



Social Enterprises  
Knowledgeable Economies  
and Sustainable Communities

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## Growing Pains

### Social Enterprise in Saskatoon's Core Neighbourhoods

Mitch Diamantopoulos  
Isobel M. Findlay

**A research report prepared for the Northern Ontario, Manitoba,  
and Saskatchewan Regional Node of the Social Economy Suite**

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Entreprises sociales  
économies intelligentes  
et communautés durables

## GROWING PAINS

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The project also includes more than fifty community-based organizations  
in four provinces, the United States, Colombia, and Belgium.

**GROWING PAINS**  
SOCIAL ENTERPRISE  
IN SASKATOON'S CORE NEIGHBOURHOODS

A Case Study

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## INTRODUCTION

OVER THE LAST DECADE, unique community economic development (CED) and social enterprise (SE) innovations in Saskatoon's core neighbourhoods (the Core) have provided some compelling new directions and possibilities for building stronger, more inclusive, and more prosperous communities. There is much to be learned from the renewal of the Core. And there is much to be learned about the social economy: as a mode of production (how development is done: democratically, for common benefit to balance the private market and state); as an alternative or parallel development paradigm (how development should be done); and as an alternative cultural matrix of discourse, alliance, and identity (how we should talk, think, and work together). Although many challenges, obstacles, and disappointments emerged in our dialogue on the community-led redevelopment of the Core, these conversations also tell a story of compelling achievements and of promising opportunities to build on new foundations.

In the post World War II period, private sector investment in Saskatoon systematically fled to the outer city. More recently, government supports to disadvantaged residents who are concentrated in older core neighbourhoods have been scaled back, too. In keeping with the development pattern across North America, the result has been a hollowing out of these older, central city neighbourhoods. Despite certain significant, but atypical and isolated exceptions, the market and the state have failed inner-city Saskatoon, driving jobs, services, and people from the Core.

This flight to the suburbs has resulted in absentee landlordism, deteriorating housing stock, increased residential vacancies, and new difficulties accessing quality food (Woods 2003) and health care. With a large proportion of the population dependent on Employment



Insurance and social assistance transfers, Core families are now two and a half times more likely than the average Saskatoon family to have to make ends meet on less than \$20,000 a year. Fully two-fifths of Core families are under that income ceiling. Particularly hard hit are Aboriginal people, more likely to be poor, excluded from the labour market, and living in the Core. The average Aboriginal family income in the core neighbourhoods is \$16,497 (City of Saskatoon 2003). Not surprisingly, divestment from the Core has also brought social dislocation, crime, and health problems in its wake. A recently released study has found that residents of Saskatoon's poor neighbourhoods are four times more likely than affluent Saskatonians to suffer from mental disorders and sixteen times more likely to attempt suicide (Lemstra, Neudorf, and Opondo 2006).

In response to this protracted crisis, a network of community leaders and social entrepreneurs came together in the nineties, organizing significant new turn-around capacity in the core neighbourhoods. They built on a long local history of voluntary initiative, community organization, and co-operative enterprise in the so-called old social economy, creating distinctive alliances with already-existing non-profit, charitable, co-operative, credit union, and community movement organizations. These productive partnerships, as this case will demonstrate, unleashed voluntary initiative together with new forms and patterns of participatory development and cross-sectoral organization, sheltering new social enterprises and engineering new forms of community economic development infrastructure, too.

This community movement was structurally constrained, its progress uneven, and it encountered setbacks and reversals. However, it also yielded significant quality-of-life benefits for Core residents and enhanced residents' capacity to act effectively. Eschewing band-aid solutions, the new social entrepreneurs took direct action to reverse systemic processes of underdevelopment and dependency in the Core. Most importantly, community development practitioners poured solid foundations for an effective and sustainable "development system" in the inner city. As Lewis (2005) has argued, successful interventions in distressed communities need to be based on an understanding of "the local or regional situation ... as a development system in disrepair, not a collection of loosely related problems and needs" (9).

As this new alternative logic of development took root in organizational practice, lead organizations, such as the Quint Development Corporation, emerged with decisive new

mandates and innovative organizational forms. But these organizations also acted as catalysts for reform and realignment across already existing, traditional organizations such as service clubs, trade unions, community groups, and credit unions. While organizations of the old social economy maintained their core functions and forms, many have also moved to support the new initiatives. For some, this period has seen a profound rethinking of their own visions, goals, and objectives. The adoption of this new development logic in the Core has been complex, but irresistible.

This movement for change has transformed the Core into a kind of popular social laboratory. The open-ended and participatory development context has inspired volunteer energies and has encouraged community-based organizations to stretch their mandates. It has been a decade marked by adaptation and innovation. Simply put, the social economy in the core neighbourhoods is a social economy in transition. The scale of innovation across these organizations is truly impressive, as new social enterprises like the Saskatchewan Native Theatre Company and the Core Neighbourhood Youth Co-op (Tupone 2003) struggle to emerge, and established social enterprises like the FirstSask Credit Union (a merger of Saskatoon Credit Union with Langham and Shellbrook) re-pool their resources and re-mandate their organizations.

Change, even positive change, invariably creates conflict. It creates organizational dislocation. It raises popular anxieties. And it also creates challenges for development partners, including government. While many policy-makers — uncertain of how to deal in an integrated fashion with the complex, multi-faceted dilemma of the inner city — have turned to CED and SE solutions, the apparent lack of capacity at the municipal level, the slow pace of program and policy development at the provincial level, and policy reversals at the federal level further complicate matters. The cross-cutting jurisdictions of First Nations and Métis organizations provide another layer of complexity as emergent Aboriginal CED development systems also seek traction in the urban context. While both the new and “reconditioned” organizational vehicles of the Core’s social economy provide valuable new tools to public policy-makers, the pace of grassroots innovation has left all these levels of government behind, deepening the disconnect between governments and the grassroots.

The struggle to establish and sustain the Quint Development Corporation against

multiple barriers is an emphatic expression of the felt need on the ground for a more systematic approach to the multiple needs of the inner city. Like community development corporations (CDCs) across the continent, Quint moved beyond the departmental organization of the welfare state, with its traditional focus on vertically integrated service provision to individuals. Replacing the socially isolating and stigmatizing focus on income transfers, Quint's holistic and horizontal social problem focus has empowered neighbourhood residents themselves to take charge of development. Quint's community-based and community-directed work fulfills Shragge's (1993) two conditions for being an effective force for change:

First, the CED project needs a strong sense of itself as a political, social and economic organization with a clear sense of vision of its goals and practice. Empowerment of people in the local community through direct participation in a social process is the second condition. An outreach and education strategy is necessary in this process (106).

The CED approach has also challenged the disciplinary organization of knowledge and the authority of traditional expert systems that reflect, as well as feed into, the top-down departmental organization of the state. Academic and state specialization into vertical silos tends to both separate social and economic policy and view economic and social problems through the lens of the state administrator rather than of engaged community movements. Although Quint receives government support, there is an understandable measure of ambivalence, even confusion, about CED strategy in the ranks of the political class and civil service. Dependence on government funding, traditional specialists, and vertical program delivery mechanisms places both political constraints and bureaucratic drag on development initiative in the Core. Yet the clash of paradigms, organizational cultures, and jurisdictional authorities can be an opportunity for learning as well as conflict and development gridlock.

An inner-city alliance of CED organizations, community-based organizations, and social enterprises has played a decisive role in a citizen-led turn-around in Saskatoon's core neighbourhoods. In many ways, that "quiet revolution" may be only partial and limited, but it is profound. Whether it's providing food security through the Child Hunger and Education Program's (CHEP) Good Food Box program, delivering health care to low-in-

come residents through the West Side Community Clinic, intervening to create a low-income real estate market and discipline the rental market through Quint, expanding job-training and job-creation for people with disabilities through the Abilities Council's training businesses, or realizing the neighbourhoods' cultural expression through the Saskatchewan Native Theatre Company, social enterprise has buoyed economic activity, strengthened social relationships and cultural ties, and enhanced quality of life in the Core.

A decade of community organization and social enterprise development has provided citizens with new organizational traction and leverage to scale-up development activity in the Core. As new development catalysts in the Core, social enterprises have also created new strategic initiatives, such as Quint's housing co-ops and the Station 20 West development, that also create opportunities for partners from established credit union, co-op, and public sectors to realize their own objectives by investing in community-led development strategies.

## DIMENSIONS OF THE CRISIS: A BRIEF HISTORY AND CONTEXT OF DECLINE

**F**RAGILE AND FRACTURED as the new social economy of the city's five core neighbourhoods (Riversdale, Pleasant Hill, King George, Westmount, and Caswell Hill) may be, it is also a comprehensive response to the complex consequences of decades of capital, services, and people fleeing the Core. To simplify considerably, this leakage of wealth, services, and people, with its corrosive effect on the opportunity structure and social cohesion of the inner city, was driven by two waves of private-sector-led development and restructuring: suburbanization in the post-war period and globalization in the eighties.

### **Suburbanization**

The sprawling pattern of urban development in Saskatoon (and across North America) drove inner-city decline in the post-war period. New commercial investments, including

residential and shopping centres, and the cultural rise of the suburban lifestyle, shifted the centre of both economic and political gravity to the suburbs. Public authorities, reluctant to oppose or restrain “growth,” were political captives to this process of uneven development. On the one hand, municipal authorities were financially over-extended by the need to service the infrastructure demands of powerful subdivision developers, a pro-growth business lobby and press, and a politically influential, suburb-bound middle-class. On the other hand, city halls became increasingly unwilling to risk deficit-financing or the political costs of diverting benefits to less influential and politically active segments of the population. The flight to the “burbs,” therefore, destabilized the social networks and economic viability of older, central city neighbourhoods, but the long-range implications went unattended by city politicians and undetected by a citizenry ill-served by an uncritical media.

Suburbanization also consolidated Saskatoon’s already significant race and class divisions as both private and public investment was systematically redistributed to the outer city. In this new civic reality, suburbanites would increasingly absolve themselves of responsibility for the less fortunate in their community. Saskatoon’s deeper race and class divide meant it was more vulnerable than most cities to a fraying of the social fabric. The race-scandals of the “Starlight Tours” (Reber and Renaud 2006), Jim Pankiw, and David Ahenakew at the turn of the twenty-first century were symptoms of an underlying disconnect between a comfortable, white suburban population and an increasingly neglected and frustrated inner-city population. Where mixed neighbourhoods had previously created a measure of inter-racial familiarity, tolerance, and even a sense of shared community interest, the rise of the suburbs was also a form of geographic and experiential re-segregation that deepened race and class inequality. As Sennett (1970) has argued, urban planning across North America was encouraging a “new Puritanism.”

As points of social contact between core and suburban residents were reduced, suburbanites became more and more dependent on second-hand media representations of inner-city life. Unfortunately, mainstream media accounts were seldom sociologically sensitive to the structural dimensions of inner-city decline. Crime coverage, in particular, fed systemic stereotyping of “West Side” life and residents, increasingly casting Core residents as dangerous outsiders. This representation merely fed social division, distrust, and a tendency

to opt out of community engagement at the top and the bottom of the social hierarchy. For suburbanites, media accounts reinforced middle-class norms, the notion that inner-city problems were not their problems and not their responsibility, and that tough-on-crime approaches were needed (Findlay and Weir 2004). For Core youth, media images stoked resentment of the city establishment, fueled the angry populism of outlaw cultures, or deepened a sense of inferiority and resignation in the face of overwhelming odds. Like municipal politicians and civil servants, inner-city residents found themselves largely captives in this process. Generally overlooked by the media (Bagdikian 1992), the interests and issues of poor and working-class families — who typically lack resources for political education and organization and are least likely to vote — could therefore be easily ignored by policy-makers and the larger community. This was particularly true for the Core's growing Aboriginal population.

In Canada, the federal-provincial division of powers contributed to a state of paralysis at both levels of government. And in Saskatchewan, a traditionally agrarian settler society, the “city” was negatively charged for many — a site of urban wealth, chauvinism, and moral decay — and was not a culturally viable base for broadly resonant political movements or a positive and engaged public policy focus. Action on inner-city decline was particularly risky in a political climate dominated by concerns for the collapse of the traditional family farm. Casting urban problems as Aboriginal problems further invited jurisdictional gridlock in the Canadian division of federal and provincial responsibilities.

