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# **Community-Based Poverty Reduction**

*by*

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**February 1998**

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## ***Introduction***

There is something seriously wrong when the economy is good but the people are not. The economic indicators – growing GDP, low inflation and soon-to-be mounting budget surplus – present a glowing account of the state of the nation. But despite the stellar performance of traditional economic beacons, unemployment and poverty remain high.

Unemployment and poverty are multifaceted, complex problems that must be addressed through a combination of public policy and community-based approaches. This paper sets out a framework for community-based poverty reduction. The framework evolved from earlier work on building community capacity undertaken by the Caledon Institute of Social Policy on behalf of the Atkinson Charitable Foundation.

This ‘bottom-up’ approach to poverty reduction can work only within the context of sound economic and social policies. Community-based initiatives are an important supplement and complement to a solid social infrastructure which makes adequate provision for income security and for investments in education, health and other areas such as early childhood development. In fact, community-based approaches to poverty reduction have been found to be most effective when the local economy is strong and when social programs such as high-quality, affordable child care are available.

## ***The Problem***

The progress against poverty that Canada managed to achieve in the 1960s and early 1970s has stalled since 1975. Poverty has not declined overall in the last 20 years. The low-income population was substantially larger in 1996 – 17.9 percent of all Canadians – than in 1975 when it was 14.2 percent.

In the past, Canada could count on economic growth and a healthy labour market to fight poverty. Rising real GDP reduced the number and percentage of people with low incomes, while a faltering economy had the opposite effect. An increase in the proportion of employed lowered the poverty rate, while a decline in the employment/population ratio produced an increase in households with low incomes. The trends in unemployment and poverty rates were mirror images.

But the traditional relationship between economic growth and poverty appears to be breaking down. In 1995, the low-income population increased even though the unemployment rate declined, GDP grew in real terms and the labour market added 214,000 jobs, the large majority of them (198,000) fulltime. In 1996, the low-income population went up only slightly: Yet the jobless rate

rose from 9.5 percent in 1995 to 9.7 percent in 1996, real GDP grew slower than in 1995 (1.5 percent as opposed to 2.1 percent in 1995) and employment increased by only 1.3 percent (versus 1.6 percent in 1995) – almost half (80,000 out of a total 171,000 new jobs) of which was part-time work [Battle 1997]. Several factors are contributing to the rise in poverty.

*i. labour market*

The primary culprit is the labour market, which is increasingly insecure and unequal. The economy of the 1990s has seen strong growth in well-paid, high-skill jobs in fields such as computer applications and financial services. But the economy also is creating an abundance of nonstandard jobs which are often part-time or unstable, in many cases pay low wages and offer few, if any, benefits. A job simply does not provide a living wage for many thousands of Canadians, particularly families with children. In 1996, the heads of half (50.3 percent) of low-income families worked but their families were poor because they earned low wages and/or could find only seasonal or part-time work. Unemployment remains a key cause of poverty. While most couples have both spouses in the workforce, many families are only a job away from poverty. The national jobless rate has crept up steadily since the postwar low of 3.1 percent in the 1940s. It rose to 4.2 percent in the 1950s, 5 percent in the 1960s, 6.7 percent in the 1970s, 9.3 percent in the 1980s and an average of 10 percent in the 1990s. Despite its dip below 9 percent in December 1997, unemployment in the 1990s is at its highest level since the Depression of the 1930s when it peaked at 13 percent.

*ii. household structure and demographics*

Poverty is the result not only of a changing labour market. It also is linked to household structure and demographics. Gender is a critical demographic factor in the poverty story.

Women typically have higher poverty rates than men and families led by women are more likely to be poor than those headed by men. The persisting inequality between the sexes in basic unpaid social and economic roles – as homemakers and caregivers to children and aging parents – is a major factor in women's lower incomes and higher risk of poverty [Battle 1996]. Even with recent improvements, women still earn only 64 percent of men's average wages.

In addition to gender, marital status is a key factor. Single-parent families – most of which are led by women – face a high risk of poverty. In 1996, 60.8 percent of families headed by single-parent women were poor compared with 11.8 percent of two-parent families.

### ***Government and Poverty Reduction***

Government traditionally has played the major role in combating poverty. Income security programs, also known as ‘transfer payments,’ supplement or replace employment earnings. Major programs such as Old Age Security, the Guaranteed Income Supplement, the Spouse’s Allowance and the Canada and Quebec Pension Plans are a crucial source of retirement income for most Canadians.

Employment Insurance and workers’ compensation replace employment earnings lost due to unemployment, illness and accidents. The Child Tax Benefit supplements the income of low- and middle-income families with children. Welfare is the program of last resort for people with no other source of income.

A wide range of social services, such as child care and home care, provide important services and supports that many Canadians could not afford to buy themselves or which are not available in the marketplace. Insured health care (‘medicare’) guarantees essential health care for every Canadian. Training and other employment programs seek to ensure a skilled and adaptable workforce. Most social benefits are available to large segments of the population – not only the poor – and medicare is a universal program covering the entire population. However, social programs are especially important to low-income families and individuals, and transfer payments make up a larger percentage of their income than that of middle- and upper-income Canadians.

No income program pays benefits high enough to lift its recipients above the poverty line. But poverty would be much more widespread, and poor people would have an even lower standard of living, in the absence of social programs. Income transfers and the income tax system reduce significantly the wide inequality of market incomes – i.e., incomes from wages and salaries, self-employment, savings, investments, private pensions and other private sources. Contrary to popular impression, transfers and income taxes have managed to offset the decline in market incomes of low- and middle-income Canadians and to counteract the growing gap between rich and poor. However, changes to Employment Insurance and welfare threaten to weaken this crucial redistributive role of government.

Child poverty remains a grave problem. One in five children lived in low-income families in 1996 – just under 1.5 million children or 21.1 percent of all children. The risk of poverty is very high for children in single-parent families led by women: 65 percent were poor in 1996.

Still other demographic factors are linked to poverty. Aboriginal Canadians are significantly more likely to be poor than the rest of the population. Canadians with disabilities are another group at risk of poverty. In 1991 (the latest year for which data are available), 21.9 percent of individuals over age 15 with disabilities had low incomes compared with 12.6 percent of those without disabilities.

Governments also can play an important role by setting the appropriate policy framework for poverty reduction. The now-defunct Canada Assistance Plan (CAP), for example, allowed Ottawa to share with provinces the cost of welfare and social services. CAP set out three key conditions to which provinces had to adhere in order to receive their funding: the use of ‘need’ as the key criterion for welfare eligibility, the prohibition of residency requirements and the presence of an appeal system.

The Canada Health and Social Transfer (CHST) that replaced CAP in 1996 retained only the noresidence requirement (the Canada Health Act – whose five federally-enforced conditions comprise the foundation of medicare – also remained in place). The loss of the ‘in need’ criterion under CAP has opened the door to a very different welfare system that allows workfare and compulsory service in exchange for benefits.

The federal, provincial and territorial governments are working together to create a new policy framework for child benefits. The National Child Benefit aims to replace the present uncoordinated and variable collection of federal and provincial/territorial income benefits for families with children with a single geared-to-income system providing equal benefits to all low-income families, whatever their source(s) of income. The new system will continue to provide benefits to modest- and middle-income families as well.

Social programs are not the only way that governments reduce poverty. Fiscal and monetary policy affect the level of unemployment, which in turn is a key determinant of poverty. Some critics argue that tight fiscal policy and high interest rates have contributed to Canada’s high unemployment rate and thus exacerbated the poverty problem. Governments can modify fiscal and monetary policies to be more supportive of job creation. Governments also can support the infrastructure of community approaches to poverty reduction. Quebec, for example, has actively promoted the development of the social economy [Lévesque and Ninacs 1998].

But transfers and other government initiatives usually are considered ‘top-down’ approaches to poverty reduction. Benefits are paid or delivered from a central source – typically the federal or provincial/territorial governments.

Social programs play a crucial role in supplementing low earnings and providing free or subsidized services and supports. But they are not sufficient in themselves to eliminate poverty and fully offset its negative impact. In some cases, these ‘top-down’ approaches merely take the edge off poverty by modestly raising a poor household’s low income. There is also a need for ‘bottom-up’ or community based approaches both to supplement and complement the public policy infrastructure in reducing poverty.

## *A Framework for Community-Based Poverty Reduction*

### *Underlying Principles*

The philosophy that underlies community-based approaches to poverty reduction views poverty alleviation as more than an end in itself. Poverty alleviation is a subset of broader economic development.

Community approaches to poverty reduction are not service-based interventions that regard individuals as ‘clients’ who need assistance. Instead, these approaches have a direct or ultimate economic purpose. They focus upon the active pursuit of market-based strategies, often geographic and sector-specific, that exploit market niches for beneficiaries [Lewis 1998]. Community approaches address social problems that governments and the voluntary sector usually address – but typically incorporate methods employed by the private sector.

Community approaches seek to empower local organizations and individuals through an atmosphere of dignity and participation, and an orientation to achieving durable results [O’Regan and Conway 1993]. A major goal of community approaches is to engage disadvantaged populations and neighbourhoods, especially to participate in the governance of local organizations and in human resource development. Community initiatives build on the ideas and strengths of individuals, and recognize their ability to apply unique talents, creativity and hard work to improve their lives [Nares 1998]. Participants in any program or activity related to poverty reduction must have a say in organizing the program and must play an active role in determining their future [Reid 1997].

Moreover, the most successful community-based approaches to poverty reduction are multi-functional in nature [Lewis 1998]. They seek explicitly to integrate economic and social goals. These approaches typically combine one of three strategies: job training and placement, job creation and retention, and self-employment [O’Regan and Conway 1993]. There is also a fourth strategy, community-based finance, which is linked to all three categories. Included in the financing category is technical assistance with respect to various aspects of business development [Perry, Lewis and Fontan 1993].

Another major purpose of community-based approaches to poverty reduction is to build community assets – to recognize existing resources and talents, and to invest in the development of new skills. Community-based asset building also involves creating employment opportunities and harnessing new sources of financing. Yet another component of asset building entails the creation and maintenance of various forms of public goods and public space – such as nature trails, wildlife sanctuaries, parks, libraries, playgrounds, pools and skating rinks – that can be enjoyed by all community members.



In some cases, communities themselves will not be able to effect the required change. But they are in a position to identify problems, raise awareness of issues and promote the appropriate policy shift. For example, in the area of skills accreditation (discussed below), community groups can pressure governments, educational institutions, professional and trade associations, employers and labour unions to recognize certain skills acquired in countries outside Canada.

