So much of human history is about communities that mainstream society has forgotten or pushed aside. Groups of people bound together by common location, experience, or values find their way of life under threat or in decline through no decision of their own.

Natural and spontaneous market forces leave them behind. Governments, knowingly or unknowingly, systematically ignore their needs and priorities. All too often, dominant elements of society pointedly exclude them. Commonly, all these factors play a role in subverting the overall health of a community.

Communities respond to this exclusion in different ways. Unsurprisingly, many turn to violence as an expression of their frustration, as in the burning of black neighbourhoods in the U.S.A. in the 1960s or in Chiapas, Mexico in the 1990s. Some purposively isolate themselves from an inhospitable mainstream altogether, like the Doukhobors in the Canadian west. Tragically, many others suffer a quiet desperation that slowly eats away at their self-respect and hope for a better life. And who knows how many have simply withered away?

Yet, there is another, more hopeful, history of people organizing and innovating to defend the ties that bind them together and survive, even prosper. Despite the odds, these communities have striven to retain or regain a say in their future. They literally have refused to say die.

It is high time that someone wrote an accessible and engaging book on the history of community renewal in Canada. The range of institutions, resources, and tools that Canada’s inhabitants have created to defend their communities is astonishing. But even in the time and space available in a magazine article on this subject, one thing is clear: the many and varied initiatives in community-based development and revitalization currently flourishing in Canada under the labels of “social economy,” “community economic development,” or “alternative economics” have deep, deep roots.

Original Communities

How deep? Oh about 12,000 years. When the glacial ice caps covering northern North America receded, they left in their wake a land that was on the one hand harsh and unforgiving, and on the other bursting with the necessities for human habitation.

Early Aboriginal peoples spread over the continent in pursuit of migratory animals and supportive habitat. In time, dozens of language groups and hundreds, if not thousands, of communities emerged, each with their own unique economic, social, cultural, spiritual, and political arrangements.

The Iroquoian and Algonkian nations, for example, lived in large semi-permanent settlements and developed sophisticated trading, political, and military alliances. On the prairies and parklands, by contrast, the social and economic organization of the Blackfoot, Cree, Assiniboine, and Plains Ojibwa
Our economic & social lives & the decisions we make about them are not just “linked,” they are integral to one another.

communities was shaped by the need to be sufficiently mobile and flexible to follow migratory game. In winter, tribal clans split up into independent bands that then gathered in mid-summer to pursue the bison and to participate in political, social, and religious activities.

What all these communities shared were the triple specters of hunger, disease, and war. Against them the only real defense was a relatively high degree of self-sufficiency in food supply, trade and alliances to provide other resources and tools, some kind of communal allocation of resources, and an awe of the natural environment whose every shift and deviation affected them directly. Those were the boundaries within which these communities were able to shape their economic and social destinies.

The Europeans

When John Cabot and his fellow adventurers struggled ashore in 1497, Aboriginal peoples were more than ready to trade with other, more exotic partners.

So were the Europeans. Dizzy with North America’s abundance of natural resources, mercantile captains organized trade and harvesting ventures that put codfish on European tables and fur on European heads and shoulders.

Initially, the two peoples’ relationship was roughly interdependent. Beyond trade, they exchanged techniques for survival and married into one another’s families. Apart from European missionaries anxious to spread the gospel, however, the Europeans were contained to small posts hugging the St. Lawrence and the Atlantic seaboard. For all the interdependence, European communities were of marginal importance to the rest of the population.

When European colonization began in earnest after 1700 and fur trading gave way to fur empires and eventually to the lumber trade, this equilibrium ended and Aboriginal communities were the chief victims. They were physically destroyed by European diseases and imperial wars. More subtle, but possibly just as damaging in the long run, was the complete disruption that Europeans brought to Aboriginal economies.

In trade with the Europeans, many Aboriginal communities became overly dependent on one commodity – furs. As one Montagnais chief observed, “The Beaver does everything perfectly well – it makes kettles, hatchets, swords, knives, bread – in short, it makes everything.” By the mid-17th century, the diet of communities in present day central Canada was largely of European foodstuffs. Aboriginal men were using firearms to wrest from their neighbours a “market share” of a resource that was already becoming scarce.

