeper, participated in the founding of the Communist Party of Canada, went on to get elected to City Council in 1933 and was the longest serving aldermen on City Council until 1960. Andrew Bileski was the second general manager of the Co-op. While he was managing the Co-op, he

was elected as a member of the Communist Party to the Winnipeg School Division Board of Trustees from 1933 to 1940, and was elected again from 1961 to 1965. Bill Kardash was elected leader of the Communist Party of Manitoba in 1943. The Communist Party was banned in 1943 so the name was changed to the Labour Progressive Party. Kardash was elected to the Manitoba Legislative Assembly from 1941 until 1958 representing the working class in his north end constituency. He was named the general manager of the Co-op in 1948 and played the dual role as manager and MLA for the north end for a decade. (Wikipedia, 2010). The People's Cooperative, therefore, had a deep tradition of their leaders actively involved in politics working to challenge the status quo while managing the Co-op.

Besides the leadership of the Co-op being active in electoral politics, the Co-op as an organization regularly spoke out on social and political issues of the day and became a part of the organizational culture and identity of the Co-op. Kardash-Ursaluk (Interview, 2000) recalled that

The Co-op put out many statements about the various conditions in society. When you examine the position that the Co-op took they would tie in milk and a family's ability to cover all its expenses with the government's latest budget that came down on the spending on armaments – they would tie all that stuff together. They showed a genuine concern for people's lives. I don't think you can work at a business that does that kind of thing without affecting the ethos of the organization, not that women have to talk about it in the lunch room or the drivers talking about it, but it was just there. People come to work and apply for a job there knowing that's there. So I think all of those things contributed to that spirit at the Co-op.

10. Nature of CED Practice

A collectivist approach to CED practice would involve building alternative forms of social organization to capitalism, community and political organizing to challenge structural inequality,

and an emphasis on the critical role of the state regarding support for CED initiatives and regarding issues of social and economic justice.

The People's Cooperative embraced the cooperative philosophy and established a broad range of cooperative enterprises including a fuel yard, dairy, grocery store, lumber yard, housing, and a garage. The Co-op also played an active role in advocating for the state to play an activist role in the dairy industry with some early recommendations to nationalize the dairy industry by establishing a municipal dairy.

It was also out of necessity that the Co-op became very successful in developing alternative financing mechanisms to self-finance its operations and ultimately became an alternative bank for its members. The People's Cooperative demonstrated great strength in its ability to raise capital internally from its members and from affiliated organizations within the left wing political community. The Co-op was launched in 1928 through the sale of \$10 investment shares. Within a year 400 shares were sold and \$4,000 in shareholder capital was raised – an astonishing amount of money from individuals with modest means in the era of the late 1920's. The first enterprise that was established was the fuel yard. After its first year of operations ended in 1929, the Co-op generated a surplus and paid a 5% dividend to share capital; 3% patronage dividend; and 10% of the surplus was allocated to an education fund (Mochoruk and Kardash, 2000). Throughout its 60 year existence, the Co-op was able to maintain its commitment to redistribute surplus funds to its members and individual investors.

The People's Cooperative ideological convictions and relationship to the Communist party made it often difficult to secure financing from traditional institutions such as banks. This was particularly evident during the early days of the Co-op's history, including the early war years and "red scare" era during the 1950's. The Co-op's decision to purchase the facility on McGregor St. and Dufferin Ave. which would house its expansion into setting up a dairy operation in 1931 provides a good illustration of the self-financing capacity of the Co-op.

Financing this project was no easy matter. Even though the Co-op had demonstrated its credit worthiness over three years of operation, a left wing cooperative was not likely to qualify for a large bank loan. More to the point, this was not the way the Co-op did things. As much as possible, the money was to come from within the family of left wing organizations and the membership.

Appeals for loans and new share capital were made in the *Ukrainian Labour News*, the various journals published out of the Labour Temple and at the August General Membership Meeting. Shares were reduced in price from \$10 to \$2 to allow poorer workers to become members of the Cooperative. Time after time it was explained how such share purchases, and especially loans made to the Co-op, were the best way for the members to utilize their savings, as banks would only give them 3 percent on their deposits while the Co-op paid 5 percent interest. Such interest bearing loans would allow the Co-op to pay cash for more of its upfront costs, and even after paying interest to its member-lenders, it would be saving 2 percent to 3 percent over typical interest rates.

These share and loan campaigns, plus loans from the Workers Benevolent Association and the liberal use of a bank overdraft were the primary methods of financing the move into the milk business. By the close of 1931 there was \$47,376 on loan to the Co-op. \$18,840 was from the main branch of the Workers Benevolent Association, but the remaining \$28,536 came from eighty-four individuals whose loans ranged from \$30 to \$2,100. Only five of these loans were for \$1,000 or more, but large or small, these sums often represented the life savings of entire families. In several cases, every family member, including children as young as nine, had a loan account at the Co-op, which clearly represented every penny that their parents had been able to accumulate for themselves and their children. Thirty dollars per child may not sound like much money, but when a family of four was living in rented rooms shared with another poor family on Manitoba Ave., it is a certainty that this is every last dollar they had – and certainly more than they could afford to lose if the Co-op failed. This only underlines the commitment of these poverty-stricken immigrants to an alternative vision of society (Mochoruk and Kardash, 2000: 34-35).

The Co-op involved its employees in raising capital as well. In 1940, the Co-op faced the challenge of a milk price war initiated by Modern Dairies which put great financial pressure on the cooperative dairy. As part of a fundraising campaign to weather this crisis, the Co-op launched a share-purchase membership drive with its employees. “The employees would have a portion of their wages deducted and converted to People’s Co-op shares for a period of six months – typically two shares per week, or a total of \$4 per pay period” (Mochoruk and Kardash, 2000: 84). Sixty-six of the Co-op’s one hundred employees participated in the plan. Unfortunately, the business agent for Local 119 of the Teamsters union took the position that this fundraising plan violated the union contract and subsequently suspended the entire Co-op workforce from the union. The anti-Communist sentiment within the union movement and City Council fueled a public inquiry to examine these alleged unfair labour practices at the People’s Co-op.

The principles and ideals that the Co-op put into practice is a standard of progressive CED practice that no other CED organization in the history of the movement in Winnipeg has been able to achieve. The approach was inspirational and transformative. It captured the imagination, commitment and loyalty of many generations of working class people, particularly the residents of Winnipeg’s North End. It truly became a North End legend and institution in the field of CED.

CED Ideological Analysis Feminist, Anti-Racist and Anti-Colonial Perspectives

Feminist Perspective

The ideological analysis of the People's Co-op using a gender lens will examine the organization through a lens that reflects a patriarchic perspective of gender relations. As Fisher (1994) has previously pointed out, the operation of the Co-op was strongly influenced by the social, economic and political environment of the times of its existence. The role of women in the Co-op was overshadowed by the predominant role of men throughout the 64 year existence of the organization. The social environment of the early years of the Co-op between the 1930's and 1950's was heavily dominated by a patriarchic culture and this was reflected in the minimal role of women in the Co-op during this era. This did not change even with the growth of the feminist movement in the early 1960's and 1970's, the Co-op did not reflect this changing dynamic in the culture.

