

Strategies for a Caring Community: The Local Government Role

The role of local governments – whether municipal or regional – has become more important in a world that is moving increasingly towards the internationalization of many of its functions. Locally elected representatives used to be concerned primarily with the needs of the local community. They still have that mandate.

But in a globalized world, the role of locally elected representatives appears to have expanded well beyond the borders of their respective county lines. They face new demands arising from the need to attract investment and the best possible talent in the world. There is now pressure for local communities to become ‘world class’ actors on the global stage.

Opportunities 2000 is a project of the Lutherwood Community Opportunities Development Association in Waterloo Region. The organization will work over the next few years with various community partners to develop initiatives that enhance employability and reduce poverty. The goal is to help move 2,000 households out of poverty by the year 2000. The Caledon Institute is contributing to the learning, dissemination and evaluation components of the project. OP2000 is funded by the Atkinson Charitable Foundation, the Royal Bank and the J.W. McConnell Family Foundation.

So says Harvard Business Professor Rosabeth Moss Kanter in her book *World Class: Thriving Locally in the Global Economy* [1995]. She writes that communities need both magnets and glue. The ‘magnets’ refer to the factors which attract a flow of external resources – such as new companies and new people – to renew and expand skills, and contribute to the economic health of the region. ‘Magnet factors’ typically include a healthy and well educated workforce, a clean environment, a vibrant business climate, and a solid social and cultural infrastructure.

But communities also need ‘glue’ to hold them together. In addition to the physical infrastructure that supports daily life and work – roads, sewers, electricity and communications systems – communities require a social infrastructure to solve problems and promote the economic and social well-being of all their members. Interestingly, many factors that comprise the magnets of a community – especially the solid social and cultural infrastructure – also effectively comprise its glue.

In this new ‘world class’ world, local representatives will be expected to help create a vision for their respective communities and identify the possible means to achieve that vision. But local governments face another set of challenges. They appear to be plagued by increasingly complex economic and social

problems. More homeless people are living on the streets. There are far too many unemployed and underemployed workers. Poverty remains high and actually had been rising in recent years – even in the face of the strong economic growth. It eased only slightly in 1997 [Battle 1999].

But local governments face serious constraints in their ability to tackle many of these complex issues. They do not control the key levers – such as interest rates, international trade agreements and global currency trading – that have a major impact upon seemingly intransigent problems, such as unemployment and poverty.

Municipalities in Ontario, in particular, face the added problem of a rising cost burden. This cost burden is partly the result of the provincial disentanglement initiative announced in 1996. Regions must now pay a greater portion of welfare, social housing and home care costs. To help offset the cost burden, they must choose between raising taxes – not a popular option – or cutting programs.

Another constraint on local governments is the fact that municipalities are not permitted to run deficits on their operating budgets [Slack 1999]. This rule means that local governments must pay for all their operating costs without ‘borrowing from the bank.’ Again, they either must raise taxes or cut programs in order to hold the line on spending.

In short, local governments face growing pressure and increased expectations with respect to promoting economic development, addressing social problems and improving the quality of life for all members of the community. At the same time, they are constrained by cost factors and limits to the ways in which they can generate revenue.

But fiscal constraints must be placed in perspective. While local governments do not control the international, national or provincial levers to effect change, they still can take significant action to create the magnets and glue required to promote economic and social well-being.

Direct investment and program creation are key policy responses. Yet equally important is the ability of local governments to convene key players who can take concrete action on these problems. Local governments can harness resources from a wide range of sectors. They can engage a variety of groups and organizations to work collaboratively towards the achievement of their overall vision and specific goals. In short, local governments can play a central role in building safe, healthy and caring communities [Torjman 1998].

Building Caring Communities

There is no single answer or ‘pat formula’ for building a caring community; several major strategies comprise this work. First and foremost is the reduction of poverty – which the United Nations has called the “greatest threat to political stability, social cohesion and the environmental health of the planet” [1994: 20]. Local governments can take several direct actions to reduce poverty.

i. Reducing Poverty

a. Housing subsidies

The lack of affordable housing is a serious problem in many communities throughout the country. In the long term, the solution is to build additional affordable housing. But the cost of such an approach is too onerous for the local tax base. Local governments should press for a federal-provincial-local program to invest in the supply of new units or the conversion of existing units into low-cost housing. The private and voluntary sector also should be involved in this initiative.

