

Reclaiming Development in the Places we live

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Note on the author :

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Development is a much used and abused term in western society, typically due to the distortion visited upon it by the “market determines all” ideology of neo-classical economics. However, as soon as the concept of development becomes linked with the concept democracy, there exists the possibility of reclaiming the social dimension of markets and economic life.

True, democracy is no guarantee; one can readily observe how the liberal variety can be rendered a handmaiden of concentrated corporate power. But where democracy is valued as the *practice of citizen engagement* - citizens influencing the vision and direction of economic and social life in their communities and regions - the hegemony of “market determines all” development model is eroded. People residing together in the many places they call home around the world can and are repatriating significant influence over the economic and social circumstances of their lives.

The post-war experience of citizen action in southwest Montreal is a powerful witness to this fact.

Having boomed for a century as an industrial, transportation, and financial centre, southwest Montreal slid into decay with the building of the St. Lawrence Seaway. Gone were the advantages of the Lachine Canal as a “cheap transportation” incentive for industry. Industry migrated, banks left, and many support- and service-related businesses followed. No help from governments to stem the decline was forthcoming. Quite the opposite. Instead of pouring into the southwest, public investment poured into expressways that circumvented it.

With the economic base went most of the population. In the neighbourhood of Pointe St-Charles the population declined from 30,000 in 1951 to 13,000 in 1986. Of those remaining, 43 percent were living below the poverty line, 17 percent were unemployed,

and 25 percent living on welfare - human “leftovers” that just could not make the transition, evidently.

The conventional response to the decline was dismissive of the residents’ interests. For years the neighborhood was ignored. Yet citizens acted. On the social side, a number of initiatives for providing social supports, community health services and recreational programs were put in place. By the early ’80s ten years of effort yielded 23 housing co-ops totaling over 300 units. On the economic side a consumer co-op was launched. Experiments in community owned business began which, although unsuccessful, taught an important lesson to a few key people: they needed to take a more systematic and comprehensive approach.

Such community building efforts were about the furthest thing from the minds of the City government or private sector at the time. The development strategy promoted through the late 70’s and early ’80s was lead by real estate developers from outside the area. Armed with a vision of economic revitalization driven by up-scale condominiums skirting a refurbished urban waterway – the Lachine Canal – these urban make-over artists put lots of pressure on the city government to co-operate. It wasn’t a hard sell to the City Fathers.

But it was a completely different matter for the people who lived in the “Pointe.” They fought back. Based on the networks, organizations and relationships built out of years of struggle, the residents mobilized political action to stop the gentrification of the neighbourhood. They occupied the streets in protest right to the steps of City Hall.

However vigorous and even “successful” these efforts were, they could not stem 30 years of decline. Out-migration continued apace. Determination and the very rightness of their cause were not going to get the residents of southwest Montreal jobs, much less a voice in local development. To use Saul Alinsky’s turn of phrase, if you want to contend, you have to get organized. You also have to get strategic. They did both.

The first key turning point came when the YMCA hired two community organizers to work in and with the community to figure out a more promising approach to stemming the deterioration. They talked to people throughout the Pointe. They examined experience elsewhere, especially in the inner cities in the United States, where African-Americans, among others, were employing the legal structure of the community development corporation (CDC) to manage local revitalization and empowerment.

After two years of learning, organizing, and dialogue, nine community organizations in Montreal's southwest created a Corporation Développement Économique Communautaire (CDEC) called the Programme économique de Pointe St-Charles (PEP) late in 1984. Leveraging their community base, PEP pressed and won from the provincial government a modest grant to complete a study that traced the area's economy, which, despite substantial government transfer payments, was in a condition of enforced dependency.

PEP undertook to engage the community in creating and implementing a strategy to reverse this process and create wealth rather than dependency. Over the next three years PEP

- organized neighbourhood meetings to determine local priorities for action, sought out new allies, and represented its constituents' interests in municipal politics.
- fostered the growth of locally-owned businesses. Initially, this took the form of entrepreneur training and business loan fund, but the results were mediocre and duplicated the work of some existing agencies. PEP turned its attention to assisting in the retention of existing businesses with management consulting and services to assist relocation and expansion.
- in collaboration with two other CDCs, established the Fonds de développement Emploi Montréal to make loan and equity investments in local businesses.

- Started improving the programs to support job seekers with training and job placement.