As globalization loomed on the horizon, Saskatoon's core neighbourhoods fit an all-too-familiar pattern: increasing leakage of economic activity, local opportunity structures in collapse, poverty and crime on the rise, and housing stock deteriorating. The flight of jobs, services, and the middle class had locked the core neighbourhoods into a position of profound structural dependency, underdevelopment, and apparently irreversible decline.

As in the United States, where a swelling urban underclass gave rise to community development corporations (CDCs) in 1967, CDCs made their debut in Canada in the eighties (Mendell and Evoy 1993). Only when globalization pushed the core neighbourhoods to social and economic emergency did Saskatoon's inner-city community movements emerge, along with their allies in government and a much more modest foundation establishment.

## Globalization

The structural crisis of Saskatoon's core neighbourhoods was further deepened by globalization during the eighties and nineties, when new economic, social, and political pressures further squeezed residents. Globalization reshaped the Core in four major ways:

- **accelerated outer-city sprawl**, as multi-national retailers, such as Wal-Mart, located on big-box pads, moving the locus of retail activity further from traditional shopping centres
- **increasing social exclusion**, as unemployment and poverty increased and access to opportunities for full participation in the life of the community diminished
- **the retreat of the state** from traditional welfare provision and funding for citizen initiatives
- **accelerated urban in-migration** of rural families, youth, and Aboriginal people

Each of these trends further destabilized an already vulnerable community. The Core was simply incapable of creating sufficient opportunity for established residents or the poor newcomers.

### *Accelerated Sprawl*

Global retailers abandoned their downtown services, such as supermarkets, in favour of big-box mega-stores, increasingly pulling convenience-minded consumers away from inner-city attachments. These developments also sprawled far beyond the traditional suburban malls, attempting to get ahead of the newest, most outlying residential developments. These big-box pads also drew clusters of ancillary businesses and further increased the convenience of suburban living (and the inconvenience of living in under-serviced central city neighbourhoods).

This development dramatically accelerated the already lopsided economic flows out of the Core. Where local business once spent profits locally, bought supplies locally, and paid out dividends locally, globalized business centralized supply purchases and profit-taking

out of the community. Instead of wealth re-circulating in the local economy, leakage from Saskatoon's economy increased. With many of the new mega-retailers adopting low-price strategies, an offer that lower-income, central-city consumers couldn't refuse, already vulnerable and under-capitalized inner-city businesses and employees were hardest hit.

### *Social Exclusion*

In Saskatoon, rapid population growth pushed Saskatoon's housing, commercial real estate, and public infrastructure development even further outward. Meanwhile, business districts, housing stock, and aging infrastructure in older neighbourhoods fell into further disrepair. With fewer core neighbourhood employment opportunities and businesses taking services and economic activity with them, social breakdown deepened.

Ironically, a fiscally over-extended city, obliged to underwrite its "pro-growth" policy with extensive outer-city utility and road and freeway infrastructure, once again weakened its ability to protect the Core. The deeper the inner city plunged into underdevelopment, the less capable or willing politicians and bureaucrats appeared to reverse the crisis, the more resigned the population of the inner city became, and the more natural and inevitable this concentration of the poor and excluded became in the public's eyes. The emphasis in public policy increasingly reflected the morally suspect status of the poor (Swanson 2001). The state moved towards "blaming the victim" and "tough love" style work-for-welfare and policing policies designed to break the cycle of welfare dependency and crime without ever addressing the structural dynamics of underdevelopment that made inner-city opportunity collapse in the first place.

Rather than moving to bridge social divisions and re-knit the frayed social fabric, political elites both reflected and reinforced an emergent anti-poor populism, deepening the crisis by justifying state inaction. Political and media rhetoric reinforced public perceptions that poor people were incapable of managing public resources to solve inner-city problems for themselves, further fueling demoralization and resentment in the inner city. Poverty came to be seen as the natural and inevitable outcome of poor choices and personal shortcomings, well beyond the reach of reasonable public policy. Action against poverty now



appeared futile, a self-defeating exercise in “social engineering.” Although a softer, gentler version of welfare reform was introduced in Saskatchewan, the fundamentally individualistic and punitive approach of the day drew attention away from the catastrophic market and public policy failures at the root of the crisis.

### *Retreat of the State*

Under the force of globalization, governments everywhere curbed social spending and streamlined the traditional operations of the welfare state. The public policy modus operandi of the day was to harmonize with the regulatory and tax regimes of major trading partners to better compete for investment. Across Canada, the welfare state was dismantled and farm subsidies slashed. Non-governmental organizations were de-funded. Affordable housing policies were pulled back, the tax-burden was shifted from incomes to consumption, and unemployment and poverty increased. The welfare state was out; the food bank was in.

State retrenchment also had the effect of pushing middle-class residents out of the Core, as increasing economic insecurity and declining state supports to socially disadvantaged populations — disproportionately located in core neighbourhoods — increased neighbourhood instability, dysfunction, and crime. Simultaneously recovering from a decade of social under-investment in the cities and now wrestling a serious provincial debt crisis through the nineties, Saskatoon’s Core residents experienced greater hardships over a longer term, and with fewer defenses than many Canadian inner-city residents.

### *Urban In-Migration*

In Saskatoon, the impacts of corporate globalization and the withdrawal of public sector supports from the inner city were further compounded by two particular provincial realities: the farm crisis and an Aboriginal baby boom. Globalization, therefore, exacerbated long-term structural crises in the farm and on-reserve economies, driving urbanization.

Most poor migrants, of course, found affordable rents in the core neighbourhoods. Rapid urbanization meant an influx of residents — with additional, unique needs and chal-

lenges, as well as loose ties to the neighbourhood — to an already unstable host community. Although the establishment of Friendship Centres across the country was an early response to the transition difficulties faced by many urban Aboriginal people and provided an important platform for further institution-building and community development (Silver and Ghorayshi 2005), new needs quickly outstripped the capacity of the Core's under-resourced network of human service agencies. This in-migration might have been manageable, contributing positively to the development of the city and the alleviation of the looming labour shortage. But, instead, the lack of supports for resettlement further increased the instability of the neighbourhoods and strained the capacity of inner-city services to meet residents' needs. In turn, neighbourhood instability further undermined property values and accelerated "white flight."

Against this array of forces, Core residents finally gave up on government and the market and took direct action, as a community, to redevelop the Core.

## DIMENSIONS OF THE RESPONSE: QUINT AND THE BIRTH OF A NEW SOCIAL ECONOMY

WHILE THERE ARE HUNDREDS of organizations and programs and thousands of staff and volunteers engaged in the social economy in the Core, there was one key turning point in the Core's development over the last decade that most clearly broke away from traditionally segmented, state-centred service delivery towards a "development system" and new social economy (Neamtan and Downing 2005) in the Core.

In 1996, Quint Development Corporation — a core-neighbourhoods-controlled CED organization — was formed. Community associations and social movement activists came together within the new organization to try to turn around their neighbourhoods. While many other organizations were also engaged in breakthrough work in the Core,

Quint's cross-sectoral character was distinctive. It was itself a coalition but also emerged as a kind of development hub or centre of gravity for a larger and looser coalition of inner-city forces searching for new ways to collaborate, to stretch their institutional mandates, and to deliberate, plan, and co-ordinate as a community. Despite certain failings, many spin-off initiatives, spin-off organizations, and a general feeling of empowerment and possibility radiated out of this high-profile energy centre. A solid track record of bricks and mortar accomplishments — like child care centre development, employment and training programs, home ownership co-operatives, affordable apartment block development, and custom housing initiatives for student mothers (Pleasant Hill Place) and formerly homeless young men (Youth Lodge) — tells only a part of Quint's story. For Quint was not only an initiator of development. It was a catalyst, enmeshed and engaged in a complex web of community animation and facilitation effort.

The formation of Quint unified the five inner-city community associations (hence Quint, or five in Latin). While the Riversdale, Pleasant Hill, King George, Westmount, and Caswell Hill community associations continued to operate as stand-alone organizations, their leadership all came to see the need for a more focused CED organization. It would reflect and serve the joint interests of their residents and would be able to assemble the resources to act beyond the limited scope of their individual organizations. Neither a traditional non-profit nor a traditional co-operative, Quint was an innovation setting in motion a new wave of community development efforts targeted to these increasingly vulnerable, inner-city neighbourhoods.

Quint has been very active beyond housing, facilitating other territorially-focused initiatives, including spin-off organizations such as the Bent Nail Co-operative to fill inner-city service gaps. It has also acted in partnership with a long list of other organizations such as the CHEP Good Food Box, providing established organizations with new leverage. Many other Core groups have also made significant economic and social contributions to neighbourhood revitalization. But what makes the formation of Quint a benchmark for these neighbourhoods is its unique role in defining discrete geographic boundaries for its community animation and community economic development activities. Its formation allowed a distinct community to develop.

Quint drew organizations and individuals from within and beyond its territorial boundaries into re-pooling resources and re-tasking in line with its CED strategy. But this process marked more than the novel alliance of self-defined groups and individuals. It also constituted a positive new articulation of core neighbourhood identity. It was a symbol of neighbourhood pride through which the partners themselves were changed. Quint set out boundaries of inclusion and belonging in a well-defined, cohesive community with clearly shared problems and interests. More importantly, it energized residents' determination and capacity to take control of development in their community. This re-articulation of core resident identity enabled people to move away from powerlessness, defeatism, and apathy towards a dignified and meaningful new form of joint agency. In other words, Quint not only brought the logistical infrastructure and domain for CED work into being, it also created the cultural context for a disciplined mobilization of resident agency.

As Shragge (1993) has documented, different CED organizations develop different strategies and priorities in line with the distinct needs, opportunities, and aspirations of the communities within which they work. Quint developed housing as a lead priority early to stabilize neighbourhoods, make a meaningful difference in residents' lives, establish a well-defined focus to demonstrate what community enterprise can achieve, and develop an asset base and property management revenue stream as a hedge against funding cuts. Quint developed rental and transitional housing as well as home-ownership co-ops, taking advantage of low real estate prices to rebuild the Core, both literally and figuratively. The housing co-ops created strong bonds of trust, mutual assistance, and commitment to collective action. In this way, Quint was also creating structured experiences through which organic cadres of residents became experienced and empowered in co-operative community development work.

If the emergence of Quint was an assertion of core neighbourhood identity, authority, and capacity to act, it was also the unfolding of a contradictory relationship of conflict and co-operation with the state. Like the movement of band councils to de-link from dependency and state paternalism to self-govern First Nations resources and steer on-reserve development, the Neighbourhood Development Organization (NDO) defined a new form of local governance — within state-defined parameters — that could reinsert community development goals into Saskatchewan's emerging political economy. Long disenfranchised and un-

clear on the role and realities of a CED corporation, some residents occasionally found themselves in conflict with Quint, soon a victim of inflated expectations, disputes with other community-based organizations over perceived funding conflicts, and criticism both earnest and politically motivated. In this context, evidence of division or competing priorities often become a pretext for political inaction.

Although there was an emerging recognition that inner-city neighbourhoods needed to be given the tools, support, and relative autonomy from state power to mobilize local resources and action, CED organizations across the country also encountered ambivalence — expressed through inertia, under-funding, project funding without multi-year operational commitments, resistance to program change, and a pattern of sudden policy reversals.

Quint created a new practical and policy context for community economic development in Saskatoon and urban Saskatchewan. It also created a new base of operations for a holistic approach to service delivery. Quint's success provided strong evidence and momentum for increased program and policy support through the expansion of the province's NDO strategy, with urban CED organizations emerging as a policy instrument in Prince Albert, Regina, and Moose Jaw as well. Quint acted as a catalyst for public policy modernization and modest social reinvestment at the provincial level. Perhaps more than any other organization in Saskatchewan, Quint's achievements advanced the policy case for the new mixed economy and social investment state (Giddens 1998), policy reforms now well established in other jurisdictions, including Manitoba and Quebec (Infanti 2003), but lacking a broad-based and organized constituency in Saskatchewan.