In the short term, subsidies to low-income households could alleviate much of the burden in finding decent, affordable housing. Local governments also should consider the possibility of supplementing the housing allowance currently provided as part of provincial welfare.

The Report of the Mayor's Homelessness Action Task Force in Toronto set out an Action Plan for the various ways in which the City could promote the availability of affordable housing. Proposals for action included: shelter allowances; the construction of new affordable housing; the preservation of existing affordable housing; service planning around the accommodation needs of specific subgroups such as abused women, Aboriginals, and immigrants and refugees; a homeless services information system; and community economic development [Report 1999].

While this plan was developed specifically for Toronto, its proposals are widely applicable to other municipalities throughout the country. The Task Force proposes, for example, the appointment of a facilitator for action on homelessness to report regularly on the reduction and prevention of homelessness and to prepare an annual report card gauging the City's performance.

The Task Force recommended that the shelter component maximum for social assistance recipients be equal to 85 percent of the median market rent for each local housing market. It suggested that a new shelter allowance be created that is targeted to working poor households. It proposed that the City pay the first and last months' rent when required. The City also should fund and administer a rent bank with a \$500,000 annual budget to help low-income households pay for short-term rent arrears. Development charges and other related fees should be waived for housing that meets affordability criteria. The Task Force also called for a 'housing first' policy in which municipalities designate appropriate sites for affordable housing.

b. Welfare allowances

Virtually all households on welfare find it near impossible to make ends meet, given high housing and utility costs. Provincial governments should raise the food and shelter components of welfare allowances to reflect more accurately the real cost of living. Local governments can reduce some of the pressure by offsetting housing costs as

discussed and by providing a small transportation budget (considered below). Many individuals and families simply cannot go to school, training programs or job search because they cannot afford the transportation.

In addition, welfare budgets make no provision for a telephone. A telephone is important for job search – but it is also essential to prevent isolation and ensure that any person at risk of a medical emergency or domestic violence has access to immediate assistance. In fact, the Task Force on Poverty in Ottawa-Carleton argued that a telephone should be considered by welfare an essential rather than a discretionary item [Task Force 1999]. In the absence of provincial action, local governments should provide funds for this purpose.

c. Food security

It is not only welfare recipients who are having difficulty feeding their families. Many food bank users are employed on a full- or part-time basis. Local governments can take a more active role in ensuring food security. They can partner with food banks and other community organizations to promote a range of food security strategies: good food boxes, community kitchens and dinners, school breakfast and healthy snack programs, and community gardens to which local governments can allocate some of their land [Biglar 1998].

d. Investment in early childhood

Some local governments support various forms of early childhood development programs, including parental visiting, parenting programs and family resource centres. These programs are supported through social services as well as local and regional public health departments.

Early childhood development programs should be bolstered and expanded where possible. The recently published *Early Years Study* cites disturbing evidence that children who do not receive

the nutrition and stimulation necessary for good development in the earliest months and years of life may have difficulty overcoming deficits later [McCain and Mustard 1999]. Investment in early childhood nutrition, stimulation and development is a crucial preventive measure.

The study also points to evidence of significant stress on families and early childhood development in these times of profound economic and social change. It recommends that supportive initiatives for parents should begin as early as possible – not just for low-income households but for families at all socioeconomic levels.

There is a window of opportunity right now for this investment. Local governments that provide welfare face a surplus in respect of the reinvestment of welfare funds made available by the National Child Benefit. Some communities have upwards of \$1 million for reinvesting in supports for low-income families and can choose to channel this support towards early childhood development.

But the community investment in children need not end at the preschool phase. The City of London, for example, is working in partnership with the federal and provincial governments as well as local school boards and other community organizations to address the health and learning needs of children. Individual neighbourhoods are encouraged to identify the issues and ideas they want to address; current projects focus on safety, educational needs, school breakfast programs and the organization of family events [Lubell 1999].

ii. Removing barriers to work

a. Municipal bylaws

An important step in building a caring community is to examine the policies and practices already in place with respect to poverty reduction and economic growth. Local governments can take immediate action to remove some of the barriers that

prevent or make it difficult for low-income households, in particular, to participate in the labour market [Torjman 1999b]. Municipal bylaws often create obstacles – both explicitly and inadvertently – to small business development and self-employment.

b. Welfare

While most welfare programs are run by provincial governments, local governments that have responsibility for welfare – particularly in Ontario – can take steps to remove barriers to work that are embedded in the welfare system. For example, welfare recipients who try to start businesses find that most of their earnings must be paid back to the social services department. There is little left over to build up the business [Loewen 1998].

