EXPLORATORY RESEARCH PROJECT TO INFORM THE DEVELOPMENT OF AN ANALYTIC REPORT ON COMMUNITY ECONOMIC DEVELOPMENT (CED)

Analytical Report: 
*Community Economic Development: Yesterday, Today, and Tomorrow*

June 2017
Report prepared for CEDEC by:

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EXECUTIVE SUMMARY

This report provides an overview of the concept of Community Economic Development (CED). Specifically, it is one of three main outputs from a project that examines CED and assesses the extent to which the concept informs and supports CEDEC’s strategic and day-to-day thinking and action. In its entirety, the project provides CEDEC with observations and recommendations intended to enhance its understanding of CED and how it might be used to enhance CEDEC’s organizational performance.

The primary objective of this Analytical Report is to determine the historical and current theory and practice of CED, and hypothesize what CED could be in the future, both conceptually and with regards to its practical application. To accomplish this, the report situates its findings about CED in the broader socio-economic and political context to propose answers to the following questions: (a) How might CED position itself and evolve in next 10 years? and (b) How might CED continue to inform and support CEDEC’s future performance? To reflect on these questions and achieve its goals, the report is informed by three primary sources of information: (a) a review of the relevant scholarly/technical literature; (2) interviews with thought leaders from academia, government, and CED organizations, and; (3) the results of a CED April 2017 workshop in which participants discussed the future of CED concepts and practices.

The Analytical Report finds that CED is an increasingly relevant, yet challenged concept in a dynamic and changing socio-economic and political environment. This context provides numerous opportunities to grow the CED movement, clarify and enrich its theoretical basis, and enhance its practice. Some of the more prominent opportunities include situating itself within, and responding to, the creation of new economies, changes to the labour market, changes in the traditional engines of economic growth, and addressing the increasing importance and relevance of issues such as climate change and persistent inequality.

To take advantage of these opportunities, however, several challenges need to be addressed, including ironing out definitional issues, addressing fragmentation in the CED movement and its practice, re-situating and framing CED in light of the changing socio-economic and political environment, addressing an ageing membership, and overcoming a history of poor measurement of CED and its impact.

The report concludes with a series of eleven recommendations that are informed from the findings of this project. The intent of these recommendations is to inform an ongoing reflection about CED modernization and evolution. More specifically, the purpose of the recommendations is to contribute to CEDEC’s consideration of how CED theory and practice might continue to support the organization’s ongoing positioning and performance.

These recommendations, in brief, include:
1. Address the definitional precision of CED.
2. Situate CED as a contributor within the current socio-economic context.
3. Remain loyal to the classic roots of CED as a foundational pillar.
4. Move beyond the municipal silo, which has characterized much of CED theory and practice.
5. Apply ‘systems’ thinking to CED and its environment.
6. Enhance inclusiveness of CED in concept and practice.
7. Reinforce a more consistent and integrated practice of CED.
8. Develop measurement tools.
9. Leverage technology to support CED.
10. Continue to build partnerships.
11. Generate policy support for CED.
INTRODUCTION

The Community Economic Development and Employability Corporation (CEDEC) focuses on economic and labour force development, specifically related to the Official Language Minority Communities of Québec. To fulfill its mandate, CEDEC collaborates with a wide spectrum of stakeholders and partners, including community leaders and resources, federal, provincial and municipal governments, economic and business development agents, business associations, small business owners, entrepreneurs, labour market experts and service providers, investors, and others. It often employs a Community Economic Development (CED) lens and approach to inform and organize its economic and labour force development efforts.

Between April and June 2017, CEDEC completed an Analytic Report and Knowledge to Action Report. These companion pieces outline the results of an examination of CED and assess the extent to which CED informs and supports CEDEC’s strategic and day-to-day thinking and action. The two reports provide CEDEC with observations and recommendations intended to enhance its understanding of CED and how it might be used to enhance CEDEC’s organizational performance.

The Analytical Report
This report specifically reviews the concept of Community Economic Development (CED) to determine what its theory and practice (a) was, (b) is today, and (c) could be in the future. It situates its findings about CED in the broader socio-economic and political context to be able to propose answers to the following questions: (a) How might CED position itself and evolve in next 10 years? and (b) How might CED continue to inform and support CEDEC’s future performance?

The Analytic Report is based upon three sources of data and information:
- A Document Review that surveyed scholarly and technical literature addressing CED (see Appendices for reference list of surveyed literature);
- Results from 15 interviews with 16 academics, government officials, CED organization representatives and CED thought leaders; and
- Results from an April 2017 workshop entitled Innovating for Shared Prosperity that brought together a group of CED practitioners, academics, not-for-profit representatives and government officials from across Canada to discuss the future of CED concepts and practices.

To achieve its objectives, the Analytical Report is organized in 5 main sections:
1. The history and evolution of CED;
2. Definitional imprecision;
3. The current state of CED;
4. CED in the future;
5. Analysis and recommendations.
A NOTE ABOUT METHODOLOGY

The CED data and information contained in this Analytic Report were collected between April and June 2017 from primary and secondary sources. Secondary materials include literature - academic and technical documents - that were retrieved from scholarly databases employing search engines using the University of Toronto’s library database, Google Scholar, general searches, the CCEDNet archive, CEDEC online resources, and documents and other materials that were suggested by identified experts. Primary sources of data include exploratory interviews carried out with 16 academic experts, government officials, representatives from other organizations and CED thought leaders. Dr. Nicole Goodman carried out all interviews via telephone between May and June.

A final source of information comes from the Innovating for Shared Prosperity Workshop held in Calgary, Alberta on April 27, 2017. The workshop brought together practitioners, academics, not-for-profit representatives, and government officials from across Canada to discuss the future of community economic development concepts and practice. The content generated from this event was prepared in a Summary Report, which is referenced as required.
HISTORICAL CONTEXT & EVOLUTION OF CED

The roots and principles of CED go back thousands of years (Cabaj, 2004) and are grounded in social movements (Phillips & Pittman, 2014). The principles of CED are based on community led development that is fostered from the bottom-up and which is undertaken to improve the economic conditions of a community (Loxley, 2010; Loxley & Lamb, 2006; Shaffer et al., 2006; Shragge, 2003). During the 1950s and 1960s in the United States, social change and collective action gained attention as a strategy to improve conditions in poor rural areas and regions experiencing urban decline. As Phillips and Pittman note, “The civil rights and anti-poverty movements led to the recognition of community development as a practice and emerging profession, taking form as a means to elicit change in…communities” (2014:4).

