



# CED in Québec

## *New Features in the Early 1990s*

by Bill Ninacs & Louis Favreau

The objective of our research was to identify factors favourable to the implementation of CED projects in Québec. To this end, we attempted to identify the conditions which ultimately lead to the emergence of CED here. We also sought to determine the specific contribution of CED initiatives in their communities, to assess their internal dynamics, and finally to ascertain their relationship to the State and its institutions.

Our purpose was to go beyond previous studies by comparing practices and by analyzing conditions, means, and tools used in communities in four different regions (urban, rural, some near metropolitan areas, others far from them). Our data-gathering strategy was both quantitative and qualitative, initially to obtain an overall picture of the 20 CEDCs (Community Economic Development Corporations) and CDCs (Community Development Corporations) in Québec, and then through interviews of leaders and key informants, participant observations and other means, to determine from within the internal dynamics of these corporations and other CED initiatives. A typology of CED initiatives in Québec was developed in the process. We also established a link between CED and the beginning of a new economy based on solidarity.

### Enabling Factors

The mid-1980s were fertile times for CED in Québec. Among the simultaneous, converging factors that contributed to the breakthrough, the economic downturn at the beginning of the last decade and the global economic restructuring which ensued are central. Traditional employment sources reached their limits during this period and were unable to create the additional jobs needed for a true recovery. This in turn was partly responsible for an increased dualism in the job market. Poverty deepened and became institutionalized to a great extent, and the polarization of wealth and the exclusion of entire segments of our population from the labour force were significantly exacerbated.

Changes made at the policy level tried to address this situation and some indeed provided additional impetus for CED initiatives: the reorientation of job creation strategies to protect existing jobs through the maintenance of a competent workforce and the training of specific population groups in technical skills and job readiness; the shift from “adult education” to “professional training” in educational institutions; and the implementation of new regional development programs favouring local development strategies based on partnerships and concerted efforts.

Socio-cultural factors also contributed significantly to an openness for experimentation. For example, with cutbacks in public services and job losses in their own back yards, local communities were forced to act decisively or face extinction. In many instances, the vigorous interaction of local leaders gave way to a variety of local development strategies. These initiatives, as a rule, took comprehensive approaches founded

on endogenous development principles, that is, approaches which emphasized growth from within, building upon a community’s own resources.

Moreover, communities which had traditionally been excluded from development processes opted for more active roles in the struggle against accelerating poverty and deteriorating environmental conditions. Women and youth, for example, were nurturing their respective collective identities, using these in turn as a motor to try to find ways to promote the interests of their constituencies. At the same time, some local communities became more defiant towards unfair decisions by far-off government departments and responded to a perceived lack of understanding of local problems by instigating innovative, locally-controlled programs.

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Finally, during this same period of time, there was a move by many community activists and communitarian organizations towards an agenda based less on confrontational advocacy or service delivery and more on partnerships. This qualitative transition on the part of a number of leaders of the communitarian movement was crucial in the establishment of their own structures for pooled effort and action to deal with ever-increasing social exclusion. It might be said that 1984 marked the first true flowering of CED in Québec, with the birth of the province’s first CDEC at Pointe St-Charles (an urban centre) and of the first CDC at Victoriaville (a mid-sized city).

### Intermediary Institutions Supporting CED in Québec

There are two main types of community-based, local development organization in Québec which have adopted a CED framework: the *corporation de développement économique communautaire* (CDEC) and the *corporation de développement communautaire* (CDC). Both have emanated from the communitarian movement and share strong ties to such progressive values as feminism and women’s issues, more liberal employment policies and labour relations, the integration of the persons with disabilities, etc., as well as with organizations that support such values.