In order to effect substantive change, welfare policy changes must be made at the provincial level to allow greater flexibility in the treatment of earnings. In the meantime, local governments can take intermediate steps – if only to consider recipients who start a business as part of a pilot project to which the stringent earnings rules would not apply.

c. Transportation

The lack of accessible, affordable transportation can be a major barrier to self-sufficiency. There appear to be two key problems in this area. The first has to do with the cost of public transportation. Money for this purpose is not provided as part of the basic welfare allowance.

Local governments can take several actions to tackle this problem. They can reduce fares for persons who are trying to move off welfare into work or who are participating in some form of training program after a spell of unemployment. Temporary transportation subsidies could be provided to help those moving from welfare to work. Bus passes could be made available for distribution through selected social agencies, as is the case in the City of Victoria.

Lower fares also might be introduced during off-peak hours. This proposal would make public transit more affordable for all members of the community.

Some regions face general barriers with respect to public transit over and above the issue of affordability. The problem can be summed up in a nutshell: You cannot get there from here. Because the bus companies in some communities are run by individual local governments, the arrangement can result in serious gaps in transport throughout an entire area.

In theory, it is possible to respond to this problem by encouraging prospective workers or students simply to move closer to their work or school. But here they may come smack up against the lack of affordable housing. Where possible, local transit systems should be regionalized or, at the very least, linked together to ensure easy access.

d. Child care

A major barrier to training and workforce participation is the lack of affordable, high-quality child care. This problem ideally should be addressed through investment in the supply of high-quality, affordable child care services.

In the short term, local governments can help reduce this barrier by providing money to households for child care. At least parents would then have the funds to pay for private care until a subsidized space became available.

e. Work-related costs

Sometimes barriers arise from the costs associated with job search or return to work. These costs include transportation for job interviews; work clothing; a license to drive a vehicle for work purposes or to operate equipment; professional dues or license fees; and equipment, such as tools or protective gear. Local governments could set up a labour force

transition fund to help offset some of these one-time or temporary costs. Local governments could engage with other partners in the community to raise money for this purpose.

The cost of health and disability-related special needs also can be a major barrier to employment. The special assistance budget within welfare provides for these needs in the form of wheelchairs, hearing aids, prosthetic equipment, medications and assistive devices for independent living or work. Because special assistance items are intended primarily for welfare recipients, this policy virtually ‘ties’ many individuals to welfare because they have no other source of support for the required aids and equipment. When recipients try to move off welfare, they may lose access to this vital assistance.

The federal and provincial governments must address this national issue. At the local level, governments could commit themselves to continue providing these supports to any welfare recipient who went back to work. Another option is to create, with financial assistance from other partners, a special fund to help offset some of these costs. The fund also could be used by prospective employers for physical accommodation to the workplace, such as ramps, a wider washroom entrance or visual fire alarm.¹

iii. Promoting Economic Development

Local governments can promote economic development. This promotion takes several forms including: creating favourable economic conditions, building skills, supporting community business and promoting opportunity.

a. Favourable economic conditions

Local governments can take several steps to create favourable conditions for poverty reduction and economic growth more generally. The economic health of any given region can be supported by developing internal market opportunities. Local sourcing of supplies and labour, for example, keeps

more money in the community. Governments can promote awareness about locally produced goods and available services as well as the benefits of supporting community business. Local governments also can foster economic development by protecting tracts of land for designated purposes, such as community business.

b. Skill development

Local governments can support the development of an appropriate skills base for their respective regions. Many local labour markets are characterized by skill mismatches. There may be unfilled jobs but insufficient workers with suitable skills. The growing technology sector in certain centres, for example, has helped create a vibrant local economy. But many workers who are either unemployed or underemployed lack the qualifications to fill the available positions.