Beth Krall began working in the office of the People's Co-op in the 1930's. During her tenure of work at the Co-op Krall felt that "[it] was not immune to common attitudes towards women workers. Women working at the Co-op were always considered as just workers. Men were hired even though sometimes we doubted their ability. Women never advanced in the Co-op. You never got into any higher position." (Beth Krall Interview, 1998).

Eloise Popiel began working at of the office of the Co-op in 1932 when she was seventeen in and remained an employee at the Co-op for the next sixty years. She was active in the union and administered both the employees' mutual aid sick fund and Co-op's pension fund. Popiel

(Interview, 1998) reflects on how men would get jobs in management that did not always have the required skills or knowledge. One of the early accountants “would call me in his office for assistance – I felt uncomfortable showing my boss what needed to be done. She seems to be one of the few women who did play a role within the management of the organization. Eloise took over as office manager when the former manager, John Fedirchuk, left the Co-op to join the Air Force in World War II. She recalls,

When Andrew [the General Manager of the Co-op] called me and asked me to be the office manager I almost fainted. I took over and called all the girls in and I told them, I don't know very much about what John did and I'll have to study everything.” I used to come in evenings and peer through his books and I didn't think I was good enough, but they seemed to think I was okay. The girls co-operated and it turned out okay (Eloise Popiel Interview, 1998).

During the war era, more women entered the workforce with the shortages of male workers who had enlisted to fight overseas. While the appointment of Eloise to the office manager position was a progressive move for the Co-op, it also represented a growing workplace trend during this era.

Nancy Kardash-Ursulak (Interview, 2000) felt that the women of the Co-op kept the concerns they had regarding their employment with the Co-op to themselves.

The women who worked in the office...I am sure it went through their mind how come we are getting the same short end of the stick that women were generally getting in the workforce. Shouldn't we be getting something better. When I have talked to these women over the years, their story and outlook were always positive. They were glad they worked at the Co-op. But in my mind, I think to myself how do they put that, how do they stack that against their own expectations of what they were led to expect of an institution like the Co-op. But [the Co-op] was a product of the times as well. That kind of faithfulness through thick and thin...they didn't expect the world to be a perfect place. They did their job to the best of their ability.

From the perspective of a gender analysis, therefore, the Co-op was regressive regarding the role of women in the Co-op. The records regarding the representation on the Board of Directors of the Co-op were difficult to obtain. However, records for the People's Co-op Corporation Act Annual Return for the period of 1981 to 1985 indicated that of the 60 members of the board during that period of time, only 3 were women. As Kardash-Ursulak (2000) points out, this would seem to be contradictory given the progressive politics and worldview of the Co-op as whole. The Co-op may have been a product of the times, however, there were three decades – the sixties, seventies and eighties in which the feminist movement was gaining prominence and influence. This did not impact the consciousness of the patriarchic culture of the Co-op.

Anti-Racism Perspective

The other limitation of the Co-op that can be identified when looking at the organization through the CED ideological analytical lens involves the extent to which the Co-op addressed the issue of racial inclusion. Once again, the Co-op's relationship to this issue needs to be viewed within the social and cultural context of the times. The Co-op played a significant role in providing employment and services to the countless working class people, particularly those of Ukrainian descent, who were discriminated and excluded by the dominant society because of their ethnicity and political beliefs.

In the context of the 1930's, 1940's and 1950's it might have been almost impossible for some of these people to find decent jobs elsewhere, as the political activities of their families, their own political activities, and sometimes, merely their ethnicity excluded them from countless opportunities, particularly during the worst days of the Depression and Cold War" (Mochoruk and Kardash, 2000: 169).

David Mackling reinforces this idea that the important role the Co-op played in regarding its employment practices. “Throughout its history, the Co-op created jobs for people who were frowned upon because of their political views” (Personal Interview with David Mackling, 2008).

The Co-op consistently spoke out on the need for greater social, economic and racial justice. At annual shareholders meetings the Co-op members protested “against the way African Americans were treated in the southern United States in the 1950’s and 1960’s, against the murder of Black South Africans by the apartheid regime,...[and against] the treatment of Canada’s native peoples...all levels of government received scathing condemnations from the Co-op’s shareholders over the years” (Mochoruk and Kardash, 2000: 171).

Kosty Kostniuk (Interview, 1998) recalls that the Co-op hired a great number of Chileans who fled to Canada as political refugees after the fall of the Allende government. “I got to know the Chileans well and I felt that they felt at home here, not second or third class or that they were not wanted or tolerated – they felt at home – this was the feeling we had in the plant”. Kostaniuk (1998) also recalls that there was a wide range of races and cultures working in the Co-op.

We had Filipinos working there, local Natives working there in the plant, we had Ukrainian, English and German all working as a team as a family. Because the whole idea of the Co-op was to make people realize the significance of cooperation, what does cooperation do. If you want to cooperate then you will begin to listen to somebody else because you can’t cooperate unless you listen and begin to get the opinions of others and you begin to have a consensus to work together.

This sense of solidarity was also demonstrated by the Co-op regarding the allocation of proceeds of funds from the sale of the People’s Co-op. The wind-up committee made a large donation to an Aboriginal women’s organization called the Original Women’s Network.

These actions were all very admirable with respect to addressing issues of racial justice in our society. The question remains, however, to what extent was this commitment to racial equity put into practice within the enterprises that the Co-op operated, especially with respect to employment equity, participation in management and representation on the board of directors. These non-distributive justice issues involving who is included in decision making structures as (Young, 1990) identifies are not apparent within the operation of the Co-op.

Anti-Colonialism Perspective

There was a lack of records or information regarding the Co-op's relationship with Indigenous peoples to do an adequate analysis of this aspect of the case study.

In summary, the People's Co-op would be described as an organization that engaged in collectivist CED practice. The strengths of this approach include the Co-op's commitment to solidarity with the working class to challenge the status quo marketplace values and acknowledge the critical role of the state in order to promote social and economic justice. The Co-op engaged in what Henry et al (2000) would describe as a multicultural organization approach to addressing the issue of inclusion of various ethnic and racial groups in terms of employment at the Co-op. In terms of the role of women in the Co-op, the organization operated in a very patriarchic manner which as (Kardash-Ursulak, 2000) identified as being inconsistent with the anti-oppressive values for which the Co-op as an institution acted upon in the social and economic spheres, but not in regards to gender equity.