What is singular here is that these organizations’ priorities are set by residents of the community, often by those who have seldom if ever had access to any kind of power over the

## Communitarian & Popular Organizations in Québec

The expression *mouvement populaire et communautaire* refers to an amalgamation of somewhat diverse democratically-controlled organizations in Québec. Many have been called community groups, alternative service organizations, community-based organizations, and popular groups. Of all of these, the word “communitarian” (meaning “of or relating to social organization in small, co-operative, partially collectivist communities”) seems the most appropriate designation. More specifically, they comprise the following organizations, as well as their respective federations, umbrella groups, and coalitions :

- ❑ co-operatives (consumer, housing, worker co-ops)
- ❑ not-for-profit service organizations (daycare centres, food banks, community television production facilities, etc.)
- ❑ community enterprises (training businesses, various community-based ventures, etc.)
- ❑ advocacy groups (rights of the unemployed, of tenants, of consumers, of the handicapped, etc.)
- ❑ nongovernmental social service agencies (shelters for victims of family violence, for the homeless, parenting support groups, AIDS victims support groups, etc.)
- ❑ women’s groups (women’s centres, women’s employment services, single-parent self-help organizations, etc.)
- ❑ other community-based organizations including environmental groups
- ❑ Third World solidarity groups

economic component of their lives. The CED movement in Québec is now becoming a means for these people to participate and to have their say in such matters. While the reality is far from rosy, what with limited financial resources, fragile economic bases, pressures brought about by technological change and global markets, etc., these local development organizations (the CDECs and the CDCs) are forums wherein empowerment can, in fact, take place.

A CDEC is a roundtable of sorts, bringing together representatives of community-based organizations, labour unions, and the private and the public sectors within the framework of its board of directors and or its various committees. While programs vary, most have been organized in the two broad areas of business development and job readiness training. There are seven CDECs in Montreal and a few more are in varying stages of development in other urban areas of Québec. A 5-year program funded by the three levels of government has made it possible for the CDECs in Montreal to hire competent, full-time staff, and as a rule, to obtain the material and financial resources required for their programs.

A CDC is characterized by a mission to network various community groups and organizations for the purpose of participating in the community’s development. Its membership is mostly, though not necessarily exclusively, made up of community groups and organizations. An important feature of CDC operations is a mutual recognition process whereby the community groups and organizations get to know and recognize the relevance of each other’s activities and services. Specific programs relating to economic development are not universal within the network of CDCs. Where such programs are operating, they involve the development of alternative forms of businesses (worker co-operatives, etc.) and participating on the boards of more traditional development institutions (Community Futures Committees, etc.). There are a dozen CDCs scattered across Québec, all outside of the city of Montreal. There are presently no public programs to support CDCs. The effects of this situation can be seen in the extremes of their available resources: the number of staff varies from 20 to none, some

own sizeable buildings while others use borrowed office space, annual revenues scale downwards from \$225,000 to \$650, etc.

The shared characteristics of the CDECs and the CDCs lie in their area of intervention (poverty, breakdown of the social fabric) as well as their desire to combat poverty within structures controlled democratically by the members of the community. Core activities of both of these intermediary structures include research, analysis, and planning. Other services vary according to available resources and may include technical assistance and entrepreneurial support for both traditional businesses and alternative ventures, skills development and job readiness training, financial backing, development training, urban planning, and public representation.

The specific nature of the CDECs lies in their adoption of an intervention plan gravitating around an economic pole, while the CDCs’ axis is more social in nature. Another difference is that the CDECs’ focus on a concerted action by organizations representing diverse interest groups requires them to involve leaders and entrepreneurs to reach their target populations. CDCs, by contrast, give preference to pooling the efforts of organizations already constituted by the target populations, and hence seek to reinforce those organizations. CDECs and CDCs simply adopt different partnership “methods” which reflect an evolution on separate levels. From our point of view, they are not contradictory but can even be seen as complimentary: we know of at least one urban area which is planning on having both types in operation at the same time within the near future.