Quint also created momentum, within the territorial base of its community, for the kinds of social enterprise development that define the new social economy. Examples include training businesses like the Core Neighbourhood Youth Co-op (CNYC), Advantage IT Youth Co-op, and the Girls Action and Information Network GAIN (all of which provide at-risk youth with training and employment opportunities), and even a fledgling social economy financing organization (Community First). But, as a CED organization, Quint was focused, by definition, on territorial strategy. This meant that the knowledge, skills, contact, and experience base required for effective and broad-based social enterprise development support were beyond its already over-leveraged capacities.

Quint assembled the expertise and resources for an innovative co-op housing model

and replicated on a significant scale. However, the gap between the emerging infrastructure for CED and that needed for effective social enterprise, beyond the domain of housing, posed a problem. It left the new socially-purposed businesses, as well as the financing arm intended to support such initiatives, in the lurch. The leading challenge for the Core's emerging development system now is perhaps to solve that problem and introduce a new gear into the development mechanism. That gear would connect the needs and resources of Quint's now active, informed, and organized local community to a specialized social enterprise development infrastructure that could move emerging social entrepreneurs to the next level with predevelopment group work, rigorous technical assistance, specialty finance, and access to a broader geographic span of experience and expertise for new, socially-purposed business launches in the Core.

The Quint neighbourhoods, their lead development organization, and its programs and affiliated organizations have been extensively studied, but seldom through a social economy lens. This is unfortunate since, as Lewis (2005) has cogently argued, CED and social enterprise are mutually dependent processes. Without the work and resourcefulness that social enterprise brings to community, the revitalization effort lacks basic building blocks: "Accelerated growth of social enterprises is crucial to revitalizing the territories that are the primary concern of CED organizations." Similarly, without CED organization, social enterprise initiatives lack the supportive climate, network, and context to flourish. While CED and the social economy "each place a different emphasis on the scope and focus of development action," Lewis suggests they need to constitute "one purposeful movement" (10).

Quint's historic role as a catalyst in the accelerated development of the broader infrastructure and activity of the social economy in its geographic domain is crucial to understanding the larger dynamics of social economy development and what the basis of an emerging development system in Saskatoon's core neighbourhoods might look like. Quint occupies a crucial structural location in the emerging new social economy of Saskatoon's core neighbourhoods, even though its mandate and human resource and funding limitations restrict its ability to directly spearhead social enterprise development. Ten years after its historic launch, Quint is, therefore, a logical starting point for profiling the new social economy that has emerged in Saskatoon's inner city. It helped to shift both the cultural and public

policy environments as an integral aspect of the development process. Quint created clear benefits but it also created new opportunities as well as new energy and capacity to realize those opportunities. It extended the horizon of the possible in Saskatoon's core neighbourhoods.

## DIMENSIONS OF OUR DIALOGUE

WHILE QUINT DEFINED A TERRITORIAL ZONE for alternative development efforts, many other social enterprises participated in the “quiet revolution” that swept the inner city over the last decade. And although profiles of all these organizations and the complex interconnections among them is well beyond the scope of this preliminary reconnaissance of the territory, this section reports on what we learned from about a dozen interviews we conducted with community leaders in the Core's emerging social economy. We have organized our findings around six arenas of action.

### **Economic Action: Investing in Social Enterprise**

There are many social enterprises, and many stories to tell about social enterprise, in the Core. In this section we highlight three:

- the textbook case example of a successful social enterprise, delivering training and employment to people with disabilities
- the nationally recognized innovations in co-operative housing developed by CED organization Quint
- a missing link in the Core's emerging “development system”: access to technical assistance infrastructure for further social enterprise development

#### *Training and Employment*

Although the Saskatchewan Abilities Council's Saskatoon operations are based outside the core neighbourhoods' boundaries, its activities are relevant for two reasons. First, people with disabilities represent a large proportion of Core residents and therefore commute to, or

take advantage of, the council's wide-ranging services. Director Joyce Phillips confirms: "Core residents are over-represented because social assistance changes have compelled people into active work search." Second, the Abilities Council's operations are, in a sense, a model social enterprise. With training and employment in industrial sewing, an assembly department that handles a large volume of corporate mailings, a woodwork shop, a packaging department, and a small print shop, the council has established a multi-million dollar social enterprise that has persisted over time, has a significant quality and reach to members, as well as a clear benefit to the public at large (Saskatchewan Abilities Council 2005).

The social enterprises managed by the council are clear examples of how public subsidy can save public costs by intervening to build human capital, social inclusion, and quality of life for groups structurally excluded from opportunity. It is a great local example of how a modest public investment, together with voluntary and charitable contributions, can unleash development possibilities and benefits that can fundamentally enhance individuals' quality of life.

While the social enterprises under the shelter of the council are a success story by many measures, generating millions of dollars in economic activity, supporting a wage scale that ranges from \$9.20 – \$22.92, and structuring a pathway for people with disabilities to successfully transition into work placements and careers in the traditional labour market, it also faces severe constraints. For one thing, demand outstrips resources. At the time of our interview, for example, the Saskatoon branch was funded for 132 placements but was carrying 180.

As Phillips told us, the transition from social exclusion and poverty to work also requires a great deal more than training and work placement to succeed: "For people with disabilities, participating in training placements raises child-care issues. They also need affordable housing and daycare before they can be effectively placed in a workplace. They need benefits to afford medications."

While employers frequently complain about labour scarcity, the reality is that social investments are always necessary to train a skilled workforce. While there is strong public support for university funding, which disproportionately subsidizes the middle class, in the case of many marginalized workers, whether they are people with disabilities, single parents,



or otherwise disadvantaged, they simply need different kinds of publicly funded or subsidized supports to be able to move into the labour market. Yet they cannot presume an equitable investment in youth training and employment, whether delivered through the Core Neighbourhood Youth Co-op or through the Abilities Council.

The case of the Abilities Council, however, is a powerful example of the benefits that can be realized with the provision of modest public assistance. The council's work has pooled direct benefits for tens of thousands of families over the years as well as to employers and to the public at large. Certainly these achievements of people in the disability community, their families and supporters, are proof positive of the potential social enterprise holds as a means of training, including, and employing groups presently marginalized in the labour market.

As Phillips told us, it took a crisis — the polio epidemic — to really spur the growth of the council and the development of its vocational arm. Perhaps the current jobs crisis, in which thousands are consigned to involuntary unemployment and underemployment while employers paradoxically can't find the staff they need, will unleash the necessary investments in broader social enterprise development, including but not limited to those — like child care and housing — that are so critical in the transition to training and work.

There will, of course, always be vested interests who complain about tax burdens or about social enterprises competing with them in the marketplace. Phillips shared one example of a local printer who complained that as soon as the council printed one business card, it would be competing with his business, overlooking the fact that the council's training business also widens the skilled labour pool for work in his industry. Community leader Paul Wilkinson, too, commented on this tendency of some in the private sector to fear competition from social enterprises. According to Wilkinson, this is ironic since generally the slim profit margins (or non-viability on strictly commercial terms) of these socially purposed businesses mean that sensible for-profit entrepreneurs wouldn't want to do this kind of work anyway.

However, Wilkinson suggests the needs of low-income people for training or employment support such as child care are just not taken seriously by individuals unable or un-

willing to see beyond their own immediate perceived self-interest or entrenched beliefs. In any event, the public policy case for creating these kinds of partially self-financing, broad-based social and economic benefits is strong. In fact, according to Phillips, in many jurisdictions in the United States, governments have adopted preferential procurement policies to encourage and support social enterprises such as the council's ventures as crucial "on-ramps" for the effective functioning of labour markets. The inevitability of resistance, in any case, is hardly a justification to forestall innovation. As respondent after respondent told us, political criticism will greet any initiative, and criticisms of stagnation and inertia are invariably more damaging to governments. At least positive innovations generate champions and supporters and focus public debate on priority issues. As we will see in the next section, economic action is therefore inextricably bound up with educational action.

### *Affordable Housing*

Another compelling case of successful social enterprise is Quint Development Corporation's innovative housing co-op program. Like the Abilities Council's ventures, this initiative — designed to bring mortgages within reach of low-income inner-city residents — required supportive government partners. Quint developed them in Sask Housing and in the City of Saskatoon. It also required supportive financial institutions, which Quint cultivated at St. Mary's Credit Union, FirstSask Credit Union (FSCU), and Concentra Financial.

But this innovation required more than hard work and a good idea at Quint. It required board-to-board linkages, with Paul Wilkinson on the FSCU board, and many face-to-face discussions with partners. After much groundwork, FSCU and St Mary's both sponsored five houses each, on a pilot basis. Wilkinson told us that one of the FSCU's vice-presidents said it wouldn't work but bowed to the democratic will of the board. It did work, thanks to peer support and peer pressure in the housing co-ops and the painstaking support of Quint staff. This case demonstrates that democratically controlled social enterprises — even very large well-established and highly professionalized financial institutions — can make better quality decisions by adopting an open posture towards member involvement. The innovative housing co-op model has resulted in a new line of business for the credit unions in which

not a single mortgage payment has been missed. The FSCU now budgets \$2 million per year to the program. Support for this initiative recognizes, too, that investments in community redevelopment initiatives can also mitigate risk to other investments that also rely on a stable central city. Gent (2005) puts it well:

CED is an investment strategy in which asset-holders and asset-managers work with each other and with other local organizations to seek out areas and initiatives that promise long-term returns to the community's quality of life. This in turn expands market opportunities still further. Investments that enable people to get organized and seize opportunities are not "kind," they are smart (25).

Government and credit union officials alike stretched policy parameters to realize this innovation's potential. But the result has been to give over one hundred Core families the basic infrastructure for a healthy, opportunity-seeking lifestyle: a stable, affordable base for raising a family, cultivating friendships, and pursuing career aspirations. Affordable home ownership has had a stabilizing effect on their neighbourhoods, restoring neighbourhood pride, self-confidence, and some of that cohesion frayed by decades of neighbourhood decline and transience. For FSCU, CEO George Keter told us, "doing the right thing" has in fact provided a competitive advantage. Certainly, its wide range of community partnerships supports a positive brand image. But, he says, this is not a decisive competitive advantage in a marketplace where service and convenience still reign supreme. Rather, he told us, the decisive advantage is internal, because of the validation it gives to employees. Doing the right thing in the community provides workers with a stronger sense of institutional mission, gives more meaning to their work, and feeds shared values and pride at work. In an age of labour scarcity, this ability to attract and retain engaged staff is no small advantage.

### *Social Enterprise Development Infrastructure*

A missing link in the emerging social economy of the core neighbourhoods is infrastructure for forms of social enterprise development that go beyond Quint's core competence in housing development. Although Quint did pilot a small business training program that delivered

training and after-care to Core residents interested in going into business, the funding was cut after two years because policies prevented people on Social Assistance Plan (SAP) from being successful in start-ups and there was no willingness to change these policies. Eventually, Quint's Executive Director Len Usiskin told us, the board retreated to a focus on housing, where it had marshaled considerable core capacity.

Addressing this significant gap in neighbourhood recovery efforts, Carol Cisecki, former president of the Saskatoon and District Labour Council, stressed that "the best community economic development is a good job." She cited the example of the Mitchell's plant on the West Side, a large employer of core neighbourhood workers. Cisecki says that, as a union shop, employment at Mitchell's pays good wages and creates democratic opportunities for residents to build their knowledge and skills through the labour movement. Through this combination of economic and social benefit, unionized employment can help lift whole extended families out of poverty, strengthen neighbourhood stability, and build the organization and skills needed to tackle difficult problems in the Core. Cisecki also reminded us that unions are in the lead of campaigns for reforms crucial to core neighbourhoods, such as pay equity and affordable child care.