Rather than focus on a single task, PEP was experimenting with a multifunctional mandate that sought to attack the array of factors driving neighbourhood decline and impoverishment. Stemming the tide was not just a matter of entrepreneur or job training, or a few isolated projects. The businesses that remained in the area had to be stabilized somehow. Credit to finance business and projects had to become more accessible. New and existing businesses needed help of all kinds, including a more skilled workforce in the vicinity. Crucial to this mix were research and planning that, for example, redirected PEP's energies away from entrepreneur training and toward business retention.

All this occurred without jeopardy to community control of PEP, but it was by no means smooth sailing. PEP's commitment to business development in the first year did not meet the approval of some of PEP's biggest allies. Three of the founding organizations withdrew from PEP. Yet PEP's membership continued to grow; both individuals and community organizations continued to join. Its board evolved and within two years comprised four representatives of community organizations, four from the business sector, four residents, and one staff person.

Then a new round of plant closings in the mid '80s had a catalytic impact on the breadth and depth of the whole revitalization effort. Years of networking and advocacy suddenly bore fruit. Labour unions, hit hard by the closures, put an end to years of disinterest in the community movement. PEP and the unions organized Urgence Sud-ouest, an action group of unions, local institutions, and community organizations. Government had no choice but to take notice. In the spring of 1988 a major coalition of community groups, business, labour unions, and three levels of government took shape: the Committee for Economic and Employment Revitalization in Southwest Montreal (CREESOM).

That same year, in collaboration with the University of Quebec at Montreal, PEP founded l'Institut de formation en développement économique communautaire (IFDEC), as a legal entity through which they organized and an international conference that brought together public and private organizations, federal and provincial ministries, private corporations, and others (700 delegates in all) to participate in an examination of local communities in action in North America and Europe.

The event established in the minds of key people the credibility of local control of the development process, and in particular, the credibility of PEP and CREESOM. These democratic, community-based organizations had emerged as major players in municipal development scene. IFDEC went on to become an intermediary helping form and strengthen CED organizations throughout Quebec.

With \$200,000 from the province, CREESOM completed a report in 1989 on the situation in five southwest neighbourhoods. One of the report's main recommendations was to assign recovery operations to an expanded and re-organized PEP – the Regroupement économique et social du Sud-Ouest (RESO). Like PEP, RESO's approach was to be multifunctional, tackling or co-ordinating an array of initiatives crucial to the social and economic well being of citizens.

Again, not all was smooth sailing. At first, some business representatives insisted that the new organization, "to be taken seriously," required a board controlled by industry. But PEP and its allies were adamant that RESO be a broad-based coalition. A range of local voices and interests must be heard in order to make real progress.

In the end, the business sector received four seats on the RESO board (one each for big industry, small industry, financial institutions, and the commercial/retail sector) community groups got four, labor unions two, and RESO staff one. During the first 5 years, membership in RESO grew to include 1500 individuals and 300 community organizations and businesses.

Within five years RESO would

- ♦ **build in collaboration with trade unions a plant-closure “early warning system” that enabled many endangered businesses to stay or to change ownership.**
- ♦ work with several hundred businesses to provide a wide range of services aimed stabilizing operations and building their base for expansion wherever possible.
- ♦ **develop the capacity to train 1500 people per year, including customized training for local business.**
- ♦ **mobilize growing membership to fight for zoning and other decisions to reflect the priorities of the five neighbourhoods.**
- ♦ **establish a community-owned \$5 million equity investment fund with government and union funds for the purpose of extending community ownership in business.**
- ♦ **sponsor the creation of training businesses and social enterprises aimed at marginalized populations, for example, at-risk youth.**