The new economic paradigm also had drastic implications for Aboriginal social and political institutions. Company traders identified “trading captains” to manage the negotiations on the sale of furs and the distribution of gifts and profits, to the detriment of Aboriginal leadership and decision-making traditions. Driven by the desire for individual profit, many hunters ignored the practice of communal hunting and allocation of food. They struck out on their own for the much prized fur.

Unable to withstand these combined forces, many communities were simply overrun. Some moved west and north in a desperate search for living space. Some fought the invader. Ultimately they only delayed the inevitable as farmers, miners, missionaries, entrepreneurs, and government officials moved across the continent, relentlessly disassembling the Aboriginal way of life and building a European one.

No experience could make more blatant how communities shape and are shaped by their economies. Our economic and social lives and the decisions we make about them are not just “linked,” they are integral to one another.

There is an interesting footnote to this story. On the banks of the Grand River in what is now southwestern Ontario, Iroquois under the leadership of Joseph Brant declared sovereignty over the lands purchased for them by the Crown in exchange for their support in the American War of Independence. They sought to establish an Aboriginal self-governing territory and an economy based on a European-style system of agriculture, organized around small villages.

Key to the success of this initiative was a sophisticated approach to selling and leasing parts of the land, a strategy that government officials resisted on the grounds that only the Crown could approve such transactions. The Mohawks ignored what they perceived to be government interference until they could no longer resist and surrendered the land in 1841. It would be another 150 years before another First Nation managed to replicate this strategy, and demand and secure an economic base for their community.

Living with The Industrial Revolution

From 1800 onwards, the economic, social, and political landscape of the northern half of the continent changed dramatically. Agriculture, mining, and lumber eclipsed fur trading and fisheries as the dominant industries in the hinterland. Steam and coal fueled a new industrial economy. Textiles and steel-making took hold in eastern cities.
After 1850, governments got taken up with "nation-building": encouraging immigration, building railways and seaways, and nurturing large-scale industry. Thousands of European immigrants arrived to farm, work in coal mines and lumber camps, and stand in factory assembly lines. While the number and size of rural communities grew, many rural residents themselves immigrated to seek opportunities in the city.

A nation was being built all right, but to a great extent by people who by definition had broken many ancestral ties of location, experience, or value. Although the economic pie was growing rapidly, many people weren't receiving much of it. In the latter 1800s and early 1900s it was not uncommon for everyone in a working household, including children and seniors, to go to work to make ends meet for the family.

For the next 150 years people would devote their energy and creativity to cope with and adapt to the new system of development and curb its worst excesses. They created tools to make the system less unkind, less destructive, and less unfair so that more citizens would get a bigger piece of the pie.

Charity and voluntarism were one way. The number and size of charitable organizations and voluntary groups ballooned to fill the need of poverty-stricken people for food, shelter, and clothing. Organizations like the YMCA and YWCA took root in Canada's urban jungles to look after the physical and moral welfare of particular groups of people.

"Urban Reform" was a second way. To improve the living conditions of the average municipal resident, citizens organized and introduced public health programs, land-use planning policies, democratic reform, and community ownership of utilities.

Unions also crystallized, inspired and instructed by the labour movement in the United States. Textile workers in Québec, miners in Cape Breton and Vancouver Island, lumber workers in New Brunswick, and rail workers in the continental interior organized. They scared hell out of employers and government, and work actions were often violently subdued by police and company-paid militia. But by and large, people were reluctant to jeopardize their employability by union membership.

A fourth, more adventurous instrument of self-protection was the co-operative. It was a means by which people could participate more fully in the undeniable dynamism of the industrial economy.

There were consumer co-operatives. Coal miners in Stellarton and Sydney, Nova Scotia and Saint John, New Brunswick established co-operative stores as an alternative to company stores and their predatory pricing practices.

Producer co-operatives flourished, especially in rural areas. Dissatisfied with transportation services and unable to get fair prices for their grain, prairie farmers bypassed the Winnipeg Grain Exchange and set up co-operatives to market their produce. By 1920, two co-operatives were managing half of Canada's grain trade and farmers from the Okanagan to the Annapolis valleys used co-operative marketing for wool, tobacco, honey, livestock, dairy, fruit, and grain.