In the US in the 1960s, thousands of community development corporations (CDCs) emerged to pursue and promote community-centered economic development.

In Canada, the movement began to gain traction in the late 1980s as an alternative approach to provincially or regionally focused economic development (Boothroyd & Davis, 1993). CED gained traction as an idea and movement in response to the effects of the financial crises of 1981-82 and 1990-92 (Lamarche, 1995). During this period, many communities challenged by tough economic times and inadequate support from preferred policy solutions, looked to emulate locally-led models of development that were being employed in the United States to stimulate economic activity and sustain social services. Broader buy-in from the federal government, other national organizations, and among academics in the scholarly literature, became more pronounced as the failure of regional economic development approaches grew more apparent. Alternate ways of thinking about economic planning soon emerged from scholars, notably French economist Philippe Aydalot (1984), who argued that for economic planning to be effective, it needed to take place at the community level. Others (e.g., Stöhrr and Taylor, 1981) supported this line of thinking by challenging dominant approaches to economic development and questioning whether such development should really be oriented from above, or come from below.

At this juncture, six factors contributed to the rise of CED in Canada. These include:

1. A changing economic environment;
2. The failure of dominant economic models to adequately improve local socio-economic conditions;
3. A mounting culture of doubt among the media and think tanks about the effectiveness of traditional models of economic development, notably regional approaches;
4. The absence of alternative approaches to economic development in the scholarly literature;
5. Local communities undertaking efforts to assume control of their socio-economic situation and destiny;
6. A shift in how academics argued societies should think about economic development and the assertion that growth can come from the bottom (for a more detailed summary see Document Review, p.10).

Following its rise in recognition and practice in Canada, the following factors contributed to a decrease in government support for CED and a relative decline in its use to inform and support mainstream socio-economic policy development and implementation:
(1) Financial cuts that were part and parcel of other financial stabilization measures in government, often stemming from a neo-liberal agenda\(^1\) and the New Public Management\(^2\) model (Toye, Conversation);

(2) The presence of too many government-funded CED organizations that overlapped\(^3\);

(3) The fact that some mainstream national economic institutions like the Economic Council of Canada never fully bought into CED (Savoie, 2000);

(4) The treatment of CED as a fad by the federal government, evidenced by the fact that the government quickly embraced other approaches such as the new ‘idea’ of Social Inclusion in 2003 and shortly after the Federal Social Economy in 2004 (Toye, Conversation);

(5) The fact that CED provided false hope in some communities (Savoie, 2000);

(6) Unsustainable funding levels\(^4\);

(7) The fact that the federal government was largely unaware of what exactly CED was, and there was no specific government policy directing government support for the concept (Savoie, 2000).

While there was a sense from the literature that CED has not changed too much since its heyday in the 1990s, interviews with experts suggest CED has gone through an evolution of sorts over the past 30 years, albeit with much disagreement on what this evolution is. Many interviewees pointed out that when CED emerged in the 1980s as an alternative economic model, it was tied to spatial development, anti-poverty, and lagging regions and communities. Initially, this approach was very much tied to municipalities as communities. Today, some contend that CED has evolved to become more inclusive by focusing on a broader concept of community that is not limited to the notion, and boundaries of, the municipality. This broader conception is more inclusive of elements such as social enterprise, social venture, etc.

**DEFINITIONAL PRECISION**

The Document Review, Interview Summary, and Workshop all illustrate that CED in theory and practice is characterized by definitional imprecision (please see Document Review and summary of interviews). Scholars explain there is no standard, accepted definition of community economic development (Clay & Jones, 2009). They further observe that the concept is “too fragmented to form a unified field” (Lamarche, 1995: 236) and point out that it “can mean virtually anything and everything and apply anywhere” (Savoie, 2000:115).

Broadly, CED definitions fall into two camps: (1) those that are more focused on economic development (Lamb, 2011; Virgil, 2010) and (2) those that include additional dimensions such as environmental aspects and outcomes (Shaffer et al., 2006). Despite this diversity, there is relative consensus in the literature that CED is a process or strategy undertaken to improve the economic conditions of a community. It involves bottom-up organization with communities taking a leadership role in their own economic development. Likewise, results from the interviews find relative consensus that CED is about economic development for and by the community, with the community working to gain more autonomy and control over its destiny.

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\(^1\) A neo-liberal agenda stems from the concept of neo-liberalism, which can be defined as a “political philosophy that asserts the primacy of the economic individual over states, state policies, and social well-being. Societal good, it is presumed, will flow from shrinking states and flourishing private enterprise” (McDaniel, 2015:9). This type of agenda typically entails restraints on public spending, privatization of public services such as shrinking the public service workforce, among others (Ibid.)

\(^2\) New Public Management is defined as “a school of thought originating in Margaret Thatcher’s Britain, advocating changes to organizational design and managerial practices consistent with neoconservative ideas. It is broadly aimed at making the state more responsive to political direction and to citizens, and at introducing more private sector practices into the public sector” (Inwood, 2012:402).

\(^3\) See for example report that was jointly sponsored by Newfoundland and Labrador and the federal government, which found a great deal of overlap (see Savoie, 2000).

\(^4\) See Document Review for a more detailed explanation of this point.
Conceptualizing CED on a Spectrum

In terms of definitional diversity, it is helpful to capture the differences in defining CED by thinking about the concept on a spectrum. At one end of the spectrum, the economic dimension is more prominent, and at the other end, it is inclusive of broader goals and outcomes (Figure 1).

Some components of the literature, interviews, and workshop dialogue point to more economically focused definitions that present CED as an alternative form of economic development that emerged in response to failures of the market economy. An example of a definition in the literature is offered by Morris et al. who define CED as “economic development led by people within the community and based on local knowledge and local action, with the aim of creating economic opportunities and better social conditions locally” (2013: 5; see also Chan, 2006). In this definition, the driving factor is economic development that is rooted in local knowledge and community-led with the goal of supporting improved economic and social outcomes. As per the review of documents and interviews, more economic-focused definitions are associated with intended outcomes that are economic or social in nature such as wealth redistribution or poverty reduction.

