

Community Economic Development in the Inner City:

Lord Selkirk Economic Development Project

by

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LORD SELKIRK ECONOMIC DEVELOPMENT PROJECT**

**BY**

**KERRI L. IRVIN-ROSS**

**A Thesis/Practicum submitted to the Faculty of Graduate Studies of The University  
of Manitoba in partial fulfillment of the requirements of the degree  
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# **Community Economic Development in the Inner City : Lord Selkirk Economic Development Project**

## **Abstract**

Inner city communities have been victims of economic trends and public policy such as globalization and privatization. Present policy decisions have resulted in the underdevelopment of inner city communities, which are characterized by poverty, unemployment, substance abuse, crime, and family violence. Community economic development (CED) initiatives encourage communities to approach these issues utilizing comprehensive strategies that address the systemic economic and social conditions contributing to their underdevelopment. A literature review and a qualitative research project were developed to investigate the role of private businesses in the revitalization of inner city communities. Principals of forty-one businesses from the North End were interviewed with a closed and open-ended questionnaire that covered information about local ownership, employment, local purchases, business climate, and suggestions for revitalization. The findings concluded that business owners were a valuable resource for the redevelopment of the community because of their knowledge of the area, business expertise, and community interest. Barriers of time, role confusion, and differing value systems create challenges to engage business owners as partners successfully. CED is a positive method of strengthening the local economy by promoting partnerships among community stakeholders, developing linkages, and restoring the political power of community residents.

## **Introduction**

Poverty predominates in the inner city where low income families experience inadequate and oppressive living conditions characterized by insufficient housing, poor health, malnutrition, and threats to personal safety. Transiency, crime, and unemployment are symptomatic of a community with a high incidence of poverty (Nozick, 1992; Kretzmann and McKnight, 1993; and Danziger, Sandefur and Weinburg, 1995). Social support services address the consequences of poverty by focusing interventions on individuals and families but give minimal attention to systemic problems related to poverty, such as

unemployment and inequality. Proactive strategies are required to address these systemic problems through initiatives that mobilize and strengthen communities, and preventive approaches are necessary to eliminate causes of poverty that are deeply rooted in the hierarchical structures of economic and political systems. Community Economic Development (CED) is one strategy that addresses the causes and problems of poverty at the community level through a focus on the economic needs of inner city communities and residents. CED attempts to strengthen poor communities by retaining and investing resources locally in a holistic and proactive approach to revitalizing inner city communities.

A recent intervention in a Winnipeg inner city community called the Lord Selkirk Economic Development Project was sponsored by the Community Development Resource Group to promote community economic development principles and assess the possibility of economic development initiatives for the community. In addition, group members acknowledged the need to obtain information about the business district, therefore, the North End Business survey was initiated. The project was based on collaborative and participatory methods which encouraged community involvement from private, public, and voluntary sectors. Consultations with Winnipeg 2000 and Selkirk Ave. Business Improvement Zone assisted in the development of a list of possible business owners to participate in the research. Investigators interviewed representatives from social service agencies and business owners to assess their impact on the local economy, examine their hiring and purchasing practises, and inform them about CED principles. The distribution of the project's findings using presentations and a written report provided the opportunity for committee members, funders and research participants to examine and discuss the analysis and recommendations. The CED Resource group used the findings and feedback to assist them in identifying their priorities and future initiatives.

I investigated the role of business owners in the community with the following practicum objectives:

1. Increase my own knowledge of community economic development agencies and present strategies in Winnipeg.
2. Increase my practical skills of qualitative research, data analysis, and the examination of community economic development initiatives.
3. Develop an understanding of the North End business district's interest in community economic development.

The North End Business survey sought involvement from local business people because they possess expertise about the community and business climate that would assist in identifying opportunities and strategies needed to address the barriers faced by this inner city community.

## I. The Cycle of Underdevelopment and Poverty

*Driving across the Slaw Rebchuk Bridge, you enter a part of Winnipeg ignored and painfully experienced by most residents. Your eyes are drawn to the sign Welcome to The North End. My first impression was of an area that is declining in the presence of poverty; boarded storefronts and For Sale signs are plentiful in the business district. Housing ranges from historical sites to dilapidated and inadequate dwellings. A look of sadness and discouragement is apparent in the residents' faces. You become overwhelmed by the horror stories of violence, crime and substance abuse.*

*After spending one day in this environment, my impressions were dramatically changed. I realized that, nestled among the closed storefronts, were diverse and interesting businesses. Traditions and heritage are evident in the ethnic focus of the stores. Customers received friendly and personalized services from the local businesses. As I became more aware of the heritage of the community, the buildings which once seemed deteriorated were transformed into historically valuable architecture.*

*Community members are an important dynamic because they represent diverse cultures and heritages. Families appeared to be doing their very best to cope with present conditions of the community. Strong social support networks are developed to assist individuals in coping with and attempting to improve their quality of life. As my knowledge and experience with the community expanded, so did my respect and appreciation for the area and its people.*

My personal experience can be validated by an understanding of poverty and underdeveloped communities. Poverty is the reality for families and individuals residing in underdeveloped communities, and can be defined as existing below a recognized income level, falling below standard nutritional requirements, having poor health, low self esteem, and experiencing



powerlessness and discrimination (Nozick, 1992; Levitan, 1980; Danziger, Sandefur, and Weinberg, 1994; and Hopps, Pinderhughes, and Shankar, 1995).

Absolute and relative measures are commonly used to describe poverty based solely on income levels without acknowledging other factors. Absolute measures set need at a bare minimum. One method analyzes a basket of goods and services that are considered essential. The dollar value represents bare subsistence, and does not address social and psychological needs. Absolute measures rely on the availability of charities to meet families' basic needs which cannot be attained at their income level, i.e. food banks. The absolute measure is criticized for underestimating need, narrowly defining life through physical necessities, and not allowing for individual choices or considering cultural differences and special dietary needs (Ross, Shillington, and Lochhead, 1994).

Relative measures differ from the absolute definition in that they consider income distribution and acknowledge the importance of physical, social, and psychological needs for individual well-being. Equity refers to the distribution of income to ensure that individuals are not deprived in spite of the wealth that surrounds them. Relative measures are significantly higher than the absolute measure. Opposition to relative measures suggests that poor Canadians would be wealthy in comparison to Third World countries (Ross, Shillington, and Lochhead, 1994). Income levels based on relative measures would classify Canadian poor wealthy in Third World countries; therefore this measure is perceived as generous in defining income levels. This comparison is unfair because Canadian poor live in an industrialized country in which the standard of living is much higher in comparison to Third World countries. Relative measures reduce differences between income levels and realistically determine an income level that is required to survive in Canadian society.

There has been no acceptance of either absolute or relative measurements of poverty; however, most approaches combine the two. Definitions from the Canadian Council on Social Development (CCSD) and Statistics Canada are the most widely used (Ross, Shillington, and Lochhead, 1994). The CCSD definition is purely a relative measure that defines one-half of the average income as the poverty line. Guidelines are based on the average family income reported by Statistics Canada. CCSD does not account for differences in community size, although it differentiates according to family size. In 1992 the, CCSD poverty line for a family of 3 was \$26,838.00. The most often quoted definition is Statistics Canada's Low Income Cut-Off (LICO), which identifies a set of income cut-offs below which people are considered in desperate need of money. LICO is calculated by estimating the percentage of gross income spent by families on basic needs (food, clothing, and shelter) then adding twenty per cent (Ross, Shillington, and Lochhead, 1994). The result is an average household income level divided into 5 categories by family and community size which becomes the low income cut-off. LICO represents a combination of absolute and relative measures by considering income levels and adjusting for cost of living increases by changing the percentage of spending. LICO for a family of 3 living in a community of 500,000 + was \$25,821.00 in 1992. Poverty advocates continue to challenge the present definitions of poverty to improve the standard of living for the poor.

The poor are those people living in inner cities who are on social assistance, unemployed, underemployed, members of two-parent and single parent families, and is a group comprised of children, elderly, immigrants, and people with physical and mental disabilities (Danziger, Sandifer and Weinberg, 1994). The majority of the families are relegated to the inner city, and are characterized by the symptoms of poverty that include hunger, inadequate

housing, drug and alcohol abuse, violence, and crime. Inner city communities have few accessible community-based services, and are stigmatized because of the problems related to poverty. Living in substandard conditions creates further oppression, isolation, and discrimination for citizens, and prevents further development of opportunities within the community (Nozick, 1992; Blakely, 1994 and Kretzmann and McKnight, 1993).

### The Imbalance of Power

An imbalance of power based on class and wealth creates economic and political inequalities between different members of society. Bishop (1994) distinguishes forms of oppressive power:

A world of systems designed to keep people in unjust and unequal positions is held in place by several interrelated expressions of "power-over": political power, economic power, physical force and ideological power." (p. 36)

Political power refers to decisions being made by a small group of individuals, primarily white, heterosexual, upper class and upper middle class men. A group nonrepresentational of the population makes decisions that impact the majority with lack of knowledge, understanding, or acceptance of the needs and present living conditions of the poor and working class. Present political decision making practises support the ideological perspective of corporations and multinationals that stress competitiveness, profits, and individualism. Government spending is influenced by this ideology which supports the ruling class and reduces social spending. Tax restructuring and business incentives are policy decisions made to support the business sector. Reduction of social spending sacrifices the access and quality of health, education, and social services available to citizens. Political decision makers support the private sector beliefs which increases the power base and wealth of the ruling class.

Economic power refers to financial resources accessible to the ruling class to secure their political power, and this unequal distribution of income creates the imbalance of wealth and power between the upper, middle, and lower classes. Economic independence provides individuals with the ability to lobby political leaders to gain support for their values and business practises. Financially-successful individuals obtain power because of the potential of their investments to promote economic growth and political power. Investments made locally and/or globally aid the political agenda of strengthening the economy and creating jobs. Economic decisions affect millions of people while increasing the wealth and power of only a few.

Physical force is a method of maintaining the economic and political power of governments and large corporations utilizing security forces, police, and armies. Threats of force, discontinuation of services, and/or violence have been effective in suppressing groups or individuals from questioning or challenging policies and practises. Examples of force include threats, loss of services, police presence, tear gas, or activists being shot. The use of physical force not only impacts the immediate situation but influences other individuals' willingness to advocate change. Threat or use of physical force is effective in sustaining political repression and the power of the ruling class.

Ideological power "...allows an individual or group to influence others' concepts of reality, and their ideas of what is possible and what is valuable." (Bishop, 1994, p. 37). The ruling class distorts reality by bombarding society with propaganda released through various media to create conflicts between different groups of people. A common message accuses welfare recipients of being lazy and taking advantage of the system, and thereby creates conflict between them and the working class. This misconception allows policy makers to reduce welfare rates and services for low income families with minimal opposition from

the majority. Ideological power provides the basis for "power-over" to be accepted and remain unchallenged, and secures the economic and financial power of the ruling elite.

Political, economic, physical, and ideological power allows the wealthy to maintain and strengthen their position, while increasing the powerlessness of middle and low income families. These conditions lead to the underdevelopment of communities and adversely affect the psychological, physical, spiritual, and emotional health of individuals. Power imbalances must be questioned and challenged to restore equality and democracy for all individuals.

### Underdevelopment: a Global Process

Present conditions of inner city communities can best be understood by referring to underdevelopment theory that sees resources leaving the community as a significant problem, because they have the potential to produce a viable economy and promote social development (Loxley, 1981). Underdevelopment of inner city communities is the result of public and private sector practises that support the corporate agenda, such as globalization and privatization which erode the local economy (Lockhart, 1994 and Nozick, 1994). Exploitation of resources contributes to the underdevelopment of inner city communities by robbing them of raw materials and human resources, and imposing external controls on the community's economy (Wein, 1986 and Bishop, 1994). Natural resources are exploited by outside companies exporting material and their profits to other destinations. When they have exhausted the resources, the company leaves the community with no regard for the consequences facing the community. Globalization and privatization affect the economy by decreasing the circulation of money and future investments in the local economy.

Globalization occurs when corporations and individuals expand their markets and production nationally and internationally to reduce production costs and increase profits (Smith, 1996 and Lockhart, 1994). There is a direct correlation between globalization and the underdevelopment of urban communities (Douglas, 1994). Investors relocate operations in communities/countries that offer cheaper production costs. Competition between communities for their investment gives corporations the ability to negotiate the best deal for the companies. Lower production costs are attained through assembly line production, lower labour costs, anti-union policies, and fewer labour and environmental regulations.

Production is reduced to its simplest form which creates a repetitive assembly line operation. Simplicity of production provides the rationale for employers to seek employees with minimal skills and education, and provide them with lower wages. Lower wages create low quality jobs which affect employees' ability to meet the basic needs of their families. There is no representation from professional organizations and unions, which decreases employee wages, benefits, and job security. Globalization causes loss of jobs in higher wage areas in favour of developing production where lower wages are accepted. Employers' profits increase as the value of labour decreases.

Another method of increasing profits includes establishing production in countries with no labour regulations. The absence of unions and minimum labour standards allows for an extreme power imbalance between employers and employees. Few standards exist to regulate wages and employee benefits, such as holiday pay, overtime, and health coverage. The lack of employee rights and poor pay make these jobs low quality. Employers' strengthened control creates an environment in which profits are increased at the expense of the employees because of low wages, non-existent benefits and poor working conditions.

Corporations reduce production costs and increase their profits by basing their operation in countries with minimal environmental regulations, and fewer environmental controls mean lower costs for employee health and safety, pollution control, or waste disposal. Corporations are not held accountable for the environmental impact of their production and are able to reduce expenses by eliminating environmentally-friendly production methods. Disinvestment occurs in developed countries while higher profits are sought in countries with few labour and environmental regulations.

Commercial enterprises leaving the community create a loss in the retail base, unemployment, the reduction of services, and lower incomes for community residents (Blakely, 1994). Suburbanization is another direct result of business closures, as community residents relocate to the suburbs to find higher paying jobs. There are no opportunities for existing employees to be absorbed back into the labour market through replacement jobs or transfers. The lack of accessible employment that provides a sustainable wage is a common issue for low income community members. Unemployment rates continue to rise as does the creation of part-time and service industry jobs (Ternowetsky and Thorn, 1991) which offer low wages, no benefits, and do not promote self-sufficiency. All of these factors increase the likelihood of poverty for community members. Loss of jobs economically impacts the local economy because of the decreased availability of money to purchase goods. The social costs of unemployment include poverty, depression, domestic violence, family breakdowns, and substance abuse.

Poorer communities receive less income from taxes, which lowers the funds available to municipal governments for infrastructural repairs and community services. Governments face difficulty in maintaining and upgrading existing services, for example, health care. In addition, funding to meet recreational, educational, and social needs decreases because of the loss of

income. Also, federal government cutbacks in education and training programs reduce opportunities for community members, and this lack of opportunities prevent community members from improving their situations and contributing to the local economy (Blakely, 1994). The economic loss negatively affects present and future investments in the community and services made available to community members.

Globalization encourages the migration of inner city residents because of the relocation of manufacturers and the loss of well paying jobs. Community residents who are financially able search for employment outside their present community, and consequently move their households. Urban development, therefore, plays an integral role in the decline of inner city communities. Inner city underdevelopment is closely linked to the post-World War II suburbanization of large cities (Bunting and Filion, 1988). Suburbanization refers to the relocation of residential and commercial investments, as well as residents, from the inner city to suburb communities (Nozick, 1994). Increased production of the industrial sector required manufacturers to secure larger facilities to meet the demands of an assembly line; consequently, owners left the central business district for the suburbs to capitalize on an abundance of inexpensive land on which to establish larger facilities. The expansion of the industrial sector influenced the relocation of community members with the promise of increased wages and the desire to live closer to their employment. Suburbanization is created by a population's move towards consumerism, the desire to purchase larger homes, cars, and technology to increase social status and acceptance. Also, the infrastructural development of roads supported the mobility of the middle class ensuring accessibility to the central area of the city from the suburbs. In addition, government programs for home mortgages were an incentive for the migration from the inner city to suburban communities. These programs created a massive exodus from the



older inner city neighbourhoods by the Caucasian middle class population seeking the opportunity to build a new home (Wadhams, 1993). Suburbanization resulted in less financial support for inner city communities as the tax base decreased and the cost of providing service to the suburbs increased. Demographics of the inner city became skewed as past residents were replaced by minority groups or community members with lower household incomes, and fewer families. The decline in financial support to the area resulted in the lack of general maintenance and new developments to maintain the once vital communities.

Also, inner city community members became physically and socially segregated from other districts of the city. Physical segregation occurs because of railway tracks or rivers, creating a permanent barrier between the inner city and suburbs. Residents are socially segregated due to their lower incomes and status in the community (Blakely, 1994). The separation from the city creates problems for community members to access the city to find employment or to receive necessary services, for example medical attention or adult education. Segregation of the inner city also makes it easier for other residents to avoid or overlook the deterioration experienced in the inner city. Discrimination of community members based on gender, race, and/or income creates an insurmountable barrier and denies community residents equality and respect.

Underdeveloped communities have specific characteristics that differentiate them from the suburbs. Inner city communities are situated in the central older areas of the city surrounded by warehouses and segregated by physical barriers from other city districts. Suburbs are newer areas, primarily residential, that are located on the outskirts of the city. Inner city housing is deteriorated and inadequate while suburban homes are large and expensive. There is an abundance of park and recreational facilities to meet the demands of

the suburban population, as the inner city experiences the closure of recreational facilities and the neglect of housing. The business district experiences deteriorating commercial areas, a nonexistent industrial sector, decreased services, vacant store fronts, and a climate in which more of the small businesses are struggling to survive (Holcomb and Beaugard, 1981 and Smith, 1996). Large shopping malls accompany the new suburban housing to provide retail chain stores that drive small firms out of business. The inner city business district is made unattractive to consumers because of the high crime rate, lack of parking, and deteriorating infrastructures (Holcomb and Beauregard, 1981). The economic and social conditions of the inner city community are manifested in the depressed state of the residential and business districts.