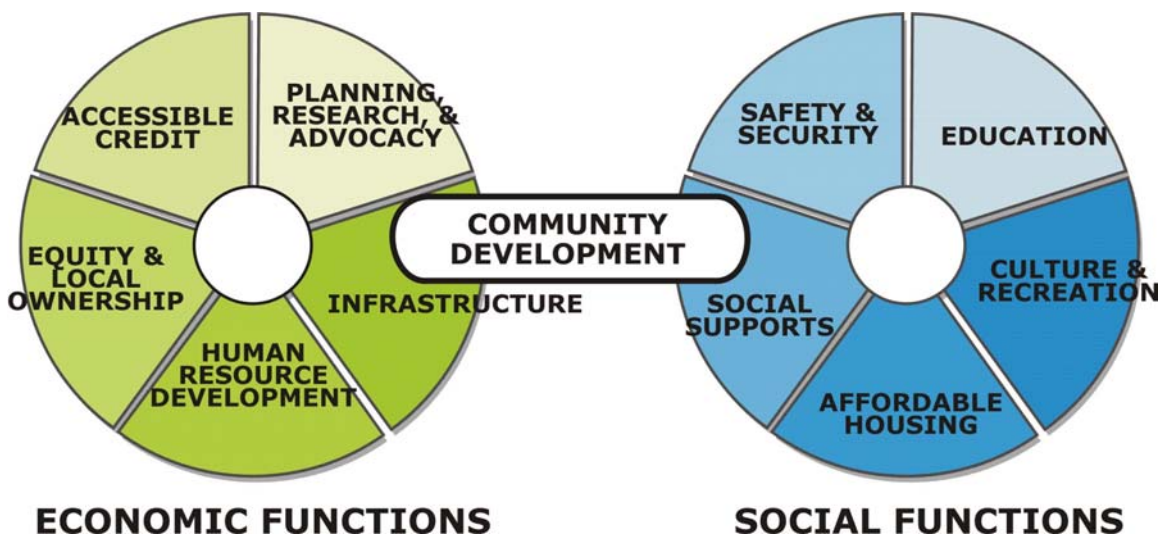
These and other actions created by the mid 1990s a cause for celebration. Statistics Canada reported that for the first time in 30 years, the economic decline in southwest Montreal had stopped.

Now the challenge is managing growth. Between 1996 and 2000 the employment in what were once among the poorest neighbourhoods of Montreal grew 24% compared to 9% in the city as a whole. Within the social economy sector, from 1997 to 2002 (the period corresponding with the growth of the Chantier de l'économie sociale and supportive provincial policy) RESO helped build 45 social enterprises. Employment in 2000 was 381 workers; in 2002 it grew to 536. And the Lachine Canal, the closure of which had precipitated the area's decline, today is becoming the central axis around which a community-based tourism and cultural development is destined to develop. RESO is at

the heart of reclaiming the development of this waterway for the social and economic well being of the people who live there.

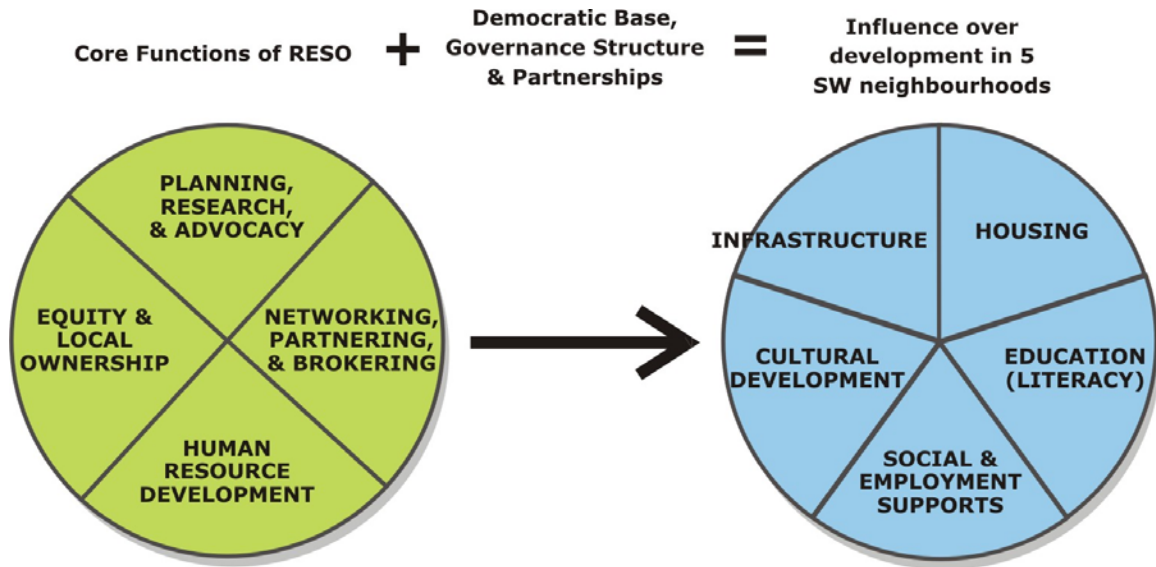
A dramatic turnaround in 20 years indeed! What are the critical ingredients that made it work?