### *Key Interventions*

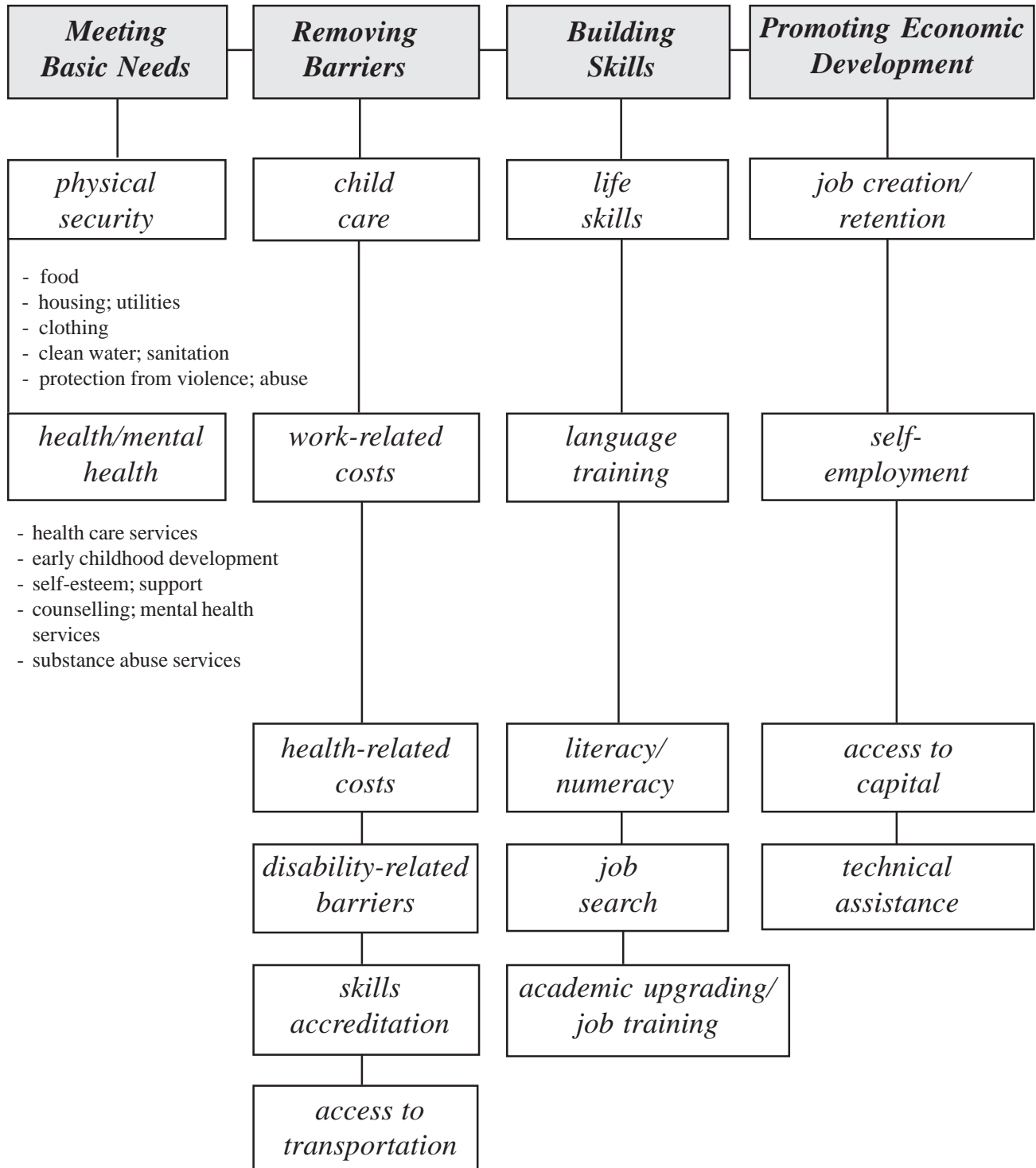
This framework for community-based poverty reduction is based on the assumption that poverty can be reduced through four streams of intervention: meeting basic needs, removing barriers, building skills and promoting economic development (Chart 1). It is possible to employ one or more of these interventions and to work on one or more activities within each intervention.

The framework includes both linking and parallel strategies – the linking of individuals to existing structures and the establishment of alternative forms of economic and social activities and neighbourhood improvements. The challenge is to target appropriate areas for intervention and to build in economic and social opportunities through both linking and parallel strategies [SEDI 1997a].

Linking strategies help people cope with existing systems and move them into the mainstream economy. These strategies include housing subsidies, recognition of existing credentials, job accommodation, and training and job search. Parallel strategies, by contrast, seek to create parallel economic and social structures outside of the economic and social mainstream. These strategies include alternative food and distribution systems, co-operative housing, and alternative banking and savings mechanisms that are more inclusive and equitable than existing structures. While linking and parallel strategies are described as separate approaches, in reality many community initiatives combine elements of both.

This dual focus involves interventions directed towards helping individuals and families, and changing fundamentally the contextual economic and social conditions. The activities focussed upon individuals assume that they need assistance to integrate into an otherwise healthy economy and society. Community-focussed activities, by contrast, define the primary problem as the economic and social context that does not adequately meet the needs of many people. Both individual and contextual interventions are required to reduce poverty on a sustained basis. Chart 2 illustrates the range of possible linking and parallel interventions for poverty reduction.

**Chart 1**  
**Key Interventions for Poverty Reduction**



**Chart 2**  
**Poverty Reduction Activities**

	<i>Individual-Focussed</i>	<i>Community-Focussed</i>
<i>Linking Strategies</i>	<ul style="list-style-type: none"> <li>• job search assistance</li> <li>• job placements</li> <li>• job training</li> <li>• literacy/numeracy</li> <li>• language training</li> <li>• assistance with work-related costs</li> <li>• technical assistance</li> </ul>	<ul style="list-style-type: none"> <li>• plant closure early warning system</li> <li>• job retention</li> <li>• recruitment of new industries</li> <li>• community reinvestment strategies</li> <li>• technical assistance</li> <li>• business improvement associations</li> </ul>
<i>Parallel Strategies</i>	<ul style="list-style-type: none"> <li>• loan guarantees</li> <li>• individual development accounts</li> <li>• self-employment</li> <li>• business plan development</li> </ul>	<ul style="list-style-type: none"> <li>• community kitchens/gardens</li> <li>• barter systems</li> <li>• co-op/social housing</li> <li>• worker/consumer co-ops</li> <li>• community enterprises</li> <li>• community development credit unions</li> <li>• local investment funds</li> </ul>

Source: SEDI 1997a; Dwayne Hodgson, personal correspondence.

### ***Meeting Basic Needs***

It is almost impossible for people to learn new skills or explore job opportunities when they are preoccupied with where their next meal will come from or with an impending eviction notice. It is equally difficult to concentrate on employability enhancement if their physical security is imperiled by actual or threatened violence.

Basic needs can be classified as physical security and health/mental health. *Physical security* refers to food, housing/utilities (heat and light), clothing, clean water and sanitation, and protection from violence and physical/sexual abuse. The category of *health/mental health* includes health care services and initiatives that promote healthy child development and early stimulation; build self-esteem and furnish emotional support; provide counselling and mental health services; and address alcohol and drug abuse. For households that require assistance with basic needs, most of the latter

are met through a combination of government-supported programs (e.g., welfare, mental health services) and through nonprofit organizations, such as food banks.

Physical security and health/mental health are closely linked. The quality of food, for example, can affect health; exposure to violence or abuse can impair emotional well-being or lead to alcohol or drug abuse. The categories within basic needs should be understood as a set of interacting factors in which each area substantially affects the other.

In some cases, basic needs are best met through linking strategies – e.g., providing nutritious food or finding affordable housing for a given family. But basic needs also can be addressed through parallel strategies, such as developing neighbourhood gardens or increasing the supply of affordable accommodation in the form of nonprofit and co-op housing.

### ***Removing Barriers***

A second stream of intervention for poverty reduction involves the removal of barriers that prevent movement to skill building and economic development. Major activities in this stream include: ensuring access to high-quality, affordable child care; providing assistance for work-related costs; offsetting health-related costs; accommodating the needs of persons with disabilities; recognizing foreign credentials; and addressing transportation-related problems.

#### ***i. child care***

Most Canadian parents – including single parents and those with preschool children – are now in the labour force. Finding and paying for decent child care are major concerns. Parents cannot further their education, take training, or find or hold a job without child care. If the lack of adequate and affordable child care is a problem for many couples with children, it is often an insurmountable obstacle for single-parent families. Long line-ups for subsidized child care are a major reason that so many single mothers and their children are on welfare.

#### ***ii. work-related costs***

Sometimes barriers arise from the costs associated with job search or return to work – e.g., transportation for job interviews (see below), work clothing, license to drive a car or other vehicle for work purposes, professional dues or licence fees, or equipment such as tools or protective gear. The Community Opportunities Development Association (CODA) helps offset some of these costs through an Innovation Loan Fund, described below.

*iii. health-related costs*

Another major barrier to work are the costs associated with health-related conditions. These additional costs are often offset by provincial welfare systems.

The primary purpose of welfare is to provide financial assistance for basic needs such as food, clothing, shelter and utilities. But welfare also plays an important role in making provision for special needs arising from health-related or disabling conditions – e.g., wheelchairs, hearing aids or special eyeglasses, prosthetic equipment, medications or medically-prescribed diets, special dental benefits, assistive devices for independent living or work, and hospital beds for people receiving medical treatment at home. For many households, the costs of these health-related items (not generally covered under medicare) are prohibitive.

Some jurisdictions extend their welfare provisions to cover the transitional period during which welfare recipients are establishing themselves in the workplace. But individuals and families eventually must assume these additional costs – unless these households are fortunate to be among the minority of workers covered by an employer-based private insurance plan. Some provinces are taking steps to remove this barrier for all low-income households. As part of BC's welfare reform, the Healthy Kids program provides basic dental and vision care benefits for children in low-income working families not already covered by an employer-sponsored insurance plan. Starting in January 1997, Healthy Kids pays up to \$350 a year per child for basic dental and vision care for eligible families.

*iv. disability-related barriers*

Persons with disabilities face a variety of physical, procedural and attitudinal barriers [Torjman 1997c]. Physical barriers refer to the physical aspects of the workplace. The individual with a disability may not be able to enter the premises. Those who actually find a job may not be able to use the facilities such as meeting rooms, eating areas or washrooms. There may be no accommodation for visual or hearing impairments. There may be no accessible transportation to get to the job in the first place.

*Procedural barriers* – the procedures involved in the hiring process – often exclude many potential candidates. Visually impaired persons, for example, may be unable to complete an employment application form. Hearing impaired persons may require an interpreter for a job interview. The designated skill requirements for a certain position may be unnecessarily elaborate.

*Attitudinal barriers* arise when employers are unwilling to hire persons with disabilities because of the belief that they will be less productive than other employees. Employers may not want to assume the additional costs of retrofitting or special equipment. The stringent interpretation of safety regulations can act as a barrier to employment. Members of ethnic minorities and Aboriginal Canadians also report that they face attitudinal barriers.

These barriers can be lowered through job or workplace accommodation. Changes may be made to the physical structure of the workplace, the technologies employed to carry out a job and the job itself, such as flexible hours. Common types of accommodation include installation of ramps and rearrangement of internal spaces and furniture for wheelchair accessibility; specialized equipment or adaptation to existing equipment for workers with sensory or mobility impairments; and provision of attendant services at the workplace or training site. Some individuals (e.g., persons with intellectual impairments or psychiatric disabilities) may require additional accommodation such as job restructuring, modified scheduling or job coaches for on-the-job training [Torjman 1997c].