Local governments can promote cross-sectoral approaches to training by ensuring that educational institutions work more closely with local business to develop appropriate training. This approach is known as ‘customized training’ – a form of skills development that is short term and targeted toward precise job-related needs.

Customized training differs from traditional training that tends to take place over a relatively long period and can be costly for the participant. Because the courses typically offered by community colleges or private institutes take at least several months, many unemployed workers cannot go without a source of income for so long [Torjman 1999c].

The Regional Municipality of Ottawa-Carleton has been experimenting with customized training. Its Social Services Department had established a short-term training program for welfare recipients. The training was carried out in the hospitality sector in partnership with the Ottawa Tourism and Convention Authority. Plans for additional customized training programs in the hospitality sector

are currently under way with sectoral councils as well as individual hoteliers.

Customized training requires a solid knowledge of the local labour market. While the federal government is responsible for gathering and analyzing labour market information, its regional offices help develop local profiles. Local governments can supplement this information through ensuring the availability of detailed inventories of both current and impending job opportunities.

c. Supporting microenterprise

Local governments can support the development of very small businesses – or microenterprise – in several ways. They can set up entrepreneurship centres and mentorship programs in which local business people are recruited to teach business skills to prospective entrepreneurs. Mentorship is proving to be a particularly effective way of helping certain groups, such as young people and new Canadians, find and retain employment [Silowska-Masior and Szajkowski 1998].

Local governments also can foster the growth of community businesses like the exemplary work in Halifax [Lewis 1999]. The Human Resources Development Association (HRDA) was created in 1978 with \$275,000 from the Halifax welfare budget. HRDA is now 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.

HRDA 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. In addition, HRDA runs a job training program that includes life skills training,

individual counselling, temporary work placements and specialized skills training.

Local governments also can support community business through contracting out some of its work – for example, in recycling, waste management, landscaping, parks maintenance – to these businesses. *It is essential to note, however, that the intent here is not to encourage the outsourcing of municipal work. Preferably, local governments should provide stable, full-time jobs in their role as exemplary employers.*

d. Access to capital

Access to capital is one of the most significant barriers to the development of community enterprise [Lewis 1999]. Local governments can play an important role in promoting the development of financing options. They can provide loan funds directly to prospective entrepreneurs through community-based organizations. They can make available seed capital to community loan funds which then can use this money as leverage to raise funds from other levels of government, local businesses, private donors or foundations [Evoy 1997].

Local governments also can establish financing arrangements in which they match individual and corporate donations. They can act as guarantors for community loans to provide some financial protection in support of high-risk ventures. Finally, as in the case of Montreal, they can provide in-kind resources, such as space and staff who specialize in the provision of technical assistance for economic development. The Montreal Community Loan Association has pooled resources with a City of Montreal program that offers loan assistance for young people interested in starting a business.

Whatever form the community financing assumes, it should make provision for some type of technical assistance to ensure effective use of the available capital. Technical assistance includes community and business planning, marketing, financing and enterprise management.

e. Promoting ‘opportunity’

In addition to the direct actions that local governments can take to support economic development, they can act as a leader by promoting an opportunity ‘mentality.’ Local governments can encourage organizations to incorporate, where feasible, elements of skill building and job creation within their respective activities. ‘Economic opportunity’ can become a primary organizing theme for the support of local groups; the community-based Opportunities 2000 initiative in Waterloo Region provides a model for this approach [Hodgson 1998]. Virtually every service, local group and organization is seen as a potential base for economic development.

Immigrant settlement programs can include employment counselling, referral to training and the promotion of self-employment. Adult high school and language programs, for example, 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. Family service programs, many of which receive financial support from local governments, 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 that not only meet the need for services but also allow women to be paid for their work as caregivers [Torjman 1998a].

iv. Convening major sectors

Local governments are in a unique position to convene the diverse sectors that need to be involved in any community-based problem solving process. Key players include the private sector (individual companies as well as sectoral council representatives), labour, the education/training sector, social organizations and anti-poverty groups, and federal and provincial government representatives, where appropriate.

The Regional Municipality of Ottawa-Carleton is a prototype for this convenor role. A report by the Ottawa Economic Development Corporation found 144,300 unemployed and under-employed individuals in Ottawa-Carleton [Huntley 1998]. Upon receipt of this report, the Regional Chair approached the Caledon Institute of Social Policy to write a labour force development strategy for the Region. The strategy was to be modelled on the multisectoral approach employed by Opportunities 2000 in Waterloo Region [Torjman 1999a].