### Summary

The social and economic impact of globalization on inner city communities is apparent in the chronic underdevelopment of the area, such as loss of jobs, reduction in tax base, and relocation of community residents and businesses to the suburbs (Smith, 1996 and Bunting and Fillion, 1988). These consequences make it difficult for inner city communities to survive in the global market. Chronic decay is representative of the declining areas which creates problems in competing with other communities and countries for investments. The neglect of infrastructural repairs creates an unappealing environment for investors, and older buildings require costly renovations to meet existing government standards. The effects of globalization are made worse by public policy decisions that support corporate philosophy and erode the social and economic conditions of the inner city.

## **Public Policy and Underdevelopment**

Public policy follows economic trends which are influenced by the government's desire to privatize services and relinquish responsibilities to other level of governments or to the private sector. The ideological focus of public policy reduces government involvement and supports business principles, such as the need for profitable initiatives. Methods utilized to achieve public policy goals include tax restructuring, job creation, debt reduction, and privatization.

Tax restructuring refers to changes in policy to support the corporate ideology by providing various tax breaks to corporations and multinationals, for example, minimal taxation on profits. This creates a disproportional tax system that gives tax breaks to private industry and to higher income individuals while placing the tax burden on working class individuals. Government rationalizes the lower taxes paid by corporations because of the increase in profits and also because of possible future investments strengthen the economy. Increased taxes for private citizens and fewer available government funded services are the direct consequence of tax restructuring. Reduced cost sharing formulas between the level of government, has minimized the social responsibility of the federal government, and the cutting of social programs supports government initiatives that provide fiscal rewards rather than nonprofit social benefits. Tax restructuring is an economic policy that promotes corporate investments by reducing corporate taxes, but which also address the issue of job creation.

Job creation is the focus of public policy intended to reduce unemployment rates and encourage corporate investment. Direct government employment projects provide job training and employment opportunities for community residents, for example, public works. Employer based programs provide employers with hourly pay rate and training subsidies, and location incentives; the goal is for employers to expand productions and/or services to increase the

number of employees. New investors are encouraged to invest in the economy by policies that provide low taxation, low wages, and subsidies. However, public policies attempt to maintain a low minimum wage and to encourage the development of service sector jobs which are characterized by low wages, lack of benefits, and no job security. Present job creation strategies assist employers and discount the rights and needs of employees.

Debt reduction is used to rationalize the government's focus on the deficit. Public policy based on the deficit includes reduction in spending and consumption taxes as a means of increasing the government's ability to lower the deficit (Lockhart, 1994). Financial support to social, health, and educational services is faced with annual reductions to balance the budget and reduce the deficit. Consumption taxes, for example, cigarette and provincial sales taxes are implemented to increase government revenues which help pay off the deficit. In addition, government offloading reduces the financial and legal responsibilities of the federal government while transferring the deficit cost and responsibility to other levels of governments. Reduction in social spending and increased taxation directly affect consumers by increasing costs and reducing the availability of services. Therefore, debt reduction focuses on financial management rather than the needs of the community.

Privatization of government services has an impact on the present situation of the inner city. Services that were previously the responsibility of government are being contracted to private organizations, and industries are being sold to private companies. Privatization of government services has reduced governmental control on resources and services, for example, the privatization of Manitoba Telephone Systems (MTS). The goals of privatization include reducing government control and spending on the industrial sector, improved efficiency, and the weakening of public sector unions (Marsh, 1991).

Policy makers believe that services provided without the bureaucracy of government will run more efficiently and effectively, and the power of unions is diminished when private businesses assume the service and employees are no longer unionized. However, the consequences of privatization are increased costs, limited accessibility, and lower quality of services (Marsh, 1991).

Increased costs for consumers include service fees and increased taxes to support programs which reduces the accessibility of those programs. These conditions encourage the development of a two-tier system that provides services only to people that can afford to pay, and ignores the needs of low income community members. Opponents of privatization claim that, with reduced government responsibility, the quality of service will decrease because of fewer regulations and standards. The value system of privatization creates an environment that benefits the powerful and further increases class divisions among community residents (Ternowetsky and Thom, 1991).

## Summary

Changes to the global economy have direct consequences on the local economy of urban communities, including unemployment, poverty, devaluing labour, and disinvestment. Low wages and unemployment reduce the amount of money being spent, weakening the economy and creating an economic and social crisis in the community. The social and economic well-being of the community is obstructed by the negative impacts of public policy, the rapid decline of community services and the deterioration of the infrastructure. The decline of the inner city correlates to the centralization of power and wealth in the suburbs.

Policies exacerbate the effects of globalization and negatively impact inner city communities; tax restructuring, job creation, debt reduction, and privatization

are policy themes that increase the power of the minority and devalue the needs and rights of the community. The decisions serve the needs of powerful multinationals and wealthy individuals, and affect the entire community. However, the majority is left feeling powerless and unable to challenge these decisions.

People living in underdeveloped communities lack sufficient access to employment, education, and financial resources (Bishop, 1994; Menahem and Spiro, 1989 and Blakely, 1994). Reversing the effects of underdevelopment requires a holistic and creative strategy to improve the present economic situation and increase opportunities for community members. The restoration of power to the community is necessary to promote the ability to make decisions locally, rather than depending on outside forces that are unaware of community needs and resources. Community groups and citizens can strengthen political power by developing networks of stakeholders to form a collective voice which can challenge present policies and seek equality.

## **II. Intervention Patterns for Inner City Communities**

A range of programs has been introduced into inner city communities as methods of improving living conditions for community residents. Such interventions include individual, family, and group approaches to address specific issues of poverty such as unemployment, depression, substance abuse, domestic violence, and low self-esteem. The delivery of these programs ranges from individual to community initiatives. Individually-focused programs concentrate on individual pathology, referring to the individual as the problem and the solution, but community initiatives present a more structural definition to the problem, and offer a collective and preventative approach as the solution. Varied methods are required to address the diverse issues facing inner city communities. Kirsch (date unknown) categorizes 3 levels of employment interventions:

*Tertiary intervention - treats a chronic symptom in an effort to minimize its deteriorating effects; for instance, social assistance.*

*Secondary intervention - stops a disorder or problem from becoming more disruptive; for example, job readiness training programs.*

*Primary intervention - preventative methods that address causal factors prior to the development of consequences; for example, economic and social policies that eliminate structural unemployment and poverty (pp. 326-327).*

Tertiary interventions maintain and improve individuals' present level of functioning, and they include services such as counselling and social assistance . Interventions are based on the individual pathology, blaming the victim; as van Rees says, "... the external effects of individual failures are magnified and intensified... " (1991, p.99). Individuals are blamed for creating their problems without considering precipitating factors (Wharf, 1979). The individual is the focus of the intervention even if he/she is not seen as the cause; that is the process places the burdens on the individual for their own improvement.

Depression, family breakdown, substance abuse, and poor self-esteem are examples of clinical issues that counsellors deal with by utilizing individual, group, and/or family therapy. Social assistance provides financial aid for families to meet their basic needs of food, clothing, and shelter. Tertiary interventions treat symptoms of poverty and unemployment by focusing on individual deficiencies and do not address systemic issues (Rose, 1990; McKnight, 1989 and Kirsch, date unknown).

Tertiary interventions can also help individuals gain positive self-esteem and develop coping mechanisms that improve their level of functioning. Improved coping mechanisms and feelings of self-worth are a significant enough change to the quality of life, however, structural barriers limit successes to modest improvements, because improvements experienced are often short term and cyclical, for example, when individuals are confronted with a crisis they quickly revert to past coping mechanisms and are unable to implement the new behavior.

Although, transfer payments provide families with a minimum standard of living that decreases self-worth, they fail to provide a vehicle through which individuals can become independent. Individuals dependent on social assistance experience low self-esteem due to their inability to support themselves or their families. Dependency is also created by the inability to secure viable employment which will improve their standard of living and terminate social assistance.

Tertiary services undermine individuals by making them believe that, by improving themselves, their situation will ultimately improve; however, individuals feel despair and frustration after minor personal successes are not enough to better their situation significantly. Tertiary services assist in developing individual skills but they are unable to address the structural issues that create the problem.

Secondary interventions attempt to prevent the problem from causing further complications to the individual's level of functioning, and focus on



individual issues in a more accessible and less stigmatizing approach for community members (Wharf, 1979). Employment training programs are an example of a secondary intervention which has been the choice of various social service organizations to mobilize the unemployed (Daezner, 1989) to reduce dependency on the social welfare system. Job readiness skills focus on communication and written skills, resume writing, interviewing skills, networking, as well as specific employable skills, such as cooking, retail sales and construction.

Secondary approaches start to deal with problems beyond the individual and include teaching a range of hard and soft skills, as well as trade skills and job hunting techniques that improve the employability of participants. The weaknesses include not addressing the causes of the problems, and programs that are not based on individual needs, and are therefore designed with little flexibility to meet those needs. Participants must meet narrowly defined admission requirements, for example, women between the age of 18-25; consequently, services are denied to potential candidates who do not meet admission criteria. There is no coordination between training and employment opportunities; therefore, upon completion, participants struggle to find employment. This approach provides education and skill development that have minimal success in finding long term, meaningful employment for participants. Secondary interventions are clinically-focused with group and individual interventions, but there is no advocacy for systemic change to improve the employment prospects of participants.

Wharf (1979) describes primary prevention as a comprehensive approach that promotes change: "Primary prevention can be achieved by dramatic discoveries, by changes in life style and by social changes such as increasing income levels, reducing pollution, and improving housing standards" (p. 260).

Primary interventions redirect the problem away from the individual and towards systemic dysfunction (Wharf, 1979), and focus on equipping people to be more self-reliant, thereby strengthening communities and making structural changes to prevent problems from recurring. Preventative tools implemented include education, competency promotion, natural caregiving, and improving community organizations/systems (Gullotta, 1994).

Self-reliance of community residents is nurtured to decrease their dependency on outside services and to foster a belief in themselves. Independent and self-confident individuals cope more effectively under adverse conditions and are more capable of advocating for change. There are many tools available that can increase self-reliance. Methods of sharing public information include public service announcements and educational curricula. Education provides community members with the opportunity to increase their knowledge and raises social consciousness (Gullotta, 1994). Education increases individuals' knowledge, and influence attitudinal change, but does not change behavior. However, education combined with other tools is more likely to instill change. Natural caregiving techniques encourage individuals to care for themselves, others, and their community, through self-help groups which effectively promote mutual aid and develop social support networks. This tool addresses individual needs, and provides a collective voice for community members; it is individually-focused, however with guidance, support, and encouragement, participants become contributing members of the community.

Strengthening the community utilizing competency promotion unites community members and develop a sense of community ownership and pride . Competency promotion is a tool that promotes a sense of belonging to a group; participants feel valued and are able to make a meaningful contribution to the group. Approaches to competency promotion include assertiveness training in

which participants develop resiliency, an ability to withstand adverse social, emotional, and health issues. The outcome is a sense of belonging and a sense of investment in the community. Competency promotion begins the process of community mobilization and the development of community building.

Such structural changes to existing organizations and policies are important to improve and to prevent poverty issues from affecting community residents. Community organizations/systems address the inequalities that limit individuals' options and opportunities. Methods utilized to challenge barriers are the removal or modification of institutional barriers, community resource development, and legislative or judicial action. Community groups can advocate changes to existing institutions to reduce barriers that create discrimination and inequality, and community resource development promotes the creation of such community institutions as neighbourhood associations. Community institutions also assist in healing communities through positive and proactive interventions that strengthen community members and families, and enable citizens to organize and advocate change. Community members have the capability of making changes in laws by lobbying levels of government, and encouraging the private sector and community groups to better serve the community, for example, the successful campaign to impose stricter laws against drinking and driving by the Mothers Against Drinking and Driving (MADD). These techniques equip community residents to mobilize and to begin the process of rebuilding their community.

Primary interventions are preventative and proactive because they address structural problems that contribute to issues such as unemployment, poverty, and discrimination. Effective interventions include neighborhood programs, family support centers, and advocacy and self-help groups that are characterized by a proactive community approach that empowers low income

families and acknowledges the structural impacts of poverty (Hopps, Pinderhughes, and Shankar, 1995 and Bush, 1988). Approaches that encompass emotional, spiritual, physical, economic, and psychological well-being are essential to address individual needs holistically (Dore, 1993; Gwyn and Kilpatrick, 1981; Rose, 1990; Rubin, 1985; Ruger and Wooten, 1982 and Wood, 1978). Primary interventions have proven effective for low income families because of the range of services that is accessible and community-based (Lightburn and Kemp, 1994) and that addresses basic needs through diverse programming such as community kitchens, credit bartering systems, self-help groups, clothing banks, and credit circles. However, a limitation experienced by primary interventions is the ability to secure adequate funding to maintain services, because funders are hesitant to support initiatives that challenge traditional practises.

Economic, political, and social changes are necessary to transform the underdevelopment of inner city communities by improving the local economy and increasing opportunities for community members. Structural modifications are required to redistribute power from multinationals to local communities, reduce inequality between classes, and improve the individual entitlements of community members (Wien, 1986; Bishop, 1994 and Loxley, 1981). Structural changes would challenge the political beliefs of individualism, and would promote an egalitarian and collective environment to support local developments.

### **III. Community Economic Development (CED)**

CED is an example of a primary intervention that addresses structural issues facing underdeveloped communities by utilizing a broad spectrum of tools to improve the local economy. These strategies confront power issues, resource drains, and skill deficits to alter the present economic and social conditions. CED promotes community and economic development by providing opportunities that are not presently available to community members. Social reform is an important characteristic of CED, as it encourages oppressed communities to organize and to challenge present institutions and policies affecting their lives. CED includes elements of both primary and secondary approaches that comprehensively address structural issues; it is representative of numerous theories and practises that address the needs of urban and rural communities.

In the 1970's, the federal government encouraged programs to focus on socioeconomic improvements for disadvantaged groups (Abucar, 1995). The Community Employment Strategy (CES) was an initiative intended to address the social issues of poverty; strategies included development of employment skills, training programs, and small business development. The primary goal of these initiatives was to assist individuals in becoming self-sufficient and to reduce their dependency on transfer payments. Employment and entrepreneurial strategies were considered an effective tool for increasing skill development and the employability of participants. CES strategies can be categorized as secondary interventions that focused on symptoms of poverty and treated individual issues.

The 1980's brought economic recession and high unemployment rates; therefore, the government determined that previous programs were ineffective and that a new approach was necessary. A community-focused approach to government funded initiatives was founded, the Canadian Job Strategy (CJS). This initiative addressed individual and community needs and emphasized a

holistic approach to achieving community economic self-sufficiency. Training programs attempted to teach community residents skills to meet the labour market demands. Funded programs included community futures, skills investments, job entry, skill shortages, and job development. Other investment programs encouraged individuals and companies to invest in communities to promote economic development and job creation. CJS focused on the investment of human and natural resources as a proactive method of confronting the economic difficulties facing Canadian communities.

These government programs were employment initiatives with the primary goal of self-sufficiency of individuals through employment and training opportunities. CES and CJS programs are described as CED initiatives, but they lacked specific principles and characteristics of CED: community involvement, democracy, and addressing systemic issues. The programs utilized a top-down approach initiated by government policy makers with no community involvement in program development or implementation. Programs were created with no community identification of problems or needs; therefore, it was difficult to utilize community members effectively. This method of service delivery maintains the bureaucratic structure and does not foster democracy, and the individual focus on problems did not address the structural issues that had created the underdevelopment of communities. Services concentrated on the consequences of poverty and unemployment, but were unable to address the structural factors which created the social and economic distress. Therefore, CJS and CES initiatives did not significantly reduce unemployment rates, and proved to be ineffective in providing long-term solutions for marginalized groups and communities.

CED draws on perspectives from social work, urban development, and economics to provide components with which to define community. References

incorporated in this document were chosen because their models are based on the theory of underdevelopment in urban communities. The following examination of CED theories and principles is intended to assist in the development of a model with which to address the needs of an inner city community. CED incorporates capacity building, participation and decision making, linkages, ownership and control, distribution of profits, and partnerships.

### Capacity Building

Capacity building identifies assets and weaknesses of the community by analyzing human and financial resources, and community stakeholders. Human resources refers to community residents, employees, youth, children, and families, and financial resources include banking institutions, sources of income, lenders, and other potential funders. Community stakeholders are representative of the public, private, and voluntary sector that has an investment in the community. All of these elements provide a basis on which to further develop and mobilize the community. Organizations and community residents may require assistance in defining and understanding the importance and benefits of their role, community workers identify community strengths and promote positive skills that are an asset for individual and community development, because a belief in the abilities of community members fosters a sense of self-worth and empowerment. The analysis of the community provides invaluable information about potential opportunities for development, as well as identifying threats that may inhibit or challenge further development. It also increases awareness of the diverse resources available to the community and the potential for redevelopment. Capacity building engages and mobilizes community members in addressing the issues facing their community. They gain on a personal level by increased self-esteem, the creation of social support networks, a renewed sense

of power and control, and the development of communication and problem solving skills. When individuals' sense of self-worth improves, they become more willing to participate in community projects.

### **Participation and Decision Making**

Active participation of community residents provides an opportunity for a grassroots approach to the process of developing solutions to address that community's needs, and CED attempts to develop community-based institutions that invite community involvement and control (Nutter and McKnight, 1994). Participation creates a community voice and assists in the development of community-focused initiatives; community involvement can facilitate control and power over community direction, and empowerment restores a sense of control and the ability to challenge the preset ideology utilized to maintain power. It also assists in the development of realistic projects that address the needs of the community and contribute to the success of the initiative. Improved feelings of self-worth assist community members in taking ownership of their community and becoming important decision makers in projects that affect them.