At the other end of the spectrum, respondents and documents describe CED as a community process that is rooted in economic development and which advances a community agenda inclusive of broader community/societal goals or outcomes. For some interviewees, these outcomes include building healthy communities, whereas others in this same camp characterize it as growing local prosperity in economic, social, environmental and political respects. Likewise, the literature contains broader explanations of CED including economic, environmental and social results. A broader definition of CED is offered by McRobie and Ross (1987:1) who state that it is “a process by which communities can initiate and generate their own solutions to their common economic problems and thereby build long-term community capacity and foster the integration of economic, social, and environmental objectives.” Again, these diverse definitions are united by their goal of the community taking ownership to improve its economic conditions (Loxley, 2010; Loxley & Lamb, 2006; Shaffer et al., 2006; Shragge, 2003).

Word clouds generated from the scholarly and technical literature (Figure 2) and the input of workshop participants (Figure 3) highlight the traditional versus more holistic frames of reference. Figure 2 is a word cloud that depicts the more traditional, municipally oriented version of CED derived from the literature, while the participant populated word cloud shown in Figure 3 focuses on communities more broadly. Figure 3 depicts CED as having a place-based focus that emphasizes community capacity, adaptability, and quality of life with important economic elements. This perspective also includes diversity, explicitly referring to Indigenous communities and reconciliation as part of CED.

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5 This word cloud was created by NVIVO qualitative analysis software by drawing upon 25 academic articles.
Another noteworthy difference is that the academic-based graphic illustrates the complexity of the environment in which CED takes place. It highlights the broader system of which communities are a part, including elements such as multi-level governance, business, neighborhoods, services, programs, participation, financial components and results. The participant-populated word cloud does not illustrate connections to the broader system. This notion of the relationship to broader systems is taken up later in this report.

It is important to note that the orientations and past professional and practical experiences of respondents seemed to inform their perception of CED and how they defined it.\(^6\) Findings from all three data sources strongly suggest that some of the definitional diversity of CED is explained by the fact that the concept is highly contextual. A further noteworthy factor is that the development of CED really took shape on the ground before the concept was addressed and defined by scholars and in government departments. As such, CED manifested organically and often developed into what communities needed it to be. The common denominator was bottom-up organization and a community-driven response to economic and social hardships and challenges.

If CED had emerged as a concept in the academic literature and then been adopted and practiced by communities, perhaps it would have a clearer definition. The fact that it experienced growth first through on-the-ground application and afterwards gained acceptance by thought leaders in academia, government, think tanks, and other institutions and organizations, has undoubtedly contributed to a lack of clarity. If the term had a more rigid definition, however, it may not have the wide reaching practical application that the current more fluid interpretation allows.

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\(^6\) An example that highlights this is when one participant commented, "My CED includes private business" suggesting that his interpretation of CED was consciously different than that of others.
THE CURRENT CONTEXT AND CED

Acknowledging that most of the inputs informing this report come from sources which tend to support CED, the findings indicate that proponents believe the relevance of CED is reemerging in today’s socio-economic and political context. They argue that the factors shaping this context are creating many opportunities that can be leveraged by the CED movement. They also contend that CED will have to address some significant challenges if it is to demonstrate value and realize its potential. In fact, commentary from identified experts affirms that in the current and emerging context, CED theory and practice is perhaps more relevant than ever before.

The Current Context

Cognizant of various geo-political perspectives and positions in constant evolution, today’s socio-economic context is broadly characterized by an increasing need, drive, and struggle to better understand and actively pursue forms of responsible and inclusive growth in support of longer term and sustainable prosperity and wellbeing. As the world constantly searches for new/better/different socio-economic and political order(s), this broad context is influenced by multiple factors and attitudes, including:

- Weakening trust in traditional growth models, including the traditional market/capitalist system’s capacity to achieve optimal and sustainable growth levels, be more inclusive, offset poverty, and address inequality. While the global economy currently shows modest signs of growth and improvement, and while more open markets and greater competition lift many out of excessive poverty around the world, persistent concerns remain about who is intended to benefit from today’s economic models and structures, what the impacts of increasing demand and competition for consumer goods, education, energy, and services will be, and how effectively will global, national, sub-national, and community economies address persistent forms of inequality?

- The promise and apprehension about the world’s unprecedented communications and networking capacity facilitated by multiple global platforms. On the one hand, this capacity can grow respect for difference, as well as stimulate and organize creativity and coherent/positive change across traditional identities, functions, and groupings. On the other, it can spark and nurture political, social, and economic fragmentation and tension on multiple levels. At play, is the capacity influence and shape the nature, organization, and quality of relationships among people, across societal sectors, and between these audiences and the institutions/resources that govern and serve them.

- Mobility of financial investments, technology, ideas, and people which support dynamic innovation, while often sowing the seeds of disruption and spurring fundamental transitions in many sectors of economic activity and labour markets. While mobility improves the matching of resources with opportunity around the world, it also raises real life concerns of displacement, replacement, and being socially, economically, and politically sidelined.

- The evolving organization and conduct of human affairs based upon the distribution and exercise of power as illustrated by shifting geo-political configurations and arrangements, and the changing definitions and roles and responsibilities of global institutions, national/sub-national governments, and communities. While purposeful and voluntary association at the national and global levels seeks to achieve socio-economic goals that surpass local capacities, it raises questions about the place of individual and local/community freedom, initiative, responsibility, and power. In this context, the principle of subsidiarity is emerging as an organizing principle. The principle holds that higher-level organizations and authorities should support local and community choices and help to co-ordinate their activities and their contribution to broader society, always with a view to promoting the common good.

Domestically and globally, the opportunities and challenges inherent in the context described above are both promising and disquieting. It is fair to observe that the nature and interaction of socio-economic drivers, causes, and contributors create a level of complexity requiring broader, deeper, and more integrated socio-economic thinking and action. In this context, innovative knowledge societies, economies, and workers need to learn to (a) respect, actively support, and work constructively across
diversity, (b) become more resilient, and (c) adopt “systems”\(^7\) perspectives and approaches. These competencies are critical to the achievement of continuing growth and wellbeing.