Nature of CED Theory and Strategies

The CED strategy used by the People's Cooperative approximated a convergence strategy. Basic goods such as heating fuel, milk, and building supplies were targeted as strategic products that could stop the leakages of economic surplus of these basic goods from the local economy. Multi-national chain stores were challenged by the presence of the People's Cooperative – the co-op supported small farmers, small independent neighbourhood corner stores and created local employment through the manufacturing and distribution of basic goods. The Co-op sought to maximize backward linkages with the small dairy farmers that provided the basic milk product for the dairy division which was the cornerstone of the cooperative. Forward linkages were maximized through the processing of milk into various dairy related products – butter, cream cheese and ice cream – that were then sold in the local marketplace through the sales division to small corner stores and through home delivery to individual customers.

The convergence strategy as outlined by Thomas (1974) was also present regarding the relationship of the lumber yard to the housing building enterprise. The housing enterprise maximized the forward linkages of the building supplies that were distributed by the lumber yard that were used in the production of the homes that were built in the North End. The Co-op also hired from the North End community and from left wing sister organizations. This served to retain surplus income in the North End as a large number of employees lived in the North End and houses were being built in the North End to expand the investment and circulation of capital in the North End. These type of convergence strategies are key elements to address the processes of underdevelopment in the inner city economy by stopping the leakages from the local economy.

Key CED Outcomes

The three key CED outcomes or impacts that will be looked at in this section of the case study are scale of the CED initiative; impact on incomes; and sustainability of the CED initiative. The sixty year growth trend of the People’s Co-op illustrates the strength and capacity that the Co-op was able to develop over its period of existence.

Table 8: Sales and Asset Growth – People’s Co-op Annual Reports 1931 to 1991

Year	Sales	Assets
1931	\$47,000	\$119,000
1941	\$639,000	\$261,000
1951	\$1,750,000	\$710,000
1961	\$3,000,000	\$1,100,000
1971	\$5,250,000	\$1,900,000
1981	\$14,000,000	\$4,700,000
1985	\$15,000,000	\$6,100,000
1991	\$14,000,000	\$7,000,000

One of the key features of the Co-op was its capacity to distribute the surplus to its members in the form of patronage dividends and share dividends. This cooperative approach to the democratization of capital served to re-circulate surplus in the local economy. During the three years leading up to the sale of the Co-op to the employees, the Dufferin Employment Co-operative Ltd., the enterprise had substantial deficits for the first time in the history of the Co-op and reflected the type of financial stress that the organization was experiencing which led to

its demise.

Table 9: Surplus Distribution – People’s Co-op Annual Reports 1931 to 1991

Year	Surplus/Deficit	Patronage Dividends	Share Dividends
1931	\$755	-	-
1941	(\$370)	\$4,128	-
1951	\$12,827	\$4,200	\$5,600
1961	\$83,000	\$51,600	\$9,000
1971	\$130,672	\$30,500	\$9,500
1981	\$55,021	-	\$23,600
1985	\$441,875	\$277,988	\$31,388
1986	\$461,736	\$302,750	\$34,838
1987	\$139,482	\$39,355	-
1988	\$120,090	\$37,299	-
1989	(\$236,549)	-	-
1990	(\$470,243)	-	\$1,396
1991	(\$702,338)	-	\$214

The People’s Cooperative employed 125, generated \$14 million in annual revenue and had \$7 million in assets (People’s Cooperative Ltd. Annual Report, 1991). The Co-op operated a wide range of enterprises including a fuel yard, dairy, grocery store, building supplies store, garage,

gas bar and home building business. According to the North American Industry Classification System (NAICS), the dairy manufacturing and building supplies sectors would be considered to be a small business if the company employs under 500 people (NAICS, 2007). The People's Cooperative, therefore, would be considered to be a small business based on the NAICS industry rating system. In terms of inner city community economic development enterprises, the Co-op would be one of the largest initiatives in the history of CED in Winnipeg. In comparative terms, the scale of employment, revenue generated and assets of the People's Co-operative rates substantially higher than contemporary inner CED initiatives. Inner City Renovation has been in existence for 6 years, employs 25 people generates annual revenue of \$1.5 and has \$100,000 in assets (Inner City Renovations Annual Report, 2007); Kinew Housing, an Aboriginal non-profit housing organization, has been operating for 38 years, employees 13 people generates annual revenue of \$1 million and has \$14 million in assets (Kinew Housing Annual Report, 2007); Neechi Foods, an Aboriginal worker owned grocery store, has been in existence for 19 years, employees 12 people generates annual revenue of \$590,00 and has \$370,000 in assets (Neechi Foods Annual Report, 2007).

In relative terms, therefore, the People's Cooperative was able to achieve a significant scale of operation within the context of the inner city CED sector. However, given that the Co-op is rated a small business in terms of the level of people employed, the overall impact of its scale would be limited within the local economy in terms of the labour force – 125 jobs out of a labour force of 325,000 people in Winnipeg (Census Data, 1996).

The People's Cooperative was a leader in the dairy sector regarding wages and benefits for its workers. The fact that the Co-op was a unionized workplace and that the management and board of the Co-op were ideologically committed to improving the quality of life of the working class were key factors involved in the Co-op's goals to pay worker's a living wage. The Co-op dairy was established in 1931 and by December 31, 1931 a collective agreement was signed with Canada's most radical union movement of the 1930's, the Workers' Unity League. "By the standards of the 1930's this agreement was quite progressive in terms of wages and benefits; indeed for the deliverymen it mirrored and even bettered the conditions of unionized drivers at other Winnipeg creameries" (Mochoruk and Kardash, 2000: 63).

In 1957, the Co-op introduced a pension plan for its employees. "The pension plan was soon recognized by the insurance industry and other dairies as one of the finest and best financed plans of its kind in Winnipeg" (Mochoruk and Kardash, 2000: 136). A unique aspect of the Co-op's relationship between management and labour was the common ideological ground that focussed on the interests of working class people. In terms of impact on income, over the life of the People's Co-op, the workers and their union would make sacrifices when times got difficult in order that the Co-op could survive. At the same time, the management of the Co-op took principled positions to support their workers – the sale of the Co-op to the worker's in the early 1990's at a price substantially lower than offers made by corporate dairies is a testament to that commitment to the aspirations of the working class to protect their jobs and sources of income.

The Co-op's ability to successfully engage in community self-financing over its history was a real strength of the organization in terms of its survival and sustainability. Ultimately, however,

this commitment to self-financing through member investments and loans proved to be not sustainable for the People's Cooperative. Over the years, with the growing influence of multi-national corporations and capital in the dairy industry, the scale of investment required to expand operations and remain competitive far outstripped the local community's capacity to raise capital. "This movement towards larger and efficient processing plants can also be seen by the steady increase in investment that accompanied the rapid consolidation [in the dairy industry] of the late 1980's and early 1990's. Establishments now are larger in size, operate with greater efficiency and feature greater automation in processing and packaging equipment" (Canadian Dairy Processing Industry Profile, 2006: 31).

Not only was the scale of capital investment requirements becoming unattainable for a community based self-financing strategy, but by the 1990's "the sad reality was that the vast majority of the Co-op's shareholders were now either pensioners or the absentee inheritors of Co-op shares, neither of whom were likely to put their life savings on the line to help the Co-op" (Mochoruk and Kardash, 2000: 162). The passage of time and the growing dominance of global capital and forces had severely undermined what was once the strength of this proud north end, working class institution to self-finance its cooperative enterprises.