CED subscribes to a democratic decision making process that supports principles of equality and rejects the negative effects of bureaucracy. Bureaucracy is recognized by its rules and policies, and a hierarchy which exhibits centralized power, inequality, and inefficiency (Mills and Simmons, 1995). The rules and policies of bureaucracy are commonly referred to as "red tape" which promotes inefficiency and discourages individuals from approaching the organization. A hierarchical structure centralizes the power of decision making in the top management of an organization; consumers and employees are not involved in decisions and their distance is assured by the policies of the

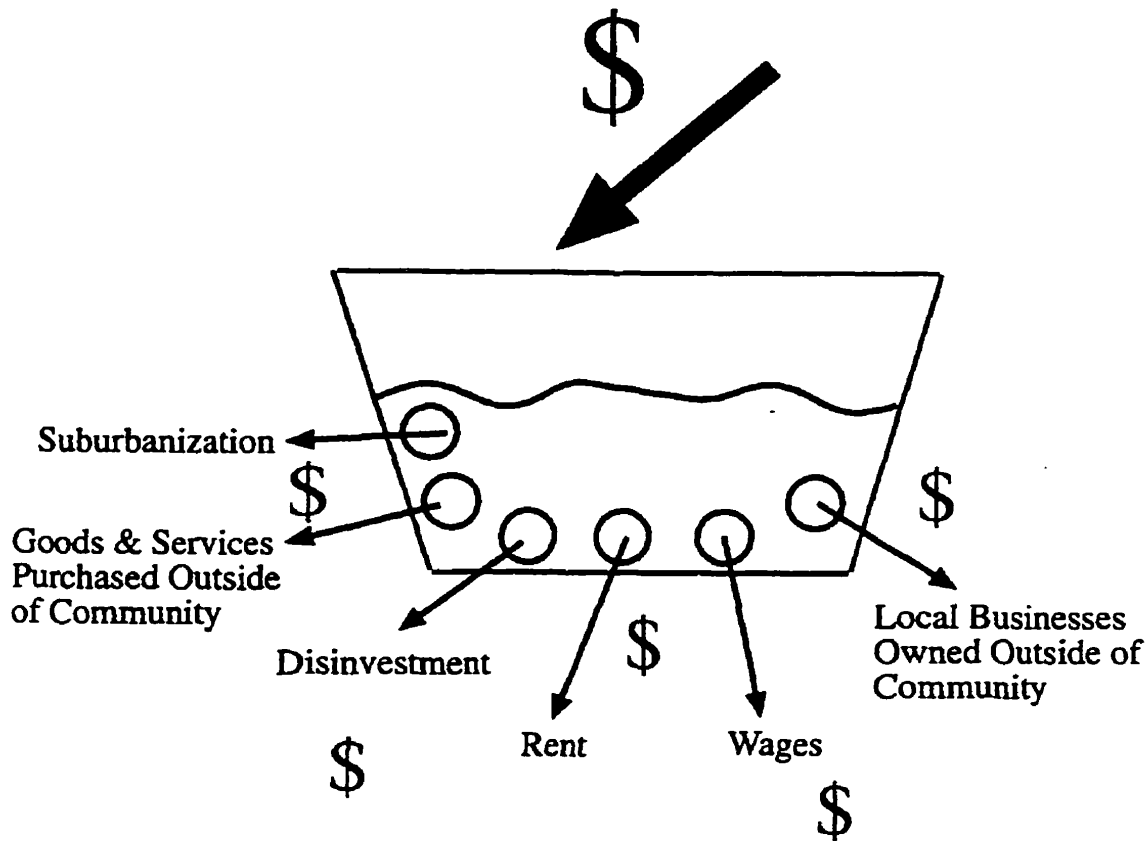


organization. Inequality dominates within the power structure and prevents individuals from challenging decisions or policies.

Democratic processes include equality, nonhierarchical structures, and involvement in the decision making process by all interested parties. A nonhierarchical structure develops as a sense of community ownership because it encourages community participation and involvement in decisions regarding that community. Community stakeholders involvement in decisions more accurately represent the community needs and possible strategies. Democracy also encourages the participation of stakeholders in decision making to eliminate inequality; individuals are treated equally regardless of their social status. It gives community members the control that restores their power and confidence to provide direction to community projects.

## Linkages

The idea of linkages points to a central cause of underdevelopment, the draining of resources and the dependence on imports for basic necessities. A key factor in the economy is the development of internal and external linkages to prevent leakages from the community (Lozides, 1994; Loxley 1981 and 1986; and Perry, Lewis, and Fontan, 1993). Leakages is a term that refers to money and resources leaving the local economy to support other individuals, businesses, and communities rather than sustaining local initiatives. Examples of leakages include consumers purchasing products and services outside the community, local businesses employing staff from other communities, and loss of revenues from businesses and rental properties that are not locally owned. The "rusty bucket" analogy explains the process of money leaving a community with few linkages (see Figure 1). There are holes in the bucket which allow money to



**Figure 1. Leakages from the inner city community**

leave the local economy resulting in unemployment, disinvestment, suburbanization, and loss of community control (Fairburn, 1990). The economic capability of the community exits through the holes and thereby benefits other communities. Therefore, the primary objective of CED initiatives is to prevent leakages by concentrating on building linkages within the community. Local initiatives improve a community's self-reliance and decrease its dependence on outside sources by making products and services available locally.

Internal linkages identify opportunities to purchase and manufacture products and services within a local economy. The identification of linkages supports locally-owned businesses, creates employment opportunities, and

retains money in the local community for future developments. Linkages within the community encourage collaboration with private, public, and voluntary sectors to improve the understanding of their roles in the community and to identify meaningful initiatives to improve the local economy. They are encouraged to take responsibility for the local economy and to develop new practises, such as hiring and purchasing locally. Linkages have the potential to create employment and improve the business district, and local purchasing and hiring are methods that support community members and strengthen the economy by ensuring that money remains in the community. Internal linkages ensure that a larger percentage of money remains in the community to further support the local economy and provide opportunities for local residents.

Import substitution concentrates on external leakages by manufacturing products and providing services that are consumed in the community, instead of purchasing from businesses owned outside of the community. This method keeps money in the community by providing community stakeholders with the opportunity to purchase from local enterprises, and the development of new enterprises assists existing organizations to encourage the development of locally owned initiatives, for example, courier and janitorial services. Import substitution also encourages the expansion of new businesses, benefits the business district by providing a viable service to the community, and fosters new employment opportunities for community residents. This reduction in leakages strengthens the local economy while creating employment and entrepreneurial opportunities. Internal and external linkages not only ensure economic development but improve social development in a community.

## Ownership and Control

Local ownership and control are important CED principles that address the underdevelopment of communities (Wien, 1986 and Loxley, 1981). These CED projects can be described as "small local efforts" locally owned and operated:

The ideal project is local in all respects: owned and managed locally, located within its own community; it provides work paid or voluntary - for local people, makes use of locally available resources- human and material, and it services local need by providing required products and services.  
(Wismer and Pell, 1981, p. 5).

Local ownership provides linkages within the local economy by employing community residents and producing goods and services for local consumption. An important strength of local ownership is that proprietors are more interested in the well-being of the community because they work and live in that community.

Models of ownership include partnerships, individual entrepreneurs, cooperatives (worker and consumer), and community development corporations (CDC) (Blakely, 1994) Partnerships are a network of groups combining individual interests to meet community needs and which have a mutual commitment to pursue an economic objective. Individual entrepreneurs are community members who are solely responsible for the management and operation of a business. Cooperatives provide a group of community members with an opportunity for local ownership and control. The cooperative model provides residents with the opportunity to be active decision makers in their enterprises.

Co-op development is a practical demonstration of sustainable locally-controlled economic activity that meets the needs of the community. ...[It] generate[s] income through employment or by the marketing of products or services; new services, such as affordable equity housing co-ops, contribute to improving the quality of life for women and their families in the community.  
(Conn and Alderson, 1997, p.40).

Consumer co-ops provide community members with shares that give them voting rights within the cooperative and from which they receive a distribution of profits. Worker cooperatives are owned by the employees who purchase shares; the price of the shares is reinvested for the enterprise's growth and development. Employees have voting rights and collectively decide upon the distribution of profits. Community Development Corporations are a nonprofit organization controlled by community stakeholders that stimulate economic and physical improvements in the community, for example, business development, housing, and employment. Local control allows community members to participate in decisions that affect their community; examples of such decisions include the management of local resources, housing, and employment opportunities. A renewed sense of power for community members enables them to make decisions and to believe that their role in the community is valued. Increased community ownership and control strengthens the business district and employment opportunities, and in addition, provides a commitment to the social and economic well-being of the community.

### Distribution of Profits

CED could be just like any other form of business; however, the distribution of profits differentiates CED enterprises from private businesses (Wisner and Pell, 1981). CED strategies promote an integrated approach where profits are utilized to benefit the community rather than used for personal gain. CED works toward the collective gain of the community through distribution of surplus in the form of higher wages, lower prices, dividends, or reinvestment in the community. Higher wages are provided to employees to improve their standard of living and purchasing power within the community. Lower prices for services and products distribute a surplus by providing cost-saving rewards for

consumers and allow enterprises to compete more effectively with private businesses. Dividends distribute monetary rewards among members to share the profits. Reinvestment in the community can be in the form of infrastructure improvements, financial support to existing community projects or the assistance to new CED initiatives. The distribution of profits to employees, community groups, and consumers benefits the community by supporting community based initiatives, developing networks, and preventing leakages to strengthen the local economy, as well as presenting a model of socially responsible activities for business owners. The process unites organizations and individuals in addressing issues cooperatively and holistically. The benefits are a reduction of class differences and an increase in equality among community members, as well as more opportunities for them.

### Partnerships

Partnerships refers to public, voluntary, and private sectors collectively playing a role in the implementation of strategies that address the social and economic needs of the community. The public sector represents municipal, provincial, and federal government agencies that provide community services, such as recreation, health, education, policing services, and community infrastructures, for example, water, sewer, and roads (Douglas, 1994). Government participates in the community as employer, purchaser, funder, and policy maker; it employs thousands of people to assist in the functioning of the organization, implementing economic and social policies, sponsoring economic programs, and purchasing products from the private sector. These jobs increase purchasing power, add to the base of tax payers, and provide independence for community members. Employment with a government agency represents a good paying job with benefits and representation from a union. However, these jobs

require various levels of education and abilities. As a buyer, the government purchases products and services in order to function, including printing, consultants, and sub-contracting of services, i.e. recreational programs. The purchasing power of the government is extensive because of its varied roles and organizational needs. Government also represents the largest funder of voluntary sector programs through grants and loans that subsidize in administration and service delivery. As well, government disperses funds to assist in the development and maintenance of a community's infrastructure. Funding of services and programs, such as social, educational, health, and recreational, benefit all community members. Government policies, practises, and initiatives have a direct impact on the economy (Kretzmann and McKnight, 1993), therefore they are a likely partner in community initiatives.

Government participation in CED initiatives requires a redefinition of their roles to assist in the development of a cooperative and positive relationship with other parties (Smith, 1996 and Penn, 1993). The government's role in participatory and community-driven projects requires them to "...shift their role from defining problems and creating solutions to following community definitions and investing in community solutions" (Kretzmann and McKnight, 1993, p. 367). A community-based initiative that is developed at the grassroots and based on CED principles encourages government to participate in a strength-focused and democratic initiative. The public sector's involvement with CED encourages it to examine the consequences of its economic and social policies and practises, and to discover new techniques with which to address poverty and unemployment.

The voluntary service sector represents nongovernmental, not-for-profit agencies that provide health care, recreational, and social services. The voluntary sector has an important role to play in CED strategies due to their networks with other sectors and communities, and their expertise in community

organization and advocacy. Funding for the voluntary sector includes government and nongovernment grants, fundraising, and corporate sponsors. Its role in the community represents employer, purchaser, service provider, and advocate (Smith, 1992). Employees can be paid or unpaid workers; these employment opportunities assist in skill development and purchasing power for paid employees. The sector depends on a large volunteer base to support administration, fundraising, counseling, and other duties. The voluntary sector is also a consumer of various services and products that assist in its functioning, such as paper, and janitorial and courier services. It provides a range of services to community members including counselling, recreational, educational, cultural, and religious, and it assists in the social development of communities. Voluntary agencies are important advocates for individual rights and improvements to social policy, on such issues as poverty, child abuse, welfare rights, and persons with disabilities. Participation of the voluntary sector is imperative because of its independence and autonomy from large bureaucratic structures (Smith, 1992), as well as its ability to represent community members.

The private sector represents privately-owned enterprises which provide services and goods to communities, and it includes small businesses, corporations, and multinationals that seek financial gain from a particular market. The private sector can be categorized in terms of retail, service, manufacturing, industrial, and production enterprises. Individualism, profits, and competition are central to the private sector, and it influences the local economy through its various roles as employer, purchaser, manufacturer, entrepreneur, and community member. The sector employs people in jobs that are primarily service jobs which require minimal training and education; however, such employment ensures a source of income with which employees can support their families, and purchase goods and services. The private sector is in a position to impact a



community's economic state: "In Canada, the private sector and particularly small business creates more community based economic opportunities than big business" (Grieco, 1995, p. 338). Private businesses also buy goods and services for resale and the maintenance of their facility. The private sector manufactures goods and services for sale locally and/or imports. Entrepreneurial skills held by private sector members give them an expertise in business management, and the business owner is an important member of the community because he/she has valuable contributions to make to the area. There are many opportunities for the private sector to become active participants in CED strategies and to have a positive impact on the community.

Hopkins (1995) describes a continuum of private sector involvement starting with developing an understanding and acceptance of a systemic definition, leading to accessing the expertise of private sector members, participation in the development of strategic interventions, and advocating in favour of change. Attitudinal change is essential for the active and meaningful involvement of the private sector (Gittell, 1992). Raising the social consciousness of the private sector regarding poverty and unemployment begins the process of social awareness, which in turn permits business owners to accept more readily and understand the systemic causes of poverty, rather than blaming the individuals. Redefining the problem demonstrates the importance of the private sector's role in finding a solution by participating in socially responsible practises and community initiatives.

Secondly, accessing the private sector to identify needs and strategies within the community is an invaluable resource. Business owners provide information about the business climate, historical and cultural issues, and the impact of social conditions on the business district and revitalization solutions. The involvement of local merchants in community initiatives accesses their skills

and abilities while providing employment to community residents that, ideally, could prevent leakages. For example, a housing renovation project created employment and skill development for local residents, and in addition, it improved housing for a community (Hopkins, 1995). Benefits for business include advertising in the community as a socially-conscious community member and the potential to increase sales. This involvement proves to be a win-win situation for the community; business owners continue to provide services and opportunities for community residents while addressing the social needs of the community.

The experience and technical skills of the private sector are an invaluable asset in the revitalization of an underdeveloped community. The technical skills of business owners, including business development, financial analysis, political and economic analysis, network, leadership and institution building, are very powerful; "... they will become community economic developers with a market orientation, and market activists with CED skills - and their impact on job creation in their localities will be greatly enhanced..." (Hopkins, 1995, p. 53). The private sector's knowledge of business initiatives provides an important balance to the social focus of the voluntary sector. The combination of increased social awareness and responsibility by the private sector, as well as its business expertise will assist in the development of viable CED initiatives.

Another involvement of the private sector includes the development of advocacy skills and an active involvement in political advocacy (Hopkins, 1995). Business owners have the capability to utilize their political power for lobbying governments to address the structural problems and to support community based projects. The objectives of political advocacy are to affect the collective consciousness, change policies at all levels, and alter the problem definition from individual to systemic (Hopkins, 1995). Business owners can use their political power constructively to assist in community development. These stages

represent a process of engaging the private sector in their local communities, and of developing socially responsible behavior to support community growth.

A necessary fourth ingredient is the participation of local community members to define and design solutions (Mitchell and Envoy, 1997); their involvement assists in defining assets, issues, and solutions. Multisector partnerships more accurately represent the community because of the diversity of the group and the number of community members they represent. Collaborative efforts receive more attention from policy makers and political leaders because of their collective power and their ability to lobby for change. CED programs sponsored by the public, voluntary, and private sectors present a broader representation from the community, access to more financial resources, and an increased knowledge base.

Strategies driven by a multisector approach require knowledge and understanding from each sector. Time is important in building relationships and in developing effective interventions to address the community's issues (Mitchell-Weaver, 1990). Financial resources can be combined to improve funding for projects and accessibility to grants which support new strategies. Skills, abilities, and knowledge by the public, voluntary, and private sectors are useful because of the various tasks necessary to fulfill CED strategy identification and implementation. Organizers should ensure that the collaborative effort accurately represents the local community in its totality to be confident that the problem definition and strategy are valid (MacNiel, 1994). The most important benefit of a multisector approach is the political power that the collective group holds to advocate for improvements and change to the community.

## **Summary**

CED is a method of addressing the economic needs of underdeveloped communities through the use of various tools to stimulate economic growth. Reduction in leakages through the development of linkages is the key to economic growth; it benefits community members, business owners, government programs, and the voluntary sector by improving the social and economic conditions. Principles can be applied differently in communities, and the issues facing those communities are not simple but require creative solutions. CED principles are capable of being transformed into practical applications to revitalize inner city communities.

#### **IV. A Process for Revitalizing Underdeveloped Communities**

Revitalization requires a thorough and participatory process to address the personal, social, and structural challenges experienced by underdeveloped communities. CED strategies have the capacity to rebuild communities by concentrating on these challenges. The following section is a process to revitalize inner city communities through the knowledge I acquired by completing a literature review and conducting research into CED principles and strategies. Specific principles differentiate CED initiatives from other social and economic strategies and guide the process: inclusive participation, democracy, equality, and a commitment to the community.

Inclusive participation ensures the representation of all community members and an opportunity for them to express their opinions. It is essential that all members of the community are represented; stakeholders include businesses, religious groups, labour groups, community organizations, resident associations, and cultural organizations. Each person is equally valued regardless of their position in the community.

Equality provides an environment of respect, welcomes the sharing of ideas, and removes power imbalances. A democratic decision making process removes barriers that obstruct participation and instils a cooperative approach to finding solutions. Participants should be committed to the revitalization of the community, prepared to volunteer time and to work cooperatively with a variety of individuals. Community-based projects can challenge individuals' values, beliefs, and ideologies, therefore, participants must realize that the process is time consuming and sometimes painful. Benefits are not immediately evident, and patience is required to see the process through. Guiding principles ensure that the process is community-driven and meets the social and economic needs of the community appropriately.