- In complex settings, respecting, promoting, and learning from difference opens the door to new relationships, understandings, knowledge, and effectiveness. It requires respect, active listening, a commitment of service to others, and an openness to be influenced and influence. In innovative knowledge societies and economies, it means demonstrating an appreciation for existing bodies of knowledge and expertise and taking advantage of these to generate superior knowledge, expertise, and competency.

- Individual and collective resilience is a key quality and value in a context where the search for a new socio-economic order(s) is a key driver with the potential to transform many traditional frames of reference, structures, and relationships. Resilience is a personal and collective strength that helps individuals, communities, and societies avoid a sense of helplessness. It enables the building of solidarity with others to recover from setbacks, adapt well to change, and keep going in the face of adversity.

- Systems thinking contributes to the production of new insights regarding potential solution pathways to address complex challenges. It helps innovative knowledge societies, economies, and individuals see and understand “wholes”, including their interconnected and interdependent components. Systems thinking draws from multiple bodies of knowledge and the relationships among them to discover new and innovative multi-dimensional solutions to complex socio-economic development challenges.

**CED and the Current Context**

The following section of the report situates CED findings in relation to the broader socio-economic and political context. It identifies and explains specific CED opportunities that are emerging because of this contextual change, as well as challenges which CED may have to address. The section also explores how CED might continue to contribute to the development of contemporary socio-economic thinking and action.

To begin, it is important to note some general observations from the research that help to frame and define some of the boundaries related to situating CED in the context described above.

- The literature depicts the definitional development of CED as having adapted very little and being no farther along than it was 20 years ago (see Clay & Jones, 2009). In a similar vein, interview respondents and workshop participants point to (1) the relevance of CED in the current context even though they also signal (2) its failure to move forward as effectively as it could because of its definitional baggage.

- In addition to these considerations, research findings indicate differences between Quebec’s view of the ‘social economy’, and the rest of the country’s identification with ‘community economic development’.

Keeping in mind the above observations, it was possible to identify some key CED opportunities and challenges that emerge in relation to the current context. The following paragraphs showcase some of these.

The Opportunity in New Forms of Economy
In the current context, the emergence of new economies and resulting economic shifts, and rising importance of global, yet local issues, such as climate change present real opportunities to expand CED. These are outlined below.

Opportunities:

- The Social Economy “melds features that are very different from economies based on the productions and consumption of commodities” and is not geared toward private profitability (Murray, 2009) (e.g., social enterprises, cooperatives, the philanthropic sector, the state, and many other elements such as social networks and informal associations).

- The Data and Digital Economies emphasize the rise of data and digital technologies as being the world’s most valuable commodity, taking the place of oil (Economist, 2017). This is a key driver and enabler of today’s innovative knowledge societies, economies, and workers.

- The Innovation Economy is based upon investments in idea generation, research and development, the enhancement of current products and services, and introduction of new ones represents a fundamental rise in the value of intangible assets. For example, Intellectual Property (IP) now dominates the international economy. Today, IP represents 84% of the Standard & Poor’s 500 Market Value, compared with only 17% in 1975. Likewise, according to the US Chamber of Commerce 74% of all US exports today are IP-based.

The Opportunity of a Changing Labour Market
As a consequence of the current context, the nature of work is evolving. Innovation is sowing opportunity and disruption in many sectors of the economy, especially labour markets. For example, employment changes due to technological innovation (examples: automation, robotics, etc.) are expected to create high-end value production jobs in knowledge societies and economies, and yet displace many traditional jobs in labor-intensive sectors (World Economic Forum, 2016).

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8 Please note that these are identified as two distinct economies but have overlap. Given their joint relevance for CED, they are addressed together in this report.
Slower growth, economic transformation, and mounting international labour competition is affecting the likelihood of labour market entry and the ability to secure stable, full-time employment, for many. This is especially true for young people. Knowledge societies and economies are witnessing growth in temporary and contractual positions, increasing self-employment, and the precariousness of employment in specific sectors. These shifts are occurring as wages for many residents have experienced a decrease, while the cost of living has risen.

Efficient labour markets are essential to continuing economic growth, social inclusiveness and participation, the distribution of wealth, incentives to achieve greater productivity and worker resilience/adaptability. Labour markets must evolve with the way work is and will be organized, contracted for, performed, and compensated.

The Opportunity in Changing Engines of Growth and Rise of Inequality
Changes in engines of economic growth and persistent inequality in Canada point to numerous opportunities CED could seize to engage and advocate for affected and/or marginalized segments of the population and vulnerable communities across the country.

Opportunities:
- CED can be positioned as a partner in forecasting changes to labour markets.
- CED could advocate for proactive policy changes to prepare workers to transition to new forms of employment and work.
- Specifically, CED can advocate for those affected by employment trends and to promote growth of progressive SMEs to create jobs for local residents.
- CED could also expand and strengthen work transition services to support the implementation of the above-mentioned policies.
- CED could strengthen its promotion and support of business development to help make workers and communities more resilient in the face of ongoing social and economic changes.

A change in the traditional engines of economic growth in Canada has prompted economic shifts, some of which are outlined above. Such changes have created opportunity for some while exacerbating inequality and poverty for others, especially already marginalized groups, and in some instances new subgroups of the population. While globalization has merit and value, it has also hastened and exacerbated the effects of inequality. For example, some research has established a clear link between globalized commerce and the increased wage gap (Keller & Olney, 2017; Soergel, 2017). As a potential solution to mitigate inequality, CED is well poised to position itself in this new and uncertain environment.

Opportunities:
- CED could become a major voice in promoting stability in quality of life during significant economic transitions.
- CED could become a major contributor to developing broader and deeper socio-economic systems thinking and action, embedding it in larger political conversations that knit growth, prosperity, and wellbeing together under a common and integrated strategic policy umbrella.
**The Opportunity in a Changing Climate**

The global climate is changing, temperatures are increasing, sea levels are rising, rainfall is heavier, etc. Overall, there is a need to achieve sustainable development that integrates and takes advantage of the synergies between economic, social, and environmental considerations. Such sustainable prosperity and the enhancement of long-term well-being are the pillars of future success. This enterprise also includes a focus on strengthening the resilience of businesses and communities.

As indicated above, major transitions also include negative impacts that exacerbate existing inequalities. Evidence illustrates that climate disparities affect poorer, rural communities most harshly and that vulnerable groups are at the greatest risk (Holmberg, 2017; Murray, 2009).