The Regional Chair subsequently created a Task Force on Employment called Partners for Jobs. The Task Force includes representatives from business, labour, anti-poverty groups, the educational sector, the social sector, and the federal and provincial governments. Its mandate is to develop short- and long-term strategies to promote employment in the region; eight pilot projects already have been initiated among the several participating partners.

v. Acting as exemplary employer

Local governments may employ substantial numbers of workers. These governments should consciously assume the role of exemplary employer with respect to hiring practices, wages, benefits and working time. They also can provide internships for youth and can encourage their own employees to act as mentors to those involved in various forms of training and microenterprise development. In short, local governments as employers can set the pace for all employers in the region.

vi. Improving the quality of life

Fostering an economically and socially healthy community requires more than a focus upon poverty reduction and economic opportunity. It also involves creating a safe, healthy and high-quality environment for all members – clearly an essential component of the glue that holds a community together and acts as a magnet to attract other investment.

Community events and celebrations, such as festivals, parades and block parties, are important not just because they are fun. They help keep people in touch with each other and reinforce important networks and associations.

But there appear to be far too many members who are excluded from the life of their community because they cannot afford the fees associated with most recreational activities and cultural events. Research findings increasingly are pointing to the negative effects of exclusion in terms of anti-social behaviour, violence and unsafe neighbourhoods [MacKinnon 1999].

In response to this concern, some communities are making a conscious effort to ensure that all members feel that they ‘belong.’ In Prince Edward Island, for example, communities from across the province came together on United Nations Day on October 24, 1998, to commit themselves to what they called ‘A Promise of Inclusion.’ The commitment is a promise to strengthen communities by working to accept difference and promote respect for the dignity of all people [MacKinnon 1999].

All communities need to examine themselves from the lens of inclusion. Do the events, programs and facilities allow participation by all? Local governments should review their user fee policies for all community facilities, events and programs to determine ways to reduce significantly or, ideally, remove these barriers to participation.

One option is to allow free or substantially reduced rates for public facilities during off-peak hours. For example, a municipal pool that is not used during certain times of the day can be open to the public at no charge. As noted, bus fares can be reduced in off-peak times.

Local governments should consider ways to make their space and equipment available for public use. Nonprofit groups often have to pay inordinate fees to rent space and equipment and many are not in a position to do so. Local governments can make in-kind contributions of space and facilities to support

nonprofit activities concerned with poverty reduction, local economic development and cultural enrichment. The City of Montreal, as noted, provides such support to the Montreal Community Loan Association.

Finally, local governments can be involved in processes that are under way in some municipalities to determine how well they are faring in promoting a high quality of life. The Federation of Canadian Municipalities, for example, has developed a Quality of Life Reporting System so that communities, including local governments, can see how they are faring with respect to various indicators of economic and social well-being. The Reporting System sets some baseline measures to pinpoint the areas that communities can work to improve.

The Quality of Life Reporting System will help set priorities for local needs and growth. It also is intended to create a new vision of intergovernmental relations which recognizes local governments as important stakeholders in the public policy environment.

Conclusion

Local governments have an increasingly important role to play in reducing poverty and in promoting, more generally, a high standard of living for all members of their communities. Local governments are in a unique position to create both the magnets and the glue – those quality-of-life factors – that are central to economic, social and environmental well-being.

In the new global world, it is at the local level that the highest standards of international excellence will be achieved. In the new global world, international excellence starts right at home – with safe, healthy and caring communities.

Sherri Torjman

Endnote

1. The major income tax provision currently available to offset these costs is the capital cost deduction. Businesses which make a capital expenditure to accommodate persons with disabilities either as employees or consumers are allowed to deduct their capital costs, thereby reducing their tax liability. However, only a portion of capital costs can be deducted in a given tax year. Moreover, a limited number of accessibility measures undertaken by employers can qualify as immediate expenses rather than under the capital cost allowance rules. But a range of equally important modifications to support the removal of architectural, transportation and communication barriers are not recognized in this way [Baker and Beatty 1996: 18].

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