Credit unions emerged. Québec's farmers could not get the credit they needed from the chartered banks. So 29 families in Lévi, inspired by Alphonse Desjardins, purchased penny shares to establish the country's first caisse populaire (people's bank). Using parish churches as an organizing base, this Desjardins movement would ultimately spawn thousands of caisses populaires that could respond to the vast need of the Province's residents.

How far co-operatism could go? Very far. In the teeth of the Great Depression (1932-1938), with the inspired leadership of Moses Coady and Jimmy Tompkins, Nova Scotians would establish 142 credit unions, 79 co-operative stores, factories, and plants with 10,000 members. In 1932 co-operators formed a political party, the Co-operative Commonwealth Federation (CCF) which by the end of the decade was shaping government and private sector policies to the concerns of the average Canadian.

On the eve of World War II there were thousands of co-operatives, labour unions, and voluntary sector groups operating in Canada. But to get beyond "coping and adapting" and start shaping the destinies of their communities, people first had to get straight the role of government in local revitalization.

**Welfare State & “Top-Down” Planning**

Canada enjoyed unrivaled prosperity with the end of World War II. Government treasuries were full and politicians and bureaucrats turned their attention to social issues. Under the pressure of organized labour and the inspired platform of the CCF, they adopted a decidedly progressive social policy agenda. (The CCF...
Distressed communities themselves must take a lead role in directing & managing any comprehensive revitalization program.

revitalize distressed neighbourhoods and flagging commercial districts through a combination of large-scale social housing projects, main street beautification, and commercial development.

It didn’t work. Communities certainly welcomed the new infrastructure. There were even successes, in parts of Winnipeg and particularly in Québec, where state intervention helped create a web of manufacturing, financial services, media, and resource enterprises. Nevertheless, regional development and urban renewal efforts by and large failed to deliver the results that people were after.

The problem was not the amount of money spent, which was considerable. Rather, the strategy was rooted in false assumptions about how communities and their economies work. As Jane Jacobs mused, “As if commerce and industry fall from the sky like so many pieces!”

Still, nothing sharpens the mind like failure. Critical lessons were learned from these ‘top-down’ experiments.

One was that businesses survive and prosper not on account of financial incentives. Rather, business success depends to a great degree on such factors as a local, well-trained workforce, political stability, abundant social capital, and all the human services that together create a good quality of life for residents. Business development is necessary, but insufficient in itself for community revitalization. For that, you have to address all the things that make a community work.

A second lesson was that revitalization takes time. Communities recover over the long term, steadily rebuilding strength, skill, hope, and confidence. Large amounts of funds provided on a short-term basis (termed “cataclysmic” investment by some) are marginal in impact, or even counterproductive.

The third and final lesson was that distressed communities themselves must take a lead role in directing and managing any comprehensive revitalization program. No matter how well meaning and skilled they are, government planners can never be sufficiently knowledgeable or flexible to direct local development effectively. Centralized management actually undermines, rather than strengthens the local capacity to manage recovery.

It would appear that policy-makers took these lessons to heart, to some degree at least. The wave of top-down planning ebbed, and governments instead resigned themselves to a supportive role in local revitalization with programs like the Canada Employment Strategy, Local Employment Assistance and Development (LEAD), and the Canadian Aboriginal Economic Development Strategy (CAEDS). While their focus remained business development, these programs assigned local or regional agencies greater authority in deciding who was to receive financial or technical support.

Economic Development

Emergence of Community

So by the time Confederation turned 100, communities in Canada had already been coping with rapid economic change for several hundred years, and very creatively too. Still, the idea was taking hold that distressed communities needed go one step further: to adopt deliberate, comprehensive strategies of revitalization and to create their own locally-controlled tools to achieve those strategies.

Some understood the co-operative to be the vehicle of choice for this transformation. By means of co-operatives, people could and should subject to democratic control and management as many sectors and functions in the economy as possible. Credit unions would organize and finance the capital and operating needs of that expansion.

The idea was there. People just needed to put it into practice. For various reasons, these “co-operative utopians” did not live to see their dream unfold at a grand scale. Yet there were exceptions.