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<th>Opportunities:</th>
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<td>• CED could strengthen the visibility and presence of its voice in underlining that climate change is a key issue threatening economic and social prosperity.</td>
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<tr>
<td>• Again, CED could enhance awareness of the interconnectedness between economic, social, and environmental growth and development. It could create a <em>Call to Action</em> for the development and implementation of an interdisciplinary approach to study the implications of climate change on business and community resilience.</td>
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<tr>
<td>• CED is poised as a relevant lens to mobilize action to mitigate the impacts of climate change, while leveraging these efforts to support more sustainable forms of socio-economic growth.</td>
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One interviewee summed up and crystalized the value of CED in the current context by noting that scholars of population health assert that the best determinant of health is household income. Knowing this, and considering the documented rise in economic inequality and changes to the labour market, CED is well positioned to knit economic, social, and environmental bodies of knowledge together into a more coherent understanding of what responsible and sustainable growth is and how it can contribute to enhancing Canadians’ well-being.

Aside from those listed above, other key opportunities identified for CED from data sources are summarized in the following table according to theme. Where relevant, additional detail from the discussion above has been included in the table.
### Table 1: Other CED Opportunities Identified by Contributors to this Report

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<th>Emerging Trends</th>
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<td>Inequality</td>
<td>Rising income inequality, affordability gaps etc. present an important opportunity for CED to play a more vigorous role in policy research and formulation, advocacy, and service delivery. There is an opportunity to link CED to current social justice movements and strategies.</td>
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<tr>
<td>Interdisciplinary/Sector Partnerships</td>
<td>Desire for collaboration to take full advantage of differing bodies of knowledge, mindsets, frames of reference, and expertise across the private sector, universities, government, and communities. Notably, there is an important opportunity to build linkages with Indigenous communities, and to work more closely with universities and colleges. These efforts would strengthen the development of more viable community projects and the research that could support their design and implementation.</td>
</tr>
<tr>
<td>Practicing and Building CED</td>
<td>This involves employing a strategic and integrated approach to CED that is consistent and long-term, as opposed to undertaking a series of small, individual CED projects. In addition to improved consistency, continued CED education and outreach, through the mobilization of a wide range of resources geared toward educating people about CED, can support the growth of CED practice and learning.</td>
</tr>
<tr>
<td>Measurement</td>
<td>Exploring measurable indicators to assess the performance of CED.</td>
</tr>
<tr>
<td>Reframing CED</td>
<td>Adapting the historical legacy of CED so that it is framed as complementary to mainstream economic models, instead of as an alternative approach that is working in opposition to traditional models of economic development.</td>
</tr>
<tr>
<td>Contemporary Issues</td>
<td>Linking CED to modern issues and challenges, such as renewable energy (e.g., communities generating power instead of purchasing it), the importance of women in the economy, and climate change, etc. is an opportunity to leverage, and respond to, the current context.</td>
</tr>
<tr>
<td>Inclusiveness</td>
<td>Including Indigenous communities, young people and online networks in the CED network, movement and its conceptualization is an opportunity to extend the breadth of CED. In addition, broadening the parameters of how CED defines ‘community’ so that this interpretation extends beyond the municipal frame of reference is a useful step toward making CED more inclusive and more relevant.</td>
</tr>
</tbody>
</table>
In addition to these opportunities, several challenges were identified that CED should face if it wishes to grow, extend its impact, and help more communities. Challenges can be conceptualized in terms of (a) those internal to the concept and movement and (b) those that are external in nature. Notably, many of the opportunities identified above also appear as challenges. Those that emerged more prominently from the report’s data sources are discussed below.

Table 2: CED Challenges and Potential Actions

<table>
<thead>
<tr>
<th>EXTERNAL CHALLENGES/ISSUES</th>
<th>POSSIBLE ACTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitional Issues</td>
<td>Enrich the concept of CED through more systematized academic and policy-oriented research.</td>
</tr>
</tbody>
</table>
| Fragmentation in the CED Movement and Practice | Take a conscientious approach to include promising CED activities that are being carried out in different spheres within the CED umbrella - feature these at conferences, workshops, etc.  
Adapt CED language to recognize and embrace these CED activities. |
| The framing of CED as a peripheral/fringe movement | Leverage mainstream trends to change this perception. |
| Adapting to the current economic environment and the behaviors required to do this | Recognize the need for greater inter-disciplinarity.  
Strengthen collaboration across public, private, and civil society sectors. |
| Ageing of the CED Membership | Many of these individuals or organizations represent sectors that have traditionally been identified as vulnerable, example: rural communities, and are older.  
Bring youth, Indigenous and urban perspectives into the CED movement to diversify it and make it more inclusive. |
| Poor measurement of CED and metrics to assess the successes of the movement. | CED historically relied on storytelling to capture success.  
Complement the above by generating evidence that concretely highlights measurable CED results.  
These actions could improve support and opportunities for funding / could also support modernization of the movement. |
CED IN THE FUTURE

In terms CED’s future evolution, many recommendations were formulated to maintain and modernize the relevance and value of CED. These recommendations have been outlined below.

In general, the Document Review, Interview Summary and Workshop identified the following related recommendations about creating a more flourishing CED in the future:

• Address definitional issues and fragmentation of practice/the movement;
• Increase the practice of CED;
• Promote CED in policy;
• Forge partnerships;
• Strive to achieve a more inclusive and holistic CED membership;
• Conceptualize CED and its application as being broader than the municipality by specifically enhancing the inclusiveness of the concept and practice and adopting more holistic outcomes;
• Adopt more modern organizing principles and consider quality of life as an outcome of CED.

In terms of the select literature review, the following recommendations were identified:

• Lead by example by practicing CED;
• Have practitioners employ an integrated approach that regularly includes CED in practice;
• Have government create a policy ecosystem that is supportive of CED and removes barriers which are not;
• Leverage assets to build a community’s ecology, e.g. developing partnerships that can provide long-term support to communities;
• Support and educate communities about their power and how to harness it by coming together, leveraging networks and taking control of their destinies to foster improved economic and social conditions;
• Tackle its definitional issue in the years to come to strengthen both theory and practice.