The model consists of community building, development of partnerships, strategic planning leading to project implementation and evaluation. The process necessary to rebuild the community is interdependent and dynamic (see Figure 2). Community building begins with identifying key stakeholders: individuals and organizations from private, voluntary, and public sectors in the community. The goal is to promote cohesiveness and renew a sense of community ownership. Community members are engaged in the process by sharing information, their perspective on the community, and by identifying common concerns.

Methods of community building include opportunities to bring key stakeholders together, such as public information meetings, community consultations, and committee involvement. Public information meetings and community consultations provide a forum for the distribution of educational material about community revitalization strategies, as well as the opportunity for various stakeholders to come together and share ideas, and to build relationships. Committee involvement provides community members with an opportunity to become involved with decisions regarding the development of strategies, and promotes a sense of community ownership. Community building develops cooperative and collaborative partnerships that can identify strategies of rebuilding the community.

Partnerships are essential to the development of a comprehensive plan that addresses the issues of all community members. Gatherings allow different sectors to share dialogue, and to discover similarities and common concerns, as well as to foster relationship building. They assist in breaking down barriers and begin the process to address the needs of the entire community.

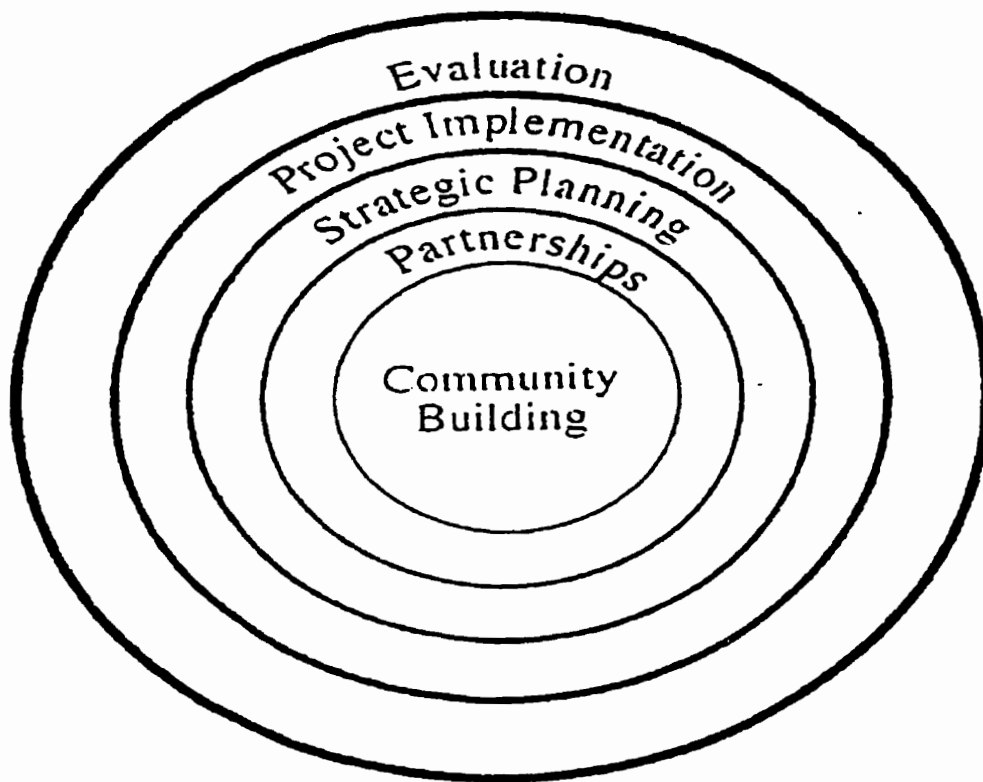


Figure 2. A process to revitalize underdeveloped communities.

Following the development of a strong cooperative group, the members begin to identify issues facing the community. The group uses their knowledge and expertise regarding the community and CED to discuss strategies of revitalizing the community. Strategic planning focuses on the revitalization of the community, but it is important to plan the planning the process itself. Preparations include designating responsibilities and timelines, organizing stakeholders, and the development of community ownership and commitment to the process. A visioning exercise begins the strategic planning by bringing together members of the community to visualize and define their ideal community.

Throughout the strategic planning process, information is gathered about the community from existing sources and from new research. Community demographics, commercial and residential real estate information, and labour skill inventories are examples of information essential to assist in assessing the needs of the community accurately and identifying possible opportunities. The next step is a critique of the community to identify strengths, weaknesses, opportunities, and threats. Community workshops provide a forum for inviting the participation of stakeholders; the goal is to prioritize the social and economic concerns of the community and identify possible strategies to address the needs. The group brainstorms possible solutions and prioritizes long-term goals and short-term initiatives to develop a plan of action which details the strategies to be implemented, timelines, and funding possibilities (Lewis and Green, 1992). Strategic planning provides a detailed account of the process to rebuild the community.

Project implementation carries out projects to revitalize the community; each project is unique and requires varying levels of expertise. Projects can range from small operations to comprehensive large enterprises; for example, the development of community enterprises such as cooperatives, microenterprises, redevelopment of an industrial area, to a community development corporation (CDC). During the implementation, community involvement continues to be a valuable part of the decision making process and the assessment of program effectiveness. There is not one project that will cure the ailments of underdevelopment; therefore, a comprehensive approach that addresses social, economic, and cultural needs is imperative.

The evaluation of CED projects is an exercise necessary to support present and future initiatives. Information gained from an evaluation includes an ongoing assessment of the process, programs, and outcomes. The evaluation



process measures the experiences and perceptions of participants, assesses present services and initiatives, and the impact of programs. Evaluation is often perceived as an overwhelming endeavor due to the difficulty of measuring individual and community change, the cost of the process, and the time necessary to obtain information to prove the worthiness of the project. However, if data collection is initiated with the program, the evaluation may be more readily accepted by the employees and community participants. Information not only validates the program being evaluated but other community projects obtain valuable information about their communities and CED initiatives.

The principles and concepts for the revitalization of the inner city communities are as complex as the reasons for the underdevelopment. Rebuilding the community involves various steps that rebuild the economic and social conditions of the community, and CED identifies potential resources available to the community that will strengthen the local economy and improve social conditions. Each community is unique and requires different strategies and methods to address the revitalization. CED is an avenue for communities to take charge of their own destiny and provides individuals with a sense of optimism for the future.

## **V. Community Economic Development (CED) Strategies**

CED projects strengthen the economic and social development of the community by providing initiatives to improve present conditions. CED strategies mobilize the community by empowering community members, raising social consciousness, decreasing isolation, and creating social support networks (Nozick, 1991; Briar, 1988 and Rose, 1991). Empowerment of community members restores their sense of community ownership and control of their lives, and encourages them to participate in decision making regarding community projects. The raising of social consciousness makes the community aware of the global and local influences on their community, and of the realization that the negative conditions are not justifiable. Community involvement provides individuals with the opportunity to develop social support networks for individual and community needs, and therefore, isolation and loneliness are diminished. Community-based projects are unique and tailored to meet the social and economic needs of the community. CED strategies are locally-focused, although they also have the ability to impact global and structural factors affecting underdeveloped communities (Wien, 1986). This section identifies technical strategies of CED that are utilized to rebuild communities. CED strategies address specific components of the economy to stimulate economic and social development. Numerous authors describe practical applications of CED that have been categorized as human resources, business development, infrastructure changes, and community development.

## Human Resource Strategies

Human resource issues include employment, leadership, and organization, in addition to life skills, literacy, job readiness and occupational skills, and the long-term goal of increased employment opportunities. Human resource strategies provide training and education to community members to improve their opportunities of securing good jobs and meeting labour market demands in the community. Community-based employment development strategies focus on the neighborhood to create employment opportunities through self-employment initiatives, small business supports, and the implementation of worker-owned cooperatives (Blakely, 1994).

Employment development focuses on job creation and the development of employable skills for community members (Lewis and Green, 1992). The process includes community needs assessment, program development and implementation, funding proposals, outreach, job placements, and self-employment training initiatives.

Loxley (1986) describes welfare and/or migration strategies as a human resource initiative that addresses the immobility of community members in welfare dependent communities:

Immobility is regarded by mainstream economic theory as a market imperfection and there is a school of thought (supply side economics) which would argue that the appropriate state response should be to reduce welfare payments and subsidies to induce labour to move. (Loxley, 1986, p. 32)

Migration strategies involve incentives for community members to leave their community, such as the reduction of transfer payments to seek employment opportunities. This strategy does not follow the principles of community development interventions (Loxley, 1986) because it blames the victim and does not address the structural issues related to unemployment. CED is trying to

overcome migration strategy approaches, because it considers community residents a resource and a reason to develop communities.

Human resource strategies provide an opportunity for community members to develop skills, but they do not address structural issues. However, there are no guarantees for employment which results in many participants being unsuccessful in securing long term employment and reinforces self-blame while failing to address the structural problems or to challenge policies regarding unemployment.

### **Business Development**

Business development strategies encourage new businesses, support and sustain existing businesses with the primary goal of job creation, and revitalize the business district. The objective is the creation of locally-owned businesses to promote self-sufficiency. Import substitution strategies attempt to produce goods locally that were previously imported (Loxley, 1986), and these strategies are aimed at an existing market, and create employment and entrepreneurial opportunities. Business development strategies are effective in preventing leakages and developing linkages that strengthen the economy.

Lewis and Green (1992) present loan/technical assistance as an initiative that supports business development. Loan/technical assistance includes the development of financial and technical supports for new and existing businesses. Specific tasks of this strategy are the assessment of business plans, financing loans, and counseling business. Loans are made available to community residents that are not eligible for funding from traditional banking sources because they lack collateral, for example social assistance recipients.

Credit loan circle strategies were first implemented in third world countries in the early 1970's. Dr. Muhammad Yunus, an economics professor, went to

Bangladesh as a part of the economic renewal of the country. He discovered that a significant proportion of the population, especially the poor, were involved in an informal economy, and were generally denied access to the resources which were available to the mainstream. Specifically, the poor were not able to access credit which prevented them from purchasing the quantities of raw materials necessary to produce finished goods and access market possibilities. The amount of credit required was minimal; for example, one \$30.00 loan was sufficient to satisfy the credit needs of 42 individual micro-enterprises. Dr. Yunus discovered that extending credit to low-income people involved in an informal economy was a powerful tool for economic development and the relief of poverty. Another important finding was that the loan recipients were a good credit risk, and Dr. Yunus started a financial institution called the Grameen Bank to expand the possibilities for micro-enterprises. The Grameen Bank of Bangladesh today has over one million members of whom the majority are micro-entrepreneurs. As a result of the success of Dr. Yunus's micro-enterprise loan funds in Bangladesh, similar funds soon developed in other third world countries. The credit loan program has proven to be very successful in stimulating economic development amongst the poor and supporting community mobilization. The similarities between poverty in third world countries and in Canada have been identified by inner city community organizers; therefore, the implementation of credit loan circles is viable in Canada.

Marketing the community to other businesses and industries plays an important role in developing the business district. New and relocating businesses are actively recruited to establish in the community because of the availability of inexpensive property. Advertising the strengths of the community to potential business owners can create jobs and provide new services to the community.

Business development strategies are economically-focused, but they indirectly address the social needs of the community. In addition, the strategies assume that natural resources are available and community-owned to assist in the development of production and self-sufficiency. A challenge to business development strategies is that not all community members have the desire or ability to become entrepreneurs, and the principles of CED must accommodate a wide range of business approaches to ensure viable and diverse enterprises. There are no guarantees that a business developed following a CED model will continue to support the philosophy and ideology of CED, because private business is extremely competitive and may not maintain the cooperative and collective nature of CED. However, business development strategies have the potential to encourage local ownership and investment in the community which enhances the economic needs of the community and impacts favourably on the social issues.

### Infrastructure Changes

Locality development addresses the need for essential services to ensure that roads, housing, and water are available to support the development of the local economy. Governments "...provide infrastructure investments in housing, water supply, garbage disposal, fire equipment, recreational, health, education and transportation... ." (Loxley, 1986 p. 34). Improvements to the infrastructure will be an incentive for further economic development in the community.

Infrastructure strategies provide improvements to the physical structures and services of a community such as storefronts or roads. This strategy traditionally provides short term employment opportunities and materials are usually purchased outside the community (Loxley, 1986). The infrastructure strategy aids in the development of facilities and services; however there are no

corresponding initiatives to secure local investments. Infrastructure development does not directly address social issues, provide opportunities for the local community members, or develop long term solutions to create economic independence. A partnership between CED principles and infrastructure strategies has the ability to build linkages by hiring local residents, and to purchase local materials when they are available. This partnership can strengthen the local economy and improve a community's infrastructure to assist in the redevelopment.

### Community Development Strategies

Community development strategies take a comprehensive approach to revitalizing underdeveloped communities by addressing economic and social needs. Convergence or self-reliance strategies encourage economic development by producing goods for local consumption (Loxley, 1986). Conventional economic strategies are implemented with a social agenda according to the role and goals of the initiative. Specific principles guide the operation of the enterprises: community planning, community ownership and control, democratic management, equal distribution of incomes, and the evaluation of projects and goals. The community manages the production and operation of the enterprises for the purpose of consumption and job creation. Convergence strategies cooperatively encourage partnerships with other initiatives to support redevelopment, such as infrastructure strategies (Loxley, 1986), but initiatives must operate within CED principles and purchase materials and labour locally to meet community needs. These strategies improve the social conditions of the community by providing employment and decision-making opportunities for community members.

Planning and advisory services provide support to businesses and community development organizations (Lewis and Green, 1992) and assist in mobilizing the community. The roles of the strategy are technical assistance to entrepreneurs, research initiatives, information sharing, referrals, preparation of funding proposals, and networking. The objective is to provide direction and support to assist in the development of the community to promote self-sufficiency.

Advantages of community development strategies are community ownership and control, and empowering community members to become active participants in the community, as well as the entrepreneurial and employment opportunities encouraged by the strategy. A challenge of the strategy is the ability of locally owned enterprises to remain competitive and to function in the present political and economic environment. Community development strategies make provision for the social and economic conditions of underdeveloped communities, and therefore they meet the needs of the community more effectively.

## Summary

Community-driven initiatives provide a holistic approach to assisting underdeveloped communities. It is important for communities to choose a strategy or a combination of strategies that best meets their needs and available resources. Strategies concentrate on specific sectors: infrastructure, human resources, business, and community development, and each addresses a different need within a community to stimulate economic development. A single strategy's ability to impact local economic development is minimal, although collective strategies influence the broader social, economic, and structural issues facing inner city communities and have a greater potential to develop long term effects on the economy.



## **VI. Community Economic Development Initiatives**

This section examines two community economic development corporations that have successfully improved the economic and social conditions of their communities, New Dawn Enterprises and Coalition for Social and Economic Recovery in the South-West (RESO).

### **New Dawn Enterprises**

New Dawn Enterprises is a community development corporation incorporated in 1976 in Sydney, Cape Breton, Nova Scotia to address social and economic conditions of the island (MacSween, 1997). The economy was described as underdeveloped because of high rates of unemployment, dependence on the mainland for products and services, an aging population, and poor housing. New Dawn is a "not-for-profit" organization administered by a board of directors each of which is appointed for a 6 year term based on their commitment to the economic development of the community, and specific skills and expertise. Representatives on the board include organizations such as Cape Breton Association of Housing Development, United Way, Volunteer Resource Centre, University College of Cape Breton, and Cape Breton Church Council. Members of the board cannot receive any benefits from their involvement with New Dawn. Presently, New Dawn employs 100 individuals and has an operating budget of \$4 million. New Dawn's mission statement states a commitment to "establishing and operating ventures that contribute to the creation of a self supporting community."

New Dawn operates from a corporate model and utilizes partnerships and team approaches; "...[New Dawn] stand(s) against conventional beliefs of the private sector and free market capitalists." (MacSween, 1997, p. 190). Business strategies initiated to address social and economic conditions on Cape Breton

Island are guided by CED principles of local ownership, local purchasing and hiring, and reinvestment of profits in the local economy. CED ideologies allow business strategies to be guided by social priorities to improve the community members' quality of life and to strengthen the local economy. In contrast to those in private business, New Dawn business enterprises are based on the social needs of the community rather than on the ability to obtain profits; the organization is dependent on volunteers to develop and implement their strategies successfully.

New Dawn develops diverse and innovative programs to meet the needs of the community, including identifying community problems, determining a business-based approach to address these problems, implementing a plan and evaluating the projects. New Dawn's practices and philosophy are best described as an equity-based model. The goal of that model is to stimulate economic activity through investments, business development, and job creation. Although, business initiatives are socially-driven, the enterprise ensures they are viable business enterprises.

New Dawn consists of eight real estate and health care companies, and the total assets of the company were \$20 million in 1996. Each division is headed by a committee of interested board members which report to New Dawn. The two real estate companies have the largest assets consisting of residential and commercial properties. Because a major issue for the community was housing, New Dawn purchased apartment buildings for rehabilitation. As of 1996, the organization was one of the largest private land holders in Cape Breton with 250 apartment units. To maintain affordable rents, a partnership between Canada Mortgage and Housing Corporation and New Dawn was established. To maintain the property, New Dawn developed a construction and maintenance

company and a registered trade school. New Dawn is able to purchase and maintain their own property using local employees whom they have trained.

Health care services consist of the following businesses: a residential care home, home care, a small options residential program, and a volunteer resource centre. For example, to solve the problem of inadequate dental services on Cape Breton Island where consumers were faced with long waiting lists of up to 2 years, New Dawn enterprises developed a partnership with soon-to-be graduated students from Dalhousie University School of Dentistry to establish dental clinics. The enterprise bought clinics and dental equipment to establish dental service for the community.