But there is a broader ambivalence towards providing traditional entrepreneurial supports in the Core. The very idea of CED, after all, is fundamentally rooted in a lack of faith in the power of traditional, individual entrepreneurship. Few seriously believe that seeding private business in an area where people have the least access to capital will contribute significantly to the scale of needs for economic and social development that are typical of distressed communities like the Core. Indeed, the Station 20 West initiative (a multifunctional development including health and community services as well as housing and a grocery store) reflects a strategic bias, instead, towards massive investment. Focusing limited resources in this way to leverage co-location and additional investments can create a significant number of well-paying jobs and also act as a meaningful development catalyst in the neighbourhood. While this innovation has met resistance from a small but vocal number of traditionally minded critics, the unique nature and scale of development needs in the Core clearly require an innovative approach to development.

Unfortunately, the lack of technical assistance infrastructure has undermined confi-

dence in proponents' ability to carry off the development, particularly the proposed independent consumer grocery co-operative. The Station 20 West concept builds creatively upon, but goes well beyond, Quint's well-established competencies in housing developments. Quint and CHEP have pushed admirably forward, learning as they go. Promoting a high community priority, food-store proponents know that if they do not take the lead, others are unlikely to step up. In this, Quint and CHEP may be viewed as the victims of lofty expectations; having achieved so much they are now expected by government and the community to be able to meet all the needs of the inner city. It's a Catch 22 and perhaps a good example of the limitations of a CED strategy without complementary access to social enterprise infrastructure.

The systematic failure to fill the technical assistance gap for emerging social enterprises leaves burnt-out staff and volunteers frustrated by the lack of information and awareness of organizational models and best practices. Unfamiliar to established professionals, new alternative service delivery options are perceived as risky — an irony not lost on social entrepreneurs well versed in the failures of traditional social policy to deal with problems of poverty, substandard housing, and social exclusion. Our discussions around the Station 20 West example also revealed that even community-based organizations contribute to the hostile environment to innovation by treating this social enterprise as if it were not based on a “real” (that is, viable) business model. Misconceptions about the financing and structure of the complex development proposal created further opposition to the initiative.

While a Riversdale business development incubator was touted as a positive initiative by one of our community collaborators, others fear this initiative may duplicate traditional business development services at a local level, leaving the service gap for social enterprise untouched. A preferable approach, it seems, would be a pluralist model like SEED Winnipeg (Supporting Employment and Economic Development), which is equipped to provide tailored entrepreneurial training as well as providing yet another window for traditional entrepreneurship. Or Quebec's Regional Development Co-operative model — second-tier co-ops that bring regional co-ops and credit unions together to manage development. Either of those social economy focused approaches would include the specialist networks and mandate to help organizers of daycare co-ops, cultural co-ops, youth co-ops, worker co-ops, and

multi-stakeholder co-ops. The benefit of a non-traditional business development organization (BDO) model would be its capacity to meet the demand and opportunity to mobilize voluntary initiative and the distinct forms of social capital available for alternative development in the Core.

These unique community assets are not available to traditional private enterprise but are key to CED initiatives and social enterprise start-ups. These resources and the mobilization capacity of groups like Quint create valuable competitive advantage for inner-city neighbourhoods in the realm of social enterprise (Porter 1998). Indeed, as Giddens (2000) has noted, “local entrepreneurs are often already active in the social sector” in inner cities and therefore provide a valuable, though often overlooked, engine for entrepreneurial leadership: “They can use their expertise to develop economically competitive enterprises as well as social ones” (116).

The reality is that without this kind of support system, social enterprises are vulnerable. In the case of the proposed retail grocery co-op, for example, it is certainly difficult to imagine a successful group of consumers learning to launch and manage an independent grocer without an experienced developer, a highly committed board, extensive board training, and solid management. Already over-extended, Quint and CHEP each plan to withdraw from the co-op as the new board assumes control. The presence of a local intermediary organization to provide intensive, hands-on support through the transition, including recruitment, group development, and the first year's aftercare, could considerably increase the initiative's prospects for success. Over the last decade, for example, Quebec's network of regional development co-operatives has expanded from five to eleven (largely underdeveloped) regions, helping local proponents create more than eleven thousand jobs in over 850 new co-operatives (Simard 2006).

While services can, of course, be contracted, we heard of a much wider need to build sustainable local specialist capacity that can also serve other, smaller-scale social enterprises such as the Core Neighbourhood Youth Co-op, Advantage IT Co-op, and Community First. All of these emerging social enterprises struggle without ready access to the kind of technical assistance that is readily available to for-profit enterprises. There is ample evidence of a desire to undertake social enterprise development in the Core. There is also a fierce voluntary

commitment to make these initiatives work. Adequate group development and technical assistance infrastructure could help realize this latent development potential.

Committing training, launch, and aftercare support to social enterprise development in the Core would also provide a particularly important missing link for Community First, a development fund that can grant loans and investments but not the crucial technical assistance. We heard repeated comments that social enterprises that face considerably greater challenges and generate arguably much broader social benefits are extended practically no support, while a veritable glut of entrepreneurial infrastructure exists for the traditional investor-owned firm.

Over time, in-house and freelance developers with special areas of expertise (in solidarity, youth, or worker co-ops, for example) could accumulate and share their learning through a social enterprise development agency, perhaps modeled on Quebec's network of regional development co-operatives or the example of SEED Winnipeg. An enterprise-focused spoke to Quint's territorial hub, it could take the lead in assisting proponents with co-operative enterprise development projects, including linking them to sectoral federations and accredited developers for intensive, hands-on assistance. Initiatives could be carried out in formal partnership with community sponsors like Quint and CHEP, or simply as a complementary enterprise development function. A social enterprise development unit could also build on Quint employment training efforts to organize "communities of strangers" around well-researched and feasible business plans, such as retirement successions of core neighbourhood businesses to worker ownership. It could roll out replications of proven social enterprise models (such as the Core Neighbourhood Youth Co-op, for example), or take on targeted sectoral interventions designed to deliver broader community benefits. For example, Co-operative Home Care Associates in New York have established a home-care worker co-op that both creates jobs in low-income sectors and puts upward pressure on the whole industry. (While home care is delivered publicly in Saskatchewan, this example demonstrates how targeted sectoral intervention can be an effective means to maximize the net effect of limited development resources on the widest number of low-income Core residents [Kriemer 2004].)

Stand-alone funding for an organization drawing from the strengths and successes of SEED Winnipeg and the Quebec co-op development network could provide important advi-

sory, planning, and logistical support to sponsoring SE organizations like Quint and CHEP. Although there are many other windows for traditional business start-up assistance, bundling this service for would-be entrepreneurs in the Core under one roof may also be advisable. This mechanism could respond effectively to local demand, redirecting unprepared individuals into entrepreneurial training circles and/or redirecting capital-poor entrepreneurs into group projects such as worker co-operatives, where sufficient capital can be pooled to greater advantage. While this pooling approach promises similar social benefits to the housing co-op strategy that has proven so successful in the Core, social enterprise requires a distinct knowledge, contact base, and skill set. Most traditional business developers (and community developers, for that matter) would have no idea how to organize a group into a worker or multi-stakeholder co-operative, for example. The expertise and models exist in Winnipeg and across the Province of Quebec, and could benefit Saskatoon.

At this stage in the redevelopment process, successful launch and retention of social enterprises will require external linkages to specialist expertise, well beyond the boundaries of the five core neighbourhoods. These linkages to other social enterprises in specific industries, or to developers with experience in specific organizational forms (child-care co-ops, worker co-ops, multi-stakeholder co-ops, etc.), are the basis for innovation transfer into the Core. Quint has demonstrated what can be accomplished by focused and energetic community economic development initiative. Unleashing the potential for social enterprise now requires a distinct, though complementary, infrastructure housed within or near the Station 20 West Community Enterprise Centre, which can link Quint's territorial base to the full spectrum of social enterprise innovation, best practice, and models.

As Len Usiskin told us, growing Quint to an appropriate scale is a concern in planning. In fact, rather than expanding the geographic frontiers of the organization to meet broader development needs, he told us, there should likely be multiple NDOs to more adequately service the scale of work that needs to be done in other areas, too. Developers need to be wary of trying to do too much or being pressured to do too much. Usiskin is the first to argue for scaling up development in the Core, but he's also mindful that "when you scale up, you don't screw up." A social enterprise development unit could advise all of these NDOs, if not the whole provincial network, as demand and resources justify.



## **Educational Action: Thinking through the Crisis**

Perhaps the fundamental missing link in the Core's emerging social economy is basic development literacy. The lack of broad public understanding of key terms and concepts such as "community economic development" creates barriers to participatory development and strategies of involvement. Professional ignorance is also widespread on CED fundamentals, particularly on the enterprise dimension — on what, for example, "social economy" and "social enterprise" actually mean. Without an enabling vocabulary and a shared interpretive framework, several sources despaired that efforts to engage the public or development partners in economic and social innovation are doomed to communication failure.

FirstSask Credit Union, which employs 220 and provides crucial small- and medium-size business financing and has an ambitious line of community partnerships, is a good example of the net benefits social enterprise can generate for a community. CEO George Keter told us that raising the level of awareness of the role and benefits of social enterprise is the first step: "The multiplier effect [of public investment in social enterprise and community economic development] needs to be communicated forcefully," he told us. "People need to understand that every community development dollar you spend makes every other dollar you spend on health and fighting crime go much further."

Keter uses the historic parallel of the Rochdale pioneers to argue that education always precedes and accompanies successful development innovations: "One of their first acts was to set up a lending library to educate and build a culture [of co-operative innovation]." Keter sees a key role here for a higher level of academic engagement: "We need a research institute to push the case, regular commentaries and impassioned intellectuals ready to address the public."

One respondent placed responsibility for the low level of public debate on politicians and the civil service: "I don't know why provincial and municipal governments don't educate people on CED," said core neighbourhood community organizer (now a city councillor) Charlie Clark. While there is a constant drumbeat for simplistic magic bullets like tax cuts, there is little coherent popular economic education on how local economies actually survive

and thrive. According to Clark, people do not embrace CED strategies because of a lack of discussion and awareness in schools, the media, or politics about the fundamental concepts of how local economies work. “We whine and cry about no jobs, then invite in Wal-Mart. We’re really shooting ourselves in the foot.” Uninformed or misinformed potential partners do not come forward to assist. Worse, they can actively subvert development efforts on the basis of their misconceptions or ignorance.

We heard of a lack of understanding (and support) in the civil service as well as a fear that the public would not understand or support initiatives, thereby exposing governments to criticism. Modest investments, for example, in the NDO program, and pilot projects, such as funding support for CNYC, have required extraordinary efforts. Rather than stimulating social enterprise, bureaucratic inertia and political inaction have demoralized and demobilized development agents. Volunteers and organizational leaders frequently felt “set up to fail” by short-term, inadequate funding. Complaints of burn-out and high staff and board turnover were the norm in our interviews. As we will see, the opportunity costs of not optimizing returns on the proven potential of social enterprise and social economy organizations in the Core constitute a significant policy and program failure, which rests largely on a failure to educate the public and civil service on CED as a development strategy, on the social enterprise model as a development vehicle, and on the policy case for social investment in vulnerable communities like the Core generally.

There is also a clear failure to engage and educate the private sector on the nature of the new global mixed economy. Although social enterprise provides new momentum for private sector growth and public sector capacity, social entrepreneurs expressed frustration that private and public sectors tend to view economic development in either/or terms and to dismiss innovations that breach those categories as ill-conceived or merely unworkable. Social economy organizations are seen as either cannibalizing or threatening to profitable markets, if successful, or parasitic on the public purse, if requiring subsidy — and thus ultimately as a drag on the economy overall. Despite the obvious contributions of established social enterprises from Federated Co-operatives Limited to Credit Union Central of Saskatchewan to the strength of the Saskatchewan economy overall, attachment to the bi-polar model is widespread. Strong public and private sector leadership will be necessary to illuminate this blind

spot to the significant, untapped development potential in the provincial economy, and to communicate the reality that social enterprise, in fact, increases the size of the pie for everyone.

The failure to achieve this level of popular engagement is, in part, a function of the separation of formal academic knowledge production from processes of community development. In part, it reflects state retrenchment. The Saskatchewan context stands in stark contrast, for example, to the Manitoba situation, where a CED committee of cabinet screens all policy, and aggressive education within the civil service has promoted the adoption of the CED lens as a policy and program development guideline. Ironically, Manitoba, which is now cited as a national leader in CED (Infanti 2003), sent a delegation to study the Quint experience.