In terms of the interviews, experts echoed the need to lead by example and practice CED to ensure a vibrant version of the concept and movement 10 years from today. Other recommendations included:

• The need to address definitional issues and the internal fragmentation of the movement;
• The importance of partnerships;
• Ensure CED is represented in policy;
• Develop CED as more holistic and inclusive by becoming relevant to all types of communities – large, mid-sized and small municipalities, Indigenous communities, and in rural places and cities;
• Adopt more modern organizing principles, capitalizing on strategic opportunities in the social enterprise and investment space, adopting and leveraging technology, and taking a position on issues such as climate change and reconciliation.

In terms of the Workshop, results also emphasized addressing definitional ambiguity. Specifically, many participants:

• Advised building on the strong roots of CED and not taking dramatic action to change the definition too much;
• Observed the importance of conceptualizing CED as a verb and not a noun. This idea is also present in the literature as CED is referred to as a process or action;
• The need to engage citizens and partners through modern principles, policy and program advocacy;
• Advised becoming more inclusive to incorporate young people and Indigenous communities;
• Forging partnerships; and
• Focusing on quality of life or ‘building healthy communities’ as an outcome.
An additional suggestion that was observed in the Workshop, but not mentioned in the other data sources that inform this report was the importance of good leadership to carry CED forward.

Despite differences, the Document Review, Interview Summary and Workshop Summary all pointed to the fact that the principles of CED would continue to persist and that the relevance of, and need for, such principles would only increase as time passes.

ANALYSIS & RECOMMENDATIONS

Thinking About CED’s Future Definition and Positioning
The story of CED is one that describes many historical, current, and future opportunities and challenges. Evidently, definitional imprecision is a key challenge that has plagued CED theory and practice since the concept emerged and was treated as an alternative to more dominant models of economic development. Varied definitions and understandings have allowed CED to flourish, but such variation has been both a blessing and a curse.

Terminological imprecision/confusion benefits CED to the extent that it enables it to mean many things to many people. Limiting the definitional boundaries of CED could limit its practical application, and therefore affect its success in diverse communities. Instead of tackling the definitional debate, it may be more constructive to focus on the principles of CED, which refers to the characteristics or attributes that comprise the concept.

Thinking about the core principles of CED would support better identification of the concept. One method of achieving this would be to carry out a concept analysis or an evolutionary concept analysis on the term. These are methods commonly used in health sciences to better understand concepts. Specifically, evolutionary concept analysis is an inductive method of analysis that would be ideally suited to clarify CED given that it posits that (1) concepts develop over time, and (2) concepts are influenced by the context in which they are used (Rodgers, 1989). This approach would outline how the concept of CED has evolved over time and identify its core characteristics, which could be adapted based on the current economic environment.

As suggested earlier on in this report, a complementary path to achieve greater conceptual clarity is to think about CED as a fluid concept and accept it as such. Instead of conceptualizing CED as a static concept, definitional work could be done to conceptualize CED on the continuum depicted in Figure 1 on page 7. This approach to understand and apply a concept is used to interpret and apply other complex concepts such as political participation (see for example the IAP2 Spectrum of Public Participation⁹) and supports their understanding and application. This type of approach also allows for ongoing conceptual evolution.

An important consideration in terms of clarifying and positioning CED is whether CED should, or even wants, to become mainstream, e.g., that is, to be more aligned with, or integrated within, dominant economic models. As the roots of CED emerged and grew from a commitment to defend vulnerable communities, mitigate inequality, and improve social conditions, it was conceived and applied as an alternative to dominant economic models and policies, such as traditional profit-driven capitalist systems or regional economic development models.

As outlined above, the world is struggling toward some new socio-economic order with all of the inherent geo-political and competitive dynamics this involves. This evolution has been and continues to be slow, challenging, and ongoing. Thinking and support for traditional socio-economic models appears to be evolving, with some forces focused on tweaking it and others intent on transforming it.

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⁹ For reference the IAP2 Spectrum of Public Participation is available via this link: http://iap2canada.ca/page-1020549.
In this context and as indicated earlier on, broader, deeper, and more multi-dimensional approaches to defining and addressing complex, socio-economic challenges is required. It is in this emerging and dynamic context that CED must continue to find its place and relevance. The nature of CED appears to argue in favour of adopting a more progressive, future-oriented, and contributory positioning. While such an approach is substantively sound and not inconsistent with CED’s historical trajectory, it presents the additional possibility of enhancing CED popularity and support, most notably in political, private sector, and civil society circles. In the end, this framing and positioning could be incorporated as part of CED’s conceptual definition and the articulation of its core principles.

Two Final Reflections About CED

CED and Inequality

Often, CED has been related to, and informed by, perceptions about the state of inequality. These situations have included instances where the basic conditions of subsistence are absent or inadequate; where significant disparities in opportunities or benefits exist; where structural obstacles prevent individuals, groups, or communities from accessing opportunities or receiving their due as citizens and contributors to society; and/or where there is a lack of economic and social solidarity. When markets fail, when greed becomes a primary motivator of behavior and corruption a key characteristic of some societies and/or economies, when inadequate economic development policies are employed, when economic hardship is experienced, and when barriers are erected to social and economic participation, inequality can be the precursor, driver, and/or result of these situations.

In recent years, active public protests drew attention to situations of social and economic inequality and the sub-optimal performance of specific democratic institutions designed to serve citizens and govern the conduct of specific groups and sectors (examples: Occupy and Idle No More movements). These movements were successful in drawing attention to specific inequalities, but not always successful in bringing about required change. Consequently, or related to these developments, specific population groups have recently taken to other acts of political participation, such as voting, to voice their concerns and experiences about inequality (examples: Brexit 2016, 2016 US Presidential election, and 2017 French national election).

Acknowledging that an assessment of the motivations for these acts is beyond the purview of this report, it is important to recognize that active political participation on the part of specific sub-population groups illustrate their dissatisfaction with rising social and economic inequality. Such behavior makes the point that large segments of the public would like to see policies, practices, and behaviors adopted that would change specific situations of inequality.

Given the above, there are two critically important takeaways for CED:

- One, the history of CED is rooted in a significant movement to build social and economic capital and bring about positive change in the lives and wellbeing of individuals and communities. The search and struggle for a new/renewed socio-economic order suggests the need to continue to build and tap into social capital as a foundational characteristic of any new socio-economic arrangement. The current context presents a unique opportunity for CED to contribute to this and leverage the latter to build the kind of momentum it experienced in its heyday.