New Dawn is a positive example of how business initiatives can address the needs of underdeveloped communities. Local control and ownership of business enterprises develops linkages and import substitutions that promote economic prosperity. Self-sufficiency is an important benefit for Sydney; since the creation of New Dawn the community has become less dependent on outside resources. Economic advantages promote ongoing social development that benefits community members which has resulted in job creation and strengthening of the community. Profits from initiatives are directly reinvested back into the community through other projects sponsored by New Dawn. The appointed board of directors represents various community organizations; however, there are no community residents on the board. Lack of grassroots involvement appears to create a situation in which board members work in isolation, which limits their ability to accurately meet the needs of the entire community and prevents the establishment of a democratic decision making process.

MacSween (1997) describes New Dawn Enterprises as a success in building the Cape Breton economy. Partnerships are important to allow the

organization to sponsor effective strategies. A strength of the CEDC is the ability to maintain self-sufficiency, and to be free of funders' mandates, expectations, and political affiliations. A weakness in the organization is the lack of involvement from community residents, decisions regarding economic strategies are planned and implemented by professionals from the public, private, and voluntary sectors. The inclusion of community residents would further strengthen the enterprise and empower local residents. The experience of New Dawn can show community organizers that business initiatives are an authentic means of stimulating economic growth and improving social conditions in underdeveloped communities. Another lesson is that the goal of self-sufficiency is attainable for socially-driven enterprises and that dependency on grant funding is not always necessary.

## Coalition for Social and Economic Recovery in the South-West (RESO)

RESO is a Montreal based community economic development corporation developed in 1990 to meet the needs of residents and businesses in five underdeveloped neighbourhoods. The communities are characterized by ongoing underdevelopment; "...older industrial neighbourhoods facing urban decay and poverty, economic decline and high levels of unemployment linked to the disappearance of traditional industrial jobs" (Fontan and Shragge, 1997. p. 87). Their mission statement describes a cooperative approach to ensure the successful implementation of the economic recovery plan for South-West Montreal. The general aims of the organization include employment training services and business development, assistance for unemployed people in the South-West and improving their standard of living, encouraging economic activity, preserving and creating jobs for local citizens, enhancing the quality of life and the image of the South-West, and ensuring a high degree of community control of local development. RESO utilizes multidimensional methods to develop and implement programs with an emphasis on consultations and partnerships.

RESO is governed by a board of directors with representation from electoral colleges, business, trade unions, community organizations, and employees of the corporation. The thirteen board members include four from the business sector, four from the South-West community group sector, two from the trade union sector, one from the corporation's staff plus two members appointed by the elected board of directors. The role of the board of directors is to develop cooperation between the public, private, and voluntary sectors. The general membership of RESO consists of 250 individuals and organizations, and the role of the general assembly is to ratify decisions made by the board of directors. Program and operations funds are received from the 3 levels of government, federal, provincial, and municipal. The organization must apply annually for grant

funding based on specific programming. Involvement of community members includes participation at information sessions regarding RESO's activities.

RESO is involved in 3 main services to the community including employability, businesses development, and the development of partnerships between community organizations, businesses, unions, and institutions. Additional strategies include land use, infrastructure development, promotion of the community, consultations and information sharing regarding CED.

Employability services provide information and referral services to unemployed workers, sponsors workshops on different aspects of employment, training and education, disbursing government funds to community organizations providing job placement programs, and promoting potential employees. RESO's employment services are targeted at individuals who have no job skills or who have experienced long periods of unemployment, such as youth. The program has been successful in providing employment opportunities for community residents outside the labour market. Success is attributed to the cooperation of various sectors in identifying labour market needs and providing training opportunities.

Business development objectives are intended to support entrepreneurs and develop long-term employment solutions that will reduce the local unemployment rate. Strategies include assistance to individuals creating a business plan, consultations with management, evaluation of the business district, investigating sources of financial support, and building networks among present businesses. Investments in local businesses are encouraged to create more employment opportunities for community residents.

Local partnerships involve private, public, and voluntary sectors in addressing local needs. Collaboration and cooperation among various agencies assists in the implementation of CED strategies to promote the socioeconomic

development of the community. Partnerships represent the community, and a variety of technical skills and expertise are shared to assist in the development of initiatives to address the needs of the community accurately. Partnerships are an important aspect of the RESO strategy, and therefore, a significant amount of time is spent nurturing and maintaining these relationships. The corporation has found that collaboration between the various sectors has initiated strategies and has caused RESO to be recognized as a politically powerful organization. This political power allows the community to organize and to lobby governments on important issues in their community, for example, infrastructural changes to the community to make it more accessible.

A strength of RESO is its capability to administer business development, employment, and investment strategies that address holistically the underdevelopment of the community. The success of RESO has encouraged the federal, provincial, and municipal governments as well as other CED organizations to replicate the programs implemented by the corporation.

Threats to the organization include dependency on government funding which results in tailoring projects to meet the funders' mandates, and uncertainty about ongoing funding which may compromise the organization causing it to focus on the target groups identified by the funder rather than on community needs. This dependency limits the CEDC's ability to develop self-sufficiency and to implement programs based on the needs of the community. Lack of involvement by community residents limits RESO's ability to empower themselves and to collectively promote social change. The present decision-making process is representative of corporate methods which are not participatory and democratic, and discourages the involvement of community members. However, RESO has proven to be a leader in the implementation of CEDC in underdeveloped urban communities.

RESO demonstrates the power and importance of partnerships in mobilizing communities. Partnerships translate into political power within the community and province. The ability of diverse partners to work together effectively regardless of their political affiliation, values, or beliefs is notable. Community building is an essential ingredient in the success experienced by RESO through the electoral colleges and general membership. Strong linkages have developed within the community because of community building, partnerships, and assistance for local ownership projects. Employment and human resource strategies have been successful in making RESO one of the most admired models in CED.



## **Local Initiatives**

This section describes local initiatives presently operating in the Winnipeg area. These initiatives present multiple methods of addressing structural and local issues such as poverty, unemployment, and discrimination which create social and economic distress in the inner city. Important players in the inner city include Neechi Foods and Seed Winnipeg, community economic development agencies committed to improving conditions in the Winnipeg inner city.

### **Neechi Foods**

Neechi Foods is an inner city grocery store that retails traditional aboriginal foods and crafts, and CED literature. The enterprise began in 1985 following a community meeting that identified the need for a food store in the community, and following four years of planning and negotiating, Neechi expanded and bought their present location at 325 Dufferin Avenue in 1989. The founders chose a worker's cooperative model incorporating CED principles of local ownership and control, democratic decision making, and cooperative relationships to manage the enterprise. The goals of Neechi Foods can be categorized in 3 groups: health promotion, improvement of the local economy, and cultural awareness. The enterprise promotes healthy lifestyles for community members by providing community members with a better selection of foods, refusing to sell cigarettes and providing fresh fruit to children at a reduced price. The economic goals of Neechi include providing employment opportunities for local residents and developing linkages to prevent leakages from the community. Cultural awareness includes the promotion of native pride by selling hand-crafted merchandise and foods. The commitment to CED principles is visible in the daily administration of the enterprise, community involvement, and distribution of CED literature. Neechi attempts to provide competitive prices to consumers while

restoring pride in the community and promoting cooperation. It is committed to maintaining the principles of CED to address the underdevelopment of the community.

The enterprise's interest in the local community extends the boundaries of Neechi as workers become advocates and motivators for additional projects. Members of the worker cooperative are involved in various committees that share expertise and design new initiatives to address the underdevelopment of the inner city community. Neechi is active in the following community initiatives: Community Economic Development Resource Group, Christmas LITE campaign, and Lord Selkirk Park Tenants Association. LITE campaign is an alternative Christmas hamper program that supports local community enterprises and employment by purchasing goods and services for the hampers from local businesses. The members are vocal advocates of CED initiatives that empower community members and improve their standard of living.

The business structure includes paid and volunteer workers as voting members of the co-op with one vote per member; employees are the owners and policy makers in this worker cooperative. Cooperatives are very distinctive from private business; the most important difference is that the members of the cooperative are committed to the local community. Fairburn (1995) identifies such differences as providing a product or service at a competitive price, operating in a community that would not otherwise receive the product or service, maintaining a cooperative nature not motivated by the need for profits, local control over decision making, collective attitudes rather than an individualistic perspective, and encouraging further development of economic initiatives. Cooperatives provide local autonomy, a democratic decision making process, and acceptance of the poor while retaining wealth and jobs in the community. "Cooperatives mobilize community resources, train and develop community

members and leaders, and link the community and its interest onto the market economy." (Fairburn, 1995, p. 10). The cooperative management model ensures democracy and equality for its members. Monthly meetings evaluate the present functioning of the business and develop future goals, and the manager has final authority on a daily basis, although the management of the store is a shared responsibility between workers. Team meetings and lead workers promote cooperation and involvement among the employees. Neechi Foods accesses local community members to provide services and products for the enterprise who in turn receive food vouchers for their contribution.

Neechi represents a holistic approach to CED by addressing the social, economic, and community development needs of the inner city. The theoretical perspective that best describes this cooperative enterprise is convergence theory. Neechi develops linkages in the community by hiring and purchasing locally and maintaining local ownership and these linkages keep more money within the community and prevent leakages. The linkages are developed and maintained within the community through their dedication to provide local and regional employment opportunities and to sell locally manufactured goods. The enterprise assists in the development of skills among community members through volunteer and paid employment.

A strength of the enterprise is its ability to operationalize CED principles in their daily functioning and policies. The comprehensive knowledge gained through the years assists the enterprise in dealing creatively with challenges. Neechi's ability to overcome adversities and maintain the cooperative model reflects the commitment of the members. A strong social support network consisting of individuals and community organizations continues to support and advocate for Neechi.

Problems experienced by Neechi include a lack of capital, low wages, transiency of community members, ongoing deterioration of the community, and the difficulty in remaining competitive. Lack of capital has made it difficult to repair the store and to purchase merchandise for resale. The decline of the local neighbourhood has made it difficult for the enterprise to establish a strong consumer base with the households. Neechi prides itself on being self sufficient, and reducing its dependency on outside sources; however, the effort has proven to be financially difficult. In spite of the difficulties, Neechi remains a powerful force in the economic development of Winnipeg's inner city.

Neechi represents the ability of a grassroots operation to become a viable business in the inner city. The business has developed linkages in the community by providing employment, reduced prices, and a market for crafters in the area. Local ownership and control give community members a role in decisions that impact their community, and Neechi's ability to mobilize the community has provided opportunities for community members. Information sharing and the creation of educational tools has raised the social consciousness of community practitioners and residents. The lessons learned in reviewing this enterprise are of the dedication and commitment necessary from members of the cooperative to ensure the continued success of Neechi Foods, and of the impact a small enterprise can have on the local economy.

## **Seed Winnipeg**

Seed Winnipeg is a non-profit, registered, charitable organization that provides assistance to low income people to establish micro-enterprises. My knowledge of the organization comes from Seed's involvement in the Lord Selkirk project, and the availability of written material about its operation. The agency is supported by a Board of Directors which consists mostly of individuals from outside the community who have business experience, who are community development and community economic development practitioners, and professionals from human service agencies. The agency employs an Executive Director and 6 staff members to carry out its responsibilities and duties. The stated mandate for Seed Winnipeg is to

Combat poverty and assist in the renewal of the inner city communities by providing services which assist low income people to become financially self supporting.

It operates micro-enterprise development programs, credit loan circles and community enterprises.

The micro-enterprise development program provides business planning assistance, access to small loans up to \$10,000.00, business training, and support through staff consultations and volunteer mentors. The target population includes community members living on low incomes who meet the criteria for eligibility which include people who are unemployed, underemployed, social assistance recipients, capable of producing products or services with special consideration for aboriginals, the disabled, ex-offenders, and visible minorities. Seed assists community members in making their dreams of operating a small business come true by supplying educational and financial support.

Seed establishes free services to assist in the development and implementation of a business plan to a population that is not eligible for traditional

loans and business training because of their socioeconomic status. The program includes skill and knowledge development on self-employment, management, finances, and operating a small business. This information is presented in twelve educational sessions facilitated by Seed staff which focus on business training and it is . The components of the training sessions include pre-business development, financial services, and ongoing support. Participants receive assistance in preparing and evaluating business plans, and small business management techniques. The Assiniboine Credit Union through Seed loans the participants capital at competitive rates. Ongoing consulting services after the business has started are provided to assist with the management of the business, for example, accounting techniques. The support, education, and encouragement received by participants assists in the further development and implementation of their small business and their advancement towards independence.

Seed makes a commitment to provide quality services to support micro-enterprises with the participant's assurance that they will accept certain terms and conditions which represent policies of Seed and which inform potential participants about the expectations of the program. There is a registration fee of \$25.00 for the training course, which it is fully refunded upon completion. Participants must attend all twelve training sessions and prepare a viable business plan. They are expected to offer collateral as security for the loan; however, nontraditional forms of collateral may be accepted, for example, jewelry. Another requirement is that the micro-enterprise be located within the City of Winnipeg. The maximum loan available is \$10,000.00 for equipment, tools, inventory, and working capital, and the interest rate for the loans is prime + 1%. There are approximately 167 enterprises within the city that are operating with the assistance of Seed including crafts, ribbon recycling, home cleaners, and

catering. The establishment of micro-enterprises is an important strategy in rebuilding the community and in providing opportunities for low income individuals. Statistical information included in the 1997 year-end report illustrates the community members interest in microenterprises. Fifty-eight individuals applied to participate in the microenterprise loan program, and 56 businesses were opened or expanded. The total value of loans approved was \$66,674.00 during the year.

The credit circle program is sponsored by Seed to provide small business loans, business training, and mutual aid in the development of micro-enterprises. The credit circles work cooperatively to help members of the circle and their peers attain goals of operating a small business. Seed staff play an integral role in providing ongoing support and education to participants to assist them in following the procedures and requirements of the project. The credit circle program is promotes the development of a social support network, teaches new personal and business skills, and improves the possibility of self-sufficiency. Users of the program must be Winnipeg residents who are currently unemployed, underemployed, or receiving social assistance. They must meet the following specific requirements to be eligible:

- a) Capable of producing marketable goods or service
- b) Require small amount of loan capital to finance equipment purchases or working capital to turn skill into viable business
- c) Do not meet collateral requirements of financial institutions
- d) Agree to attend training sessions and receive assistance in business planning and management
- e) Willing to participate in peer support group.

Credit circles can assist up to 40 individuals in the development of small businesses. The program is flexible enough to meet the needs and interests of

participants, and is based on the principles of self-help and empowerment. A credit loan circle group is comprised of 4 to 7 people with similar interests. Group members meet monthly for mutual support; in addition, program staff facilitate a 10 session business management course to assist in the development of credit circles and provide education about managing a small business. Participants must complete the 10 sessions prior to applications for loans. Additional training and education sessions can be organized to support the participants.

After the formation of a credit circle, each member presents their business plan and financial needs. Group members assist in the development of the business plan by sharing knowledge and providing support. They receive training regarding loan approval, and are responsible for approving loan applications from peers. Following approval from the individual credit loan circle, group members present business plans and loan application to the management board for final approval.

Money is loaned by the Assiniboine Credit Union which is a partner of the project. The credit union loans the money to participants and agrees to absorb any risk of nonpayment. The initial loan is \$1,000.00, and upon repayment, participants are eligible for additional loans. All group members must be up-to-date with payments before any subsequent loans will be provided. Loans can be used for equipment, supplies, inventory costs, or anything that will improve the small business. Payment schedules are flexible and determined on an individual basis. Interest for the loans is calculated at 2% plus prime. The 1997 Annual Report stated that there were 26 participants in the credit circle program.

Seed has progressed from individual support and business training towards community projects that affect the economy of the inner city. They have developed community partnerships with other agencies that are committed to assisting low income individuals, for example, Community Education



Development Association, Mennonite Central Committee, Women's World Finance, and the Assiniboine Credit Union to implement community economic strategies that have an impact the inner city community. Innovative projects include the Christmas Local Investment Towards Employment (LITE) campaign, First People's Security Co-op, and the Economic Development Project in the Lord Selkirk Park Community. The continuum of services include the development of community enterprises, networking, and planning. First People's Co-op is an aboriginal security guard enterprise that employs inner city residents to provide security at community events. The enterprise is a worker's cooperative. Seed coordinated the security guard training with the assistance of Winnipeg Aboriginal Management Board of Human Resources Development Canada and Security Training Academy of Manitoba, and it continues to advise the worker's co-op. Christmas LITE campaign networks with other community agencies committed to CED and the revitalization of the inner city. The Lord Selkirk project is a community initiative sponsored by various community organizations with the purpose of developing awareness, building support, identifying opportunities, and formulating strategies for local service organizations to re-invest and strengthen the local economy. These projects present community mobilization and the development of strategies to revitalize the community.

The program model of Seed best represents convergence or self-reliance strategies which claim that local economic growth occurs through the development of local enterprises whose market is the local community. These strategies develop linkages within the community that prevents leakages:

[T]he goal of this strategy is for communities to produce what they consume and consume what they produce. ...the objective is to reverse the outflows of profits, rents, and other incomes which also characterize dependent economies, in which local property and skilled jobs are often held by outsiders. (Loxley, 1986, p. 45-46)

Seed assists in the development of the economy by providing financial, business, and emotional support to prospective business owners who are meeting a local demand. The local businesses encourage community members to purchase local services and products which prevents leakages and keeps the financial resources within the community economy. The strategy attempts to rebuild the community through the development of sustainable micro-enterprises that are locally owned and operated:

[T]he objective is to build up the local economy, maximize the retention of spending power and develop as many local backward, forward and final demand linkages as possible.  
(Loxley, 1986, p. 46)

The program provides new business and employment opportunities for individuals in the inner city community.

Seed's approach to the systemic and chronic issue of poverty is innovative and proactive. The commitment of the agency to the inner city community is apparent in the dedication of staff to the development of micro-enterprises and their community involvement with larger projects. The location of Seed in the inner city is accessible to the target population and hosts a non-threatening atmosphere. By providing both credit circles and micro-enterprise programs Seed is able to meet the diverse needs and abilities of participants. The establishment of small business enterprises is empowering and a respectful intervention that acknowledges individual and community strengths.