***v. skills accreditation***

New Canadians often find that the skills acquired in countries outside Canada are not recognized here by educational institutions, trade and professional associations, and employers. For these people, the problem is not the acquisition of new skills or the upgrading of their education so much as recognition of the credentials they already have. Some may need to take extra courses to make their knowledge and skills consistent with Canadian requirements. The individuals involved usually must pay for these courses on their own; the ‘Catch-22’ arises from the fact that they typically cannot find work (at least in their particular field) until they have completed these requirements.

***vi. access to transportation***

Transportation costs or accessibility (as noted above) can create a barrier to employment. It may be possible to provide a transportation subsidy, arrange a ride or carpool for certain individuals (e.g., accessible taxi service for persons with disabilities if there is no parallel transit system) or help set up a home business or work station. For example, the Suburban Job-Link Corporation, a Chicago-based nonprofit organization, combines “carpooling with community organizing and job placement to help residents of job-hungry urban communities find work in the suburbs” [Center for Neighbourhood Technology 1996: 19].

### ***Building Skills***

Building skills is the third major intervention for poverty reduction.

For some Canadians, basic life skills training is essential before they are ready to learn workrelated skills or contemplate the possibility of looking for paid employment. Programs focussed on language skills seek to impart a working knowledge of English or French. Literacy refers to the functional ability to read; some programs incorporate both literacy and numeracy skills.

RESO (*le Regroupement pour la relance économique et social dans le sud-ouest de Montréal*) is a community-based organization in an impoverished industrial area of Montreal. RESO has leveraged its relationships with companies and unions into major literacy and numeracy programs in factories in which workers are at risk of losing their jobs because of inadequate skills. Hundreds of workers have avoided job loss by acquiring skills required to adapt to technical changes in their workplace. The demand has grown so much that one of the literacy organizations fostered by RESO is now an effective business in its own right, having developed a unique capacity to promote literacy in a production environment [Lewis 1998].

There are several dimensions to *job search*. The first entails helping individuals improve their job search skills – e.g., assessing current skills, preparing résumés, and self-marketing and presentation. The second component of job search involves the provision of information on employment vacancies through computerized listings, job banks and job search clubs. Finally, some programs are engaging job developers to help make the links between the job seeker and the employment vacancy.

The COMPASS project, for example, was developed by the Nova Scotia Department of Community Services and the federal Department of Human Resources Development to help welfare recipients move into the workforce. Of the various approaches, one of the most successful is the use of job developers. Their role is to meet with selected employers, explore the range of employment possibilities at those workplaces and identify the program participants most appropriate to fill the positions.

The job developers do more than simply provide information about job vacancies; they effectively act as job brokers who make the link between the opportunities and the people. Employment brokering combines training, job counselling and support services (such as referral to child care or transportation options) to help connect workers and employers.

Finally, building skills includes academic upgrading and job training – e.g., computer training, data processing and trades, such as carpentry or electronics. Training may lead some participants to immediate jobs; in other cases, they may seek financial or technical assistance to create their own jobs, discussed below. Government training programs generally target the unemployed. Private

business, by contrast, tends to focus training upon members of its own workforce who require upgrading or retraining in order to keep pace with changing technologies [Hum and Simpson 1998].

The fact that employers tend to focus on job-specific training has led some community groups to set up programs for designated employers who then hire the program graduates. In Winnipeg, for example, the Mennonite Central Committee, Mennonite Economic Development Associates and Eden Health Care Services formed a partnership to help welfare recipients move into the workforce. The group provides training which is specific to the needs of several different business sectors: light manufacturing, insurance firms, call centres and restaurants. One program, for example, offers a two-week training course in the use of small tools. When the program's graduates go for a job interview, they come equipped with the specific skills being sought by the light manufacturing sector. While there is no guarantee that graduates will be hired, the process involves far more than a random referral. Participants at least are guaranteed a job interview. Several hundred successful job placements already have been made.

### ***Promoting Economic Development***

The promotion of economic development is the fourth key intervention for poverty reduction. This type of intervention includes job creation and retention, self-employment, access to capital and technical assistance. Each of these is discussed more fully below.

#### ***i. job creation and retention***

Job creation includes the development of small business, worker co-operatives and selfemployment. While there are far too many examples of job creation to describe here (see, for example, Perry, Lewis and Fontan 1993; Douglas 1994; Shragge 1997; Ninacs 1998), there are some exemplary models that successfully have integrated economic and social goals. The Human Resources Development Association (HRDA) of Halifax is a case in point.

Started in 1978 with \$275,000 from the municipal welfare budget, HRDA is a successful venture capital and business development group set up primarily to serve welfare recipients. Through its subsidiary, HRDA Enterprises Ltd., it has created small businesses that have placed more than 1,400 welfare recipients in newly-created jobs. It also runs a program that provides life skills training, individual counselling, temporary work placements and specialized skills training. The Association uses welfare funds to capitalize the businesses it starts. To date, it has set up 14 businesses. While four have failed and four have been sold to the employees, the other six – environmental care services, painting, property management, bakery, consultation and training, and sewing contractors – are turning a profit.



RESO, based in the industrial Pointe St. Charles district of Montreal, is an exemplary model of a job retention strategy. Faced with ongoing and massive plant closures through the 1980s and early 1990s, RESO developed a capacity to detect problems early and bring together its own and other community resources to stem the tide of exiting businesses. In 1992, RESO undertook a survey of all local companies to establish an 'early warning system' of trouble that might lead to plant closure or relocation [Perry, Lewis and Fontan 1993]. It worked with the designated companies and broader community to determine ways to retain the jobs at risk of being lost.

## *ii. self-employment*

The recession of the early 1980s changed fundamentally the nature of the labour market. In earlier recessions, most workers were rehired to perform their old tasks. In the early 1980s, by contrast, jobs were lost permanently. Advanced technology, more efficient production systems, increased global competition and other factors combined to push employers to streamline their operations. Government downsizing and a shift by the corporate and public sectors to contracting out also resulted in substantial loss of full-time jobs. A rise in self-employment has been a natural result of these profound shifts in the labour market [Nares 1998].

While a wide range of self-employment initiatives has been implemented across Canada in the past ten years, the largest is the Self-Employment Assistance program which evolved from an earlier government-funded community economic development initiative known as Community Futures. Community Futures included a self-employment incentive component for unemployed people who were on Unemployment Insurance or welfare and wanted to start their own business. Since its inception, Self-Employment Assistance has been highly effective in promoting self-sufficiency [Nares 1998]. But there are also a range of independent programs that have been developed to promote self-employment.

The Home Study Program, for example, was set up by the Women's Enterprise Bureau in Newfoundland. The bureau formed a partnership with Eastern Community College to offer a home study program for women which teaches computer and networking skills, and provides some assistance in business counselling. The course is accredited through the business management diploma program at the college [SEDI 1995: 54].

Bridging for Rural Women was developed as a pilot project in which 45 farm women from across rural Manitoba participated. The initiative included employability skills, career planning and employment opportunities. 'Telecottaging' was incorporated into the program; participants went to enterprise centres to use computer technology for distance learning and to discover business opportunities through the exploration of databases [SEDI 1995: 55].

The Manitoba Aboriginal Youth Entrepreneur Training Program is directed towards youth between the ages of 18 and 26. It focusses upon time management, interpersonal skills, the technical aspects of running a business and business plan development. The program includes a one-month on-site mentorship to help participants gain work experience and 50 hours of follow-up counselling run by existing business owners [SEDI 1995: 87].

### *iii. access to capital*

Access to capital has been identified as the single most important barrier to the development of small and community-based business. With growing demand for credit and investment by home-based businesses, microenterprise, community businesses and co-operatives, and the traditional small business sector, the need for new sources of small business capital far outstrips the supply [Ellmen 1997: 3].

It is almost impossible for Canadians who are poor or unemployed to secure a loan through traditional banking sources. These individuals are seen as high risk, especially if they have few marketable skills, little previous work experience and no collateral in the form of liquid or fixed assets. Even established small businesses have difficulty gaining access to capital; the major banks are rejecting more business requests today than they were 10 years ago [Waldie 1998: B9].

Several different models have been developed to provide access to new sources of credit. *Community Futures Development Corporations*, for example, help create permanent jobs in their communities. The corporations are eligible for base investment portfolios of \$1.55 million funded by Industry Canada to generate permanent jobs in their communities. This money is loaned to small business. As the principal and interest are repaid, the fund grows in size, allowing it to be loaned to new borrowers. These corporations have made loans worth more than \$230.7 million to 50 communities in northern and rural Ontario alone since their inception in 1986 [Ellmen 1997: 5].

*Peer lending* was pioneered in Canada by Calmeadow and is modelled after successful local lending initiatives in the developing world. Several self-employed individuals (no more than ten) form a lending circle and together approve each other's loans (the capital typically is provided by an outside organization such as Calmeadow). These loans range from \$500 to a maximum \$5,000. No new loans are approved unless all members are up to date on their payments. As loans are repaid, money becomes available for new projects. There is no requirement for collateral, credit ratings, business plans or equity. The members themselves screen out poor credit risks [Ellmen 1997: 5-6].

There are several different models of community loan funds. Money may be raised from community investors who expect a return on their investment. In other models, contributors make

donations and do not expect anything in return – other than a tax receipt. Community loan funds also make available technical assistance for the legal and financial aspects of setting up a small business.

The Montreal Community Loan Association is a city-based loan fund focussed on small business development. It lends primarily to women, welfare recipients, immigrants, refugees and young unemployed. All approved loans must have a social impact. Technical assistance is provided once the loans have been approved [Evoy 1996].

The Community Opportunities Development Association (CODA) in Waterloo Region has developed an array of loan funds – e.g., for self-employment for welfare recipients and the unemployed; for bridging assistance into employment; and for assistance with the first and last month's rent, often a serious cash flow constraint for poor people trying to find decent housing.

CODA's Innovation Loan Fund, for example, provides interest-free loans to allow participants in its Opportunities Planning project a way of paying for one-time costs associated with implementing the personal action plans they develop. If the loan request is approved, participants can borrow up to \$500 at a time, up to a maximum \$1,000 to pay for tuition fees, personal needs or even car repairs, as long as the loan is used for activities related to job search. Loans are secured on a promissory note and no collateral or previous credit history is required. Repayment is tied to the borrower's ability to pay and usually timed to coincide with the arrival of monthly welfare cheques [Reid 1997: 41].

CODA also is exploring the possibility of setting up Individual Development Accounts. In contrast to a loan which must be repaid, these accounts help low-income households save money [Nares 1998]. Individual Development Accounts are restricted savings accounts established as early as birth by low-income individuals, families or groups. The accounts are matched at a locally-determined ratio (e.g., 3:1) with tax deductible funds donated by charities, businesses, service clubs and individuals. Matched funds can be withdrawn without penalty only for designated purposes, such as postsecondary education, business start-up or expansion, a down payment on a home or collateral to obtain a micro-loan [Nares 1998].

The Funders' Consortium on Women and Economic Development is a unique example of promoting access to capital. The consortium consists of seven organizations – the Atkinson Charitable Foundation, the Bank of Montreal, Canadian Women's Foundation, the Kahanoff Foundation, Levi Strauss Inc., Nancy's Very Own Foundation and The Trillium Foundation. The Canadian Alternative Investment Cooperative also is involved as a lending partner. The pooled capital flows to the Canadian Women's Foundation which, in turn, disburses the funds to help groups of women and girls set up small businesses.