The People's Cooperative proved to be a very resilient and sustainable CED initiative. The Co-op was able to stay in operation for 64 years. The gallant effort to survive within the context of global and multi-national industry has been previously documented in this paper. From its humble roots as a fuel yard in the late 1920's, to its multi-dimensional business that it was able

to establish over its existence that included a dairy, building supplies operation, garage, gas bar and house building business, the People's Cooperative has left an enduring legacy that will be difficult for community based CED enterprises to match. Ultimately, however, the sustainability of the Co-op could not be achieved within an industry that underwent significant consolidation and rationalization making it virtually impossible for small independent operators to survive.

Hindsight is twenty-twenty vision. It is interesting to note that one of the strategies that could have possibly worked for the People's Cooperative would have been to expand a niche market strategy as it had begun to do with its famous cream cheese product. The baby boomers, because of their large numbers, have an enormous impact on consumer trends. They and a growing segment of consumers are looking to eat more healthy food. New market niches such as organics and soy-based products have become popular (Werry, 2007). "Yogurt has become increasingly more popular in Canadians" diet due in part to the developments of new products and consumers increased awareness of the health benefits associated with yogurt cultures and probiotics. Consumption per capita has more than doubled since 1994, the highest product growth of any dairy product" (Canadian Dairy Processing Industry Profile, 2006: 39). Another interesting niche market segment left vacant by the large companies includes ultra-specialized cheeses. "These niches are occupied by a very large number of small, often artisanal, cheese-making establishments. Excluding the large companies, there are more than 160 milk processing plants registered at the federal level. These establishments supply mainly local markets" (Canadian Dairy Processing Industry Profile, 2006: 30). Small, independent dairies that produce specialty cheeses seemed to have been able to find a sustainable role within the global marketplace.

The consolidation of the dairy industry meant that practically all small to mid-size, independent processors were bought out by the multi-national corporate entities. The Co-op tried to remain in business by processing mainstream market products such as milk and ice cream which proved to be a market that was not sustainable for a small independent dairy. Successful North End business people that have been operating their family bakery business at the same location on Selkirk Ave. for over 70 years like Arthur Gunn intuitively agrees and suggested that “if the Co-op became a specialty dairy rather than an all round dairy, like specialty yogurt or cheese, maybe they should have concentrated on that and downsized” (Arthur Gunn Interview, 1999).

John Sas, former Sales Manager of the Co-op felt that the “the Co-op should not have tried to go big or fast” during the end of the 1980’s and should have remained “more community based” instead entering into partnerships with the bigger multi-national dairies (Personal Interview with John Sas, 2008). Sas cites local business such as City Bread or Advance Electronics as examples of companies that have been successful in Winnipeg by maintaining a local community based focus and cultivate their business on the premise that people are their best assets. Sas (1998) also likened the choices faced by the Co-op as similar to the considerations made in the brewery industry regarding issues of scale and niche markets. “Even as a small dairy...you look at all the micro-breweries. You are not going to get another bigger one like Labatt’s or Molson’s but there is all these little micro-breweries here and there and all over the place. I think we could have tightened up a little bit and survived”.

John Sas (Interview, 1998) reflects on the demise of the Co-op. “I keep driving by that empty lot and I keep thinking about what we could have done and what we could have achieved. But it’s

done and finished and you can't cry over spilled milk". Kosty Kostaniuk (Interview, 1998) is philosophical about the fate of the People's Cooperative. "Everything has a beginning and everything has an end – the beginning was brought about by the conditions of the times and the end was brought about by the conditions of the times".

One of the key lessons learned from the People's Cooperative experience is the critical role played by having ideological principles for a CED enterprise that wants to move beyond a gap filling strategy within the capitalist system and seeks to engage in a strategy of transforming the capitalist system. Swimming upstream is a difficult road less traveled, with many bumps and challenges along the way. Without a deep set of convictions such as those displayed by the Co-op's leaders and members that helped guide the CED enterprise, it would have been virtually impossible for the Co-op to survive. The leaders, workers and members of the Co-op faced a great deal of hardship because of their convictions to transform capitalism – including the leadership and management of the Co-op being interned during World War II, suppliers and financial institutions refusing to do business with the enterprise, and Co-op's union being expelled from the mainstream labour movement. This ideological commitment provided the inspiration for the Co-op to soldier on despite these challenges by elevating young and inexperienced staff to take over from the interned leaders, to have a strong self-financing strategy through investment shares and loans from members, and to create an independent labour union to represent its workers when mainstream unions refused to associate with the co-op. This commitment was rooted in a belief that the Co-op could create an alternative economic structure to the present capitalist order that would address the consumer and employment needs of the working class.

A second key lesson learned was the enormous impact that global and multi-national forces have on the ability of local CED initiatives to survive. The Co-op put up a valiant struggle for over 60 years but in the end could not overcome this daunting factor. The level of capital investment required to survive in the global marketplace is beyond the reach of CED enterprises.

A third lesson learned also relates to the influences of the global market forces. The People's Cooperative was able to survive over its long history because of the role of state subsidies and regulations in the dairy industry. The ongoing cycles of prosperity and business stress experienced by the Co-op could be linked to the extent to which the state played an activist role within the dairy industry. It was during a period when the conservatives were in power provincially and once again de-regulated the industry that Co-op finally ceased operations. Left with limited state support, the enterprise was no longer viable. If CED enterprises want to embrace transformational development strategies, they will only be able to successfully achieve this if the state is an active partner that can mitigate the enormous influence of global forces through market regulation and subsidies that support local development initiatives. CED enterprises require state partnerships in order to achieve a scale of operation that will make a significant economic impact in underdeveloped economies and to be sustainable over the long run.

CHAPTER 10: CONCLUDING REMARKS

This paper began with the thesis that CED means different things to different people and appeals to both the right and left wing of the political spectrum. While some might feel this pragmatic approach to CED is its strength, this thesis argued that this is not the case. The anti-thesis to the pragmatic CED perspective is that having a clear ideological orientation does matter, especially if the objectives of CED is to address the structural dimensions of inequality and oppression in our society. If CED is to challenge the status quo forces that support the present social and economic relations in our society, the movement has to develop a more comprehensive ideological orientation that rejects the order perspective (Reasons and Perdue, 1981) of society that is rooted in individualism, competition and the primacy of the marketplace. The CED movement needs to embrace a conflict perspective (Reasons and Perdue, 1981) of society that promotes community, solidarity, cooperation and the important role of the state in the building of a more just society.