Development of community-based businesses prevents money from leaving the community and supports other initiatives that rebuild the economy. The collaboration and partnerships involving Seed are meaningful, effective, and have a larger impact on the community, and the organization's participation in larger community-based projects provides an opportunity for it to share its expertise and knowledge about business development, as well as supporting new initiatives.

Seed plays a major role in the entire community by instilling hope in the inner city and providing a service which empowers community members and promotes community growth.

The limitations of the agency reflect the social and economic policies that affect Seed and its entrepreneurs. The business principles of competitiveness and individualism contradict the CED philosophies of cooperation and collectivism, and the agency has no control over the enterprises' commitments to the community during their operation. However, the training and support from an organization such as Seed can raise consciousness and inform business owners of the benefits of CED. The uncertainty experienced by voluntary sector agencies to secure ongoing funding for community economic development initiatives creates concern for the implementation of long term plans and goals because CED initiatives challenge capitalist ideals by attempting to equalize the class divisions and eliminate the oppression of lower income individuals and communities. Business development is part of the CED strategy but it is insufficient without a strong community component to assist with social development. The limitation of the strategy is that not every community member has interest in being an entrepreneur; consequently, alternative initiatives are required. Presently, Seed does not recruit consumers actively; therefore, potential participants may be unaware of the program or too apprehensive to initiate contact to discuss opportunities. Recruitment of consumers would provide more exposure for Seed and would increase the community's awareness (Perry, Lewis and Fontan, 1993). These limitations are insignificant in comparison to the strengths and capabilities of Seed.

Seed Winnipeg's role in business development is part of a very complex solution that is committed to rebuilding the inner city. The organization is beneficial in the development of sustainable local businesses; however, there are

also numerous social benefits for the community, such as employment and an increased standard of living for community members. Seed provides a service that traditionally is not available for low income residents, and increases options to lessen the gap between the low and middle class. Seed's commitment to the redevelopment of the inner city assists individuals, communities, and the entire city.

Seed facilitates the removal of barriers for inner city residents by providing financial and educational assistance for business start-up. The success and diversity of the participants challenges the myth that community residents are unskilled and unmotivated to improve their standard of living. The diversification of the organization has assisted it in serving a range of individual and community needs. Partnerships with other community agencies have proven beneficial for the community because of the sharing of expertise, financial and human resources, and the initiation of programs to assist the community. Seed develops linkages by promoting self-employment and local ownership initiatives, which prevents leakages from the local economy, provides employment opportunities, and promotes self-sufficiency for community residents. Seed takes business development one step further to address the economic and social needs of the community with their dedication in addressing the issues of poverty, improving opportunities for low income community members, and rebuilding the inner city.

## **VII. The Lord Selkirk Economic Development Project**

The North End district of Winnipeg is well-known for its cultural diversity, history, and small businesses. The area experienced years of rapid growth, beginning in 1890, when European immigrants came to settle and established small businesses in the community. The area became known as the bread basket of Winnipeg, where people would purchase breads and meats at the ethnic stores. In recent years, however, there has been a notable deterioration in the North End community characterized by economic and social decline, which is visible in the numerous For Lease/For Sale signs and in the boarded-up storefronts that line the street.

Such social issues as poverty, unemployment, inadequate housing, and hunger have become daily concerns facing many North End residents. The community's average household income of \$13,189.00 and unemployment rate of 22.6% compare poorly to the Winnipeg noninner city average household income of \$46,612.00 and unemployment rate of 7.9% (Statistics Canada, 1991). The private sector has experienced decline with numerous business closures and the movement of community members to the suburbs.

A recent partnership has been developed between agencies and individuals with a long standing involvement in the community and is committed to using community economic development (CED) approaches to revitalize inner city communities. The Community Economic Development Resource Group was formed in August, 1995; with the purpose of developing CED strategies in the North End, its members include Mount Carmel Clinic, Community Education Development Association, Assiniboine Credit Union, the Crocus Fund, Seed Winnipeg, and the Mennonite Central Committee. A community economic development method promotes change by utilizing a collaborative and multidisciplinary approach to mobilizing the community, which provides a

cooperative and holistic perspective to community strategies to improve the standard of living for community residents. Cooperation of community agencies representing different sectors, such as health, financial services, social services, and recreation, ensures a better understanding of the community, a clearer problem definition, and the development of solutions (McArthur, 1993). The diverse expertise of the agencies assists in forming a holistic perspective that better represents all community members. The Resource group shares responsibilities in writing proposals to secure funding, combines staff resources, and collectively supervise initiatives. This process has proven cost effective, successful in securing funding, and it prevents duplication and encourages coordination of services (Armstrong, 1993 and Blickstead, 1994). Such collaborative approaches maximize resources and implement community-focused interventions that address the needs of the community.

The most recent inner city community initiative sponsored by the Community Economic Development Resource Group was the Lord Selkirk Economic Development Project to investigate possible strategies that could revitalize the North End. This initiative focuses on strategies that address the needs of inner city residents, and identifies sustainable community economic development strategies to strengthen the local economy. The project was funded by the Winnipeg Development Agreement to initiate the assessment and promotion of community economic development in a Winnipeg inner city community, Lord Selkirk Park. The following CED principles guide the project:

- 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
- improvements of public health

care of the physical environment  
neighborhood stability  
recognition of human dignity  
support for other CED initiatives.

The project has five phases and specific activities:

**Phase 1 Education: Building Awareness of Community Economic Development** - assist social service agencies to identify the ways in which they could provide better economic opportunity for the community. Activities include the production of an informational video, agency and board presentations to raise an awareness of CED principles and local initiatives.

**Phase 2 Policy Commitment for CED: Board of Directors and Senior Staff** - agencies were asked to make a commitment to the eleven CED principles. Coordinators of the project will attempt to obtain a written commitment from the agencies to adopt and practise CED principles in their daily operations.

**Phase 3 Organizational Appraisal: Profile of Present CED Practices** - participating agencies were asked to complete a review of their hiring and spending practices. The agencies were invited to complete a detailed questionnaire regarding their expenditures, as well as hiring and purchasing practises.

**Phase 4 Identification of Opportunities: Potential CED Participation** - an inventory of possible strategies was compiled from agency evaluations. An analysis of the questionnaires assisted in the identification of possible CED initiatives and recommendations to further develop the community.

**Phase 5 Strategies Implementation: CED Project** - assistance will be provided to agencies to overcome barriers that prevent them from contributing to the local economy and to enhance the economic opportunity for the community.

Project activities educated and evaluated social service agencies' serving the North End community to assess their commitment to CED strategies. An additional component identified was the description and evaluation of the private sector's willingness to be involved in CED initiatives. The participation of local businesses was encouraged because of Seed's experience with business and its role in the North End revitalization.

**My role was to assess the prospect of business involvement in a CED revitalization strategy for the North End. The objectives of the project were:**

- 1. Assess business owners' hiring and purchasing practises, as well as suggestions to revitalize the North End.**
- 2. Develop an understanding of the Lord Selkirk Business District's interest in community economic development initiatives.**
- 3. Identify possible CED strategies based on the information collected.**

**Personal interviews generated demographic and qualitative data on hiring practises, purchasing practises, potential employment opportunities, and skills and abilities required by employees. The information gathered was presented to the committee members to assist them in developing strategies to revitalize the Lord Selkirk Park community.**

## **Purpose**

**Members of the CED Resource group identified the private sector in the North End community as an important component of a CED strategy because of their expertise and role in the community. Since local businesses play important roles in the community such as employer, purchaser, stakeholder, entrepreneur, and local market producer, it was important to assess their linkages within the community. The involvement of the business sector in community interventions provides them with an opportunity to develop a community image as a social advocate and to share expertise that promotes community change. CED principles identified as the focus of the survey included local hiring, local purchasing, and community involvement. The Resource group wanted the survey to assess the business owner's role in the community; for example, the number of local residents employed in the businesses, the level of interest to participate in community initiatives, and the identification of possible strategies to**



revitalize the community. The survey of local businesses provided information about the business climate, the business owners' commitment to the local economy, and opportunities for future CED initiatives. A secondary purpose included informing business owners about the importance of local community economic development and the promotion of CED principles.

## **Methodology**

The interview guide was designed to provide a focus for the personal interviews. It was developed in consultation with my faculty advisor, practicum committee members, and CED Resource group. The interview was based on thirty open-ended and closed-ended questions (see Appendix). The flexibility to the interview guide allowed for a conversational interview, the possibility of rephrasing or reordering questions, and the freedom to probe for answers from respondents (Monette, Sullivan, and Dejong, 1994). The survey sought answers from respondents regarding demographic information, business climate, employee information, business networking, and community revitalization strategies. A pretest was completed with 3 small business owners outside of the geographical area prior to the commencement of the research. Pretest respondents found the questions to be clear, appropriate, and easily understood. Minimal changes were necessary to the ordering of the questions to improve the flow of the interview.

Information was gathered from a sample of 41 business owners located in the North End Business District in Winnipeg, Manitoba. Research participants were identified geographically by the Community Economic Development Resource Group: an area bounded by Selkirk, Main, Jarvis, and Salter. I consulted with Selkirk Avenue Business Improvement Zone and Winnipeg 2000 to develop a comprehensive list of businesses. The information was collected

between May-June, 1997 using personal interviews. This qualitative approach was designed to explore opportunities for the private sector and community agencies to develop strategies addressing the economic and social needs of the community.

Qualitative research was chosen because of the formative nature of the survey: "...qualitative methods are well suited to providing exploratory information about possible needs and interventions" (Tutty, Rothery, and Grinnel, 1996, p. 4). The North End Business survey used some qualitative data gathering techniques, as well as quantitative methods; subjective, descriptive and general observations, and demographics (Patton, 1980; Monette, Sullivan, and Dejong, 1994; and Tutty, Rothery, and Grinnel, 1996). I collected subjective and objective data from respondents that detailed their personal experiences as business owners in the North End business district. Descriptive information obtained about the business climate and the community provided an opportunity for business owners to express their opinions, and assisted in my understanding the reality of the North End. General observations of the business district and community, the respondents' verbal and nonverbal behavior during the interviews, and types of businesses corroborated the subjective data. Demographic data provided descriptive information and quantitative data for statistical analysis, for example, local hiring practises. Qualitative evaluation methods were the most effective in gathering the data from respondents.

## **Research Participants**

Letters introducing the project and inviting participation were sent to businesses in the area to obtain a good cross section of participants. Telephone calls were made to 82 businesses following the mailing. The final selection process was based on level of interest and availability of the business owners to

participate. Forty-one businesses participated representing a range of the business sector including grocery, hardware, manufacturing, bakery, restaurant, hotel, financial institutions, pawn shops, food production, and home repairs.

I discussed the purpose of the study with the participants, assured confidentiality, explained that participation was voluntary, and gave respondents the right to refuse to answer any questions; finally a consent form was signed by the participants. Interviews were scheduled as one hour appointments at the business during regular business hours. I assured minimal disruption to the respondents by remaining flexible and allowing the interview to be interrupted as necessary. During the interviews, numerous interruptions occurred; customers required assistance, and the participants needed to take phone calls. At times, it was evident that some business owners wanted the interview completed quickly because of other tasks, while other respondents spoke at length during the interview. Staff members freely interjected with their opinions and concerns during the interview, and respondents replied to questions utilizing descriptive adjectives to explain the present conditions of the community. Conducting the interviews at the place of business gave an opportunity to observe the customer service provided, and to become familiar with the types of services and products available. The interviews lasted an average of 45 minutes.

There are both strengths and weaknesses to this research design. The strengths of the personal interview include the ability to gather accurate and complete information, and the opportunity for the researcher to explain questions and to probe for clarification or more information. There was consistency with the interviews because only one person interviewed all respondents, and the interview guide was followed to ensure that the same questions were asked of each respondent; detailed notes were taken during and immediately following the interview. However, possible variations by the interviewer in asking questions or

in writing answers is a concern; but, to minimize the concern, questions were directly read from the interview guide, and answers were written during the interview. I occasionally paraphrased answers back to the respondents to ensure accuracy. The interview process included interruptions, during the interviews which resulted in fragmented questions or answers. In order to deal with the interruptions the investigator took notes and paraphrased answers for the business owners. A decision was made not to tape record due to time constraints and a concern that participants would be apprehensive about being recorded. The data were gathered by completing the interview form during the interview.

## **Findings**

The sample of 41 business owners represented the retail, service, and manufacturing sectors in the North End. Eighty-three per cent (34) of the respondents were male, and had operated their businesses in the North End an average of 31 years. The respondents impressed the investigator with their years of experience, knowledge about community history, awareness about present issues regarding the North End, and sincere concern for the deterioration of the community. The interviews were analyzed by listing and itemizing the responses from each open-ended question separately. The responses were compared on several rounds to assist in the identification of common themes or groupings. Following the naming of solid themes the answers were organized into categories based on similar themes, and headings were assigned to each category. The analysis provided a description of the business community, its environment, and strategies to improve the North End business district. The interpretation of the results is limited to the North End business district and cannot be generalized to other business sectors in Winnipeg. The following is a summary and analysis of

the information collected in personal interviews with North End business owners. The data were categorized into 4 key topics; business climate, revitalization strategies, local hiring practises and business networks. The categorization was based on the interview guide and represents important CED principles and strategies.

### Business Climate

The owners expressed a sense of pride in the historical and cultural identity that makes the North End a unique and diverse community. Services available from local business are personalized and individualized to specific cultural groups. The impact of the Polish, Ukrainian, and German cultures is visible when business owners discussed the need for employees who could speak the language and who could understand the importance of maintaining the European tradition of bartering over the price of products and services. Advantages identified by the business owners included the central location of the community, historical value, multicultural atmosphere, community members and numerous others from Winnipeg who grew up in the area and who continue to support the local businesses.

Business owners were asked their perception of the business climate in the North End; the initial response of participants was classified as either positive or negative within the subcategories of social and economic issues (see Table 1). The participants' initial response accurately portrays their reply because the first answer was the theme of their subsequent responses. There were 10 respondents who described the business climate as positive and expressed no regrets for owning a business in the North End ("...good base of honest, hardworking ethnic clientele, fine people. Rewarding to work in the area."). The responses were based on the consumers, the business owner's positive experiences, and the heritage of the community.

Table 1 Business owners responses in describing the North End business climate

<u>Responses of Business Owners</u>		<u>frequency</u>
<b>Positive</b>		
Fine		2
Nice		1
Favorable		1
Centrally located		1
Fair		1
Pretty good		1
Like it		1
No problems		1
Improving		<u>1</u>
Subtotal		10
<b>Negative</b>		
<u>Economic Issues</u>		
Difficult for retail business		6
-business localized		
No money		3
-government cutbacks		
Store fronts closing		3
Increased vacancies, people moving to suburbs, and people feeling afraid		1
Losing money, and prostitution		<u>1</u>
Subtotal		14
<u>Social issues</u>		
Safety		3
Fear, vandalism, drugs, parking, and prostitution		2
Crime		1
Drugs and alcohol		1
Scared, substance abuse, violence, and gangs		1
Sniffers, employees and customers afraid, social problems		1
vandalism		1
Transiency, drugs and prostitution		<u>1</u>
Subtotal		11
Other		
Bad		2
Terrible		1
Not good		1
Deteriorating store fronts		<u>2</u>
Subtotal		<u>6</u>
		N = 41

Thirty-one business owners described the present business climate using negative adjectives, such as "terrible," "difficult," "deteriorating," and "hard," reflecting the "changing neighbourhood because of unemployment and substance abuse." The descriptions were clarified with the explanation that owning a business in the North End was difficult in an environment that was perceived as unsafe, and characterized by insufficient incomes, declining population, and continual deterioration ("Difficult - not any money in the community and government cutbacks." and "Scary - unpredictable due to the substance abuse, violence and gangs."). Economic and social problems identified included poverty, unemployment, closures of existing businesses, decline in property value, vandalism, prostitution, gangs, deteriorating buildings, and an ongoing concern for personal safety. The media's impact on the North End's negative perception was described as harmful because the focus is primarily on the criminal activity, ("...bad reputation from [media] has done more harm."). A few business owners speculated that the economic situation of the North End was no different from other Winnipeg business districts. Because of the present problems, approximately seventeen percent (7) of the businesses have considered relocating outside of the North End, although they are hesitant because of their financial investment in the location, their hope for change, and the cost of moving. One of the respondents who considered relocating said, "I would like to stay and see Selkirk Avenue become a community."

The business owners described a business climate that required them to be innovative in dealing with difficult circumstances. The average number of years for the operation of businesses was 31, which suggests they are well established and capable enterprises. There were few accounts from the respondents regarding personal experiences with criminal activities. The business owners have survived in the environment and overcome diversity by

shortening hours of operation, improving security systems, ensuring that staff feel comfortable, developing a positive reputation within the community, and diversifying products and markets to remain competitive. The business owners appeared to be prepared and capable of dealing effectively with any situation, and they described appropriate actions when an intervention was necessary. The prevailing sense of pride in the culture and history of the community, as well as their business expertise and commitment to the area contributes to the success experienced by the business owners.

Business owners described their consumers under four categories: local residents, city wide, provincial, and national (see Figure 3).

Figure 3

#### Residence of Consumers

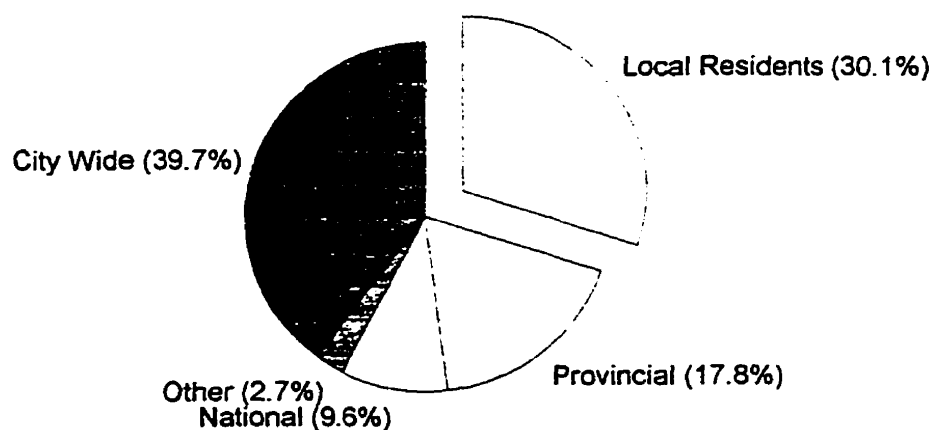


Figure 3. The percentage of consumers who purchase services and goods from the North End private sector.