The Native Self-Employment Loan Program directs capital to small, community-based businesses that rely on and serve the local market. The model is designed to assist very small businesses that tend to be home-based and owner-operated. The businesses typically are labour intensive, require minimal capital inputs and rely on the local market. The 'village economy' that still exists today in many northern Aboriginal communities serves as an ideal site for such a model [McMurtry 1995: 61].

The Centre for Community Enterprise and VanCity Savings – Canada's largest credit union – have teamed up to create the Opportunity Development Partnership. The centre is building a coordinated training and development infrastructure aimed at self-employment for the unemployed. VanCity, through a specially designed loan program called Self-Reliance Loans (with no collateral requirements), provides credit of up to \$15,000 to applicants who qualify on the basis of their business plan, character and credit history. More than \$500,000 was loaned out in 1996, the pilot year. Over the next five years, supported by a loan loss reserve of 20 percent from the federal Western Economic Diversification Office, VanCity is targeting \$15 million for this kind of lending [Lewis 1998].

It should be noted that, in some cases, financing is available but there are problems in matching these funds with sound business ideas. Working Ventures Canadian Fund Inc., the second-largest labour-sponsored fund, for example, has millions of dollars to spend on business development but claims that there are not enough high-quality business proposals [Heinzl 1998: B11]. At this point, technical assistance becomes particularly important.

#### *iv. technical assistance*

Technical assistance may be required to make effective use of available capital. Technical assistance includes community and business planning, marketing, financing, enterprise management, investment mechanisms, institution-building, human resource development, board development, trade opportunities and information technology. The McConnell Family Foundation has established a Community Economic Development Technical Assistance Program (CEDTAP) whose purpose is to support technical assistance projects for local organizations involved in economic development [Levine 1997].

A national community economic development (CED) partnership, made up of best practice organizations in the field, recently has been formed. The Digby Network, so-named because the founders think its relevance must be measured by the successful application of its products and services to distressed communities such as Digby, Nova Scotia, delivers technical assistance and training to new and emerging local groups [Lewis 1998]. The partners that comprise the Digby Network have a wide range of experience in various programs, tools and strategies in community-

based poverty reduction and job creation, and provide technical assistance in their respective communities.

An American model of technical assistance involves the creation of networks of lawyers, accountants, insurance brokers, real estate brokers and other consultants who can assist in the process of building small businesses. These members agree to lower their fees in exchange for a guaranteed volume of business. Because the services of consultants are very costly, the need for technical assistance typically has been addressed through small business development groups located in the nonprofit and government sectors and in universities. The problem is that “these groups often serve as proxies for the networks that business owners need to develop on their own” [Center for Neighbourhood Technology 1996: 11]. When a business outgrows the help of the technical assistance provider, it has to start all over again and develop new relationships. The approach suggested by the Center for Neighbourhood Technology is to “network from the start.”

### *The Process of Community-Based Poverty Reduction*

The four major interventions described above comprise the substance of the framework for community-based poverty reduction. This section focusses upon the process – or key steps – implied by the framework.

#### *Community Mapping*

Community-based poverty reduction should start with a community map of current and potential resources to identify strategic points of intervention. Communities often are defined by their problems and not by their innate strengths, which frequently go unrecognized. Some communities try to effect change by means of a deficiency inventory known as a needs survey – “basically an effort to count up the emptiness in an individual or neighbourhood” [Kretzmann and McKnight 1993: 14]. This information is not useful for community-building because it deals with people as potential clients or recipients of services. Reliance on a needs map as the sole policy guide maintains a strategy targeted at isolated clients – not at the energies and resources of the entire community.

Strong communities, by contrast, identify, value and use the capacities of local residents. A capacity-building map can help identify existing and potential resources. Every person, group and organization represents a possible resource that can contribute to a community [Kretzmann and McKnight 1993].

### ***Strategic Planning***

Community approaches to poverty reduction should be structured within a multi-year time horizon. There should be clear targets for desired results and indicators of progress on strategic priorities [Lewis 1998].

Prior to undertaking a community-based initiative or seeking any financing, local organizations should carry out careful planning. For example, before starting new development programs or contacting a bank or local government, the organization or neighbourhood should decide upon the economic development goals it seeks to achieve. The work then should proceed backward from that point. What needs to happen that is not currently taking place? What types of businesses and jobs are required? What are the credit needs of those businesses? The answers to these questions will help determine the activities to be undertaken as well as the appropriate sources of financing [Center for Neighbourhood Technology 1996].

### ***Creating Opportunities***

The 'boxes' in Chart 1 are not intended to imply that various community interventions can be divided neatly into discrete categories. All areas are interrelated; together, they represent an holistic framework which seeks to develop the capacity of the community to reduce poverty.

The difficulty with holistic thinking is that the picture must be broken down into its constituent parts to make it more manageable. It is impossible for community groups to address all issues – or to address them all at once. The challenge is to mobilize various sectors to undertake activities that create economic and social opportunities for low-income households rather than keep them perpetually as clients of services.

One strategy is to incorporate, wherever feasible, elements of skill building and economic development into the activities of the target group or organization. As earlier noted, paid work does not necessarily equate with reduced poverty. Employment in an unstable and inadequate labour market is no protection against poverty. But paid work helps contribute to self-confidence and psychological wellbeing.

Any one of the 'boxes' in Chart 1 can be a springboard for initiatives that help reduce poverty. Any group or organization can become the base for skills training, employment brokering, assistance with job search or worker co-ops. Peer support groups and neighbourhood association meetings, for example, can provide a venue for unemployed individuals to discuss the potential for setting up a business, or a food or babysitting co-op. Immigrant settlement programs can act as the base for employment counselling, referral to training and the promotion of self-employment. Adult high

school and English as a Second Language programs for adults can incorporate job referral and employment counselling.

A social housing complex can become the centre from which to teach home or furniture repair skills to young people or unemployed residents. Families whose children participate in early childhood development projects can set up a barter system to exchange services, such as home repairs, babysitting, lawn care, typing of résumés, transportation or snow removal. Family counselling programs can extend into skill building and economic development activities. Women's groups can become the basis from which to organize child care co-operatives and home support services which not only meet the need for services but also allow women to be paid for their work as caregivers.

Langs Farm Village Association in Waterloo Region, for example, offers a range of community health and social programs and a peer support network. It serves a large population of welfare recipients and single parents who generally have difficulty gaining access to employment services. Langs Farm developed a link with the Opportunities Planning project at CODA to provide employment counselling and other employment resources. Langs Farm now has established a computerized job resource centre and launched a peer training initiative that involves independent learning programs in job search and development.

Food banks can act as a base for food security initiatives that have a longer-term impact than the distribution of food bags. Food Share in Toronto, for example, is the nucleus of a wide range of programs, many of which have training and economic development spinoffs including community gardens, training for restaurant and catering work, community kitchens and organic food production.

Harvest Share in Parry Sound is another community organization that has developed a broad community initiative around the issue of food security. Several summers ago, local gardeners were asked to donate excess produce to a community sale. Low-income individuals and families were invited to select what they wanted for a 'buck-a-bag.' The excess produce did not go to waste and low-income households got a bargain on fresh produce.

The summer sales brought such positive response that volunteers set up Harvest Kitchen to continue the effort year round. Its work now has expanded beyond sales to include good food boxes and Wednesday night community dinners which 50 to 60 people attend. The food not used on those nights is redistributed to the Food Bank, the children's breakfast program or the local women's shelter. The Wednesday dinners also serve as the focal point for other community activities.

Harvest Share is just one example of many similar community efforts. It demonstrates the principle of focussing on an area that a given organization does well and using that work as the springboard from which to promote opportunities for economic development and social well-being.



The community kitchen provides emotional support and enables neighbours to spend time together. It gives seniors an opportunity to socialize; children meet and play together; and parents get some respite as the community temporarily takes over the care of the children. While this project focusses primarily upon food security, it clearly has an impact upon emotional well-being and the availability of support – one of the ‘boxes’ under mental health needs.

Another possibility is to develop economic opportunities for people who have been marginalized from the labour market. For example, ‘psychiatric survivors’ (those who have ‘survived’ psychiatric treatment) have learned through trial and error that “collective employment through the creation of community businesses is the strategy which best meets the needs and mobilizes the latent capacities of even their most vulnerable members” [Church 1997: 1]. A-Way Express is a courier business set up by a group of psychiatric survivors which is owned and managed by group members. Their economic activity provides an important medium for helping them with their primary goal: building a supportive community for their members.

Strategic targets involve not only existing services. Employers can be targeted to promote employability. Individually, they can be approached to create apprenticeships or hire people who have been involved in special employment preparation programs. For example, the OP2000 project being developed by CODA (described below) will be working with employers to encourage them to make 10 percent of their new hires from the low-income population in Waterloo Region; the goal is ‘10 percent by 2000.’ As a group, employers can be made aware of the impact that layoffs, downsizing and other employment policies have upon the local economy – and ultimately upon the health of their own business.

Existing community facilities are other targets. In the Dufferin Mall in Toronto, the management set up a partnership with the area schools and youth-serving agencies to provide training and apprenticeships within various small businesses in the shopping centre. Other youth programs focussed on drama, sports and counselling also are based in the mall [Hall 1997].

Other possible targets include groups that voluntarily organize themselves for support, such as teenage mothers and other single parents, senior citizens, youth and persons with disabilities. Mobilizing citizens adds more resources to poverty reduction initiatives than working only with established community services [Center for Neighborhood Technology 1996: 9-10]. Another option is to encourage several groups to work together on various poverty reduction strategies.

### ***Developing Partnerships***

Community-based poverty reduction requires partnership and collaborative activity among various organizations. The resources that two or more groups bring to a particular problem are



## *Community-Based Poverty Reduction*

usually greater than one organization can harness on its own. ‘Resources’ represent far more than money. Partners can contribute staff and volunteer time; information, knowledge and expertise; contacts and networks; space, equipment and other forms of income-in-kind. In addition to pooling resources, partners can develop creative solutions – especially if the partnerships represent different sectors – that groups working on their own may not have considered.

Another advantage of collaborative work is that many organizations target the same households through their respective programs and interventions. A designated group, such as single parents or young people, can be reached relatively quickly through existing programs directed towards these groups.

Finally, partnerships embody a clear and important message: Poverty reduction and job creation are concerns of the entire community. All sectors are responsible for addressing these problems, preferably through a planned and coordinated approach that combines resources and expertise in new and sustainable ways.

Despite the strengths of partnerships, it is important to recognize that they also can have serious limitations [Torjman 1998]. A very real problem is the fact that partnerships can require extensive time and resources to develop properly – scarce commodities for most community groups. Moreover, many funders now oblige applicants to work collaboratively even though there is no compensation for or recognition of the extensive up-front and ongoing investment that is required.

### *Making Selective Interventions*

The four interventions that comprise this strategy must be applied selectively. The Aspen Institute in the US identifies several economically disadvantaged groups that could benefit from communitybased poverty reduction and job creation strategies: the working poor, the unemployed, the persistently unemployed, the dependent poor and the indigent [O’Regan and Conway 1993: 6-9].