One of the most interesting emerged in the Evangeline region of Prince Edward Island. The residents of this small network of Acadian villages used their local credit union to finance the creation of an interdependent group of community-owned...
enterprises: a mall, a funeral home, a fishing company, a potato chip maker, a forestry project, a senior citizens’ home, a cable vision service, and a youth co-op. There was even an Acadian Pioneer Village that included a handicraft venture, hotel, restaurant, and theatre. In the early 1990s, these initiatives employed close to 400 of the region’s 2,500 residents.

Evangeline presented an exciting and inspiring example but few distressed communities could hope to match it. Clearly, they needed something else – some guiding central institution that would adopt as its own the whole spread of local problems and priorities. Not surprisingly, left to their own devices, communities created a variety of organizations that could fulfill such a role.

In 1970 the government of Québec strove to close dozens of villages in the lower St. Lawrence that central planners deemed had no future. The residents of St-Juste, Auclair, and Lejeune fought back by creating a development co-operative, J.A.L. It created businesses in forestry and agriculture to establish a local economic base and create jobs. Other villages established similar groups soon after. Together they eventually formed a confederation of development groups to provide mutual self-help and technical assistance.

In Newfoundland, it was a similar story. When central authorities suggested that they “burn their boats” and leave for Saint John, activists, educators, unions, fishermen, and businesses set up local development associations instead. In the 1960s and ’70s, nearly 60 of these associations took action to improve physical infrastructure and education, employment, and business opportunities.

But it was in Cape Breton – a hotbed of alternative economic development for generations – that one of the most unique and powerful tools of community revitalization emerged in the mid-1970s.

Members of the Cape Breton Association for Co-op Development wanted to create a ‘family’ of co-operative enterprises for the general benefit of the community, using credit union financing. To manage and finance these ventures and social service programs more flexibly, however, they imported a nonprofit structure then becoming popular in the United States: the community development corporation (CDC). Incorporated in 1976 as New Dawn Enterprises, Ltd., the organization has never looked back. Today New Dawn manages a dozen companies and routinely posts a profit.

The idea of the CDC caught on. They began to pop up in communities across the country: Great Northern Peninsula Corporation in Newfoundland, Kitsaki Development Corporation in La Ronge, Saskatchewan, and West End Community Ventures in Ottawa. Southwest Montréal became home to the most sophisticated example of all. In 1989 a coalition of neighbourhood leaders and organizations established the Regroupement pour la relance économique et sociale du Sud-Ouest (RESO) to spearhead the revitalization of the city’s old industrial district.

Unlike many CDCs, RESO did not establish a profit-making arm. It applied itself instead to employment development and support for existing businesses and prospective entrepreneurs. Unique was a governance structure based on an electoral college representative of community groups, labour unions, business, and financial institutions. This helps explain RESO’s remarkable capacity for building partnerships and advancing the interests of its constituents in a range of social and economic issues.

RESO’s success has inspired others. Today there are eight other community economic development corporations in Québec. The North End Community Renewal Corporation in Winnipeg is explicitly based on the RESO model.

While some groups experimented with organizational formats for the core development institution, others invented more specialized instruments of community revitalization. Labour unions flexed their financial muscles with the creation of venture capital funds to help businesses start or expand in slow-growth communities. Nonprofits established subsidiary businesses to provide jobs, income, and training to persons facing multiple barriers to employment.
The small business loan fund is perhaps the best-known of these new tools. Colville Investment Corporation, launched in 1980 with help from the LEAD program, provided financing and technical assistance to prospective entrepreneurs and existing businesses in and around Nanaimo, B.C. The early successes of Colville and its like prompted the federal government to scale up LEAD into the Community Futures program. Today, there are nearly 300 Community Futures groups in every region in Canada. While many of them limit their work to issues relating to business development, many others are actively involved in strategic planning, employment preparation, and physical infrastructure development.

“Not So Quiet” Revolutions

Progressive social policy at the federal and provincial level did a great deal to improve the quality of life of average Canadians after World War II. It did not correct the economic and social exclusion experienced by people on account of gender, race, age, or physical or mental abilities, however.