First, the overall strategy was comprehensive in orientation and multi-functional in approach. Economic and social functions were attended to, woven together by a range of programs, projects and continuous community outreach to involve people in becoming involved in their own development. Without putting social and economic development onto the same track, community revitalization and renewal of an entire territory will not occur.



RESO paid attention to most of these social and economic functions. Some received more attention than others at various times. Some were directly under RESO control and others were not. However, as a community-based, democratic, multi-stakeholder organization, RESO extended its influence into virtually all key areas, inserting wherever and whenever possible the priorities set by its members and owners – the resident citizens,

businesses and organizations of the five neighborhoods. The democratic base of the renewal effort coupled with RESO's competent weaving together of partnerships and alliances extended its influence over all the key levers bearing on development within its territory.



Over the last 20 years the term development has been imbued with a more popular conception of citizen engagement in southwest Montreal than is imaginable by the impersonal, invisible hand that dominates neo-liberal ideology. Indeed, the interference of ordinary people and community interests in the Montreal market place must be a source of chagrin to traditional neo-classical types who prefer to think in the abstract about markets, capital, and productivity.

Yet, it is the very fact that the social dimension of the economy has been *reclaimed and strengthened* in southwest Montreal that is feeding the economic renaissance in the heart of this Canadian metropolis. It is a story of citizens building a democratic means to shape

their communities future, rendering the hegemony of the market as an old story, and restoring the role of markets and economies as important *means* to sustain human life and dignity.

It is a story being written in a diverse range of neighbourhoods, villages and rural districts across Canada, most often centred where economic distress is deep, where conventional solutions have failed. It is the story of what in Canada is referred to most often as community economic development (CED).

Twenty-five years of cumulative experience and learning gave rise in 1999 to the formal incorporation of the Canadian CED Network (CCEDNet). Formed to extend and to scale up the size and impact of what was working in places like southwest Montreal to other Canadian communities, CCEDNet quickly moved to organize regional and national policy forums to build a sound policy framework that could be advocated for across the country. Three main priorities; investing in community capacity building for CED, increased spending on employment supports for those marginalized from existing labour market programs and measures aimed at increasing the accessibility to equity capital for community based enterprises and projects.

Linked to this story line is another; one of citizens in association, often linked by common interests or identity, meeting their needs and social goals through business means, usually a business with some degree of democratic governance and ownership. In Quebec, this approach is referred to as the *social economy* and is represented in a network of networks that formed in 1996 called the Chantier de l'économie sociale.

In 2002 the two networks started co-operating to achieve a common agenda derived from the CCEDNet national policy framework and the social economy agenda of the Chantier. The results have been dramatic. The new Prime Minister Paul Martin has taken up key facets of the CED and Social Economy agenda. In February 2004 the Throne Speech

followed by his maiden speech to the Canadian Parliament included direct references to the social economy and to RESO (which operates in Martin's constituency and which he helped fund when he was the Federal regional development minister in the early 90's).

There is much work to be done to move this welcome political attention into the concrete measures and investment we need, but it is a start.

CCEDNet and the Chantier are both keenly aware that CED and the Social Economy, while having strategic significance for the present and future health of many struggling 'communities' in Canada, are not alone. There are constituencies equally concerned with reclaiming development in our communities - labour, environmental, socially responsible business, women, anti-poverty, cooperative and fair trade networks being among them. Enduring gains will require these networks and movements to become linked into a self-conscious, mutually supportive web of development action that explicitly integrates social goals into our economic life.

The other major challenge those committed to reclaiming control of development in our communities lies well beyond our borders. The 'market rules all' hegemony may be eroded through concerted local action and supportive state policies, but the global trends and forces cannot be ignored. Sustaining democratic gains over local economies will not be durable over the long term if global trends and forces are not taken into account.

There is a growing movement of citizens, networks, and institutions searching for a more effective and durable response to a market-dictated globalization and its companion, the pressure for unrestricted flows of capital and "free" trade worldwide. Resistance is growing. People are pushing back in a wide variety of ways.

But resistance alone is insufficient. A positive economic and social agenda is required. And it cannot speak just to macro issues of the global economy. It must speak to the local level, where citizens are engaged in forging economic alternatives at the ground level. We need a ‘global local’ voice. We need a voice where the tempered experience derived from the hard knocks of innovating in local contexts can be elevated. We need a voice where the value of democracy and citizen engagement in development can be articulated and where the results being achieved can be exposed more broadly.