The working poor refer to part-time, full-time or self-employed workers whose wages fall below the poverty line. While these workers are connected to the mainstream economy, they are paid low wages and have few job-related benefits, such as dental or prescription drug coverage or private pensions.

The unemployed include individuals who are new entrants to the labour market as well as those re-entering after a period of absence. The actual numbers of unemployed are higher than official estimates which exclude workers who become discouraged and no longer actively seek employment.

The persistently unemployed fall outside the mainstream labour market and have limited skills and little or no previous work experience. This category includes inner-city young adults and isolated rural populations.

Welfare recipients are classified as the dependent poor. While they rely on income support, many have employment potential. They require training or upgrading or may need supports, such as affordable child care or assistance with job search and transportation costs.

Finally, the 'indigent' refer to citizens with no viable means of support. This category includes homeless persons and other groups at risk of becoming homeless, such as individuals in mental health treatment facilities and those with problems of substance abuse.

Rigid categorization is inappropriate because of the significant movement between groups – e.g., from welfare poor to working poor or from conventionally unemployed to persistently unemployed. Nonetheless, these categories are helpful in a general way to determine the best poverty alleviation/job creation strategies for a given population.

The working poor and unemployed can benefit from certain strategies, such as small business creation and the provision of capital for self-employment. In Canada, an estimated 175,000 Employment Insurance (EI) or welfare recipients are appropriate candidates for self-employment [Nares 1998]. Young people, in particular, should be provided with opportunities at the earliest possible stage in their education to learn about entrepreneurship and self-employment [Nares 1998].

The persistently unemployed and dependent poor, by contrast, would benefit more from competency-based training and supports, such as child care and workplace accommodation. Those deemed indigent, such as homeless persons, require assistance with basic needs, provision of shelter and, possibly, mental health or substance abuse services prior to considering job creation.

### ***OP2000: A Community Project***

The Community Opportunities Development Association (CODA) in Waterloo Region has embarked upon an innovative, community-based project to reduce poverty. CODA is a nonprofit agency with a strong record in reducing poverty and helping unemployed people get jobs. Under the Opportunities 2000 project (OP2000), CODA will work over the next few years with a wide range of community groups to develop initiatives that enhance employability and increase opportunities for people living in poverty. CODA also will involve community leaders in developing a region-wide strategy for poverty reduction.

## ***Community-Based Poverty Reduction***

But OP2000 has a broader goal – to mobilize the entire community around a vision in which all members are active players. It is a vision which encourages all sectors, organizations and citizens to take responsibility for reducing poverty.

CODA intends to achieve its goal by identifying an estimated 30 partners with which it will work on various projects. OP2000 will seek to expand the focus of these services by incorporating within them an opportunities dimension. The project is predicated on the assumption that existing resources can be used more effectively to make substantive changes in people's lives. An opportunities-based framework means building in or creating opportunities for economic independence.

For some people, building an opportunities framework into their lives means moving off welfare into paid employment. For others, OP2000 will help them gain access to capital for self-employment or technical assistance – e.g., business plan development, marketing assessment, legal advice or accounting services. For still others, an opportunities framework means finding work which better accommodates their personal needs and family responsibilities.

For example, CODA is working in partnership with the Food Bank of Waterloo Region. The Food Bank provides an essential community service by ensuring food security for a substantial number of households. Even households that are working use this service: Some 16 percent of the region's food bank users list full-time employment as their primary income source; an additional 28 percent work part time [Torjman and Hodgson 1998: 16]. CODA and the Food Bank are developing community gardens to ensure access to affordable, nutritious food. The two organizations also are building on the success of collective kitchens to generate income and employment for low-income members.

For many community members, OP2000 will not guarantee immediate employment. But the project will deliver something equally important: the confidence and skills to help participants make long-term improvements to their economic and social circumstances, and a community in which all sectors are playing an active role in trying to reduce poverty.

### ***Building Leadership Capacity***

Community approaches to poverty reduction begin with building community capacity – i.e., the process of rethinking the use of community resources [Shields 1997: 18]. Building community capacity involves the creative use of resources to address economic and social problems.

There is a wide range of financial, human and natural/built capital that can be harnessed to resolve community problems and promote well-being [Torjman 1996]. As earlier discussed, many efforts are under way throughout the country to harness financial capital for economic and social investment.

*Human capital* refers to the wealth inherent in human resources – the time, energy, skills, interest and commitment – for promoting economic and social well-being. There is extensive untapped human capital in many communities. Young people, for example, can contribute immeasurably to the wellbeing and vitality of a community. Seniors also represent another crucial resource; their collective skills, experience and expertise are required in such areas as individualized reading, math or literacy instruction.

*Natural/built capital* refers to the natural resources and physical assets that can be used for economic and social well-being. Community land trusts are an example of natural/built capital. These trusts are nonprofit corporations which separate the ownership of land from the ownership of buildings and other improvements to the land. Their purpose is to hold a body of land permanently in trust for the benefit of the community, help communities gain greater control over local resources and expand access to these resources for lower-income residents [Concordia University 1995]. Work is under way in the US to turn public housing – typically regarded as a liability in most communities – into an asset by using it as equity for financing additional low-cost housing.

Effective communities encourage the innovative use of existing facilities and resources. These communities support the development of long-term strategies, including economic development initiatives, to prevent and deal with social problems. Effective communities also build capacity by linking together individuals, organizations and neighbourhoods through networks which share information and strengthen cooperation among sectors.

At the request of the Atkinson Charitable Foundation, the Caledon Institute undertook a project to identify the various dimensions of building community capacity. More specifically, we explored the components of community development leadership – the values, knowledge and skills required to carry out effective community work. The results of our work are generic in that they form the basis for various types of community development activity. But they are also specific in that they apply directly to community-based poverty reduction.

As part of this work, the Caledon Institute organized a national Roundtable on Building Community Capacity. A summary of key themes from both the national survey and the roundtable is presented below. We also were asked by the Atkinson Charitable Foundation to conduct a broad-based survey to determine the need for a Virtual Institute on Building Community Capacity and the possible functions and structure of such an institute. The findings are attached in Appendix A.

### *National Survey and Roundtable*

In June 1996, the Atkinson Foundation requested the Caledon Institute of Social Policy to carry out a feasibility study on Building Community Capacity. The purpose of the study was to:

- identify the areas of knowledge and skill required for community development leadership
- determine leadership development and support requirements
- evaluate the need for a community development leadership program
- assess the need for a 'virtual institute' focussed on community development leadership.

The first step in the feasibility study was to conduct interviews with about 60 individuals and groups throughout the country on the knowledge and skills required by community development leaders. We wanted to ensure that we spoke with individuals involved directly in building community capacity.

We asked about their concerns and their view of the need for a Virtual Institute on Building Community Capacity. A summary of interview results subsequently was mailed to all survey respondents and was posted on the Internet.

The second major component of the feasibility study was to organize a national Roundtable on Building Community Capacity. The roundtable brought together people with different perspectives on the process of community development. Both the national survey and roundtable were crucial in identifying the concerns of community leaders. The key themes from both the national survey and roundtable are summarized below.

### *Key Themes*

#### *purpose of leadership development*

The first major theme involved clarity of purpose. Leadership cannot be considered in the absence of a clearly-articulated values framework. Several respondents noted that there are many leaders working against the interests of social justice. It is essential to be clear about the purpose and objectives of community development.

Participants stated that there is a need for leaders who are both committed and passionate and who understand the obstacles to economic and social justice. Community leaders should be working towards redressing economic imbalances, breaking isolation and creating sustainable employment. Building a civil society with a pool of social capital is an important goal [Torjman 1997]. This building can be effected through mechanisms such as the tax system, loan funds and foundation monies.

Another essential step in developing leadership and community capacity more generally is to create a shared commitment to a set of common beliefs. This commitment then provides a vision or framework from which to view the world. Core values are at the heart of this shared commitment.

While community work has lost considerable financial support from governments, community values have not necessarily changed. There is still a lot of positive energy and support to be harnessed in local communities. People can be brought together to discuss and define a given problem; their reflections can help build solidarity for community work.

Community leaders often are identified as the ones whose knowledge and skills require development. Yet it is sometimes just as important to target the leadership of other sectors – e.g., education, business – in order to effect economic and social changes. It is essential to demonstrate to business, labour and the public more generally that it is in their enlightened self-interest to support a vision of economic and social justice. It also is essential to think strategically about how to transform important institutions. For example, there may be allies in certain organizations, such as private business.

### *values and vision*

We heard that community development leadership does not start with technical knowledge and skills. Rather, it begins with values and vision grounded in democracy and empowerment. This clarity of vision requires an understanding of power relationships and the imbalance of resource distribution in a capitalist economy.

Some people come to work in community development as a result of religious and spiritual influences. Others are driven by political analysis – by their recognition of power imbalances and a sense of political disenfranchisement. One individual noted that he came to assume a community leadership role out of anger with traditional institutions and the exclusion of his people from traditional decision making structures: “I came to this work from a feeling of anger. I knew that something was wrong and it had to be fixed.”

### *leadership qualities*

While skills can be taught, some qualities are not necessarily acquired. Survey respondents described desirable leadership qualities: an ability to connect with other people, an entrepreneurial spirit, confidence, integrity, humility, passion, tenacity, a sense of humour, an ability to honour and work with differences, a willingness to learn from mistakes, patience and an ability to handle failures. In building leadership capacity, the major question is not so much how to train leaders but

rather how to inspire them. Raising consciousness was identified as an important goal – i.e., “bringing people to the point of readiness” where they feel confident to assume leadership.

### *use of experts*

The availability of resource people who can offer knowledge and expertise to communities was discussed. Resource people can reduce the need for community groups to “start from scratch” – despite the fact that there is critical learning which takes place in this process. One participant suggested the possibility of making available to communities a resource bank of people into which groups could tap at no cost.

While there was some interest in this proposal, the dangers of “parachuting experts” into communities were identified. This approach could have the effect of devaluing what people already know. Community members know a lot and that knowledge should be recognized.

Grassroots organizations often are unfamiliar with the resource people in a given field and do not necessarily trust experts. The way in which outsiders are brought into a community is important; they should be known to and introduced by existing community leaders in order to establish trust. So-called experts should go into a community not only to share their expertise but, equally important, to learn from local experiences.

Moreover, there is value in having people “invent their way out” of the problems they face. There is a tendency not to respect local efforts. People often are removed from their communities for training and are taught that success is something other than what they are doing. Clearly, this ‘disorganization’ is unintentional; no resource person goes into a community with the intent of devaluing what people already know or have achieved.

At the same time, these unintended consequences are rarely acknowledged, let alone openly discussed. While resource people should go into communities to provide support and guidance, these individuals should recognize that they are there to learn as much as they are to teach.

One respondent noted that there are generic leaders and contextual leaders. There are also formal and informal leaders; often, the informal leaders have more influence than the formal ones. It is important to find ways to recognize leaders in order to inspire and encourage others. Good leaders effectively create other leaders.

Finally, we heard that there is a tendency to focus on outcomes – or to seek a “quick fix” to community problems, such as the “I’ll find the answer on the Internet” approach. There is often pressure to get a job done quickly or to produce certain ‘deliverables’ that may have a narrow focus without first becoming fully acquainted with a community or its leaders.