The synthesis of this dialectic that the CED movement should strive for is to mobilize broad popular support for this progressive CED approach that seeks to build civil society and political capacity, as envisioned by Gramsci, in order to promote a “common sense” or hegemony regarding the public’s awareness and engagement for this form of progressive CED policy and practice. There is a great deal of debate about the concept of the “end of ideology”, that there is no “right or left” approach to CED, and that we need to move towards a “post-ideological” era that looks at pragmatic problem solving. A focus on ideology is seen to be a thing of the past. Those that promote the importance of ideology analysis risk becoming marginalized as doctrinaire and confrontational. This type of thinking needs to be challenged by the progressive

forces within the CED movement. To put it simply, ideology is about values. CED is shaped by values. Our practice and policies are not neutral. CED practice that focuses on pragmatism and a technocratic approach to development is inherently political – they reflect the politics of the status quo.

While the status quo works for some in our society, it does not work for the oppressed and marginalized individuals and groups for which the CED movement purports to serve. An apolitical or pragmatic approach to CED that does not challenge the status quo can be viewed as accepting of the status quo. It is, therefore, a political choice. This choice represents the politics of the status quo with all its attendant forms of structural inequality and oppression.

A progressive CED movement needs to develop and challenge the anti-collectivist values of individualism and personal responsibility, as well as the reluctant collectivist or liberal notions of system tinkering. The movement needs to engage in system change or transformative CED policy and practice. The CED movement needs to have a clear ideological analysis in order to understand the critical importance of challenging the growing trend towards the corporatization of civil society. A progressive CED movement needs to understand that the necessary power and resources that are required to address issues of social justice on a scale that will have a meaningful impact can only be attained through the strong leadership role of the state working in partnership with the CED community. Charity and corporate altruism cannot accomplish this type of change. As well, the liberal conception of civil society or the “third sector” does not have the power or resources to affect social justice change on a scale that would make a substantive impact.

The synthesis of the proposed role for the CED movement to mobilize around does not view the present conception of the role of the state in terms of addressing issues of oppression and inequality as satisfactory. There must be a re-conceptualization of the state and civil society partnership. This is where the false dichotomy of a collaborative versus conflict oriented CED approach needs to be de-mystified. To challenge the existing state role and relationship to the community is critical in order to de-bureaucratize the state (Block, 1987). If the CED movement does not engage in this struggle, the power and resources required to achieve social justice will not be realized.

This movement to re-invent government is not about embracing more market oriented practices which is often associated with critiques of the public sector. According to Panitch (1993), “the solution must lie not in privatizing the public sector but in democratizing it. The real issue is not less state versus more state, but rather a different kind of state” (5). Albo (1993) argues that the battle over the future of the public sector will be based on dismantling what Shugarman (1993) describes as “the lack of a democratic culture through the rule of hierarchy and command structures” (75).

Albo (1993) contends that it is imperative to break the concentration of power in the hands of the senior bureaucracy by shifting power at the centre through “leveling the organizational hierarchy, by loosening rigid operating structures, pushing decision-making authority to lower levels, crossing jurisdictional boundaries, multiplying points of citizen access, and decentralizing services” (29). Albo (1993) further suggests that in order to improve citizen access, it is critical to “shatter the bureaucratic relationship of dependency and develop active associations of users.

It is in the kinds of relations formed between front-line workers and user groups that the potential for a different kind of public encounter lies” (30). As well, “improved public services would be contingent on the input of user groups...user groups should have the independent capacity to do policy research, with core funding granted by an autonomous funding agency as a right of citizenship” (Albo, 1993: 30).

Wainwright (1993) discusses the importance of “breaking the expert monopoly on knowledge [assumed by bureaucrats]” (114) and moving citizen participation initiatives beyond “consultation exercises primarily concerned with winning assent” (115) rather than genuine dialogue.

If participatory democracy is to take root, it must have some positive relationship to efficiency. Unless the public authority has a clear sense of the limits of its knowledge, and realizes that its capacity to meet social needs depends on the insights of the people it serves, its participation schemes will just be new forms of benevolent paternalism (Wainwright, 1993: 115).

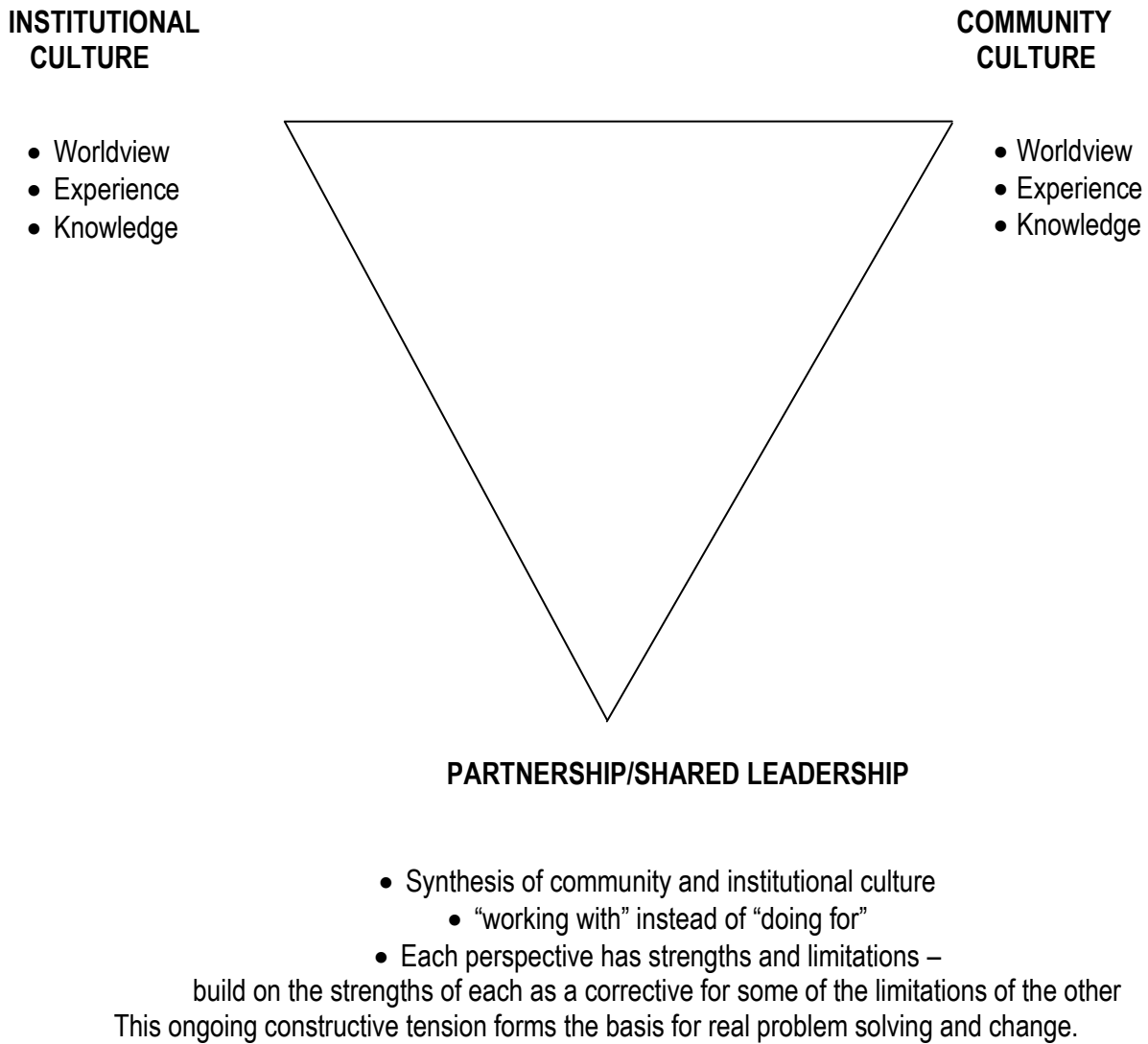
Wainwright (1993) maintains that de-bureaucratization requires that public servants learn to work with social movements who provide different forms of knowledge. Change cannot just be seen to be coming from state actors. Bureaucrats need to work in cooperation with social groups. The bureaucratic system’s knowledge will need to be tested and integrated with the worldviews and experiences of the social movement groups. This type of a relationship and process breaks down hierarchies and reflects a more de-centralized knowledge generating approach and partnership.