Decisive educational leadership from the top will be key to setting clear, forward-looking direction. As Usiskin says, bureaucrats are instinctively defensive and often worry the public or their superiors are not onside with interventions that can be complex and confusing. “Elected officials can be completely on board with taking action to turn around the neighbourhoods,” he told us, “but the administration can come up with a million and one reasons it can’t be done.” Misunderstanding and a lack of confidence act as a real drag on moving from vertical to horizontal, community-based approaches.

We heard repeatedly of the fear of misrepresentation by the government’s critics, or a misstep in execution, which drives public servants to choose to err in favour of inaction. Bureaucratic drag in the present context is reinforced by the chill that the sponsorship scandal has spread through governments across Canada, a recent change in federal government direction, and by a razor-thin majority government in Saskatchewan.

Transforming government departments into learning institutions will not be easy, since budget and electoral cycles limit the time horizons of development thinking, too. We heard repeatedly about the pressures to resort to narrow measures of public benefit, to piecemeal actions that will deliver politically attractive short-term results and grab headlines, rather than long-range strategies that may not bear fruit for years. In this context, Phyllis Loeden, executive director of the Riversdale Business Improvement District (BID), told us

that public officials often react to the irresistible appeal of the “big bang” and the “quick fix,” such as call centres, aggressively marketed by well-organized and influential corporate sponsors.

Usiskin gave us another example of how clear-thinking policy can be distorted by the political communications context. He says that while the case for crime prevention through social development is a “no-brainer” to most sober-minded voters and politicians, media crime coverage can create similarly irresistible political pressure to crisis manage, look tough, and hire more police, while continuing to neglect the underlying causes of crime. “Just one outbreak of violence will trigger a moral panic and have the public and political establishment snap back into reactionary thinking,” says Usiskin. Promoting the more intellectually and organizationally demanding solutions offered by social enterprise and community development, with the often long-range and intangible rewards they offer, will require significant educational intervention in the civil service and a sustained public communications strategy.

### *Internal Education*

According to several sources interviewed, the communications challenge is not just a matter of external communication to development partners or the public at large. There is also an internal education failure that needs to be addressed. Effective community movements and social economy organizations, Usiskin says, need to be clear about their principles and analysis. In Usiskin’s view, a social movement perspective that links the struggles of isolated and distressed communities is critical to achieving CED and SE objectives. Without it, he says, “It’s just too easy to get discouraged, to fall back on blaming the victim. You need a larger interpretive framework to avoiding getting bitter and disillusioned.”

Community movement education puts CED work and social entrepreneurship, both of which can be frustrating and confusing, into broader, longer-range context for volunteers and staff. But it also helps build relationships by providing a clear and coherent sense of group belonging, shared identity, and common mission. Popular adult education, therefore, is key to building grassroots leadership and achieving community cohesion and resilience.

Unfortunately, while Quint tries to train its board and staff in CED principles and to

build an organizational culture consistent with its analysis of the Core's problems, technical training can threaten to overshadow that education work. Usiskin says that there's pressure to get things done rather than waste time in abstract philosophizing: "If we don't have clarity of thinking and purpose about what needs to be done, it's very easy to get caught up in chasing the latest government grant, something that may lead you away from the community's identified priorities."

Usiskin also says that a common "big picture" understanding, including a long-range vision and strategy for the Core among community movements and social economy partners, also facilitates inter-agency co-operation and prevents competition for scarce resources and divisions that otherwise result. "It's what gets you through the difficulties."

### *Educational Infrastructure*

Just as respondents nearly all expressed strong feelings about the unequal power vested interests have over media representations of Core life, people, and organizations, there was also strong ambivalence about the city's university and feelings of alienation from the research community. Loeden of the Riversdale BID both faulted a "disconnect" with the university and claimed the neighborhood had been "researched to death," a paradoxical position we heard several times.

Community leader Rusty Chartier spoke strongly in favour of public interest research. "We need research infrastructure. We can't allow that to be monopolized by the corporate or government sector." Chartier credited the Free University experiment as a positive alternative to the corporate service model. Like FirstSask Credit Union's CEO George Keter, Dwayne Docken, co-ordinator of the Saskatoon Urban Aboriginal Strategy (UAS), made a similar point, calling for more "solution-focused research" at the grassroots level. "Growth in the 'burbs outbids unmet inner-city kids' needs because we have no effective inner-city voice, and we have no in-house capacity [for research or mass communication]."

Charlie Clark expressed a frustration with the disconnection between the work and focus of the university community and the on-the-ground struggles of community development organizations and projects:

During the CNDC (Core Neighbourhood Development Council) process, it

really struck me how there is a whole field of academics and graduate students flying around researching and presenting at conferences on community development, and here we were engaged in a really dynamic project and we had hardly any interest or input from the academic community. It could have been really helpful to benefit from some of the resources and capacity the university has to offer.

He says there's a need to cultivate a different kind of engaged public intellectual who is able to work in both worlds, putting things in social context without getting pulled completely into the academic silos and out of the local-action context. This suggests perhaps a gap in popular education and leadership training infrastructure also needs to be filled to realize the Community-University Institute for Social Research's (CUISR) goal of research in the service of communities. As Silka (2003) has argued, there is a need for "translational research" — "research that closes the gap between studying a problem and identifying hands-on solutions" (61).

Although community experience of university research is mixed, CUISR has played an important role in rebalancing the role of the research community and reframing economic and social problems through a CED lens. That's what attracted Docken to the organization's board. A bridging institution that has adopted a "community service model" (Buchbinder and Newson 1988) to research and education in Saskatoon, CUISR has commissioned a large volume of community-based research and created internships for student-researchers and community workers to focus on problems in the Core. Quint's Usiskin, community co-chair of the CED Module, explains his commitment to the CUISR board: "I'm involved because I think building the capacity to do research that is evidence based can help inform smarter policy and help in the uphill effort to advocate for necessary policy changes." Such views suggest a need for a better-balanced approach to researcher-community partnerships.

### **Social Organization: Investing in Social Cohesion**

One of the occupational hazards of CED work is the problem of isolation and an inward focus, which can leave community developers in Saskatoon's Core unfamiliar with innova-

tions in other regions. Part of the intent of this research initiative is to accelerate the transfer of innovations across regional contexts. However, CED movements also suffer from internal isolation within their communities, which are often highly fragmented by class, gender, and race, and by traditional forms of sectoral organization that cross-cut geographic communities. In this section, we will highlight some of the difficulties of isolation, through the lens of CNYC, Community First, and Quint. We will also consider the difficulties involved with building community movement cohesion across differences. The focus is on how specific institutional domains within the social economy support social enterprise development, reviewing the co-operative sector, traditional non-profit organizations, and organized labour.

### *Isolation of Social Enterprise*

According to Charlie Clark, socially excluded Core residents experience isolation as part of their way of life. In this highly individualistic culture, housing co-ops in the Core serve an important “break-out” role in the overall community development process: “Housing co-ops create a sense of belonging, trust, and mutual support that’s really important to have the hope and strength to pick up on other opportunities and move forward.” The traditional model of top-down service delivery does not build that kind of hope, according to Clark, and can even increase the socially excluded individual’s sense of isolation and fatalism in the face of an all-powerful bureaucracy. Arguably, these isolating and disempowering effects hit vulnerable youth hardest and have the most lasting negative developmental consequences on their sense of self and hope for the future.

This is part of the context that gave rise to the CNYC, a training and employment co-operative that produces furniture by matching journeyman carpenters to young apprentices from the neighbourhood. It started as a high school recycling program but grew and evolved over the years to meet the larger needs in the neighbourhood, particularly the problem of high school dropouts. Like Quint’s housing co-ops, the CNYC also helps youth to reweave the “knitted warmth” that neighbourhood decline has frayed. Today, the CNYC extends opportunities to earn income, get training in woodworking, and earn industrial arts credits, creating an on-ramp back into the school system as well as a diversion from gang involvement.

Clark continues to serve on the board of the CNYC. In contrast to the shelter Quint's expertise provides the housing co-ops, CNYC has distinct needs that its staff and volunteer board alone must struggle to meet. It's a struggle, he says, because CNYC is isolated geographically from best-practice models of youth training and employment co-ops and expertise based in other regions. Although Clark credits the community partnership model that credit unions have adopted for helping the CNYC, he says, "We need closer ties to experts, need to tap a larger knowledge base so we can work through how best to develop without being so inwardly-focused." While technical assistance for social enterprise exists at the national level, expertise is concentrated far from Saskatoon and few emerging social enterprises know about them when they most need them: "Not many people know CEDTAP [the community economic development technical assistance program] exists. We're only now talking about using CEDTAP to get focused." CNYC is now in its tenth year.

Board members and supporters of Community First tell a similar story. Some viewed the organization's role as a financing arm of Quint's social housing work, criticizing the organization for drifting into funding small business start-ups. However, founding board member Rusty Chartier told us, "Community First was launched to assist individuals and create jobs." In this situation of ambiguous first principles, with board and management turnover and a reliance on the steadying hand of credit union staff, Chartier says, "the board lost its leadership, and it was run like a bank." A few bad experiences further frustrated over-extended volunteers and threw the organization into mission drift and identity crisis. Like CNYC, Community First suffered from its geographic distance from working models of solidarity finance (like the Jubilee Fund in Winnipeg or the full range of social economy financing instruments available in Quebec) and its bootstrap budget, which kept people lurching from crisis to crisis. Chartier's view is that Community First needs to provide mentoring as well as finances, and to act as a link to expert technical assistance as well as to money: "The approach needs to be holistic," he told us.

Given the challenges faced by the Core and the clear failure of public policy to arrest its steady decline over the decades, it might be thought that governments would be falling over backward to support these grassroots organizations. While Community First was able to play a key role in the launch of Advantage IT Co-operative, a youth training business start-



up launched to recycle computers, both organizations are ironically now in transition, collateral damage in the war on poverty that weary social entrepreneurs are waging without adequate technical support.

Unfortunately, the uphill struggles of CNYC, Advantage IT Co-op, and Community First appear to be the rule for emerging social enterprise and social economy organizations in the Core. Indeed, veteran community leader and a key organizer of Quint, Paul Wilkinson, told us, “Quint has had a hell of a struggle to survive.” Yet, FSCU’s George Keter could hardly say enough about Quint’s exemplary and worthwhile work: “Quint is the gold standard for community partners. The organization has stable governance that is persistent over time. It has strong community support. It has a good mix of grassroots and expertise. And it has a very capable executive director to provide sound leadership. Quint has a track record of consistent success and has built its own infrastructure.” This level of understanding, appreciation, and support from a significant player in the local economy has been key to the successes achieved in the Core — a key means of combatting lukewarm government support, overcoming persistent barriers, and changing the climate for social enterprise development.

### *Social Enterprise and the Co-operative Sector*

Innovations at FSCU might well be described as the gold standard for CED approaches among established co-operative and credit union organizations, too. As Keter explained to us, FSCU provides meeting space (including catering lunch) and secretarial support, extends volunteer days in lieu for its staff to help out, and gives small grants to its community partners. “Size also gives FSCU leverage to lend,” he told us. “We can help get meetings with key decision makers.” Like a handful of other next generation credit unions across the country, including VanCity and Assiniboine, for example, other local co-operative and credit union organizations have a lot to learn from FSCU’s path-breaking experience in recent years.

But, according to veteran community leader Rusty Chartier, “co-ops have lost their way.” Chartier expresses a sentiment we heard repeatedly, both from people inside and outside the co-op and credit union sectors. These popular democratic organizations launched to build stronger, more equal communities have been “colonized,” to borrow Chartier’s term,

by the corporate values of management personnel uncommitted to co-operative principles. Instead of situating themselves in communities and in a context of community need, the critique runs, they're caught up in a marketplace that reduces communities to a mere agglomeration of consumer segments and renders co-ops indistinguishable, in practice, from investor-owned firms.