*sharing experiences*

We heard repeatedly about the importance of personal contact and direct involvement in building community capacity: “Capacity is built from sharing experiences face to face.” Mentoring and modelling are critical elements in fostering leadership. There is a need for a strategic approach to mentorship because of the time involved in the process (“community development is a one-to-one process that takes hours”) and the size of the country.

Mentors are particularly important for young people to help them learn and prevent them from failing. Failure is not necessarily negative if it is used as the basis for further learning and if there is support for the individual who has “made mistakes.” In fact, there is a need to talk about mistakes in community work: “We should be looking for ‘worst practice’ stories from which to learn. In business, if you haven’t failed two or three times, no one takes you seriously.”

There is also a need for informal support for community leaders because many have “so much on their plate; they are struggling to feed their kids and house their families”; they are “living the policy changes.” One respondent suggested that the principles underlying the circle of friends model could be applied to community development. ‘Circle of friends’ refers to a concept in which a group of citizens agrees to assume responsibility for the well-being of a person with a disability and play an active role in ensuring that the needs of that individual are met.

Some participants pointed to the importance of core funding in order to sustain their operations – to support the “door knocking” that must be done to build communities. Communities need resources and dollars to go through the process of learning about themselves and articulating their concerns. One respondent noted that while core funding is important, organizations that work with persons with disabilities, in particular, tend to rely too much on government funding. Another pointed out that “we have been trained to go to governments – but this approach doesn’t work any more.”

The isolation of people who work in community development can be overwhelming; leaders must be nurtured. Leadership development, whether it takes place in a traditional educational setting or through community involvement, is a process of experiential learning. It consists of action followed by reflection. This process must be supported by interaction with peers and mentors who can share their experiences and analysis.

Mentoring and informal support, such as meeting with peers, are important because the experience “helps you realize you are not crazy.” These supports also provide the opportunity to be analytical, which is not always possible with colleagues or community members until they reach a certain level of understanding and analysis.



Moreover, community development is complicated, controversial work. It frequently involves confrontation in that it deals fundamentally with shifts in power and resources. Emotional support is crucial. Community leaders said that they “need opportunities to talk to each other – to share stories and to network.” Unfortunately, they are often too busy to take care of their own needs. Moreover, their organizations cannot afford to provide opportunities for training or networking.

### *leadership skills*

We learned that there are two major streams of skill central to community development leadership: interpersonal and communication skills, and organizational and political skills. The first set of skills includes an ability to convey ideas, to inspire others and to get people focussed on vision, values and priorities; effective written and oral communication; and conflict resolution and mediation skills. Organizational and political skills include coalition-building, bringing together diverse interests, problem-solving, decision-making and the ability to link social issues with relevant policies.

Despite the importance of skills, community leaders really need an “opportunity to blossom.” A major goal of building community capacity is to “create space” in neighbourhoods for venting anger, identifying concerns, acknowledging frustrations in order to build common ground and assuming leadership roles. This physical and emotional space helps leaders come together and realize that they can formulate solutions to problems – that there are, in fact, resources and strengths in their communities. Creating community space also helps foster an environment in which leaders can emerge.

Another key message was that while information is important, information overload can lead people to devalue what they already know. There is “too much noise” and community leaders must separate “what’s nice to know from what they need to know.”

Most respondents indicated that they do not require exhaustive information on specific policies. They need a general sense of policy directions and the implications of these changes upon their work and the community more generally. Trend data on the overall socioeconomic context, such as unemployment and poverty rates, are useful. The best information sources use plain language to summarize key social policy events, changes, updates, available publications and reports.

Survey respondents expressed divergent, but primarily negative, views about the Internet. Technology – especially the Internet – can help in searching for solutions and sharing information on best (and worst) practices. It also can provide a place to post general information, such as the availability of funding sources, recent reports and upcoming events. But the Internet never can replace the one-to-one contact required for building trust, as in the case of a mentoring relationship. Personal interaction is the key to successful community work.

It generally was felt that the Internet should be seen as a tactical tool for certain purposes. One participant noted, for example, that “using e-mail has helped her fundamentally connect with members in a way that time, distance and dollars do not allow.” The Internet is also a good way to communicate cheaply and frequently with people throughout the country and internationally. One respondent noted that: “It is very important to make links globally in the villages around the world.” Another indicated that her involvement at the UN World Summit on Social Development was “very motivational” and the Internet allowed the continued sharing of information.

Others pointed out how unfair and undemocratic the Internet can be unless all are connected – that it could reinforce and even deepen the divisions between “haves” and “have nots.” Many community organizations and most low-income households cannot afford the required hardware, software and service provider. Older Canadians feel particularly alienated from this technology, although it was suggested that young people could help bridge the gap by teaching older people how to use computers.

### *story-telling*

Story-telling was identified as an important tool in community work. It represents a way of sharing experiences – especially that of elders. Stories are invaluable because they make issues relevant and can help bridge the “macro” (big picture issues) and the “micro” (the world of the individual, family and community).

In order to be effective, stories should use the principles and techniques of adult education by building on experiences. There were some cautionary notes as well – stories should not be made “too magical.” Personal stories, in particular, should never be used in an exploitive way.

### *community/social policy links*

A central question addressed by the survey and roundtable was how community work could inform social policy and how social policy could inform community work. It was noted that the link between researchers and practitioners is crucial. Social policy can articulate the conditions and the options for building the communities that people want.

Social policy also can help individuals realize that they are not responsible for their poverty and can promote economic literacy. One respondent pointed out that knowledge of relevant social policy developments is important because groups can use these policies to their advantage if they can figure out ways to work with them.

If communities do not look at macro issues, they are making themselves increasingly vulnerable. At the same time, macro information must be relevant to local communities. There is also a

need for sharing information to ensure that communities learn from each other and build on each others' positive and negative experiences. But while success stories can help guide community work, they do not always generate more government support.

One respondent pointed out that we tend to assume (usually incorrectly) that if governments simply are informed about how bad things are, then they will make required changes. Clearly, this is not the case. It is therefore essential to show governments why they cannot afford not to fund certain initiatives. Current research tends to analyze the costs and benefits of certain options. Cost/consequence analyses are also important – i.e., what would happen if something were not done or were taken away.

Community issues can become a research agenda and brought to public attention. But public policy is not the only relevant target – increasingly, private corporations are making decisions that have a serious impact on economic and social well-being. Community work and social policy can inform the corporate sector as well.

There also needs to be more accountability in the research agenda. Millions of public dollars are spent on research which sets the framework for defining certain issues. There is no accountability for the use of these monies and local groups rarely have access to these funds. Community groups should play a more active role in defining the research framework, evaluating its relevance and carrying out some of the work.

Several respondents pointed out how desperate people feel in the current political climate and how seriously economic and social conditions have deteriorated in many communities: “We used to negotiate with government, now we need to fight.” Some felt “besieged” – that we are “engaged in an economic war,” judging by the casualties, including deaths, that have resulted from recent government cutbacks.

There needs to be a way of bringing community issues into the public domain in order to counter the “big media machine that denies there is an economic war.”

Others felt that it would not be helpful to adopt a “war mentality” and that it would be preferable to “use our brains and passion in struggles for economic and social justice.” One way is to build strategic alliances that have worked successfully in some communities – e.g., between community groups and business.

It also was suggested that social policy should focus on corporate power which contributes to economic and social inequities. One respondent proposed that security, rather than poverty, be the focal point of community development because the former is a more positive rallying point. Another respondent said we need to quantify how vulnerable people are right now. In many areas, however,

governments have stopped keeping maintaining – or at least publishing – information. This data gap makes it difficult to track changes or build a strong case for the impact of government policies.

Questions were raised as to how organizations ‘on the ground’ and community work, more generally, can influence public policy. It was suggested that those involved in social policy spend more time in low-income communities to understand their issues. It also was proposed that there could be a newspaper column which focusses on community concerns to help counter the “manufactured consent” being promoted in the media – although the preference among youth for radio and television over newspapers was noted.

One respondent pointed out that social policy research based on community work “needs a home” – e.g., progressive universities or extension faculties. Memorial, St. Francis Xavier, Concordia and Dalhousie Universities were cited as positive examples. Supportive foundations can help finance work that explores how the policy and community agendas can be linked more closely; “friendly institutions” can provide the means to articulate publicly certain ideas.

Finally, respondents and roundtable participants agreed on the importance of continuing to talk to each other and learn from each other’s work. While there may be differences in certain core values, organizational issues and approaches, community development leaders basically are pursuing similar goals and have more in common than not. It is to their advantage to see each other as allies rather than as opponents. In the words of one roundtable participant: “Let’s find a way to make room for bringing social policy and community development people together like today. If we don’t, the divide-and-conquer mentality will rule.”

*Appendix A:  
Virtual Institute on Building Community Capacity*

This appendix summarizes the results of a national survey carried out on the need for a Virtual Institute on Building Community Capacity and its possible functions and structure.

*The need for a virtual institute*

Few individuals or groups readily would call for a new body or organization. Many believe that any available money should go to support existing community initiatives. Most groups and organizations contacted as part of this feasibility study operate on a 'shoestring' and spend much of their time just trying to make ends meet. In an increasingly competitive funding environment, they are struggling simply to keep their doors open. Moreover, many funders place expectations on local groups that are neither realistic nor appropriate in terms of effective community work (e.g., spelling out the 'deliverables' of a community development process before it begins; setting tight time frames; measuring only the outcomes with no regard to process).

There was, however, a strongly identified need to enable community leaders to come together for support, share best and worst experiences, learn new skills and teach one another. The following proposals for a Virtual Institute on Building Community Capacity are based on the collective reflections of 60 people who were contacted throughout this feasibility study.

The overall conclusion is that there is a need to bolster the ability of local groups and organizations working in the area of community development. This capacity-building can take place primarily through leaders who are the 'conduit' to the broader community. In general, it was felt that this need could be better met if there were greater access to resources for four purposes:

- help communities build a shared vision for their work
- provide opportunities for the exchange of stories, models and best practices, and for mutual support
- provide opportunities for skill development
- make available information relevant to local community work.

Several respondents pointed out that the term 'virtual institute' may not be appropriate. 'Institute' connotes a formal or research-oriented organization – which is not the intent. The proposed institute – whatever form it takes – would not be formal at all. Rather, it would embody an open functional capacity that would relate to a wide range of community-based interests and groups. It would not conduct its own research but would collect research findings from existing organizations and make this information available to local groups.

***Proposed functions of a virtual institute***

The overall mission of the proposed institute would be to build community capacity to promote economic and social justice. Its primary objective would be to enhance community development leadership by providing opportunities for sharing and support, and for enhancing knowledge and skills.

The institute would serve the needs of community groups by acting both responsively and proactively. It would serve as a clearinghouse and facilitator for harnessing and sharing resources - especially people, knowledge and information. It would carry out the following functions: develop a resource bank of speakers and community leaders; provide opportunities for networking and support; provide opportunities for skill development; facilitate strategic alliances; develop an inventory on financial/social capital; and build a knowledge base on socioeconomic trends and indicators, social policy changes, and literature references and summaries. Each of these functions is described more fully below.