- Second, the fact that building prosperity and addressing inequality are interlinked as never before, public, private, and civil society sectors have a unique opportunity to leverage their expertise and experience, financial assets/resources, and energy to play a leading and
collaborative role in developing new frames of reference, models, approaches and tools to improve the socio-economic conditions of communities and individuals in Canada.

Community Economic Development Continues to be a Viable Option

While dependent upon multiple factors and dynamics, the future of CED is more optimistic than not. This history of societies illustrates that while some may choose protest and violence in response to adversity, and others may opt to let communities dissipate, many communities choose to rally together to save themselves from destitution, or improve their socio-economic development prospects and wellbeing.

The roots of CED - the idea of driving forces in a community coming together and becoming development makers rather than takers, enhancing community problem solving capacity, mobilizing and leveraging assets and resources, and working together to make decisions to create economic opportunities and improve social conditions - go back more than 12,000 years (Cabaj, 2004; Savoie, 2000). As Mark Cabaj writes:

_We have a history of people organizing & innovating to defend the ties that bind them together & survive, even prosper. Despite the odds, some communities have striven to retain or regain a say in their future. They literally have refused to say die._

At its core, this process represents community organization, leadership, capacity building and ownership. These characteristics speak to the ongoing need to nurture and strengthen local/community freedom, initiative, responsibility, and power. They also speak to the need for higher-level actors to support local and community choices, while helping communities contribute to the broader good of society.

Recommendations

Based on the above, the following recommendations are formulated about the future development and practice of CED. Where relevant, recommendations are also connected to CEDEC.

1. **Address definitional precision.**
   Some definitional progress must be made to advance the concept and movement.

   As noted above, the definitional ambiguity of CED is an advantage and yet, at the same time, the Achilles heel of CED. To avoid getting caught up in the weeds of the debate, the focus should be on rendering more explicit the core principles of CED and conceptualizing CED on a continuum. Both options are understood as being mutually supportive.

   In terms of developing CED’s core principles, there is practical precedent in the NEECHI and New Economy Network principles and in some literature (see Hernandez, 2013). These two strategies can help to address some of the issues, while maintaining the breadth of CED and allowing for its wide application to continue.

   With respect to CEDEC specifically, the organization could consider playing a role in broadening the definition of CED in Quebec beyond its focus on community ownership.

2. **Situat CED as a contributor within the current socio-economic context.**
   This report identifies several trends that provide developmental opportunities for CED. Framing and positioning CED as a contributor to modern socio-economic efforts is substantively sound, consistent with CED’s historical trajectory, and does not threaten or minimize its ability to cast a critical eye on emerging socio-economic models, practices, and tools. In addition, this approach
has the practical benefit of enhancing CED popularity and support, most notably in political, private sector, and civil society circles.

Staying true to its roots while contributing to socio-economic development in the current context will contribute to the modernization of CED theory and practice.

3. Remain loyal to the classic roots of CED as a foundational pillar. Discussions about re-branding CED, opting for a new definition of CED, or changing the term were thematic features of this project’s research. Taking into consideration the current context, the most effective positioning strategy for CED would appear to be one that remains loyal to and builds on the classic roots of the idea and the movement, e.g., community leadership, engagement, ownership, asset development, partnership, collaboration and solidarity with others.

Given the prominence of the prosperity-inequality nexus as a central theme in the contemporary narrative of our society, and the importance of strengthening and building social capital into this equation, the classic roots are CED are well positioned to make a significant contribution to society through community-based socio-economic development, including the reduction of poverty and inequality.

In addition, it is important that CED help communities connect to, function within, and benefit from broader socio-economic systems in an ever-increasing interdependent world.

4. Moving beyond the municipal silo.
Throughout the assessments carried out to inform this report, there were different thoughts about whether CED should maintain its primary focus on community, understood as the ‘municipality’, or whether it should become more holistic, encompassing, for example, online communities, Indigenous communities and members, and others. Expanding the scope and reach of CED would support greater inclusivity and strengthen its presence and impact in additional parts of society.

5. Applying ‘systems’ thinking to CED and its environment.
While the academic and technical literature indicate an understanding of CED operating within a system, consultations with experts did not capture the same broad-based picture. Systems thinking emphasizes the interactive nature and interdependence of multiple societal components working dynamically and purposefully together to establish and pursue shared ends. Systems thinking and acting is becoming an increasingly important concept, lens, and approach to understanding developments and acting effectively in an interconnected world. CED should reflect on the extent to which it could strengthen its relationship and contribution to this approach.

6. The consistent and integrated practice of CED.
The literature emphasizes ‘leading by example’ through the practice of CED (Morris et al., 2013) and taking a more integrated approach to its development and application. This means incorporating theory into practice and avoiding the predominance of an approach focused on a series of small, individual projects. Specifically, the findings of this project made clear that the critical underlying element to enable CED’s successful future involves commitment to helping communities, which is premised upon long-term and consistent efforts and results.

7. Develop measurement tools.
CED’s history of storytelling and case studies has been a valuable method of measuring and communicating success. This performance measurement approach has been less effective, however, in terms of systematically demonstrating the impact of CED in achieving defined
outcomes, improving practice, informing policy, and in attracting additional support from public, private, and civil society sectors.

CED should adopt a long-term approach to progressively designing and implementing a more rigorous performance measurement approach, which would include, but move beyond case studies and storytelling.

CEDEC as an organization could benefit from developing more robust metrics and more clearly documenting and communicating its achievements, especially regarding its primary client population.

8. Enhance inclusiveness of CED in concept and practice.

Broadening the membership of the CED movement to include more young people and Indigenous communities is a key step toward becoming more inclusive. Beyond expanding membership in the movement, the conception of CED could be framed and applied more broadly to incorporate municipalities of all sizes (small, mid-sized, large) and densities (rural, suburban, urban), as well as other communities offline (e.g., Indigenous communities) and online (social communities online). This latter point is important given CED’s history as a concept that is associated with rural development.

9. Leverage technology to support CED.

Leveraging technology emerged marginally as a suggestion to improve future CED practice, yet the potential for technology to support the CED movement should not be overlooked.