Keter admits that community partnerships meet resistance in the credit unions. "It's a difficult time to negotiate. Change is cascading through everything you're trying to do [in the financial services industry] ... and people feel overloaded." With the focus on the highly competitive operations side, particularly with the changing merger environment, Keter says, attention tends to drift further away from democratic structures and principles. Managerial ambivalence is so widespread, he says, that some even argue managers should be able to directly appoint experts or define director skill sets that screen out board candidates. "There's a BC Credit Union that hasn't had an election for twelve years because of its closed nomination committee," he told us.

In the Station 20 West case, we heard about the voluntary contributions of grassroots developers doing their best in unsupportive circumstances to express their co-operative values by seeking a co-op-sponsored or -supplied store, but without any significant technical assistance or financial support from the established co-op sector, the local co-op network, or the provincial co-op apex organization, the Saskatchewan Co-operative Association (SCA). University institutes such as the Centre for the Study of Co-operatives and CUISR are only beginning to learn and practice the role campus-community research alliances may play in development. Involvements of key co-operative organizations like FSCU, the Co-operators, St. Mary's CU, and Concentra, however, create hope for a broader co-operative alliance of support for social enterprise development.

Paul Wilkinson says the real challenge for co-operatives in community development is to "broaden their frames beyond the institutional frontiers of uni-functional co-ops." FSCU's community partnerships connect meaningfully with the larger social economy and with multiple community development objectives. Ratcheting forward social enterprise from housing to youth programming, FSCU is a good example of what the larger co-op and credit union sectors could achieve together with their natural community partners. By contrast, he

says, “Most co-ops are still steeped in the charity model. Most look at the marketing case rather than real partnerships.”

Wilkinson felt so strongly about the role of co-ops in community development that he quit his teaching job at the Saskatchewan Indian Federated College (now the First Nations University of Canada) at the age of fifty to do doctoral research on the Evangeline region in Prince Edward Island, where the local co-op council drives regional development. Does he see a similar potential in Saskatoon? In a word, no. While the Saskatoon Co-op Network provides important educational and social networking through its occasional luncheons and could play an important role in educating the sector on social enterprise and CED, Wilkinson says it was not set up with development objectives in mind and is not a priority to senior management. The network is badly attended, primarily by middle-management staff assigned to keep it going, and the occasional board member. The problem is not network representatives or leadership, he says. The problem is the individual participant co-ops: “They’re mostly uni-functional co-ops that do not see community development or new co-op development as part of their mission,” he told us.

According to Wilkinson, engaging established co-ops and credit unions in social enterprise and community development is a tough job. Even at FSCU, where he served as president and continues as a director, he says there is a need for vigilance: “The profit motive and competing in the marketplace always pulls organizations away from community building.”

#### *Social Enterprise Development and the NGO Sector*

Like co-ops and credit unions, which tend to relate more to their sectoral organizations than their host communities or local emerging co-ops or other social enterprises, the non-profit sector also tends to view itself in sectoral terms, feeling little in common with other community-based organizations such as co-ops, for example. But NGOs are also isolated from each other by state funding mechanisms that force them into competition for scarce resources. This process undermines the basic trust, norms of reciprocity, and social networks, or “social capital,” which connect community agencies (Coleman 1988). These social relationships are central to their work, so a competitive funding mechanism that systematically depletes that social capital will obviously have counter-productive effects on social enterprise in this sector.

Quint's Usiskin says the practice of issuing RFPs (Requests for Proposals) erodes social cohesion among local non-profits who should be working together. It discourages openness, trust, and collaboration, and squanders considerable potential for synergies. Co-operation, he suggests, needs to be anchored in clearly shared interests. Without that sense that "we're all in it together," funding competitions foster mistrust and undermine risk taking, alliance building, and joint action. Instead of developing partnerships, NGOs become isolated and besieged. Instead of sharing information, resources, and aligning efforts, the incentive is to build fortified defences, hoard resources, and accumulate more authority and prestige than funding rivals.

Competition, secrecy, and resentment of other organizations replace open, constructive working relationships. We heard ample evidence in our conversations in the Core of the negative effect this competitive funding culture has had on grant-dependent community organizations.

Of course, not all Community-Based Organizations (CBOs) lack inter-agency trust. Many have developed strong board linkages and working relationships. Joyce Phillips gives the example of the Abilities Council's referral relationship with other organizations like Radius, which helps people achieve their Grade 12 equivalency. Given the typically small pool of highly committed and over-extended volunteers, any of the community organizations discussed thus far is also likely to interlock at the board level with a good dozen other community organizations. Donna Heimbecker, executive director of the Saskatchewan Native Theatre Company (SNTC), told us, "Three quarters of our board members are also active on other community organizations' boards." In fact, it seems also that it's this larger aspiration to reach beyond their present capacities that brings these groups together, that encourages them to take risks, stretch their institutional mandates, re-pool their resources, and put their trust in each other. As Heimbecker put it, "Board linkages are important because our directors act as ambassadors for SNTC's work to other organizations."

Dwayne Docken of the UAS discussed other perverse effects of government funding. The tendency to short-fund voluntary initiatives, he says, burns people out and exhausts energies. Yet serious development work takes years to show benefits: "Serious work requires serious provincial and federal funding. Not one NGO that has lasted has done it without stable

funds.” Like many innovative social enterprises that do not fit neatly into the non-profit box, SNTC is routinely short-funded by arts funders, receiving only \$25,000 annually from the Saskatchewan Arts Board (compared to the \$100,000 it grants Saskatchewan Express, for example). Heimbecker told of being lectured by fund administrators that SNTC should abandon its training and CED mandate and just focus on being a traditional theatre company that would better fit its program guidelines. “You have to be one or the other,” she was told. This neither/nor trap is a common problem for social enterprises routinely denied business financing due to their non-profit status or social mandates, and denied grant funding because of their revenue generation efforts or because they are incorporated as for-profit co-operatives, for example.

Governments’ preference for project-funding rather than core operational funds, and rigorous reporting requirements, were also recurring complaints. Heimbecker told us that grant-writing and reporting is a serious activity trap for SNTC. She told us that she spends half of her time fulfilling reporting requirements, often cobbling together funds from three or four sources, each with its own reporting requirements, for one project.

Of course, a precariously funded sector is also a sector that is plagued by precarious employment. “There’s no job security in the sector. CBO people can be here today, gone tomorrow,” the UAS’s Dwayne Docken told us. With no pension or benefits, social enterprises face serious development problems, not simply because it is hard to attract and retain capable staff, but because it also takes time to build up knowledge, skills, and relationships. Revolving door employment is hardly likely to support strong, high-trust, or high performance relationships. Social enterprises in the NGO sector have a difficult time building capacity because staff and board turnover continually depletes human capital and social capital stocks.

While government funds fail to keep pace with increasing community needs, public policy has also failed to put social enterprise infrastructure in place to assist enterprising non-profits that want to diversify their revenues by developing profitable businesses with social purpose. The NGO sector has, in large part, been cut loose without a safety net.

*Social Enterprise and Organized Labour*

As we have seen, co-ops and credit unions have a tendency to regress into less democratic forms, ultimately into what have been called “frozen co-ops” (Fairbairn et al 1991, 37). Similarly, trade unions can retreat from “social unionism” into narrow collective bargaining or “bread and butter unionism.” Like the frozen co-op, the uni-functional trade union withdraws from larger tasks of community and social development into its own “operations-side” or sectoral subsystem. This tendency to disengage community and broader social movements in favour of the pull of the “trader” or “bargainer” role poses an ongoing challenge for social entrepreneurs and community developers. It also makes the adoption of a movement perspective to engage partners crucial to the success of alternative development.

But there’s another wedge that isolates community organizations from organized labour, says Carol Cisecki, a veteran Saskatoon trade unionist. “Working people are too busy between union work, paid work, and family to find the time and energy for additional community-building work.” But when trade unionists are able to get involved, before they have kids or after the kids have left the nest, Cisecki says they have important skills to share. “Unions are a key development mechanism for training leaders” who can then put their democratic organizing skills to work in the broader community, she says.

Trade unions are, however, often unwelcome partners. For one thing, charitable organizations frequently depend on the goodwill of wealthy benefactors, who are least likely to support trade union involvements. The greater propensity of owners and managers to dominate leadership positions in traditional charitable organizations also gives their biases disproportionate influence. Even community development practitioners who are union members have to keep their affiliations discrete and labour at a safe distance for fear of tainting their initiatives by association.

This disengagement with the trade union movement is not only classist, coercive, and exclusionary, but also completely understandable in the unequal context of contemporary Saskatoon, where groups can ill-afford to arouse or antagonize the local business establishment. Nonetheless, leaving this alliance undeveloped is also profoundly counter-

productive. After all, labour investment funds have channeled millions into social economy financing and infrastructure in Quebec. The lack of that kind of financial and political leverage has taken an important option off the table for victims of plant closures in Saskatchewan, for example. It has also deprived CED efforts in the core neighbourhoods of desperately needed resources that the labour movement might help marshal. Ironically, Core merchants are among the net losers.

Many politically mature trade unionists understand and respect the difficult strategic position of CED and SE organizations, offering their time but keeping their union affiliations discrete. However, the tendency to either exclude trade unions or keep them in their place disempowers working people who might otherwise contribute more of their time and financial resources to CED and social enterprise development. The exclusion of the organized working-class element also reinstates the “middle-class missionary” model of community development in which professionals — one degree further removed than many unionized workers from the realities of the working poor — act out of charity, where the solidarity ethic of working people might in fact prove more empowering to their neighbours. Shifting perceptions of trade unionists from folk devil status to attractive development partners is no small challenge, since it is based on entrenched attitudes and vested interests that prefer to exclude unions than partner with them.

Carol Cisecki currently works as the Labour Community Representative for the FSCU, a position she tells us is unique in Canada. Reflecting the shared values of the labour and co-operative movements, the position was developed after discussions among the United Food and Commercial Workers (UFCW), the Canadian Labour Congress, and the FSCU. By taking trade union banking seriously as business and specialty, the FSCU mobilizes working people’s savings for community, she explains. Like strategic reinvestment of pension funds in line with social and community development objectives, the deposits of the city’s trade unions constitute a significant investment in the community. That innovative accord helps finance FSCU’s other community partnerships.

### **Social Inclusion: Race and Reconciliation**

Perhaps the greatest challenge to effective community-led development in the Core is the city’s long-standing and deeply entrenched racial divide. The failure of the Core Neighbour-

hood Development Council (CNDC), an effort to bring together Aboriginal and (formally) non-racialized community organizations, is instructive.

The formation of the council in 2001 sprang from noble intentions. It sought to identify long-range development objectives for the area and to broaden the base of citizen and organizational input into neighbourhood renewal. The CNDC also emerged alongside a flurry of research and planning activity in the neighbourhood. A reflection of citizen and community empowerment and pent-up energies for development, it was as if a sleeping giant were stirring from a long slumber and was straining for clarity on where she was and what was going on around her. Much of this work also had a disconnected character to it as researchers, citizens, and policy-makers alike strained to come to grips with the new development realities in the core neighbourhoods.

The CNDC's strategic planning process was an effort to pull this material together and to unite the broader community as well. The neighbourhood mobilization included focus groups on various initiatives, phone surveys, mapping exercises, visioning, and even an ambitious community congress that featured instant, electronic voting.

A suggestion that CNDC might be an appropriate funnel for the deployment of funds in the Core was a signal to established Aboriginal organizations that the non-Aboriginal CNDC was, in fact, a funding rival. While some of our sources say the CNDC never sought the funds and that any misunderstanding might have been resolved easily enough in better circumstances, underlying deficits of trust, understanding, and cross-cultural skills in the Core allowed the suggestion to become a lightning rod for free-floating anxieties. Both the Central Urban Métis Federation and the Saskatoon Tribal Council withdrew from the CNDC. Without the main Métis and First Nations players at the table, the effort to build a multicultural coalition was abandoned.

From Charlie Clark's perspective, the failure was based on cultural and funding realities. Culturally, he says, the core group of the council was attached to a "Western model": "People need to be able to step away from the White Way, the fixation on agendas, and meeting culture. White people tend to have a very strong task focus and are reluctant to take the time for relationship building." While most over-extended CBO staff and volunteers are



busy and have an understandable “fear of losing momentum,” Clark says it’s important to make time to slow down, get to know each other, and listen to each other for work to build on a solid foundation of trust.