***i. develop resource bank of speakers/community leaders***

The proposed institute could respond to local requests for information and resources, such as speakers, to talk about or facilitate a session on a given subject. While the resource bank would consist primarily of community development leaders, it also could include resources from business, labour, education, the environmental movement and other sectors.

One way to develop this resource bank is to tap the knowledge base of existing community groups and to maintain a list of individuals along with their respective areas of skill and expertise. The list also should incorporate evaluation specialists. Their expertise could be made available to groups wishing to conduct an assessment of their work or seek feedback on proposed plans of action. The institute could help offset certain costs of this outside consultation.

A second way to develop this resource bank is to build the capacity of several selected organizations that would comprise a network on building community capacity. This structure is described more fully below under 'network model.' Essentially, the resources and expertise of several selected organizations would be purchased. These organizations would be contracted as part of the institute activity to conduct community sessions and to share their experiences in setting up and maintaining local initiatives.

***ii. provide opportunities for networking and support***

A crucial function of the proposed institute would be to provide opportunities for networking and support. This task could be accomplished by organizing retreats for community leaders that would take place over several days (the length would depend on the purpose of the retreat). The meetings could include both unstructured and more formal sessions that would allow opportunities for sharing experiences and mutual support.

This supportive function was identified as crucial; there are few resources currently available to finance this kind of activity which is a source of renewal and mentoring for community leaders. Another possibility is to organize visits to selected sites where community leaders learn about the work being carried out at the site, explore the strengths and weaknesses of that model, and discuss its possible application to their own activities.

***iii. provide opportunities for training***

In addition to or as part of the informal retreat sessions, the institute could organize sessions on formal training. Survey respondents identified a wide range of areas for skill development including consensus building, conflict resolution and the development of partnerships. The training could take place independently or as part of a formal college or university curriculum. It could be a one-time session on a certain issue or several sessions focussed on a range of subjects – much like the Concordia and York University Summer Programs.

Alternatively or in addition to this model, the institute could subsidize the costs for community leaders to attend training sessions in Canada and abroad. The problem is not necessarily the lack of training opportunities so much as the lack of financing for attending these sessions. Ideally, support would be provided to those who have not had an opportunity to attend in the past.

***iv. facilitate strategic alliances***

The proactive work of the institute would facilitate strategic alliances among groups involved in similar issues. It could play an important role not only in linking groups located in different regions, but also in providing support for sharing experiences and concerns on specific issues or community development work more generally.

The institute would set up a website that would maintain information on the variety of activities in which it was involved. The website could be used as a discussion site for groups to maintain contact with each other on a provincial, national and international basis. It could compile and integrate the information on the various how-to's of community development and on key socioeconomic data and social policy changes.



The institute could provide information on community work to sectors that traditionally are not involved in this area. For example, the institute staff could facilitate meetings between its stakeholders and representatives from the business sector (e.g., Chambers of Commerce, Boards of Trade, Business Council on National Issues, Conference Board of Canada) to inform them, for example, of various community economic development initiatives. Partnerships and strategic investment may evolve from these contacts.

*v. develop inventory on financial/social capital*

A crucial role of the institute would be to document the kinds of work taking place that is employing community capital in new and creative ways. Community capital refers to existing resources – financial, human and natural/built – that can be tapped or harnessed to promote economic and social well-being. These models could be documented as examples of the concept of community capital and how it can be used more effectively as part of building community capacity.

This documentation also could take the form of videotape or audiotape with the stories of many different community leaders. A community diary could be developed as a work in progress – with new stories added all the time as it circulates through different regions. Another option is to discuss with public broadcasters or cable stations the possibility of a series on community leadership which focusses upon the work of several identified groups.

*vi. build a knowledge base*

A major role of the institute would be to gather and compile relevant information on socio-economic indicators and trends; key legislative and policy changes at the municipal, provincial and federal levels; and summaries of relevant literature. The institute would not be expected to carry out the primary research involved in compiling and analyzing socioeconomic and social policy data. Rather, it would act as a resource that would gather information from existing sources and make these available through general distribution. It also could play a clearinghouse role by responding to requests for information on specific issues.

The institute could help build knowledge in the field of community development leadership by publishing relevant papers and commissioning selected individuals to write about their experiences. A prototype for this work is the community stories series of the Caledon Institute. Selected individuals who are considered to be experts in their respective areas of work write about their experiences and consider the factors that contribute to their success and the barriers that prevent them from doing more. This series is a way of capturing the expertise of those who are truly knowledgeable in their field and providing them an opportunity for reflection and sharing.



The proposed institute also would be in a position to act as a clearinghouse for information on local community development initiatives to give some profile to their work. The institute could answer requests for information on community development efforts both at home and abroad. It could respond to media inquiries about various community initiatives currently under way.

### ***Possible delivery models***

The institute would not be a new organization but would build upon existing resources. Four possible delivery models are outlined below: host, independent, partnership and network. It is assumed that all of these models would operate under the direction of an advisory group that would set out the general scope of the work, specific activities to be undertaken and schedules for their completion. Three possible financing options for the support of these models also are considered.

#### ***i. host model***

The first model for a virtual institute is to build the capacity of an existing organization to carry out the identified tasks. In this case, the institute would assume the form of a project with a designated organization providing a 'home' for its operation. The 'home' could be an existing community group or organization, a policy institute, an educational institution or a foundation. While the institute would be housed within a given organization that has its own board and accountability structures, the work of the institute would be guided and assessed by an advisory group with diverse experience in community development leadership.

The strength of this model is that the institute could tap the resources of the host organization, including the supervisory capacity of staff, the networks and links the host already developed. The weakness of this model is that the selection of one organization as host – especially if it is a community group that employs a particular model of development – could be seen as far too narrow in its interests. If the host model is selected, it is likely better to house the proposed institute in an educational setting, policy organization or foundation.

#### ***ii. independent model***

Under the independent model, all the proposed tasks would be carried out as outlined above. But in this case, support would be provided to a virtual institute that would function on its own as a separate entity. It would tap the resources and expertise of existing organizations, but there would be no up-front contribution to those groups – as there would be in the partnership and network models, described below.

As in the case of all the proposed options, the work of the independent model would be guided and assessed by an advisory group. The latter would play a central role in determining how funds should be allocated among the myriad demands that the institute is likely to receive for resource speakers and training subsidies.

The strength of this model is that it would not be seen to carry the agenda of the host organization. Its weaknesses include the fact that it requires substantial resources to set up a new organization; this expenditure could be perceived as wasteful by community groups. There likely would be concern that a new organization is being established at the cost of enhancing the capacity of existing groups to carry out the identified tasks.

### *iii. partnership model*

The partnership model is the third possible delivery option for the proposed institute. Under this model, two organizations come together to share responsibility for the virtual institute. It would be housed in one of the partners, or located independently to symbolize greater ‘equality’ in the partnership arrangement.

Additional funds would flow to both partners to purchase, in effect, part of their capacity and to use that capacity more broadly. Support would be provided not only to the institute function but also to the organizations involved as partners in order to purchase their time, expertise and resources to contribute to this project.

Ideally, the two organizations selected as partners should be sufficiently different — e.g., a community-based organization and an educational institution, or a community-based organization and a social policy institute. This difference is important – if the two partners are similar, then it may be preferable to work in a network arrangement (see below). Moreover, a community-based group must be one of the partners.

The advantage of a partnership is that resources, expertise and networks from two organizations are pooled. Because there is an investment in their respective capacities, they would become actively involved in and committed to the success of the institute. The disadvantage of this model is the fact that partnerships often take longer to get anything done if the approval of the boards of the respective organizations is required.

### *iv. network model*

Under this model, several organizations would be involved in a network arrangement coordinated by a ‘hub’ – the virtual institute. The organizations that would comprise the

## *Community-Based Poverty Reduction*

arrangement would include at least two community groups, an educational institution and a policy institute. In addition to financing the work of the proposed institute, each of the (say four) organizations in the network would receive funds to carry out designated tasks.

If, for example, a local group were identified as one such organization in the network, it would be expected to use this support in respect of a designated contribution to the virtual institute. Specific tasks would be identified in a written contract. These funds may be used to purchase a certain number of days of facilitator time to lead community sessions on various issues – e.g., helping groups identify and articulate a shared value base; fostering trust and respect among community members; establishing people-centred places in communities with a lot of family-oriented activities; promoting community governance of local organizations; recruiting and training volunteers; and building access to credit.

Another possibility is to allocate a designated amount of funding to an educational institution. The convenors of the program could be asked to organize retreats for community leaders which could include sessions led by resource persons on specific issues as well as informal, unstructured time to allow participants to share their concerns in pairs, very small groups and larger groups. The institute could build upon its workshops on skills in community development leadership including conflict resolution, consensus building and strategic planning.

Finally, some community leaders have indicated that it would be helpful to have direction regarding key research reports and relevant literature. Another task for the educational institution would be to prepare summaries of appropriate articles, reports and books and share these with community groups on an ongoing basis. This type of summary would help community leaders track the wide range of materials being produced both at home and abroad. These leaders then could follow up on specific resources relevant to their interests. (Another option is to require all the ‘node’ organizations to carry out this function based on the body of literature that they use. The task of the institute would be to coordinate these various sources of information.)

A policy institute could be designated as the fourth key node in the proposed network. Funds would be used for writing, editing and publishing selected papers on issues related to and models of community development work. The funds also could support the gathering, compiling and interpreting of key socioeconomic data to help community groups understand the context within which they are working – e.g., trends in earnings, minimum wages, unemployment and poverty rates.

Under the network model, the funder would invest a relatively modest amount in each organizational node to bolster and, in effect, buy part of its capacity to contribute to the institute. But the actual contribution provided by each partner would be much higher if its respective in-kind

contributions were taken into account. Each organization interacts with a wide circle of networks and relies on different sources of information. Each has different constituents who could propose future directions for the network and help assess its effectiveness. Each brings a wealth of knowledge and expertise representing the work of a wide range of people.

In short, the network model would harness the capacity of existing organizations in a new and unique way to create a synergy that does not now exist. The whole would be far greater than the sum of its individual parts in terms of collective knowledge, skills and expertise that the network represents. Given the wide range of functions that a Virtual Institute on Building Community Capacity would be expected to assume, the network model is probably the most appropriate delivery option.

It should be recognized, however, that this model could create some potential problems. A four-pronged network that relies on the capacity of the individual groups is only as strong as its constituent parts. If any of the organizations that comprise the network experiences difficulties, then that part of the work could falter and it may take some time to find an appropriate replacement.

Another possible problem is that the groups which comprise the network could fundamentally disagree on certain issues or strategies. For example, the federal or provincial government might introduce a policy or legislative change that has a negative impact upon community development activity. Some partners might want to urge members of the network to play a political role or take action to protest these measures while other partners might not support this role.

Finally, local community groups might resent working with the network because some of their peers have received financial assistance as participants in the network. A major finding from our preliminary work is the fact that the field of community development is fraught with internal conflict and tension; working relationships must be nurtured slowly and carefully.

### ***Sample three-year workplan***

It is proposed that the delivery model – regardless of the specific option selected - be set up over a three-year trial period during which the functions and structure can be tested and assessed. A three-year period was selected as the designated time limit because one year is far too short to establish a structure of this nature and test its effectiveness. Five years would be the ideal time frame because it usually takes a long time to establish something substantial and evaluate its impact – especially if the partnership or network models are chosen. However, five years might be too long in terms of the funder's commitment to an experimental structure.