## CED Ventures & Programs in Québec

There is a flourishing array of CED ventures and programs in Québec. Many of these have been influenced by the concerns of the communitarian movement (often rooted in health and welfare issues) as well as by U.S. and European experiences. The following are examples of what we consider to be CED ventures (or close relatives thereof) that can be found in Québec: community land trusts; micro-enterprise development programs; not-for-profit commercial ventures; private, demo-

cratically-controlled service agencies; revolving loan funds and other alternative financial schemes; small business development programs; training businesses; worker and consumer co-operatives; worker-owned businesses.

These ventures and programs can be found in a number of fields: housing and land use (housing co-ops, community land trust); health and welfare, including certain health-delivery and social services (home care community enterprises and services, daycare, thrift shops); the domestic economy (food co-ops, community kitchens); recycling; culture; training, including professional training and job readiness; and more recently, the management and upkeep of community-owned buildings, loan guarantee funds, and CED training itself.

This broad variety makes classification quite difficult. The fact that these initiatives cover opposing fields doesn't help

### **Corporation de Développement des Bois-Francs (CDCBF)**

**W**idely recognized within Québec as a pioneer in the field of CED, CDCBF is still a relative unknown elsewhere. CDCBF was incorporated in 1984 as a non-profit umbrella group to offer technical assistance, training, and networking services to community enterprises and organizations as well as to be an advocate on social issues in general and community development, including local economic development, in particular.

CDCBF has simultaneously operated on two main fronts: it consolidates existing community-based organizations (CBOs) and co-operatives; and, it assists in developing new CBOs and co-ops. In fact, it is through consulting and training services to existing groups that much preliminary research for future development is done; problem areas requiring advocacy or lobbying efforts are recognized, new markets are identified, areas ripe for joint undertakings are spotted, etc. It is in fact the same community organizing principle which was adopted in the region two decades before in which areas for collective action are spotted by the types of individual services rendered.

The CDCBF is a good example of a new wave of local intermediary development organizations in Québec whose members are primarily community-based organizations. Their goal is to become enabling structures for the marginalized constituencies who make up the membership of these community groups. Despite lack of funding which has stifled its growth, CDCBF's successes include the rehabilitation of 62,500 sq. ft. building slated for demolition into a multi-faceted community services centre, the organization of Québec's first Conference on Community Development, and the development of a leadership training program for future CBO workers.

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either. For example, when a psycho-social intervention crosses paths with the imperatives of production on the plant floors of training businesses, should the venture be categorized as a social service institution involved in business activities, or as an enterprise with a social side? Moreover, this list is not exhaustive. It is our belief that a more thorough study of these initiatives should be on future CED research agendas. It should further be noted that these undertakings do not necessarily have any ties with either CDECs or CDCs. This situation is relatively easy to explain, given the relative youth of these local development organizations and the precarious state of their funding.

### **Major Findings & Policy Implications**

We have found that the following factors favour the implementation and success of CED initiatives in Québec:

- ❑ a local population having a certain social cohesiveness
- ❑ a socio-economic situation which is not extreme
- ❑ a significant community-organizing infrastructure
- ❑ a certain local entrepreneurial vitality at the communitarian level
- ❑ local authorities open to change
- ❑ local social actors open to new approaches
- ❑ public authorities open to experimentation and innovation

In order to support the implementation and success of CED initiatives in Québec, public policies and programs should:

- ❑ strive to reinforce the social fabric of communities.
- ❑ support economic self-help groups in areas of extreme poverty.
- ❑ encourage and support community organizing in local communities.
- ❑ open and adapt entrepreneurial development programs to include alternative ventures.
- ❑ invite local authorities to support CED intermediary organizations (CDECs, CDCs) and CED initiatives in their areas and directly sustain such support efforts.
- ❑ encourage the training of local social actors in CED.
- ❑ encourage experimentation and innovation through new policies and programs supporting CED strategies as well as within existing policies and programs.