Marginalized groups in Canada did not mount a civil rights movement as in the United States. Still, they found a way to protect their interests and to carve out a more equitable place in Canadian society. While this differed from group to group, their journeys followed a roughly similar pattern. They would organize themselves politically. They would establish community-based organizations to address basic needs like housing and human services. And eventually they would turn their attention to creating their own economic opportunities.

The journey of Canadian women has been the most outstanding. Women’s organizations began to form and organize on social and political issues early in the 20th century. By 1919 (1940 in Québec) these organizations had secured for women the franchise vote. From the 1950s to the 1980s, the women’s movement turned its attention to challenging gender roles and obvious pay inequities between men and women.

At the same time, women’s groups established an astonishing array of initiatives to strengthen their own economic well-being. Many focussed on basic necessities like child care, housing, and basic human services. Many were also shaped by alternative ideas of economic development. Women’s organizations have taken the lead in starting and managing fair trade, bartering and non-monetary exchanges, and environmental services, for example.

Other initiatives have sought to create more mainstream economic opportunities for women. Groups in Ontario have been particularly productive in this respect. Women and Rural Economic Development (WRED) in Stratford and PARO in Thunder Bay have specialized in training women entrepreneurs. By contrast, Riverdale Immigrant Women’s Centre and the Somali Women and Children’s Support Network (Toronto) and Focus for Ethnic Women (Waterloo) have established nonprofit ventures to provide women with on-the-job training, employment experience, and income.

Persons with physical, mental, or emotional disabilities have their own story. Beginning in the 1960s, disabled persons’ associations began to shape social policy and the delivery of programs and services. Their many community-based initiatives demonstrated to the general public that disabled persons were not clients, but participants deserving a key role in the decisions affecting their well-being. Over time, disabled persons have assumed an ever-greater – even dominant – role in the governance of the community-based organizations that provide them with programs and services.

In the 1980s and 1990s, disabled persons’ organizations also turned their attention to issues of economic development. In Toronto, for example, A-Way Courier has been a venture controlled and operated by consumer/survivors. By the early 1990s there so many initiatives like A-Way that over a dozen groups created The Ontario Council of Alternative Businesses.

Other marginalized groups (ethno-cultural groups and the homeless, for example) have repeated this pattern of initiative. By 2000, most urban centers in Canada and many rural ones enjoyed a diverse mix of organizations designed to improve the economic and social well-being of specific communities of interest.

With the arrival of the 21st century, it seems more important than ever for communities to take charge of their situation & not leave it in the hands of the market or government.

Gathering Momentum

The 21st century has arrived and the story is familiar. Canada’s economy continues to expand, but all communities and demographic groups do not share equitably in the benefits. It seems more important than ever for communities to take charge of their situation and not leave it in the hands of the market or government.

Due to the globalization of Canada’s economy, business interests are more concentrated and market forces more volatile than ever before. Both these developments diminish the control that people have over local change. Governments talk about a social agenda while concentrating power in the name of responsible fiscal management, as we see in the disbanding of school and hospital boards. Voluntary organizations are suffering high rates of volunteer burnout. Many citizens feel isolated and alone.

Yet community-based initiatives continue to flourish both in number and variety across the country. Communities just won’t say die.
A working committee in CCEDNet estimates that there are at least 12,000 community-based organizations in Canada focusing on economic issues alone. Some, like labour-sponsored venture capital funds or community-based training organizations, aim to address a specific gap or issue in a community’s existing infrastructure. A great many are tailored to address the economic needs and social and political sensibilities of particular populations, like a peer-lending circle for immigrant women or a child care cooperative for teachers.

Unfortunately, only a relative few initiatives (a hundred or so) are designed to co-ordinate comprehensive programs of revitalization. Community development corporations remain a rarity. Geographically, the most dramatic expansion has occurred in Québec. A recent study reports that 8,000 community-based organizations are active in that province, some in the “old economy” sectors (e.g., resource extraction and manufacturing) and others in the “new economy” (e.g., social services, housing services, and tourism). Together they employ more than 120,000 people and generate about 7% of the province’s income.

Why so dramatic in Québec? Well as you can see, they’ve had practice. The early 20th century witnessed the creation of those large networks of agriculture co-operatives and caisses populaires. After a post-war period of state-sponsored industrial development, the community-based movements re-emerged more robustly than ever in the late 70s and early ’80s. Recession and the retreat of the State from social issues put local initiative back on the front burner.