While technology is not and should not be a replacement for traditional forms of CED organization and participation, it can be used a complementary tool to bring people together. It is a key facilitator of relationship building, information sharing, and collaborative enterprise in a complex world. For example, it can involve bringing the driving forces of communities together through online forums or social media, or bringing communities together to share, collaborate, and learn together. It can also help to build the CED movement by making resources available and connecting practitioners and other interested parties.

Failing to make technological innovation a priority will result in a failure of CED to keep up with how society is connecting and organizing itself today. If social capital is eroding in communities (Putnam, 2001), it is important to emphasize that it is growing online. By using technology to connect, the CED movement can advance its practice, its theoretical development, and its continuous learning.

10. Continue to build partnerships.

The essence of a community coming together is about connecting and supporting a network of actors behind a common purpose or goal. Increasingly, partnerships are becoming an essential collaborative tool for governments, the private sector, and the civil society sector. Complex problems and challenges such as developing responsible and inclusive growth models or addressing poverty or inequality illustrate the need for collaborative, interdisciplinary, and intersectoral partnerships.

Given its history and current practice, CED is well positioned to engage in partnerships that mobilize all the driving forces of community required to explore, understand, and address complex community problems/challenges. As mentioned above (see recommendation 5), CED needs to avoid the pitfalls of only partnering with the "like-minded". In an interdependent and more closely connected world, inclusion, exchange, respect for and the ability to take advantage of diversity is required to frame and address complex socio-economic challenges.
11. Generate policy support for CED.
   Policies that support CED practice can be crucial to its success, yet most CED practitioners are interested in “action and projects”, leaving the connection between CED practice and policy as an afterthought. (Reimer et al., 2009). For instance, policies regarding training eligibility for Employment Insurance could support or limit the application of CED. In addition, having policies in place to support the viability of social enterprises could make an important contribution to supporting CED practice. CED needs to further explore the nature and types of policies that could be put in place or adapted to facilitate its practice.

CONCLUSION

The Analytic Report reviews the concept of Community Economic Development (CED) in the context of the broader socio-economic and political context. It confirms that CED is well positioned to make a continuing contribution to the socio-economic development of communities in today’s complex environment. The report identifies opportunities and challenges for expanding and enriching CED theory and practice. Its recommendations are generally intended to inform an ongoing reflection about CED modernization and evolution. It is specifically intended to contribute to CEDEC’s consideration of how CED theory and practice might continue to contribute to the organization’s ongoing positioning and performance.
REFERENCES


Schuster.


Savoie, D.J. (2000). *Community Economic Development in Atlantic Canada: False Hope or Panacea?* Canada: Canadian Institute for Research on Regional Development.


APPENDIX 1: REFERENCES CITED IN THE DOCUMENT REVIEW

APPENDIX 2: NEW ECONOMY NETWORK PREAMBLE & PRINCIPLES

These principles are included to provide an example of how CEDEC might think about conceptualizing of developing principles of CED. This document was referenced as one of the preferred examples from CED experts surveyed as part of the interviews carried out for this project.

PRINCIPLES FOR A NEW ECONOMY

Preamble

The purpose of an economic system is to help organize human activities in ways that create healthy and resilient human communities and ecosystems for both present and future generations.

To achieve these purposes, deep system-wide change is urgently needed to reverse conditions typical of contemporary global, regional, national and local economies that exhibit one or more of the following serious flaws. They are:

- Unsustainable: They over-consume and degrade the resources upon which their long-term prosperity depends.
- Unfair: They multiply financial advantages to those already advantaged at the expense of those most in need.
- Unstable: They lack resilience in a time of growing volatility and rapid social, political and technological change.
- Undemocratic: They operate with inadequate democratic control and accountability on the part of their most powerful economic organizations - corporations, financial institutions and governments.

At the root of these conditions is an implicit, dominant theory of economic purpose: namely to achieve continuous economic growth, as measured principally by GDP, by relying on “free markets”, without regard to the impact on overall human and ecological well-being. At the core of a New Economy is the need to decouple the achievement of well-being from limitless economic growth, by structuring economies that:

- Fully realize individual potential through the advancement of human rights, including the right to thriving livelihoods, freedom from unjust persecution, quality education, effective social safety nets, affordable nutritious food, clean water, secure health care, and adequate shelter.
- Protect and nurture the richness of the natural world in ways that confront and rectify intensifying threats to humans and other species, including those associated with climate change, biodiversity loss, eco-system degradation, and polluted air and water

The following Principles are designed to guide the actions of all economic actors and organizations whose decisions and actions affect, or are affected by, the pursuit of a New Economy.

Principles

1. Measuring progress - Economic progress shall be measured in terms of the well-being of all living species and ecosystems.
2. Respecting natural limits - The economy shall draw from, and inject into, ecosystems only what is compatible with maintaining a sustainable healthy and resilient natural world.
3. Democratizing the economy – All institutions that manage, regulate and execute economic activity, including private corporations, shall be democratically controlled in order to serve long-term societal goals.
4. Ensuring economic progress - Governments shall work to ensure prosperous and resilient economic outcomes by making adequate investments in research, education, physical infrastructure, and technology, whenever markets fail to do so.

5. Localizing control - Economic policy shall favor subsidiarity, e.g., the localization of economic decision-making and control to the greatest extent possible consistent with democracy, equity, and efficiency.

6. Taming finance - All monetary systems and financial institutions shall be regulated as essential public utilities for the benefit of society as a whole.

7. Reducing inequality - Increasing economic inequality shall be understood to be inherently and profoundly antithetical to achieving human and ecological well-being, and shall be rapidly reversed.

8. Providing adequate livelihoods - Individuals shall be ensured of opportunities for decent paid work, employee ownership and the right to organize, and accorded recognition for work performed outside the formal wage economy that is fundamental to enriching community and family well-being

9. Re-defining globalization - International economic relations that impinge upon human and ecological well-being shall rest upon the same principles as those applicable to economic activities within nations so that economic justice becomes enshrined in such relations.

10. Fostering new values - Economic values shall be diverted, by all fair and reasonable means, away from the materialism fostered by promoters of a consumer society, and shifted toward values that prioritize flourishing communities, individual happiness, and a healthy and resilient natural world.
CEDEC (Community Economic Development and Employability Corporation) is a leading partner and driving force for community economic development and employability.