### **Other Findings and Recommendations**

- ❑ Our findings indicate that social exclusion is a phenomenon related to socio-economic structural changes in the context of simultaneous crises of the labour market, the welfare state, and cities and urban neighbourhoods. Community-based organizations are best suited for dealing with the resulting marginalized communities and groups of people. They are also best able to identify social objectives to be pursued within economic development strategies. This is why efforts need to be directed towards supporting their own development bodies (CDECs, CDCs) and related initiatives and why CED as well as other economic development programs should target local community organizations as potential partners.
- ❑ So far, municipal governments and other local institutions such as CLSCs (community health centres) have played a

key role in supporting CED initiatives in Québec. They must be encouraged to continue doing so. However, an adequate program of financial support for CDECs and CDCs is required from central governments as well. Such a program must cover a sufficiently long period of time in order to allow for the solid take-off of the ventures. It must from the outset identify the eventual evaluation criteria and procedures which will be used. It must also provide for adequate human and financial resources for the entire evaluation process.

- CED is intrinsically holistic and cannot be fragmented without its losing its effectiveness and its *raison d'être*. Financial support of CED must therefore come by way of integrated, community-based projects instead of narrowly focused or sectorial subsidies.
- Women and young people are the primary initiators of CED efforts in Québec. They were present in the front lines of a large number of the initiatives studied (e.g., community kitchens, building management, co-operatives, and training businesses).
- The organizational culture that evolves within CED initiatives are mainly oriented to a form of collective entrepreneurship with objectives of a social nature (e.g., democratic participation, control by the community). This does not mean however, that the economic requirements of the ventures are neglected in any way. They are not!
- The people who start up new development organizations or redirect existing projects are often former community leaders who apply rather unusual strategies to combine the economic and the social aspects. New CED leaders, on the other hand, have often been motivated by intensive training activities. All possess a willingness to take risks by stepping over the line into the economic realm, as well as a very pragmatic attitude which doesn't disclaim market imperatives.

These leaders require specific CED training programs to help them make the qualitative shift required to harmonize social and economic tensions. The shortage of specific CED training activities is hampering the development of this movement. It simply isn't "natural" for community workers, volunteers, and social activists to move to an economic intervention; this is a qualitative leap requiring an open mind to both innovative strategies and specific tried-and-true techniques (like marketing and strategic planning). In these areas, available tools most often don't lend themselves to the complexity of an approach that works simultaneously on many fronts. In such cases, organizations working specifically in the area of CED training, such as IFDEC for example (Institut de formation en développement économique communautaire), become indispensable.

Universities could also play a more extensive role in CED training processes, by including CED courses within existing curricula, by setting up specific undergraduate and graduate CED programs, and by supporting CED research and publications.✍

## BOULOT VERS . . .

**B**oulot vers . . . is a training business, a community-based venture comprised of two inter-related functions: a self-sustaining manufacturer of furniture and equipment for daycare centres; and a training institution offering individualized counseling, and job and lifeskills development services.

In its training business, Boulot vers . . . hires high-school dropouts (16-25 years of age) and expects them to produce according to their level of training. In turn, they are paid market wages while enrolled in the program. The objective is their integration into the labour market and society in general through actual paid work. It is sort of an apprenticeship for future jobs, even though these will probably be low-end ones. The business is actually a tool towards this social goal.

Since its inception in 1985, about two-thirds of Boulot vers . . . worker/trainees have been male and overall, three-quarters were previously welfare recipients. An astounding 80% of the 50 or so youths who go through the program annually have either found a job and stuck to it or have gone back to school. This insertion rate is about the same at Formetal—another Montreal training business, this one in the metallurgical field.

An intriguing feature of Boulot vers . . . is the make-up of its board of directors. All are business people who have every power traditionally associated with such a structure except the right to fire any of the trainee/workers. They have to find solutions to the social problems that invariably come up, not hide from them or work around them.

Perhaps even more intriguing for policy-makers is the fact that a recent cost benefit analysis of Boulot vers . . . shows a full payback of government investment within one year. After that money is being made by the savings yielded from breaking the cycle of dependency.

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