Businesses in the North End have an extensive market that is far reaching; the majority of businesses are supported from outside of the community. City wide consumers represent people from all over Winnipeg and many are believed to be past residents of the North End "... coming home." Larger business owners have



wholesale and retail divisions which expand their markets nationally. The category "other" describes tourists and international consumers. The linkage of these business owners with the local community was minimal because they direct their marketing towards larger and wealthier markets.

### Revitalization Strategies

Respondents expressed a concern for the community, as well as a commitment to participate in the revitalization process. This commitment was based on the need to improve the business district and to strengthen the local economy. They saw their role as a partner in larger social and economic initiatives, sharing their opinions and expertise, although lack of time was a barrier to their involvement. When asked about improvements, business owners described interesting and diverse methods to rejuvenate the North End community, focusing on social, economic, and infrastructure strategies (see Table 2 and Figure 4). The first response from each participant was categorized as a social, infrastructural and business development strategy. Figure 4.

#### **Revitalization Strategies**

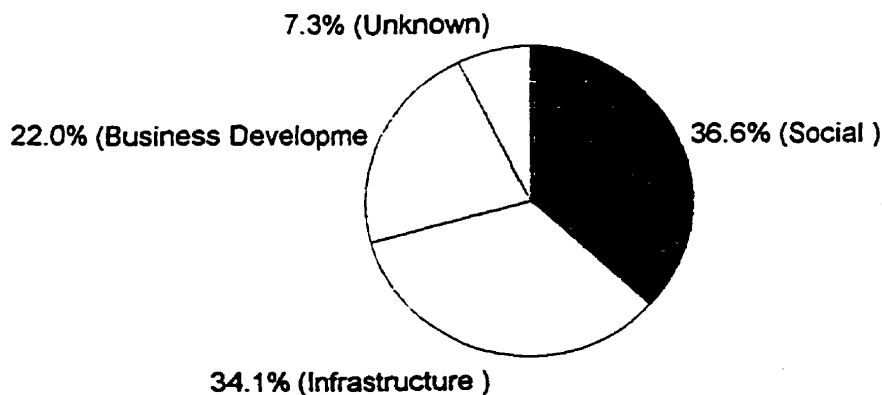


Figure 4. Comparison of social, infrastructural, and business strategies.

Improvement to the appearance of the streets by financing new store fronts, tearing down deteriorated housing and demanding landlords maintain property better was an important strategy for business owners. Respondents felt that an emphasis on restricting criminal activity was a priority in restoring a sense of safety for consumers, employees, and business owners ("Make it an area that people feel comfortable coming. Can't just make cosmetic changes need surgeon to cure the cancer."). Job creation was identified as a means of addressing the social and economic problems of the area ("...jobs need to be created to promote self esteem."). The creation of incentives for entrepreneurs to begin businesses such as decreasing taxation, changing to city zoning to make property more accessible, and encouraging financial institutions to support new businesses ("Cooperation between financial and business districts to fill up vacancies - work with city and banks to get reduced rate."). There was a sense of frustration expressed because the issue of revitalization has been researched previously with no notable improvements ("[The North End] needed help 5 years ago when businesses began to close and leave the area - it will be much more difficult to revitalize at this time."). An interesting theme in the responses was the focus on environmental improvements to revitalize the area. Respondents did not identify strategies that directed help toward themselves. The business owners believe that it is necessary to utilize a collaborative approach between the private and public sectors to develop a revitalization strategy for the North End.

**Table 2 Responses of Business Owners to revitalize the North End**

<u>Revitalization Strategies</u>	<u>frequency</u>
<u>Social strategies</u>	
Address stigma of drugs and prostitution	4
Address poverty	3
Clean up criminal activity	3
-more police	
-improve safety	
Job creation	2
Access Universities for support to work with children	1
Educate youth	1
Promote positive aspects of the North End	<u>1</u>
Subtotal	15
<u>Infrastructure strategies</u>	
Clean up store fronts	10
Market square, fix sidewalks, store fronts, lighting, and clean up crime	2
Government supports for face lifts	1
Utilize vacant spaces as recreational facilities	<u>1</u>
Subtotal	14
<u>Business Development Strategies</u>	
Establish more businesses and improve parking	5
Set up stores that are representative of the ethnic community	1
Partnership with students and businesses	
to physically clean up and address the issue of sniffing	1
Centralized business centre	1
Business support and develop services that bring people the area	<u>1</u>
Subtotal	9
Other	
Unknown	<u>3</u>
N = 41	

### Local Hiring Practises

An assessment of the number of employees hired directly from the local community provided information on existing opportunities and potential strategies, as well as what employment skills are required. Local hiring is an important linkage to the redevelopment of the community because it addresses unemployment and poverty issues and provides community residents with opportunities. The 41 businesses interviewed employed 499 people (433 full-time and 66 part-time). Forty - one percent (203) of the individuals were residents of the North End; 177 positions were full-time, and 26 positions were part-time. Some employers preferred to hire locally always and others did not consider place of residence when hiring. Employers who always hired locally were successful in finding the appropriate candidate, and they felt that employees hired locally were an asset to the business because family and friends supported the establishment and transportation was not a difficulty. Respondents that did not make a priority of hiring locally felt that the personal qualities of the individual were more important than the place of residence. Barriers they identified that prevented businesses to hire locally included the lack of knowledge, skills and abilities of local applicants, English as a Second Language problems, and the lack of a work ethic. Educational requirements for employees was a high school diploma, although for specialized jobs, such as denturist and financial consultant, post-secondary education was a necessity. Business owners preferred to train on the job, but expected strong communication and interpersonal skills from new employees (see Figure 5).

Figure 5

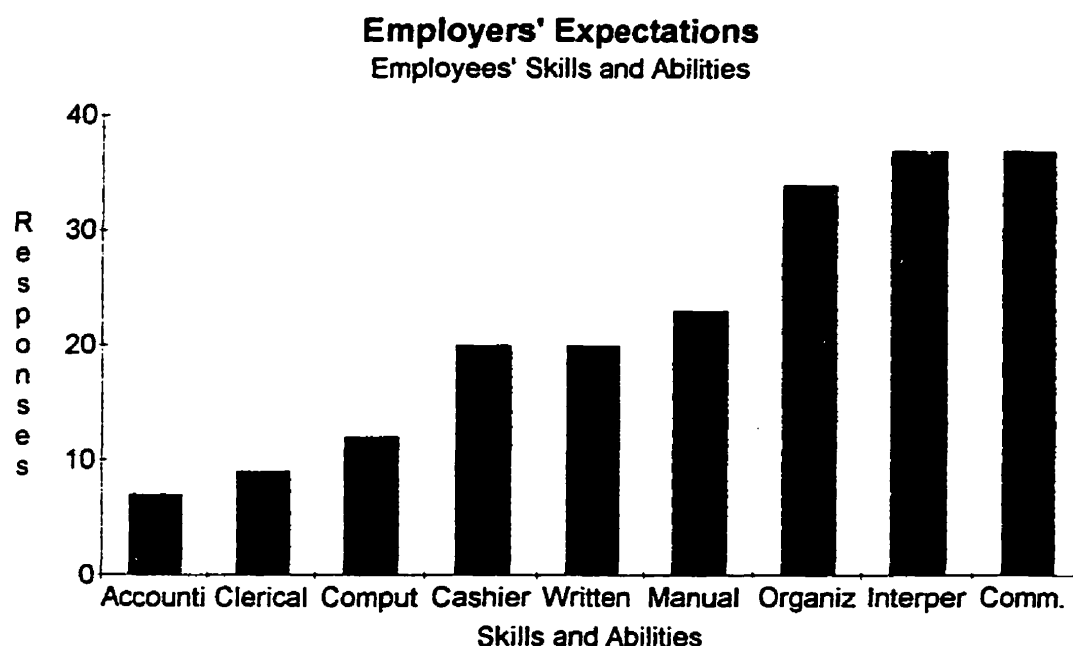


Figure 5. Comparison of skills and abilities that employers are seeking.

Businesses participating in the survey have been categorized as retail, service, or manufacturing sectors. The categories help reveal the number of employees and local hiring practises of the business owners (see Table 3). The retail sector represents the majority of employment opportunities with 290 positions, as well as the largest percentage of community members employed.

Table 3

Type of Enterprise	Nos. of Enterprises	Nos. of Employees	Local Hire	Percentage of Local Hire
Retail	20	290	148	51.00%
Service	17	179	50	27.90%
Manufacturing	4	30	5	16.70%
Total	41	499	203	

Employees' skills and training were classified into 8 duties: cash, sales, stock, office, accounting, server, maintenance, and production. A comparison of

the retail, service, and manufacturing sectors (see Figure 6) illustrates the employees' primary duties. The largest number of employees were assigned to sales, cash, and stock duties that are characteristic of service and retail positions. The employees in small businesses with less than 5 individuals were responsible for multiple tasks, primarily cash, stock, and sales, and larger businesses had employees who were specialized in specific duties. A large number of duties (216) did not apply to the pre-determined categories. These duties were placed in the category "other" such as auto body mechanics, bakers, insurance personnel, management, and customer service representatives. These duties required employees to have specialized training and/or education. Minimal employment opportunities were identified, however, business owners acknowledged that if the economy improved, the possibility of employment would also increase.

Figure 6

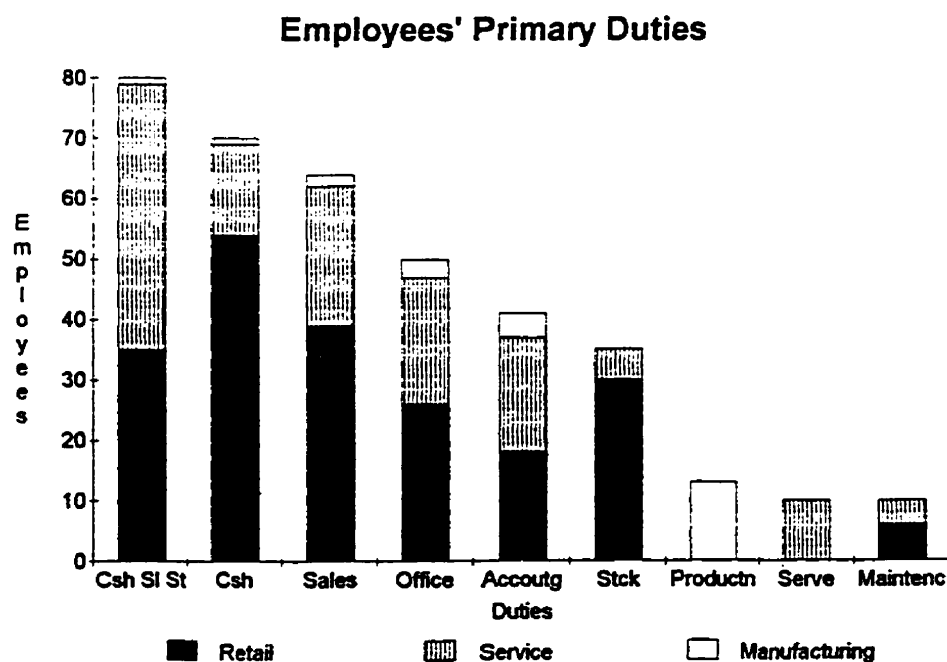


Figure 6. Comparison of employees' duties in the retail, service and manufacturing sectors.

## **Business Networks**

There were strong, informal networks developed among business owners, as shown by their concern for each other's safety and their attempts to unite in addressing the issues facing the North End community. The survey inquired about local purchasing of businesses and personal shopping practices of business owners. Business related purchases made locally were described as minimal because of the lack of products available, limited selection, and higher costs. However, all banking for the local businesses was done locally. Few personal purchases are made in the community because business owners shop near their residence.

The business owners interviewed were interested in participating on projects that address the community's needs, although time would limit their level of involvement. Business owners are aware of the benefits to revitalizing the community, however there is much frustration and a sense of urgency about the process.

Business owners expressed a concern about the high number of social service agencies in the community and the impact on the business sector. They strongly expressed the need for human service organizations and business districts to be physically separated. Business owners felt that the social service agencies negatively affected the business by attracting clientele that made their consumers feel uncomfortable. In addition, they presumed that social service agencies did not support the local economy by purchasing locally. Respondents were aware of the human service agencies' role in the community, but believed that it was important not to integrate the two sectors.

The physical separation of businesses and human service organizations is problematic because of the urban development plan that has zoned the North End industrial, commercial and residential. For the human service organizations

to provide services to community residents effectively they need to be visible and accessible; therefore, locations on bus routes and major streets are essential. Consequently, the locations that human service organizations and businesses pursue are identical. Business owners and human service organizations need to develop an understanding of their roles in the community, and work cooperatively towards a solution that promotes economic and social growth and that results in providing opportunities for community residents.

### Community Involvement

Business owners were questioned about their interest in community initiatives that address the decline in the North End. Numerous business owners identified the need for active participation in committees to address the issues, for example Business Improvement Zone and training programs. Fifty-nine percent (24) of the business owners expressed an interest in being involved in a variety of initiatives, such as internships, mentorships, committee involvement, business networks, training programs, and local purchases. Business owners possess a knowledge of the business district, and an expertise of business management. However, statements expressing interest were immediately qualified with the time constraints of a small business owner. Creative solutions could remedy the problem by the distribution of minutes from meetings, telephone contacts, meetings scheduled at different times, and by inviting various business owners to committee meetings to share their expertise and opinions on issues. Respondents felt that their involvement in community initiatives would benefit their individual businesses and the community, and provide an opportunity to network with other businesses.



## **Summary**

The survey of North End businesses provided descriptive information about local businesses and identified opportunities for revitalization. Business owners expressed pride in the heritage of the North End and acknowledged the potential of the community. Frustration and concern were expressed over the continual deterioration of the community and its effects on the local businesses. Numerous vacant businesses in the North End provide an opportunity for the development of new businesses to expand the business district utilizing business supports and incentives to locate in the community. Solutions identified by the business owners were socially and structurally focused to benefit the business community. The collaborative efforts of the 3 level of governments, local community groups, and business owners were emphasized in the development of a revitalization strategy. However, while gathering information in the area, I discovered there are various committees and organizations working independently to address the present conditions of the North End. It would be beneficial for the groups to work cooperatively to identify strategies and to combine resources to affect the community positively. The impact of the revitalization would benefit community residents and business owners by improving employment opportunities, increasing the standard of living among community members, decreasing criminal activity, and providing better housing.

Employment opportunities appear to be minimal because of the present economy of the North End, although there may be possibilities of educating business owners on the benefits of hiring locally. Business owners possess various kinds of expertise in accounting, business management, historical knowledge, business experience, and public speaking that would benefit community groups. Their involvement in various community initiatives to revitalize the North End would be an asset in the development of a strategy that

would address the issues facing the neighbourhood. It is imperative that the private and public sectors unite to address the issues of revitalization in a way that would balance the economic and social needs of the North End community. Strengthening the North End community will have an impact on community members, business owners, and the entire city of Winnipeg by developing available resources and providing opportunities for community members.

## **Recommendations**

The Lord Selkirk Economic Development Project acknowledges the poverty, unemployment, and inadequate living conditions of inner city residents. The project is based on underdevelopment theory and attempts to assess linkages of human service organizations and private business owners within the community. The goal is to inform and raise the social consciousness of community agencies and businesses about CED, and its potential to revitalize the community. Each community agency was evaluated on its support for CED practices and its willingness to identify potential opportunities to support other initiatives. Forty-one business owners participated in personal interviews. The interview guide was designed to assess these businesses in relation to key CED principles, local hiring practises, local purchasing, and community involvement. Data collected were analyzed by the investigator identifying key themes regarding the business owners' role and commitment to the community. I believe that the survey demonstrated the possibility of an effective partnership between the North End business owners and CED initiatives. The following is a list of recommendations through which the Community Economic Development Resource Group might engage the North End private sector:

- 1. Develop a working relationship with the private sector to promote the development of partnerships.**

The private sector is a fundamental partner in the revitalization strategy for the North End. Business owners need to be actively pursued and encouraged to participate in community initiatives because of their knowledge, skills, and willingness to assist.

- 2. Inform the private sector about the advantages of CED initiatives to the community and business district.**

To engage business owners effectively, they need to be aware of CED ideology and principles in order to define their role within community initiatives. As well, this information may encourage them to initiate socially responsible business practises that encourage economic and social development.

- 3. Encourage and support business owners to hire locally.**

Employment initiatives can be promoted that link potential employees with employers, for example, a skill bank. Training programs could be sponsored to meet the demands of the labour market and improve opportunities for local residents. The training supports and referral service would assist the private sector in finding skilled personnel in the local community.

- 4. Investigate the possibilities of increasing the incidence of local purchasing among business owners.**

There are opportunities for initiatives to encourage local purchases between private sector members, but this is presently minimal. A directory of retail, wholesale, and industrial enterprises would inform business owners of local merchants that may be able to provide them with products. Increasing the number of local purchases would benefit local merchants and create internal linkages which would improve economic growth.

- 5. Access business owners as resource people on committees to share knowledge and expertise to support community initiatives.**

Business owners possess expertise in business management, advertising, accounting, personnel issues, and customer service which would assist in the development of community initiatives. Consultation of business owners could engage them effectively in the process and provide the initiative with invaluable information.

**6. Identify other organizations and individuals that are potential stakeholders.**

There are other members in the North End community that have not been accessed; therefore, it is important to solicit the involvement of other potential stakeholders. Additional stakeholders include religious groups, labour unions, wholesale, and industrial sectors which also have concerns and skills to assist in the revitalization of the community.

