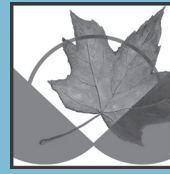


Election 2016 UNSPUN



CCPA

CANADIAN CENTRE
for POLICY ALTERNATIVES
MANITOBA OFFICE

April 15, 2016

Community Benefits in Procurement

Elections are noisy and cluttered affairs that can make it difficult for some of the most promising, Manitoba-made policy innovations to get the attention they deserve. One of these policies is the use of day-to-day government purchasing to provide job and training opportunities for people with barriers to employment. Little-known outside the social enterprise sector, the Government of Manitoba is recognized as a national leader for using procurement to drive social change in our communities, which in turn is providing the government impressive savings. This is a model that deserves to be celebrated and to grow.

Employment opportunities are a key part of a comprehensive poverty reduction plan. As other contributors to the UNSPUN series have laid out, the past decade has seen Manitoba make gains in important areas such as increased access to affordable housing and community-led neighbourhood renewal. But the numbers are still bleak: in 2011, between 105,000 and 164,000 Manitobans (and 11.3 percent to 22.4 percent of all Manitoba children) were living in poverty. One third of Manitobans are considered to be in core housing need. At least 1,400 Winnipeggers are homeless.

Poverty places a burden on Manitoba families that is unacceptable and unnecessary. There is a moral imperative to ensuring all Manitobans have equal opportunity to participate in healthy communities. If we believe in an equitable so-

ciety, then we must address poverty in a substantial way.

But there's a flip side to the coin: we spend too much money not addressing poverty. As written in *The View from Here 2015*, "study after study links poverty with poorer health, more young people in trouble with the law, higher rates of incarceration and higher justice system costs, more demands on numerous social and community services, more stress on family members, greater involvement in the child welfare system, and diminished chances of success at school." Manitoba spends approximately \$500 million per year on its justice budget, which has increased nearly \$300 million since 2006. Health care takes up about 38% of the Provincial budget.

Families living in poverty bear the pain poverty brings, but it's all of us who pay the toll of ignoring its public cost.

The vast amount of public money spent on the symptoms of poverty means that preventative solutions are highly valuable to government -- especially the provincial government. The Government of Manitoba, through Manitoba Housing & Community Development, and social enterprises have been taking advantage of this value by using procurement to provide employment opportunities for people with barriers to employment.

People who struggle with poverty are often told to "get a job" but this is not easy. Multiple bar-

telephone: 204.927.3200
email: ccpamb@policyalternatives.ca
website: policyalternatives.ca
blog: policyfix.ca
twitter: @ccpamb

Located in the
Social Enterprise Centre
205 - 765 Main St.
Winnipeg, MB
R2W 3N5

Election 2016 UNSPUN continued ...

riers to employment exist, preventing individuals from accessing jobs. These barriers include low literacy and education rates, lack of access to affordable childcare and housing, mental health, physical disabilities, the trauma trails of the residential school system, involvement in the criminal justice system, and being a newcomer to Canada.

So when non-profit organizations can sell the government the goods and services it needs, while hiring people facing barriers like these, it's a win-win. Prosperity and stability in our communities, and the highest value product for the government. Which is what we're doing here in Manitoba. Globally it's known as social purchasing, or social procurement.

For the past decade, and especially in the last handful of years, Manitoba Housing & Community Development has been directing some regular purchases like apartment refreshes or energy-efficient upgrades to local social enterprises in Winnipeg and Brandon. These non-profit organizations use a business model to create employment and training opportunities. In some cases social enterprises are supported with training funding from other provincial departments, and in others cases they are not. By supporting them, Manitoba Housing has been using its day-to-day spending to create prosperity and community stability.

In February of 2015, the department committed to implementing a key recommendation from the Manitoba Social Enterprise Strategy: to double its purchasing from social enterprises over three years, from approximately \$6 million to \$12 million per year. It's on track to complete this commitment, and social enterprises are growing with the demand.

This is only one department, and this is only the tip of the iceberg. There are many more opportunities for all levels of government to use their purchasing to create social impact. Local governments in Scotland were found to spend an average of 18 percent of spending on social enterprise, approximately \$60 million (CAD) each.

London alone purchases upwards of \$100 mil-

lion (CAD) annually from social enterprises. Social procurement is growing exponentially across the globe, and Manitoba has an opportunity to be a global leader in this promising practice.

But we must also recognize social enterprises' limits. If employees are not connected to the necessary supports that provide a stable work environment, they're much less likely to succeed in a social enterprise. Affordable housing, accessible child care, mental health supports, a supportive social assistance system -- these are all components of the comprehensive approach needed to effectively tackle poverty. In addition, workers who have been criminalized or have faced other challenges require on-the-job holistic supports to deal with issues that may interfere with their ability to work for pay, like finding secure housing or getting a driver's license. Funding these types of supports still costs less than dealing with the negative impacts of poverty and human potential unfulfilled.

Many of these supports are the responsibility of the provincial government, and insufficiently investing in them will further increase barriers to employment for vulnerable communities.

Investments in poverty reduction are inherently at odds with election cycles. Governments are held accountable for their work every four years. Breaking the cycle of poverty occurs over generations. A job opportunity coupled with the proper supports can provide a pathway out of poverty for families and our communities, but it won't happen overnight.

By using day-to-day government purchasing to provide these opportunities, Manitoba is creating an efficient and sustainable method to reduce poverty. We should celebrate the accomplishments thus far, and take strides towards becoming a global leader.

Darcy Penner is the Social Enterprise Policy and Program Manager at the Canadian Community Economic Development Network Manitoba Regional Office.

[UNSPUN is the 2016 provincial election commentary from the Canadian Centre for Policy Alternatives Manitoba](#)

telephone: 204.927.3200
email: ccpamb@policyalternatives.ca
website: policyalternatives.ca
blog: policyfix.ca
twitter: @ccpamb

Located in the
Social Enterprise Centre
205 - 765 Main St.
Winnipeg, MB
R2W 3N5