In December of 2002, at a meeting in Dakar, Senegal, a name was given to what can be seen as a tentative, but emerging voice on the international scene, a voice rooted in the context of local development action. *The Intercontinental Network for the Promotion of the Social Solidarity Economy* is showing real potential for becoming a meeting place for social economy and community economic development movements across the globe.

Its development is still in the early stages and despite the fact there has been very few financial resources to sustain the effort, the interest and growth has advanced steadily since the 1st gathering of 20 countries in Lima Peru in 1997. Four years later a 2nd gathering drew 375 people from 40 countries to Quebec City. The Dakar round, which is now underway, leads to a 3rd gathering in Dakar, Senegal, in November 2005.

In my view, the question of how far the Dakar round will advance this global networking task depends on five things:

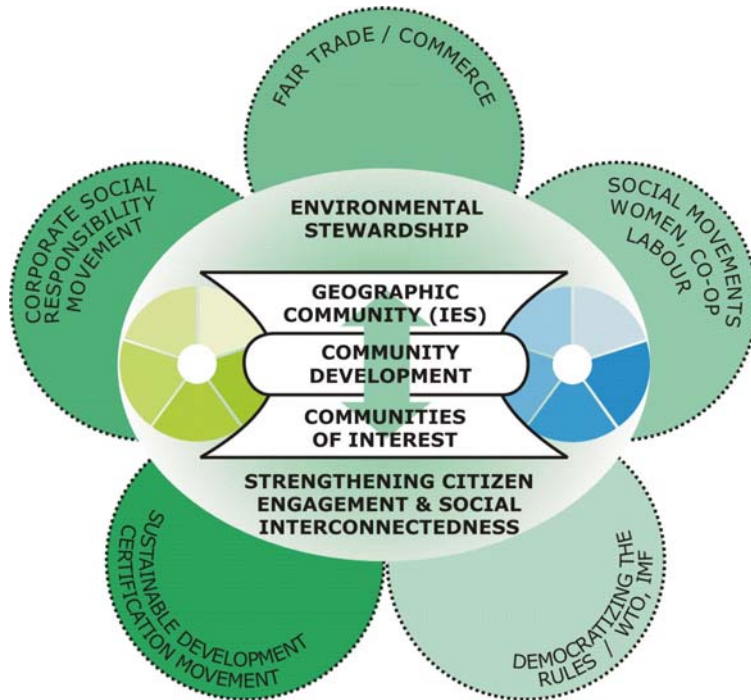
1. Sufficient money to finance the effort.
2. Expanded representation on the international liaison commission must be achieved, especially in Europe, Anglophone Africa and Asia.
3. Definition of the steps to democratize the selection of the senior leadership of the network.

4. Even further, RIPESS must evolve a structure that encourages a more diverse base of participation from people working in local and regional networks.
5. In the next two years, the engagement of other key global networks in discussing how to advance the construction of the social solidarity economy. We must 'go glocal' to coin a phrase.

This latter point is of strategic significance to the long-term success of Dakar and beyond. Can the international networks working on important macro issues be attracted to a table that will focus on the local and regional role in the building of an alternative economy? Are the global movements related to women, labour, and co-operatives ready to engage?

The fair trade markets being developed in Europe and North America are a crucial building block to building alternative economies. This experience needs to be articulate and present in Dakar. Where does the corporate social responsibility movement fit, or do they? Can we afford to ignore the incredible efforts being put into transforming existing large business? And what about the certification movements? They put market pressure on the forestry, fisheries, and agriculture sectors to create environmentally friendly products in a socially responsible fashion. If the goal is to construct an alternative economy, such markets are obviously important.

Dakar must help weave together the next set of linkages, working from the best of what we have learned in CED and the Social Economy. The graphic below brings forward the core economic and social functions examined earlier (the two wheels on either side of the community development bar), connecting them to the core social and environmental values that need to be manifest into our collective economic life at both the local and global level.



The Dakar Round cannot accomplish all of this. But it must make progress or it will be relegated to irrelevance. I do not believe we can afford to have this happen. We need Dakar to become a step towards nourishing another globalization. We need a local global voice to become an articulate member of the international community seeking to restore and renew life to the planet and its inhabitants.