In the case of the CNDC, however, key Aboriginal organizations were difficult to bring to the table, or were inconsistent participants. In part, Clark says, this may reflect the facts that they were already overextended, that so many non-Aboriginal organizations were scrambling to recruit “Aboriginal representation,” or that they had nagging apprehensions about working with the group. In any event, not everyone was included in the start-up and relationship-building work. Being brought directly into tasks may have led to a perception that Aboriginal people had a token role. The council process, therefore, may have merely affirmed deep-seated suspicions about working with white people.

Any number of things could have tapped that underlying mistrust. In fact, as the CNDC experience was unravelling, the city was in the grips of the Starlight Tours policing scandal (Reber and Renaud 2006). In a sense, it’s an amazing accomplishment that the process got as far as it did in such a highly charged and racialized context. “Other community conflicts like policing certainly bled into and undermined the CNDC,” Clark told us.

“The community needs to find different ways of working together and different ways to achieve good, authentic dialogue,” he said, pointing to the Saskatchewan Native Theatre Company as an example of the kinds of stories that need to be told and heard, to lay the basis for real inter-cultural relationship building. “We need champions and bridge builders,” he says. “We need not to create dichotomy. Many people are in the middle. We need to see each other as neighbours.” Unfortunately, bridge building is not easy work. Even Clark, who has a degree in conflict resolution and serves on city council, admits, “I’m gun shy. I don’t feel I have the skills.”

While cultural deficits may have prevented the conflict from being effectively resolved, inter-agency competition over scarce funds was obviously at the nerve centre. “These groups are all in competition, in a sense, over a common funding pot,” says Clark. In this case, “white groups were perceived as horning in on resources and taking credit for community achievements.” As the most high-profile, cross-cultural player on the West Side, and the

group that had, in fact, leveraged the resources to facilitate the process, Quint was particularly vulnerable to criticism. “Quint’s initiating and administrative role with CNDC created some legitimate territorial concerns.” Despite Quint’s cross-cultural mandate and considerable contributions to desegregating the Core, its central role also turned the organization into something of a red flag for broader, community-wide grievances and resentments against “white organizations.” Similarly, we heard criticisms of the Saskatoon Tribal Council for inconsistent attendance and unwillingness to “work things out,” or even return phone calls. Clearly, damage to working relationships was significant.

The “halo effect” lingers as Quint has struggled to move on to other positive partnerships in the community in the wake of the CNDC. For example, while one piece of work prioritized by the CNDC was food security, the representative of an Aboriginal group that pulled out of the council complained to us that the Station 20 West initiative, which will have a food store, did not include Aboriginal groups. Similarly, we heard criticisms of the province for investing \$150,000 in the Riversdale Business Development Incubator. “They never asked the Aboriginal community,” we heard. Clearly, in a context of scarce resources and competitive tendering for proposals, relationships are bound to be undermined.

Dwayne Docken of the Urban Aboriginal Strategy provides one perspective. Involved with one of the groups that pulled out of the CNDC, he told us much of the city’s development infrastructure is simply not inclusive of Aboriginal people. As an example, he cited the equity gap. “Loan guarantees are scary to low-income people,” he said. There is a need for soft-development group work to level the playing field and to find ways to pool resources, he says. “Aboriginal people won’t go to SREDA (Saskatoon Regional Economic Development Authority). It’s scary, over their heads, hard to understand.”

Docken told us there were too many program and service gaps. But, despite the intimidating scope of community needs and inter-agency distrust, he remains hopeful. Already the president of a daycare, he is also a board member of CUISR, and co-ordinator of the Saskatoon UAS, which has brought together First Nations and Métis people and is involving him in efforts to rebuild the basis for a Core-wide organization, a social planning council. “There is a need to give groups like CNYC more concerted support,” he says.

If successful, a regrouped Core-wide initiative could mark a fresh start, bringing together the considerable energies of Aboriginal and non-Aboriginal organizations — another crucial step to community empowerment and an important opportunity to set a more respectful and inclusive example for the broader community. Social enterprise development to meet service gaps and create employment could prove an important unifying focus for cross-cultural work in the Core.

### **Social Communication: Culture as Development Engine**

The experience of the CNDC is also a powerful demonstration of the importance of the so-called soft side of development: the social, interpersonal, emotional, and cultural dimensions of community development. Inattention to this side of people-based development, as we have seen, can have excessively negative consequences for vulnerable communities.

But, ironically, George Keter is hopeful for the Core's prospects for precisely this reason: its cultural strengths and resilience. "Saskatoon has been described as Canada's biggest small town," he told us. "Community economic development ideas are already organically part of the civic culture. There is an understanding that neighbours need help, and there's a willingness to volunteer. It's fertile soil for the CED conception," he says.

Keter reminded us, too, that in the development stages of the credit union and co-op movements, communication and cultural work always loomed large. Of course, there were technical and financial tasks to attend to, and many, many meetings, but co-op organizers always took building movement and cohesion very seriously: "The co-op movement had a huge social component. Alongside every major task, there was always a dinner and a dance in the old days." Paul Wilkinson argued, similarly, that "while there is a strong community consciousness in the Core, it needs to be deepened and widened."

We heard repeatedly that the media are part of the problem, in part because they control politicians' public image and political fortunes. In fact, Rusty Chartier told us the city's media are THE biggest obstacle to progress. Clark says that the media play a key role in shaping public perceptions, but that it tells a fragmented story of crime, poverty, and race

relations and does more to reinforce stereotypes and fears than provide thoughtful and coherent analysis. When asked for examples, he recited a list of stories in that week's daily newspaper coverage that were implicitly anti-worker, anti-West Side, while portraying Aboriginal groups as a threat. Of course, alternative visions for the Core emerge from personal networks. But we heard from other community sources that they are bottlenecked by a press corps that either doesn't understand, doesn't care, or doesn't care to give a public hearing to groups it considers naïve, anti-business, left-wing, or somehow "self-interested."

"We're always frustrated by negative stories being sensationalized and reinforcing how terrible it is in the core neighbourhoods," Quint's Usiskin told us. There was a widely shared view that media coverage tends to undermine community organization and the confidence and morale of neighbourhood organizers, volunteers, and residents. It's also a brake on enlightened public policy, as politicians and the people read the same newspapers. Politicians know that that's where the public gets its interpretive frameworks. Largely, it is the media that shapes whether the public will come on side with government initiatives to support social economy initiatives. Preventive social development may make good community development practice and a good investment of public dollars, explains Usiskin, but it doesn't grab headlines and shape people's feelings, prejudices, and understanding of the inner city, its problems and potential. The aggregate message in mass media is that the Core is unsafe and that redevelopment efforts are as virtuous and hopeless as Mother Theresa's work in the leper colonies.

"Corporate media have their own agenda and have their own biases towards certain public policy preferences," says Usiskin. "Journalists, like a lot of professionals, also lack the critical analysis they need to put things in perspective. We have the same problem with teachers who don't understand classroom problems are a symptom of the bigger problems in the neighbourhood and wind up blaming the victims. We have doctors who don't see poverty as a driver of diabetes."

Usiskin was not alone in his frustration. Carol Cisecki, labour council president and community volunteer, dismisses the media as "a sensationalist way to make money." Mass media were repeatedly blamed for a lack of social responsibility and systemic bias, both in their news-reporting and editorializing on Core issues.

Dwayne Docken of UAS told us he gets “frustrated by the negativism of media coverage every day, every single day.” He also resents the fact he has to resort to “marketing ploys to get their attention.” The SNTC’s Donna Heimbecker raised a similar concern, asking “where is the Aboriginal component in the city’s centennial celebrations?” Equally frustrating, Docken points out, CBOs have little ability to talk back to the very large megaphones held by the media monopolies. “I don’t have a communication department,” he told us. “There are ten thousand tasks in a non-profit, just to keep the wheels turning!”

Charlie Clark’s experience with CNDC led him to the conclusion that “there needs to be a different story told. Cultural enterprises like SNTC are helping to tell them and are challenging stereotypes.” For Clark, the voices of the Core’s youth, too, are often lost in the media clamour: “There needs to be a place for Aboriginal youth in this city and a sense that there’s excitement and respect for them in this city. Youth need to be involved instead of just surveilled.”

Ironically, while mass media stereotypes and hyped crime news project menacing images of Core youth as drug dealers or gang members, “respectable” older men from outside the Core continue to prey on young girls in those neighbourhoods in alarming numbers (MacDermott 2004). Although exponentially more scandalous, the sexual exploitation of vulnerable children is under-reported. As a result, the much greater menace of adult men who sexually exploit children remains largely a topic unfit for polite company. Ironically, while media typecasting incites backlash against poor and Aboriginal residents of the Core, justifying punitive tough-love welfare and crime policies, a culture of silent permissiveness prevails for sexual predators.

Certainly, dialogue and cultural engagement are key to working through Saskatoon’s deep race, class, and gender divisions. Yet, despite its importance as a counter-balance to systemic media bias, Heimbecker says “arts funding is always the first to go in periods of retrenchment.” The arts are also a risky and unstable place to work when arts groups raise touchy issues that trigger backlash from dominant groups. She shared one example — the story of a play on homelessness. The company staged it as part of a youth involvement and outreach strategy to build awareness, break down misconceptions, and empower and engage youth-at-risk. SNTC became a moving political target. The opposition party protested spend-

ing homelessness money on something “frivolous” like theatre. For Heimbecker, the incident not only demonstrates the vulnerability of community-based cultural enterprises, but also the failure of many people to validate arts as more than mere entertainment and to “get” Aboriginal CED or to “get” the role of culture and the arts in CED.

Yet, even many traditionally minded Riversdale merchants recognize the role of culture in redevelopment, viewing groups like SNTC, PAVED (an artist-run centre for photographic, audio, video, electronic, and digital art), the AKA Gallery, and the newly renovated Roxy Theatre as the leading edge of their business district’s rejuvenation. Phyllis Loeden of the Riversdale BID told us that one of the primary mandates of that organization was to “reverse stereotypes” of the neighbourhood. She places great stock in the fact 20th Street is a “cultural corridor,” since arts groups are attracted to affordable properties and diverse neighbourhoods. When the historic Roxy Theatre was restored, Loeden says her members rallied behind the production of *Two Gun Cohen*, a community play performed at the theatre’s opening.

### **Political Action: Building Social Enterprise Constituencies, Policies, and Programs**

The overall co-ordination failure that besets inner-city communities like Saskatoon’s Core is clearly multi-dimensional. But while many of our collaborators had keen insight into the complexity of the community’s problems, few were satisfied with the efforts of public policy-makers. Almost all our respondents railed against state failure to respond to *overwhelming evidence* of need. Almost all resented that opportunities for scaling-up development posed by successful grassroots innovations and capacity-building efforts were not seized. Government officials and politicians were often criticized for their isolation from contemporary thinking in the field and for being out of step with the trends and best practices elsewhere. Many expressed anger and demoralization that turning around the Core just didn’t appear to be a priority for governments. Some confessed embarrassment that Saskatchewan was being left behind by more innovative governments in Manitoba and Quebec.

Paul Wilkinson pointed out, for example, that, while large financial institutions like

the Co-operators and FSCU give annual grants to Quint, “the province doesn’t seem to understand CED, treating it like the poor relative of private enterprise.” The sense of gridlock is so utterly pervasive that FSCU’s George Keter argues that Core development advocates should consider direct action. To get the concerns of the Core to the cabinet table, he said, “CED advocates should strategically support six CED MLAs with dollars and volunteers.”

For many, the problems begin with the former Department of Social Services (now the Department of Community, Resources and Employment — DCRE). Charlie Clark says, “DCRE is only concerned with labour market attachment, and any job will do.” Paul Wilkinson, a former senior civil servant with DCRE agrees: “Social workers have been turned into financial control officers, not community developers.” He mourns the fact that an assistant deputy ministers’ Committee on Poverty Reduction did not receive the oversight and direction from executive council and the cabinet that was required and simply became inactive, dying a slow death.