**7. Develop a marketing and advertising strategy that promotes the uniqueness of the North End community.**

The North End is well known for its history and cultural diversity; therefore, it is important to counteract negative attention with the uniqueness of the area. The marketing strategy has the potential to encourage consumers to spend their money in the community.

**8. Encourage information sharing between the private sector and social service agencies to promote an understanding of each other's role in the community.**

Conflict between the private and human service sectors need to be addressed by defining their roles and assisting them in working cooperatively in the community.

**9. Involve business owners in revitalization strategies.**

The expertise, experience, and political power of business owners in the North End would benefit future CED initiatives. They would be helpful in identifying and implementing specific strategies to revitalize the community, such as infrastructure development.

## **VIII. Conclusion**

The deterioration of inner city communities has captured the attention of politicians, social advocates, private business owners, and community residents. Underdevelopment and the cycle of poverty explain the characteristics and chronic decay of the inner city. Present economic trends, such as, globalization, privatization, and public policies have contributed to the recent decline of the inner cities because of the exploitation and underutilization of resources reduces the effectiveness of the local economy. In turn, the poor local economy results in business closures, unemployment, suburbanization, loss of tax revenue, and disinvestments. Social conditions created by the current circumstances include poverty, substance abuse, family violence, and crime.

Various social and economic initiatives have been attempted to transform the present situation of inner city communities. Such programs include those with individual, group, and community focuses. However, the majority of these initiatives provides temporary solutions with no long term benefits. Secondary and tertiary approaches lack the effectiveness to address structural issues; therefore, there is a need for preventive approaches that challenge structural issues. Increased interest in the revitalization of inner city communities by addressing social and economic factors supports the need for research related to CED and the role of stakeholders.

The focus of the practicum was to explore the role of private business owners in possible solutions that would revitalize the North End of Winnipeg. Objectives for the practicum included:

1. Increase my own knowledge of community economic development agencies and present strategies in Winnipeg.
2. Increase my practical skills of qualitative research, data analysis, and the examination of community economic development initiatives.

3. Develop an understanding of the North End business district's interest in community economic development initiatives.

To complete these objectives, a qualitative research project was designed to explore the role of private business owners in the revitalization of the community. Forty-one business owners completed personal interviews; data gathered included demographics and information to support primary CED principles of local hiring practises, local purchasing, and a commitment to the community.

Businesses participating in the survey described their operation as providing specific products and services to various cultural groups in the area. The businesses were small enterprises that pride themselves on providing personalized services. There was also genuine pride expressed in the heritage of the community, and business owners expressed frustration over social and economic issues plaguing the North End, such as the declining retail market, lack of money, store closures, safety issues, and the continual deterioration.

Revitalization strategies included social, business development, and infrastructural initiatives. Fifty-nine per cent (24) of respondents expressed an interest in community involvement through committee work, mentorships, internships, training programs, and local purchases. However, the lack of time for business owners is a deterrent to their involvement.

Recommendations from the research project identified opportunities for the CED Resource Group to engage the business sector in future community initiatives. Suggestions recognized the need to educate business owners on CED principles and initiatives, develop partnerships, work collaboratively with businesses to support them in hiring and purchasing locally, and clarifying the roles of social service agencies and private businesses in the community.

The project has an important role in CED strategies in the inner city of Winnipeg. One benefit of the project is that it is directed by various community

organizations committed to CED and the inner city. The strength of uniting the voluntary and private sectors to address community problems is beneficial in the development of community ownership and the creation of linkages. The project will benefit from the collaboration because of the expertise of the diverse partners; each organization and agency will provide skills and knowledge that will support the implementation of the project. A collaborative approach improves the ability of the project to access various resources collectively that will support the initiative, such as technical supports and financial resources. Partnerships collectively address the community's concerns in an empowering process that strengthens the community and creates more effective strategies (Shragge, 1991; Wharf, 1979; Galaway and Hudson, 1994; and Blakely, 1994).

The assessment and evaluation phase of the project will educate community organizations and residents about CED principles and assist in the creation of a sustainable community. The education and participatory approach will encourage support for CED initiatives and community revitalization. Shragge (1991) describes components that enhance the success of CED projects, such as a strong sense of self, political, social and economic goals, and empowerment of local people through direct participation in the process. I believe the Lord Selkirk Economic Development project presents these components and identifies potential opportunities to support the development of a viable economy.

A challenge of the project will be developing an effective partnership with the private business sector, because the philosophy of CED challenges the practices and beliefs of business owners. CED initiatives are collective and socially driven enterprises that consider the economic and social well-being of the entire community. Opposing business practises promote competition, individualism, and economically driven enterprises with the primary goal of maximizing profits to the benefit the business owner. Patience and effective

strategies will be necessary to assist in the ideological shift from the private business owners to community organizers. This will require education and social consciousness raising techniques to broaden the understanding of macro issues. Defining the commonalities between community initiatives and the private sector is necessary to develop partnerships successfully.

Philosophical differences always arise, as they did here between committee members regarding the involvement of private businesses in CED initiatives. It was felt that the private sector is an important stakeholder in activating the local economy; however, some members felt that private enterprise was the problem and that attempts to gain its support was futile. There was concern about the effect of the individualistic perspective of private entrepreneurs and their impact on collective CED initiatives. The committee member opposed to the involvement of the private sector felt it would eliminate the participation and impact of community members in the development of strategies. The debate continued throughout the project with no resolution. The ideological differences resulted in personal conflicts, and the inability to agree upon recommendations that would promote further economic development of the Lord Selkirk Park community.

I feel very fortunate to have been part of such an exciting and important project focused on the redevelopment of the North End. My involvement provided me with an opportunity to develop skills in qualitative research, questionnaire development, interviewing, and data analysis. In addition, I expanded my knowledge about underdeveloped communities and their relationship to local and global policies. I met a number of dedicated and concerned business owners with expertise and knowledge about the community, and also increased my understanding about the number of businesses, and the products and services they provide. My involvement with the committee gave me



the opportunity to work with practitioners that have made it their goal to improve the economic and social conditions of the North End. As well, my knowledge of local social service agencies expanded. A personal long term impact of the project is that I have changed my spending habits to make a conscious effort to shop locally and to support small business owners. I believe that I have met the practicum objectives outlined above, and have expanded my knowledge and understanding of research techniques, causes of underdevelopment, CED strategies, and the involvement of the private sector.

The Lord Selkirk Economic Development Project has gathered data on voluntary, public, and private sectors in the North End of Winnipeg. The information is invaluable in supporting and directing future initiatives in the inner city community. It is apparent that CED strategies require the cooperation, collaboration, and expertise of all stakeholders to be successful. This project is just the beginning of addressing the chronic underdevelopment faced by the North End of Winnipeg. The information gathered and relationships formed will assist in the implementation of future projects. However, I am left with the following questions requiring further investigation to aid in future CED strategies: What are effective methods of engaging business owners as partners in CED strategies?; What are the possibilities of business owners increasing their local hiring and purchasing practises in the community?; and, What would be the impact of local initiatives on the structural issues that support the underdevelopment of the inner city?.

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## **Appendix**



## North End Business Interview Guide

1. Date\_\_\_\_\_
2. Interviewer\_\_\_\_\_
3. Name of Business\_\_\_\_\_
- Address\_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
4. Telephone\_\_\_\_\_ Fax\_\_\_\_\_
5. Year Established\_\_\_\_\_
6. Your name\_\_\_\_\_
7. Position in the business\_\_\_\_\_
8. a) Do the owners live in the North End? Yes\_\_\_\_\_ No\_\_\_\_\_
- b) If no, do the owners live in Winnipeg? Yes\_\_\_\_\_ No\_\_\_\_\_

### A. Business Activity

9. Main Activity\_\_\_\_\_
- Secondary Activity\_\_\_\_\_
10. a) Type of Business (check appropriate description):
  - \_\_\_\_ Partnership
  - \_\_\_\_ Incorporated
  - \_\_\_\_ Unincorporated
  - \_\_\_\_ Other( Specify)\_\_\_\_\_
- b) How would you describe the type of business you operate?\_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

11. Business Sector (check appropriate description):

<input type="checkbox"/> Grocer	<input type="checkbox"/> Clothing	<input type="checkbox"/> Bank
<input type="checkbox"/> Pawn Shop	<input type="checkbox"/> Home Repair	<input type="checkbox"/> Restaurant
<input type="checkbox"/> Car Repair	<input type="checkbox"/> Entertainment	<input type="checkbox"/> Industrial
<input type="checkbox"/> Bakery	<input type="checkbox"/> Other (Specify) _____	

12. Operation Mode:                      a) ☐ Year-round                      b) ☐ Seasonal

13. Please describe your sales for the last fiscal year:

☐ Increase                                      ☐ Fair                                      ☐ Reduction

14. a) Please describe who your customers are ( ie. Local residents)? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

b) Do you give credit to customers?

☐ Almost Always  
☐ Most of the Time  
☐ Some of the Time  
☐ Almost Never  
☐ Undecided

c) Can you identify any problems about giving credit to customers? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

d) Do you barter with customers?   ☐ Yes   ☐ No

## B. Employment Information

15. How many people are presently employed at your business? \_\_\_\_\_

a) Please describe the duties of each employee:

### Employees

### Duties

	Local hire	F/T or P/T	Sales	Cash	Stock	Office	Acco unting	Serve r	Maint enanc e	Other
1										
2										
3										
4										
5										
6										

16. Are there employment opportunities in your business? Yes \_\_\_\_ No \_\_\_\_

a) If yes approximately when will the jobs be available (check appropriate response):

\_\_\_\_ 6 months

\_\_\_\_ 1 year

\_\_\_\_ 18 months

\_\_\_\_ 2 years

\_\_\_\_ undecided

17. Level of Education that employees are expected to have:

\_\_\_\_ Less than Grade 12

\_\_\_\_ Grade 12

\_\_\_\_ Post Secondary Education (Specify) \_\_\_\_\_

\_\_\_\_ Post Secondary Education Degree (Specify) \_\_\_\_\_

\_\_\_\_ Special Training Program (Specify) \_\_\_\_\_

18. a) What characteristics do you look for in a new employees? \_\_\_\_\_

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b) What skills and qualifications do you look for in employees?  
(check the appropriate box)

Skill	
Operating a computer	
Accounting	
Cashier	
Written Skills	
Clerical	
Manual Labour	
Communication Skills	
Interpersonal Skills	
Organization Skills	
Other _____	
Other _____	
Other _____	

19. Do you require prior experience? Yes\_\_\_\_ No\_\_\_\_

a) If yes, please explain\_\_\_\_\_

20. Do you prefer to hire locally?

\_\_\_\_ Almost Always  
\_\_\_\_ Most of the Time  
\_\_\_\_ Some of the Time  
\_\_\_\_ Almost Never  
\_\_\_\_ Undecided

a) Are you successful in finding the appropriate candidate?

\_\_\_\_ Almost Always  
\_\_\_\_ Most of the Time  
\_\_\_\_ Some of the Time  
\_\_\_\_ Almost Never  
\_\_\_\_ Undecided

b) Please identify barriers that prevent you from hiring local residents.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c) Would you be willing to hire locally with training supports?

\_\_\_\_ Strongly Agree  
\_\_\_\_ Agree  
\_\_\_\_ Disagree  
\_\_\_\_ Strongly Disagree  
\_\_\_\_ Undecided

21. a) Please describe the expected changes in your business during the next two years.

Expected Changes	Specify
1. Reorganization	
2. Acquiring new markets	
3. Expansion of Business	
4. Closing	
5. Acquiring new equipment	
6. New Products/Services	
7. Moving	
8. Staff Training	
9. Staff Changes	
10. Other	
11. Other	

b) What kind of changes would you like to see in your business in the next two years? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

22. What are the present needs of the business?

- \_\_\_ Employment training program
- \_\_\_ Business Upgrading
- \_\_\_ Marketing
- \_\_\_ Financing
- \_\_\_ None
- \_\_\_ Other( Specify) \_\_\_\_\_

23. Describe the difficulties your business experiences related to expansion?

- ☐ lack of credit
- ☐ lack of market
- ☐ insufficient space
- ☐ competition

### C. Networking

24. Our business prefers to purchase from North End merchants.

- ☐ Almost Always
- ☐ Most of the Time
- ☐ Some of the Time
- ☐ Almost Never
- ☐ Undecided

a) Please specify the products you purchase locally and estimate the percentage of business done locally.

Purchases	Specify	Percentage of business done locally
1. Purchase goods		
2. Banking		
3. Credit Union		
4. Advertising		
5. Personal Use		
6. Other		
7. Other		

b) What are the barriers that prevent you from purchasing locally? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## D. Business Climate

25. What services and facilities do you believe are needed in the community?

☐ Business supports ( eg. Accounting)

☐ Day care

☐ Recreational facilities

☐ Employment training programs

☐ Other (Specify) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

26. How would you describe the present business climate in the North End?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

27. Do you have suggestions on how to revitalize the business district in the North End? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

28. Would you be prepared to be involved in projects to revitalize the North End Community? Yes ☐ No ☐ Undecided ☐

a) If yes, which of the following initiative you would be willing to participate in:

☐ Training Program

☐ Internships - providing an opportunity for individuals to learn about your business by participating in daily activities

☐ Mentorships - provide support and information to new entrepreneurs

☐ Committee Involvement

☐ Purchase from local businesses

☐ Networking with other businesses

☐ Other (Specify) \_\_\_\_\_



b) What would this involvement mean to you and your business? \_\_\_\_\_

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29. a) What are the advantages of the North End Community? \_\_\_\_\_

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b) What are the disadvantages of the North End Community? \_\_\_\_\_

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30. Any further comments \_\_\_\_\_

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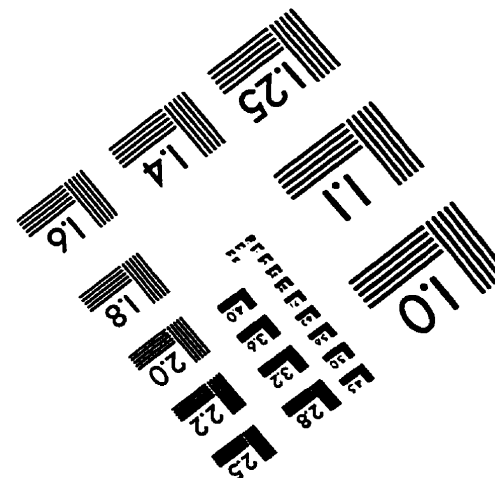
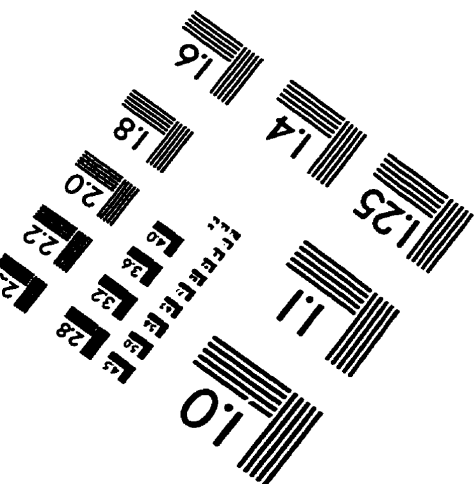
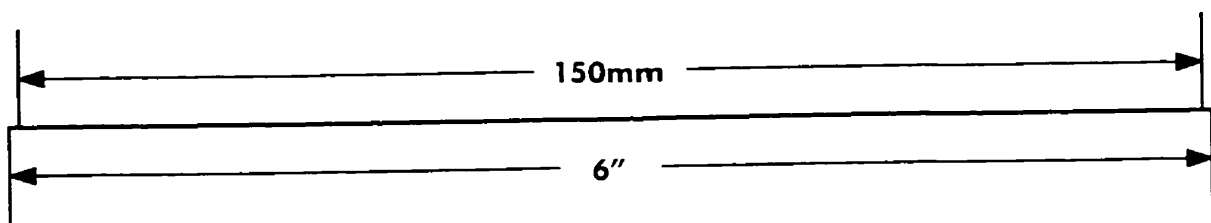
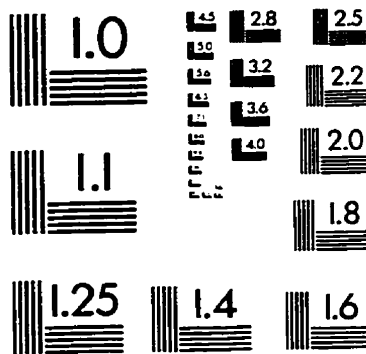
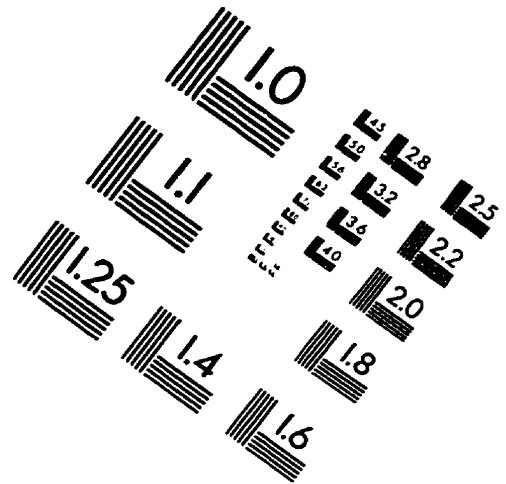
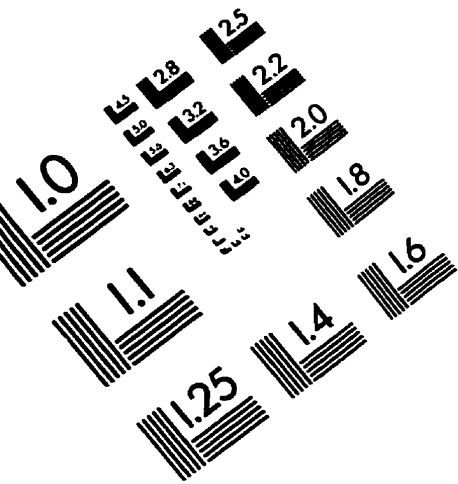
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# IMAGE EVALUATION TEST TARGET (QA-3)



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