Loxley (1993) argues that in order to promote genuine citizen participation the state will have to provide resources and supports to community groups to engage in the policy development

process. “Elaborate models of participation that do not recognize the existing constraints [faced by community partners], or do not provide sufficient resources to overcome them, will remain only models with little practical relevance” (189). In his analysis of social movement participation in relation to social democratic governments that seek to promote community partnerships, Loxley (1993) further contends that “extra-parliamentary pressure will be necessary as long as social democratic parties pay no more than lip service to democratizing their policy and decision making processes” (194).

MacIntosh (1993) concurs with this notion of building the capacity of oppressed communities to engage in the policy development process. “The state must operate in a different fashion, and the relationship between state actors and citizens of disadvantaged communities need to be re-structured. It is necessary to shift the location of power, change the access of information of different social groups, and develop the capacities of the previously less powerful” (37). MacIntosh (1993) points out that this shift in the power relations between the community and the bureaucracy will generate a constructive form of tension that will be the foundation for meaningful social and economic change. “Without the openness and conflict generated by new constituencies, proposals for economic regeneration will be captive to old assumptions, and any sharp break with the past will rapidly come to seem impossible” (17).

This dialectical relationship between the institutional culture of a bureaucratic structure and the community culture is illustrated in Chart 10.



In their comparative study of the CED movement in Quebec and Manitoba, Loxley and Simpson (2007) argue that “political pressure on governments is essential for CED” (3). They point out that this political pressure has been particularly critical with regards to advancing the partnership

and shared leadership approach between the government and CED/social economy movements in Quebec.

Perhaps the most salient aspect of government policy in Quebec since the mid 1990s has been its willingness to involve the social economy [CED movement] in the policy making process, alongside more traditional partners, business and the union movement. These new horizontal policies in Quebec called for the state to work closely with all major social actors in finding solutions to unemployment and the revitalization of local economies...The formal recognition of the importance of the third sector into policy making circles, from which it can influence the institutional and financial supports to the social economy [CED movement], is a critical feature of state policy in Quebec (19).

Loxley and Simpson (2007) conclude that political activism is the foundation upon which a progressive CED movement must be based in order to create the type of political space that engages the state in a new kind of partnership and shared leadership role with the CED sector. The localism and technocratic CED approach is incapable of achieving the scale of restructuring required in our society in order to address structural inequality and oppression. The role of the state in partnership with the community is a struggle that must be waged in order to bring about the kind of impact and change that is required.

Ultimately, the success of efforts to promote the social economy [CED movement] will rest on the political strength of those promoting it. The Quebec experience suggests that a coalition of women's groups, trade unions, anti-poverty groups and those involved in the social economy/CED sector can have a powerful impact on policy. [This coalition or counter-hegemonic force reflects the type of civil society or common bloc envisaged by Gramsci.] This implies that the CED movement should embrace the broader economic, social and political struggles in society and not see itself as a quaint and marginal backwater of collectivism (Loxley and Simpson, 2007: 48).

Ideology does matter. Just as Mullaly (2007) argued that the social work community lacked focus and impact because of an inadequate rigour and articulation of an ideology which shapes theory and practice, so too is it imperative that the CED movement develop, promote and implement a progressive ideology that will inform CED theory and practice. This thesis has

attempted to make a contribution to the development of a greater consciousness about the role of ideology in the CED movement. Real change comes through conflict. In the words of the community organizer, Dave Beckwith (2003), “if you are not fighting for what you want, you don’t want enough” (14).

The CED ideological model provides a lens with which to engage in a more in depth and critical analysis of the underlying values and impact of the CED organizations. The potential role of the CED analysis model was illustrated through its application in the case studies of SEED Winnipeg, Assiniboine Credit Union and the People’s Co-operative presented in this thesis. The point was made that no CED organization fits solely within a singular category of the CED ideological framework,

Based on the application of the CED ideological analysis model, SEED Winnipeg was seen to be engaged in primarily a gap filling CED approach as outlined by Loxley (2007) in that the organization on balance served to complement rather than challenge the existing economic and political structure. This is consistent with the order perspective of society articulated by Reasons and Perdue (1981). It was argued in this thesis that the organization engages in anti-collectivist CED practice in its micro-enterprise and matched savings program. It was acknowledged that an argument could be made that the matched savings program also promotes elements of what was described as a reluctant collectivist approach in that it attempts to challenge the barriers that low-income people face within the current tax credit system for asset development. In terms of the anti-collectivist perspective, members of society are expected to conform and adapt to the consensus based social arrangements of the dominant neo-conservative paradigm. The

underlying values of this approach are based on personal responsibility and a "pull yourself up by your own bootstraps" mentality regarding issues of poverty. Poor people need to be re-socialized to develop the skills to be more entrepreneurial in order that they can successfully compete in the marketplace, to be better managers of their personal finances, and to be more frugal so they can become better savers. As Reason and Perdue (1981) point out, this focus on re-socialization and behavioural change is a form of blaming the victim or what Gunn and Gunn (1991) have identified as the politics of simple self help.

SEED Winnipeg can also be viewed as engaging in reluctant collectivist CED oriented practice with the work it has done with respect to CED institution building initiatives including the development of the North End Community Renewal Corporation, Social Purchasing Portal, Community Financial Services Centre and the Local Investment Towards Employment fund. As well, SEED has worked within the collectivist range of the CED ideology model by supporting the development of worker cooperatives and social enterprises through its Community and Worker Ownership Program. While SEED Winnipeg engages within a range of ideological orientations within the CED ideology model, the staffing and programs resources of the organization are heavily oriented towards micro-enterprise and asset building programs. This translates in action to a form of practice that is reflected in the anti-collectivist range of the CED ideology model.

