



When is a dollar more than a dollar?*

When its economic and social returns far exceed its face value. Multiple bottom-line investments are the types of ventures that Canada needs to pursue at this time.

Most governments would argue that they already do this. They seek both economic and social returns, where possible, on the investments they currently make.

But there is a new approach emerging throughout the world that is stretching the power of public dollars beyond their traditional role. So-called “community benefits agreements” are seeking to ensure that broader economic and social benefits are embedded right from the get-go in all investment plans.

While economic investments are often subsidized by taxpayers, there is no guarantee that a given project will help the community in question. This is often the case with housing developments in which local residents are pushed out to make room for fancier (read “higher property tax”) digs.

The community benefits model was developed as a way to deepen the economic, social and environmental spin-offs of any given investment. Community benefits are wide-ranging.

In terms of employment, they mean that a successfully-bidding firm may agree to provide work opportunities to designated groups who typically face barriers in the labour market, such as persons with disabilities, new Canadians, foreign-trained professionals and older workers.

Community benefits can also involve training young people or other prospective employees – a long-term constructive investment.

Projects that involve housing developments may include an agreement to designate a certain number of affordable units or incorporate public commons such as a park, child care centre, play structure and/or space for performance arts.

Even when all community residents benefit from a given infrastructure project – say a new distribution system that produces cleaner water – there are still ways to extend the positive impact of this investment beyond its immediate environmental and health effects. Young people can be trained, for example, in both the science and the mechanics of water purification. Apprentices can be brought on board and “hard-to-employ” workers can be hired on the project.

The community benefits movement first took hold in the late 1990s in Los Angeles, with the successful inclusion of economic and social benefits in several residential projects. It has since spread to other many US cities including Atlanta, New York City, San Francisco, Seattle and Washington, DC.

In other parts of the world, The City Deal is an agreement among the UK Government, Scottish Government and eight Local Authorities across Glasgow. The deal embeds within infrastructure spending a requirement for broad community benefits, such as training and employment as well as educational, environmental and diversity initiatives.

On the other side of the world, local governments in southeast Australia adhere to the principles set out in the document *Social Procurement: A Guide for Victorian Local Government*.

There are significant developments here at home. The City of Vancouver was an early adopter of the community benefits approach. In submitting proposals for Olympic contracts, the City required all bids to include prospective work with local social enterprises – i.e., businesses that incorporate a social purpose. The bidding phase also emphasized the inclusion of improvements to Vancouver’s inner-city neighbourhoods.

Metrolinx, the Ontario government agency that plans and builds public transit, formulated a Community Benefits Framework that was approved in 2014. The Toronto Community Benefits Network has been successful in its efforts to get community benefits included in the *Ontario Infrastructure for Jobs and Prosperity Act*.

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The federal government is now being challenged to step up to the plate. On May 11, 2016, Liberal MP Ahmed Hussen rose in the House of Commons to speak about his private member's bill that would allow the Minister of Public Services and Procurement to require bidders on federal construction, maintenance and repair contracts to include information on the community benefits that the project would provide.

The 2016 federal Budget announced a plan to invest more than \$120 billion in infrastructure over ten years. Ideally, the community benefits principles will be extended to investments beyond the federal domain alone. Ottawa has a clear opportunity to stretch the impact of these funds well beyond the roads, sewers and bridges for which they are earmarked. Infrastructure investment can be a powerful tool for generating both positive economic and social results.

Community benefits agreements create wide-ranging value. They help ensure that an invested dollar is way more than a dollar.

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