## ***Community-Based Poverty Reduction***

### ***Year One: proposed tasks***

- select and convene several meetings of the ***advisory group***
- ***prepare a detailed workplan*** based on the general directions and specific proposals of the advisory group
- ***develop a resource bank*** of names, addresses, phone numbers and e-mail addresses of at least 50 community development projects (some of this work already has been done by different organizations; the main task would be to pull together the various sources of information and to keep it updated)
- ***prepare brief descriptions*** of the nature of the work being carried out in community development, publications, literature and other materials, including audiovisual; compile work in usable format (e.g., community newspaper); distribute and post on the Internet
- ***create a website*** and/or contribute to existing sites
- ***keep an updated list*** of coming events in community development
- ***identify the needs/interests*** of local community groups with respect to ‘borrowing’ resource people for speaking and training
- ***begin to match resource people with community requests***
- ***identify the research on community development*** being undertaken by community groups as well as policy organizations and educational institutions
- ***subsidize the travel*** of selected representatives to the summer program on leadership or community development sponsored by various educational institutes
- work in conjunction with a selected educational institution to ***organize leadership retreats*** focussed on a given aspect of community development leadership (e.g., recognizing local leaders); community groups would help identify the subjects
- ***develop a preliminary list of papers*** that could be published/commissioned on various dimensions of community development
- ***begin a project on making a videotape*** (or audiotape) in which selected community leaders share stories of the work in which they are involved; the challenges they face
- ***document activities, assess effectiveness and set workplan*** for year two

***Year Two: proposed tasks***

- ***maintain and update the resource list*** of community development leaders
- ***survey community groups*** regarding their needs and their use of social policy information
- ***link speakers/resource people with community requests***
- ***expand resource bank*** of names, addresses, phone numbers and e-mail addresses to include at least an additional 50 community development projects
- ***prepare brief descriptions*** of the nature of the work being carried out in community development, publications, literature and other materials including audiovisual; compile work in usable format (e.g., community newspaper); distribute and post on the Internet
- ***maintain updated list*** of coming events in community development
- ***organize retreats*** on a given aspect of community development leadership (e.g., economic literacy); community groups would help identify agenda
- ***promote awareness of the institute***; work in conjunction with selected educational institutions to develop sessions within the appropriate programs
- ***continue the video or audio project*** in which selected community leaders share stories of the work in which they are involved and the challenges they face
- ***initiate discussions with business leaders*** to explain the kinds of work taking place in community economics and how these leaders might contribute to and support this work
- ***select, edit, publish and distribute papers*** on building community capacity
- ***gather and prepare statistical and policy information*** in user-friendly format
- ***document activities, assess effectiveness and set workplan*** for year three, including preliminary assessment of the viability of the institute structure and functions; if deemed positive, develop possible plans for long-term sustainability (structure, functions and financing)

***Year three: proposed tasks***

- ***maintain and update resource list*** of community development leaders

## ***Community-Based Poverty Reduction***

- ***match resource people with community requests***
- ***expand resource bank*** of names, addresses, phone numbers and e-mail addresses to include at least an additional 50 community development projects
- ***prepare brief descriptions*** of the nature of the community development work being carried out, publications, literature and other materials including audiovisual; compile work in usable format (e.g., community newspaper); distribute and post on the Internet
- ***keep updated list*** of coming events in community development
- ***organize retreats*** on a given aspect of community development leadership (e.g., the ethical dimensions of working in partnership with the private sector); community groups would help identify agenda
- ***complete videotape*** (audiotape) on community development leadership which could include segments of the retreats with community leaders
- ***select, edit, publish and distribute papers*** in the series on building community capacity
- ***evaluate effectiveness, develop plans (if appropriate) for future work*** and financing arrangements

### ***Special Focus on Youth***

Many respondents identified youth leadership as an area that requires special consideration. There was a feeling that youth are being left out of mainstream organizations and excluded from participating in decisions that affect their lives.

There are two dimensions to this issue. The first is fostering youth leadership among existing community development initiatives, most of which tend to be dominated by older community leaders. Several respondents to our survey pointed out that youth have been the real casualties of budget cuts; existing services have acted as a disincentive for youth to become involved in their communities. Young people must feel that they are being listened to – and there must be opportunities for them to assume leadership.

The second dimension of the issue is the leadership of youth organizations themselves – in the words of one respondent, we must “acknowledge the sub-cultures of youth.” It is not appropriate to refer to youth as one uniform entity.



Several respondents pointed out that there appears to be a wave of professional youth leaders who are being cultivated by formal youth development programs. A few selected individuals, particularly in the US, have become identified as role models for young people and are involved in speaking engagements to motivate other youth to become involved in leadership activities.

The problem is that these selected youth are virtually acting as ‘professional’ youth leaders much as the formal community leaders who have a high profile and act as spokespersons for various groups. There is far less attention paid to the opportunities required for youth to emerge as leaders as well as the challenge of instilling values of economic and social justice that will motivate youth involvement in leadership capacities. It also was noted that not all youth leaders are positive models – e.g., leaders of youth gangs.

Several respondents indicated that it is important to allow youth to take ownership of their ideas and activities and for mentors to provide supportive guidance. One way to address this issue is to engage young people in all aspects of decision-making in existing structures. Community groups and organizations can take explicit actions, for example, to involve more youth in their activities and decision-making processes, such as committees and boards.

This proposal is similar to the one made with respect to community development leadership more generally – i.e., the need to create opportunities for leaders to emerge. Leadership development is not strictly, perhaps not even primarily, a matter of skill development and training. Rather, it is more a question of ensuring that appropriate opportunities exist for people (young or otherwise) to participate in the activities where decisions are being made.

Part of the work of the virtual institute could be to identify the various ways in which youth can become involved in existing community development initiatives and how established leaders can better engage in mentoring activities. This challenge could form the basis of a retreat. The institute also would involve students from various faculties in whatever form is appropriate and suitable to the student and to the network. A variety of arrangements could be organized including apprenticeships, co-op placements and research studies.

### ***Evaluation***

The advisory group would play an active role in setting out the broad directions of the work, assessing the institute’s effectiveness and approving the specific workplan. However, the value of the institute and both its effectiveness and efficiency should be assessed by more than the members of the advisory group. A broad representative sample of community groups should be involved in the evaluation process. They could be asked to complete a standard questionnaire or could be called by an independent source to respond to a set of questions. The results would be compiled and assessed by this independent source.



## ***Community-Based Poverty Reduction***

The following outcomes could be used to determine the institute's achievements: identification of community needs with respect to community development leadership, development of a resource bank, improved strength of community groups, increased opportunities for collaboration, better use of resources and less duplication, greater involvement of youth, further development of the knowledge base in building community capacity and widespread dissemination of this knowledge.

### ***Advisory Group***

A coordinator would be the primary staff person for the virtual institute and would be responsible for developing a strategic overall plan and a detailed workplan. Ideally, it would be a three-year plan that would be broken down into specific activities to be accomplished within each of the years and the outcomes that would be sought at the completion of each year. While it generally takes longer than three years to build the capacity of test initiatives, a three-year period likely would provide sufficient time to assess the model and to determine the worthiness of a longer-term investment.

Both the strategic plan and the detailed workplan would be presented to the advisory group for review. The advisory group would include a range of people who are widely recognized as community leaders and who have a wealth of knowledge and experience to offer the network. The advisory group would meet at six-month intervals throughout the duration of the three-year trial project to monitor activities and set new directions based on the achievements.

The role of the advisory group would be threefold. First, it would help set and would respond to an overall strategic plan and a detailed workplan for the tasks of a virtual institute. Second, the advisory group would monitor activities and receive detailed reports on a semi-annual basis. The group would be different from a board of directors in that it would not be consulted for every action and members' signatures would not be required on letters that went out from the institute. Finally, the advisory group would evaluate the activities/achievements of the institute and propose revised directions for future work based on this evaluation.

### ***Financing Options***

#### ***i. sole-source financing***

Under sole-source financing, the Atkinson Charitable Foundation would be the only funder of this work. The advantage is that the Foundation would be in a position to shape the project in the way it sees fit and to maintain control over its evolution. The possible disadvantage is that funding might be limited relative to the potentially large scope and mandate of the proposed institute.

*ii. partnership arrangement*

A second possibility is to share the costs of this work with another funder. The advantage is that a partnership arrangement brings additional resources, expertise, networks and commitment. The disadvantage is the loss of control over the project and the fact that the work could be impeded by the need to accommodate two separate boards.

*iii. funding consortium*

A third option is to initiate a structure that is supported by a consortium of funders from both the foundation and private sectors. The prototype for this model is the Funders' Consortium on Women and Economic Development financed by a group of seven organizations.

The major advantage of a consortium arrangement is that it would harness large pools of capital and expertise to invest in building community capacity – likely far more than any one funder can invest on its own. Because a consortium represents the collective efforts of several funders, it could have a major impact on the community sector. There are several foundations and private sector companies already involved in building community capacity.

The disadvantage of this approach is the length of time before such an arrangement is operable. It took years to establish the Funders' Consortium on Women and Economic Development because the board of each organization had to study the issue, judge its merits relative to other demands, commit funds to the process and work out the terms of an agreement. The community sector cannot wait several years for this process – especially because the funding of so many groups has been cut substantially and the need to seek alternate forms of community capital never has been more pressing.

One way to resolve the time dilemma is to work towards a consortium arrangement as a long-term goal. In the interim, work could begin on various tasks involved in building community capacity. The final financing structure would not have to be in place before embarking upon this work. If the Atkinson Charitable Foundation is keen to pursue this area of activity, it could begin by supporting one of the proposed models. Once the work is under way, efforts could be made to broaden the funding base of the activity. One possible difficulty, however, is that organizations which come on board later in the process may feel that they have no say over its operations – that all the crucial decisions regarding function and structure, for all intents and purposes, already have been made.

Another potential difficulty with a consortium arrangement is that the primary funder or initiator of the idea could lose control over the work and its management. This loss of control may

not be a problem but at the very least, it means that there are more players involved in making strategic decisions.

***Matching delivery and financing options***

It is clear from the above description that there are several possible directions for this virtual institute, depending upon how broad and ambitious the proposed work will be and the availability of resources to support the work. If the host or independent model is selected, then single-source financing might be appropriate. This funding even might work with the partnership delivery model, depending on the scope of the work.

As the delivery model becomes more complex, however, it requires more extensive financing. The partnership and network delivery models may require partnership or consortium financing. As noted above, these financing arrangements may take time to put into place. These arrangements also mean that the control and direction of the project are shared among several partners.

One possibility is to begin this work on a small scale and develop the virtual institute slowly and carefully in conjunction with community groups. A host model approach with sole-source financing first would be established. The longer-term objective would be to move towards a network arrangement with at least partnership or consortium financing. The advantage of an incremental approach is that it can begin the work of building community capacity at lower cost to the funder and can allow time for establishing contact with community groups, listening to their needs and informing them of the resources to be made available through the project.

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## ***Community-Based Poverty Reduction***

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