It is important to make a distinction here between the concepts of intent and impact. Even if the SEED Winnipeg proponents do not promote and in fact reject these anti-collectivist values, it is critical to move beyond intent and to unmask the impact of program initiatives such as micro-

enterprise and asset building in relation to the underlying values they are promoting in the community. This is why there is a need to have a more rigorous ideological analysis of CED initiatives in order to encourage more critical reflection with respect to where resources and effort is being directed within the CED organizations and CED movement. It was always the objective of the original founders of SEED Winnipeg to use the micro-enterprise approach as a stepping stone to implement a more transformative community and worker ownership approach that would be the foundation of the CED organization. SEED continues to grapple with these tensions within the program priorities of the organization. SEED Winnipeg needs to use the political capital it has developed to re-balance its present staffing and program focus in order to engage in a more progressive and transformative form of CED practice.

This class/market/state theory oriented critique of SEED Winnipeg was supplemented with an analysis of SEED from feminist/anti-racist/anti-colonial perspectives. In terms of a feminist analysis of the organization, SEED has challenged patriarchy within the organization in terms of its decision making structures and issues of representation at the board and management levels, promotes participatory management, has a staff that is predominantly made up of women, and program supports that address the needs of women. From an anti-racism perspective, SEED has attempted to re-structure its programming to address the aspirations of the Aboriginal community through its Aboriginal Community Collaborations initiative and has developed programs that reflect the unique needs of newcomers, including refugees and immigrants. Representation of racialized groups within management and staff of the organization is significant. However, SEED needs to continue to work at increasing the representation of Aboriginal and racialized groups at the board level to better reflect the profile of its users in order that their voices would

be present at the highest level of decision making authority within the organization. In terms of an anti-colonial perspective, SEED needs to continue to grow in this area by challenging the status quo market based forces and power relations that contribute to the perpetuation of poverty in our community.

Regarding the nature of CED strategies adopted by SEED Winnipeg and its role in addressing processes of underdevelopment in the inner city, SEED has not made a significant impact in this area. As Garry Loewen (Personal Interview, 2009) pointed out one of the limiting characteristics of SEED is that it has more of a program delivery orientation rather than an economic development focus. With respect to an analysis of CED outcomes, SEED falls into the category of many CED initiatives in the inner city of not having sufficient scale in terms of impact. Measures such as impact on incomes are not collected. The sustainability of the organization is quite impressive – it has been in operation for 25 years. This is due in part because the CED programs presently embraced by SEED Winnipeg are highly consistent with the anti-collectivist values of the corporate conception of poverty reduction in our society.

The second case study that was reviewed in this thesis using the tool of the CED ideology analysis model was the Assiniboine Credit Union. The ACU was seen to be rooted in what Loxley (2007) would describe as transformative CED from an organizational structural perspective in that it was a financial co-operative that was structured in a manner that democratized capital. From an operational perspective, however, the ACU engaged in what Loxley (2007) identified as a gap filling CED approach as it worked for the most part within the framework of the capitalist system and did not challenge the system's basic values, structures or

power relations. The Assiniboine Credit Union embraced what Reasons and Perdue (1981) would describe as an order perspective of societal relations rather than a conflict perspective regarding the need for structural change. ACU could be described as fitting within the reluctant collectivist range of the CED ideology analysis model which is typically characterized by the promotion of institutional adaptations, fine tuning or tinkering rather than structural change to address the negative impact of the market based economic system.

For the past five years, the Assiniboine has re-structured its CED program and adopted a corporate social responsibility (CSR) focus, both in the language used to describes its work and also within the organizational structure of the credit union. While the Assiniboine's CSR approach is more progressive than typical CSR programs used by the mainstream corporate community as evidenced by the ACU's commitment to absorb higher operating costs and therefore have lower profit margins due to the investments made in CSR related initiatives, the framework to address issues of social justice is firmly rooted in a market-based context of change. It is this context of working within the confines of the existing capitalist system that limits the ACU's role in working for change to be viewed as within the range of reluctant collectivist values.

One of the key attributes of the reluctant collectivist CED approach is to focus on community institution building within a market oriented context. Some of these community based institutional building strategies taken on by the ACU could be described as more rooted in the anti-collectivist range of the CED ideology model. The ACU's work with asset building programs that provide training and incentives for poor people to become better savers and the

micro-loan programs that promote poor people to develop their entrepreneurial skills and access to small loans in order to become competitive business people are examples of this anti-collectivist institutional building approach. ACU's involvement in the Jubilee Fund and Community Financial Services Centre are good examples of system tinkering or fine tuning using a reluctant collectivist approach to make the existing system work better for poor people who require a loan guarantee to secure financing or do not have access to basic banking services. The promotion of socially responsible investments (SRI) is another way the ACU preserves the existing systems through fine tuning the system strategies based on the actions of individual investors – whether it be by positive or negative screening or shareholder activism.

Once again, the need to make the distinction between intent and impact is important with respect to the work done by the ACU board and staff. The progressive vision and commitment to social and economic justice since the Greening of the Assiniboine in 1991 has been truly commendable. However, the context for the entire strategy is based on a modified market approach. This approach has inherent structural limitations to address the root causes of poverty and oppression. The primary objective of a market based strategy is profit maximization rather than addressing human needs. Corporate altruism will never be able to mobilize the scale of resources required to address issues of social justice and equity in our society. It was argued in this thesis that the state has the potential function and resource base to play this role more so than benevolent corporate entities.

In addition to this class/market/state theory critique of the Assiniboine Credit Union, the CED ideology analysis model also reviewed this CED organization from feminist/anti-racist/anti-

colonial perspectives. The ACU has attempted to address issues of patriarchy by having women in senior leadership roles in management and represented on the board of directors of the organization. This provides a greater voice for women in the organization by addressing the structural dynamics of power relations of the organization in terms of issues of gender. From an anti-racist perspective, the organization represents what Henry et al (2000) identified as a multi-cultural organization in that it is willing to promote concepts of diversity and accommodation, is willing to make limited modifications to the organization, but not willing to alter its fundamental structure and culture. This is consistent with the underlying liberal value base that influences the credit union. The structures of decision making within the organization need to be changed, including ideas of selecting board members through district councils that is being done at the Affinity Credit Union in Saskatoon, in order for the ACU to develop a more anti-racist and anti-colonial organizational culture. In terms of an anti-colonial perspective, the ACU needs to further develop in this area, especially in terms of its working relationships with First Nations communities. ACU's participation in the federal government's loan guarantee program and the criticism of this initiative by the Tribal-Wi-Li-Way-Win Capital Corporation illustrates the ongoing conscious raising work that the ACU needs to continue to do in order to learn how to play an effective ally role regarding social and economic justice work in our community.