A series of high profile economic summits and political events brought together an unprecedented cross-section of business, government, labour, and leaders from community-based movements, culminating in the 1996 Summit on the Economy and Employment. From the latter emerged the Chantier de l’économie sociale to represent the perspectives and positions of co-operatives and nonprofit organizations in the province.

The scale of community-based initiative in Québec is one thing; the entrepreneurialism and innovativeness of these efforts is quite another. The speed at which co-operatives and nonprofits have established an influential presence in such industries as child care, home care, and funeral services is nothing short of incredible. The political clout of Québec’s community-based movement is also striking. Which other movement has convinced a provincial government to draw up and sign a law against poverty?

Especially in terms of organizing across communities and sectors, the proponents of CED and the social economy in other parts of Canada have much to learn from Québec. They also have innovations to offer in return. Techniques such as joint ventures between nonprofits and businesses, multisectoral customized training initiatives (like the B.C. construction training firm BladeRunners), and programs to create financial assets for low-income residents (Individual Development Accounts) are becoming quite commonplace outside of Québec.

The scale of community-based initiative pales in comparison to that of the public, private, and voluntary sectors in Canada. But its scale belies its significance, particularly to communities with few or limited conventional tools to which they can turn to improve their lot.

Community-based initiatives continue to flourish both in number & variety across the country. Communities just won’t say die.

A Simple & Powerful Dream

Sir Wilfred Laurier once compared the diverse cultures in Canada to the country’s water systems: numerous distinct rivers and lakes, often intersecting each other, always dynamic and changing, but ultimately interdependent and reliant on each other. Given this diversity, he predicted that the 20th century would be “Canada’s Century.”

With his water systems Laurier may just as well have been referring to the many community-based movements, traditions, and programs that grapple with economic and social distress in the 21st century.

Thankfully, one of our oldest waterways has managed to survive hundreds of years of tough conditions and is becoming more robust every day.

Forty-five hundred kilometers from the banks of the Grand River and nearly 200 years since the death of Joseph Brant, the Nisga’a in north-central British Columbia have been forging political and economic tools to shape a destiny rooted in their own culture, tradition, and sensitivities.

Their community’s quest began almost immediately after authority for Aboriginal land and resources was transferred to the
Province in 1871. They made repeated representation to the provincial and federal governments throughout the early part of the 20th century. In 1973, they nearly won their case for a comprehensive land claim when three of seven Supreme Court Justices concluded that the Nisga’a, not the Province, still retained title to the land.

They persevered. They established their own health care system through the Nisga’a Valley Health Board, their own school board and their own CDC, Nisga’a Economic Enterprises, Inc. In 1991, the Nisga’a and the governments of Canada and British Columbia agreed to a framework for negotiating land claims and finally, less than ten years later, the Crown assented to a comprehensive land claims treaty and compensation package. It included nearly 2,000 square kilometers in land, a cash settlement to be paid out over 15 years and entitlement to forestry, fishery, and wildlife resources. The Nisga’a now have the wherewithal on which to build the economic base of their community.

There is no guarantee that the Nisga’a drive for self-determination will succeed, some may say. Resource-based economies are increasingly vulnerable to shifting international markets. Many average Canadians argue that the political arrangement worked out with the provincial and federal governments, based as it is on group rather than on individual rights, establishes a dangerous precedent. The complexity of the economic, social, and environmental issues facing the Nisga’a is daunting.

But all these rejoinders miss the point. The Nisga’a have already succeeded. A community excluded, undermined, and exploited by external political and economic forces has maintained its faith and hope. Despite the odds, it has created the critical mass of institutional tools it requires to carve out in this crazy world a place that reflects to some degree their hopes and aspirations.

That is the simple and powerful dream of ordinary people and communities since the beginning of time and the one that drives people in community economic development and the social economy today.

MARK CABAJ is a Principal in the Tamarack Institute for Community Engagement and head of the Professional Development Committee of the Canadian CED Network (CCEDNet). He is also a member of the making waves magazine advisory council. Reach him at (tel) 780–451-8984 or (e-mail) mark@tamarackcommunity.ca.