The grassroots appear to be ahead of government on the need for policy modernization. This case demonstrates a clear need for parallel and distinct entrepreneurial infrastructure to service the specialty needs of emerging social enterprises facing a hostile environment. All organizations reviewed in this case are held to single bottom-line standards, even as mainstream business conventions move towards triple bottom-line accounting (Quarter, Mook, and Richmond 2002). All cases are social economy pegs in investor-owned firm (IOF) holes and encounter difficulties in accessing IOF-tailored programs and services as a result. They are neither IOFs nor traditional non-profits and therefore often fall between the cracks, despite the fact that they generate both economic and social benefits. This lack of an enabling policy and program framework is a severe constraint on development innovation and initiative.

As Wilkinson puts it, “The department [Industry and Resources] is really the department of private enterprise, but there is no department of Social Economy. We really need a cabinet secretariat for the social economy to put that into place.” Filling that gap will never happen if it is left to the bureaucrats, according to Wilkinson. “We also need a social economy equivalent of the Chamber of Commerce to organize that constituency,” similar to Quebec’s Chantier de l’économie sociale (Neamtan 2005). Politically speaking, Wilkinson

says CHEP and Quint had difficulty obtaining provincial funding for Station 20 West because business argued that assistance to the development and the co-op grocery store it would house would create an unlevel playing field for private business. Wilkinson hopes a Saskatchewan branch of CCEDNet (Canadian Community Economic Development Network) will begin to shape a lobbying voice for the social economy in Saskatchewan.

Wilkinson has likely done more thinking and working on the problem of redevelopment of the Core — and from more angles — than anyone over the years. His arguments are compelling. Over a thousand kids in Saskatoon are not going to school: “We need a massive intervention. CNYC does great things, but with twenty to thirty kids.” According to Wilkinson, tackling the youth crisis in the Core and diverting kids from gangs requires much, much more than token measures or half-measures. “Working at this scale is like draining an ocean with a teaspoon. We need to scale up.”

Len Usiskin agrees. He’s not naïve about the difficulties in scaling up ten times or twenty times provincially, but he says that’s the kind of intervention that’s really needed. “We’re conscious of the problem that if you scale up, do you screw up, and it may be necessary for an organization like Quint, for example, to re-evaluate its boundaries and to decentralize to a number of community development corporations in Saskatoon.” But, Usiskin says, community needs are increasing and so must efforts to meet them if a Core turnaround is going to be meaningful.

Charlie Clark says the apparent failure of government to see the forest for the trees reflects its “checklist vision,” an approach geared to keeping powerful interest groups happy rather than a “coherent CED vision” that could really tackle the problems afflicting the Core. The lack of action on Core priorities, he told us, was based on a defensive, even deferential, posture towards the business lobby, and a feeling of vulnerability to criticism that we’re a socialist backwater. All of this, says Clark, makes the province reactive and defensive in its policy making. “They need to pay attention to Central America and Europe, not just the US and Alberta,” he says.

Frustration with bureaucratic inertia in government was a consistent theme. Paul Wilkinson recounted his experience as a civil servant being instructed by a government



manager “not to raise expectations,” an operating principle that he told us was pervasive in government. From a CED perspective, of course, any kind of community mobilization is doomed if people do not have hope that they can meaningfully transform their circumstances. The bureaucratic logic of lowering expectations ran directly counter to CED efforts.

Another recurring theme in our community dialogues was government risk-aversion to investing in communities. “Government tends not to move until forced by public opinion,” Wilkinson also told us. “Rather than playing a leadership role to assist people to identify and organize around their needs and issues, bureaucrats tend to be reactive.” According to Rusty Chartier, “Politicians are risk-averse and need to be single-minded.” As one cabinet minister joked recently, “It helps in government to be a bit of an idiot-savant to keep your focus.”

Paul Wilkinson swam against the current in government, along with a few other Saskatoon civil servants who wanted to see something happen and were willing to take risks. “We got Quint off the ground by translating what we were doing into bureaucratic language and by being willing to stick our necks out.” Wilkinson, now retired, said it’s a real struggle for civil servants who want to make change. He told us that innovators in government must understand that their actions will not likely be popular with their supervisors, who generally prefer bureaucrats who don’t rock the boat.

Despite this hostile climate for innovation, Quint did emerge; it formed the basis for the NDO program and many innovative social enterprises followed in its wake, demonstrating the hardiness and resilience of the CED model. Station 20 West is another marker of the possibilities for enlightened public policy. As Usiskin told us, in addition to the sixty units of affordable housing made possible through SaskHousing, several public agencies are also anchor tenants. The Saskatoon Public Library and the Dental College outreach facility are both good examples of the positive role public enterprise can play in social and community development.

A large number of people we spoke with in the Core agreed that their social enterprises or CED organizations have distinct constituencies, needs, and structures that are seldom understood by traditional business development organizations. Established economic

development specialists, both private and public, seldom bridge the knowledge gap to CED or the new social economy framework. This results in huge “opportunity cost” in lost potential job creation, economic activity, social benefits, tax-take, and direct public costs in EI and social assistance. We were told repeatedly how efforts to develop a pluralist economy are systematically undermined by fundamentalists of both private enterprise and public enterprise faiths. Both share a belief in a cookie-cutter model that sees either the investor-owned firm or government programming as the appropriate model for all development. Frequently, too, we were told groups such as Regional Economic Development Authorities bandy about the term CED when their interest is really in investment attraction, siting traditional economic development in the community. Little more than a marketing flourish in favour of business as usual, this stands in stark contrast to authentic CED, which is fundamentally based on mobilizing disadvantaged groups generally excluded from traditional investor-based entrepreneurship, i.e., the development of the community (Fairbairn et al 1991).

Clarity of political vision, we heard, is frustrated in many ways. It is fragmented by departmentalization, which separates social and economic development responsibilities into vertical silos separated by great chasms. It is rendered short-sighted by bureaucratic reporting and election cycles that favour mega-projects that deliver fast, clear results. And it is narrowed by entrenched routine and organizational cultures that resist innovation. Many public servants remain attached to traditional service delivery models, to the bureaucratic silos that have evolved in step with those models, and with the pervasive priority of cost-containment in program reform.

According to Quint's Usiskin, this “business-as-usual” paradigm comes with a high price tag:

The cost of under-investing in CED is increased crime, increased policing expense, increased court expenses and increased incarceration costs. It's increasing preventable health costs, driven by poverty. The health system is flooded with diseases of poverty like diabetes, AIDS, and tuberculosis, and injuries from violence. It means increased costs of youth programs to reach out to kids who drop out, to get them back on track with training and get them employment-ready.

For Usiskin, CED is an investment in social prevention (Findlay and Weir 2004), while most public expenditure is spent on crisis management because earlier administrations also failed to invest proactively. He uses the example of Core youth who are pushed, or drop, out of school. “People are genuinely concerned and they do see the benefits of programs like CNYC, but it’s still unstably funded from year to year. The reality is that there should be thirty co-ops across the core neighbourhoods, co-ops kids can get to conveniently; not just one.” It’s a vicious cycle, says Usiskin, and it’s bad economics, too: “The research is clear on this. A dollar spent on prevention of social problems saves seven dollars in downstream social costs. And there’s a lot of lip service to investing in prevention, but when push comes to shove, we’re told we need more cops on the street, we can’t divert frontline resources and needed technologies from hospitals, etc.”

The failure to be open to CED innovation is also a leading part of the failure to adequately inform, educate, and train communities to effectively execute the responsibilities involved in starting up and operating a social enterprise or social economy organization. Part of the problem, we heard from several sources, was a perceived unwillingness to move confidently and decisively. Owing to a lack of information or a fear of embarrassment, bureaucratic and political reservations resulted in half measures, typically short-term pilot funds. This failure to fully address the specific education and training needs of non-traditional enterprises leads them into predictable difficulties that are then used as a pretext for not supporting the model. Two examples from our discussions include mission drift at Community First and Quint’s general failure in new enterprise development, which has seen the organization fall back to its core housing-development function when faced with barricades to forward movement. The training and education gap has also led to countless missed social enterprise development opportunities.

Ironically, Quint’s future funding prospects seem far from secure, given the incapacity of provincial policy personnel to come to terms with the innovative model. Jurisdictional disputes over whether the program is more effectively administered through the Community, Resources, and Employment Department or the Industry and Resources Department is symptomatic of the inability of entrenched bureaucracies to realign in support of emerging co-op and social economy needs and potentials. Instead, this essential program seems to be at risk of being orphaned by two parents equally disinterested in its custody.

In any event, the bureaucratic desire to label Quint as either an economic or a social development initiative, so that it might be administered by “one master,” provides a disturbing insight into the incapacity of government to effectively respond to CED and social enterprise innovations. The result of failing to reconcile Quint’s multiple bottom lines with the line departments’ singular mandates reflects a deeper and more troubling reality — that the bureaucratic solution is not to innovate themselves but to drive out or de-fund the innovation. Such disturbing back-stories do not reassure frontline innovators and can only act as a distraction to and brake on their development efforts.

While the recent departmental realignment creating Regional Economic and Co-operative Development seems encouraging to some, it also appears to have a strong rural bias in an apparent re-fit of a department previously named Rural Development. Discussions of a proposal to create a Co-op Development Centre are also hopeful, but sketchy to people who are actually doing development work. It may be that the only real and lasting solution to breaking out of the bureaucratic impasse over the future of NDOs and the inertia endemic to established state structures is to create, as Paul Wilkinson proposes, a provincial Social Economy Cabinet Secretariat, which would lay the groundwork for a sufficiently specialized and focused Social Economy Ministry.

Illustrative of the need for specialized policy, programs, and expertise is a story told by SNTC’s Donna Heimbecker. In this case, the restrictive practices of one agency denied funds to assist Aboriginal youth to tour all of the home communities of the youth participants (in this case, the actors), a feature of the program that apparently took the funded contribution of the agency outside its bureaucratic boundary. The combination of a relatively mature, well-focused organization willing to decline the funding rather than undermine the intent of its programming and an open-minded and respectful civil service salvaged the funding and the initiative. An innovative solution to the needs of Aboriginal youth to work through social issues (including the reality on-reserve, productive employment, trade-training to prepare for successful integration in the community, and financial contributions to their families) was only rescued from absurdly restrictive program requirements by extraordinary measures. Most conflicts of this type, of course, do not have such happy endings.

## CONCLUSION: BEYOND THE CRISIS

**T**HE CASE OF THE CORE NEIGHBOURHOODS' SOCIAL ECONOMY is both a success story and a story of tragically missed opportunities.

On the one hand, against overwhelming forces of suburban sprawl, globalization, social spending cuts, and in-migration that have all destabilized this vulnerable community, a groundswell of community-driven organization, innovation, and entrepreneurship has created clearly tangible new opportunities — from training to child care to housing and employment — for many Core residents. This “quiet revolution” has also given residents new hope for significant community-wide gains in the quality of life for future generations.

On the other hand, many possible achievements have been frustrated by systematic barriers to successful social entrepreneurship, including:

- a lack of targeted entrepreneurial infrastructure to support social enterprise
- a lack of awareness and understanding of the social enterprise option
- isolation of social enterprises from senior partners within the broader social economy, such as the established co-operative and credit union movement, the labour movement, and other non-profit, emerging co-operative, and social movement organizations
- internal community divisions, particularly those of race
- a failure to appreciate the important role of cultural enterprise and culture in the broader effort to animate, unite, and revive communities
- a lack of government policy and program support to social enterprise
- a lack of lobbying capacity to unite diverse constituencies around a common vision and lobby for a coherent development program

The crisis in the Core was not created in the Core. It will, therefore, require co-

ordinated action that is led by that community, but supported by external agents, including social economy organizations and levels of government that reach far beyond the geographic boundaries of the Core. In this, Saskatoon's inner-city social economy has much in common with central city neighbourhood organizations across the country, as well as with the struggles of other vulnerable communities in Saskatchewan.

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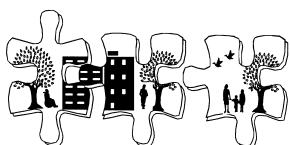


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