With respect to the nature of the CED strategies engaged by the Assiniboine Credit Union and the role it plays in addressing the processes of underdevelopment in the inner city, the ACU has adopted the CED Principles developed by Neechi Foods which promotes inward looking convergent economic development. These CED Principles are very demanding. The ACU practices more of an import substitution rather than a convergent CED approach. ACU has

played a critical role in developing and promoting the Jubilee Fund which provides loan guarantees to CED enterprises and housing groups in the inner city. For the past 20 years, the ACU has been a leader in financing inner city housing initiatives that served to lessen the leakages of housing related expenditure surpluses from the inner city. Other import substitution initiatives that the ACU is involved with include participation with the Social Purchasing Portal administered by SEED Winnipeg. This initiative promotes the purchase of goods and services from inner city CED enterprises including having new credit union branches built by inner city construction groups and contracting with worker cooperatives to do the office cleaning in its branches. The ACU was also instrumental in providing financing and technical assistance to the Pollock's Hardware Co-op, an enterprise developed by north end residents to save their local hardware store.

The scale of the Assiniboine is most impressive – it is the second largest credit union in Manitoba and eighth largest in Canada. The ACU seeks to use its scale within the credit union movement to promote progressive CED practices. In terms of sustainability, the ACU has been in operation for 70 years and continues to grow and thrive which bodes well for its ongoing viability as a financial co-operative. A key ongoing challenge regarding the sustainability of the CED agenda of the credit union is its ability to maintain a progressive majority on the board of directors.

The third case study that was reviewed in the thesis using the CED ideology analysis model instrument was the People's Co-operative. Loxley (2007) would describe the CED orientation of the People's Co-operative as transformative. The Co-op adopted what Reasons and Perdue

(1981) would identify as a conflict perspective regarding social and economic relations within society. The Co-op challenged the mainstream capitalist ideology that promoted individualism and competition with values that reflected community and cooperation. It sought to democratize capital by adopting a co-operative organizational structure that was governed by its members rather than private entrepreneurs. Co-operative education positions were developed within the enterprise to educate members and citizens about the co-operative alternative to capitalist social and production relations.

The People's Co-operative would be considered to be engaging in a collectivist approach regarding CED practice. The Co-op developed alternative forms of social organization to capitalism in the form of co-operative enterprises including a fuel yard, dairy, grocery store, building supplies, house construction and a garage. It developed alternative financing mechanisms to self-finance its operations by raising capital from its members and ultimately became an alternative bank for its members.

The Co-op understood the important role that the state played regarding issues of social and economic justice. It played an active political role in advocating for state regulation within the dairy industry to protect consumers from milk price hikes and to ensure milk producers were compensated fairly for their dairy products. In the early days of the Co-op it advocated to nationalize the dairy industry by establishing a municipal dairy.

Along with the class/market/state theory perspectives of the ideological model, the People's Co-operative was also reviewed using a feminist/anti-racist/ anti-colonial ideological lens. The Co-

op operated in a very patriarchic manner. Women were rarely involved at the board of directors or governance level of the organization. No women were involved in management roles within the co-operative. The Co-op engaged in what Henry et al (2000) would describe as a multi-cultural organization approach to address the issue of various ethnic and racial groups with respect to employment practices within the Co-op. The organization promoted tolerance but did not alter its fundamental structure or culture to ensure racialized representation in decision making roles within management and board governance.

The CED strategy used by the People's Co-operative approximated a convergence approach. Basic goods such as heating fuel, milk and building supplies were strategically used to stop the leakages of economic surplus from the local economy. The Co-op sought to maximize backward linkages with the small dairy farmers that provided milk products to the dairy division of the co-operative. Forward linkages were maximized through the processing of milk into various dairy related products. Butter, cream cheese and ice cream were sold to small stores and to individual customers through the Co-opus home delivery service. Convergence strategies were also used in the house construction enterprise – through the use of building supplies from its lumber yard division and the employment that was generated by the house construction business for local North End residents.

At its height of operation in the end of the 1980s, the Co-op employed 125 people, generated \$14 million in annual sales, and had \$7 million in assets. The scale of operation was larger than any CED enterprise that has operated in the inner city. The 60 years that the Co-op was in existence

proved that the enterprise was durable and sustainable. The level of income and benefit packages it was able to provide for its employees was the highest within the industry.

The CED ideology model helped to bring attention within these three case studies to some important lessons to be learned in terms of the role of values and ideology in helping to shape progressive CED practice. For SEED Winnipeg to engage in more progressive CED practice, it was argued in this thesis that SEED needs to re-balance its staffing and programming allocations to move more towards co-operative and worker ownership and be less involved in micro-enterprise and asset building programs. In terms of the Assiniboine Credit Union, it was argued that the corporate social responsibility lens is limited in the depth and scale of impact it can make in addressing issues of social justice. Concerns were also raised about the role CSR plays in shaping civil society's engagement on issues of social justice. The ACU's role in promoting micro-enterprise and asset building programs in partnership with SEED Winnipeg needs to be re-evaluated in terms of the type of impact that these anti-collectivist value based programs contribute in efforts to promote progressive CED practice. While the ACU has constraints in addressing distributive justice issues, it could make improvements in non-distributive justice dynamics by moving towards a district board governance model similar to the one used by the Affinity Credit Union in Saskatoon that would structurally ensure different parts of the city have representation on the board of directors, including inner city residents and Aboriginal people. The lessons learned from the People's Co-operative case study included the critical commitment required to collectivist ideological principles in efforts to move beyond a gap filling CED approach and engaging in transformative CED practice. As well, the impact that global and multi-national forces have on the local CED initiatives require that the state play a key role in

terms of industry regulation and subsidy if CED initiatives such as the People's Co-op are to survive. This requires more of a collectivist ideological CED approach that acknowledges the critical role of a de-bureaucratized state to ensure the survival, sustainability and impact of CED enterprises and the CED movement.

In conclusion, this thesis proposed a CED ideological analysis model that can be used to enhance CED theory and practice. The model was used to conduct a case study on three CED initiatives in Winnipeg – SEED Winnipeg, the Assiniboine Credit Union, and the People's Cooperative Ltd. A definition of CED was provided which identified that a singular definition of CED was difficult to frame, a range of important questions were identified in the process of attempting to define CED.

The paper examined the components of the proposed CED ideological analysis model, including the extent to which CED is gap filling or transformative; the role of a paradigm and ideological analysis in building a critical knowledge base regarding the CED movement; the key elements of the CED ideological analysis framework; and the role of critical social theory.

Theories of underdevelopment were explored as well as CED strategies that reflected both outward and inward perspectives. Key CED outcomes were proposed including issues of scale, impact on income and sustainability. The three case studies involving SEED Winnipeg, Assiniboine Credit Union and the People's Co-operative were reviewed through a common set of elements including an organization description; the nature of the CED objectives of each organization; a CED ideological analysis based on a class/market/social theory perspectives as

well as feminist/anti-racist/anti-colonial perspectives; the nature of the CED theories and strategies employed by each organization; and an analysis of key CED outcomes.

Finally, it was argued that the CED movement must become more political, to advocate for a partnership and shared leadership relationship with a new kind of de-bureaucratized state in order to mobilize the required power and scale of resources to address structural inequality and oppression in our society.

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