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Policy Alternatives  
Manitoba Office

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## Investing in Social Enterprise to reduce poverty and greenhouse gases

**A** new Errol Black Chair paper explains how a combination of governmental policies and initiatives in Manitoba allows social enterprises to reduce Manitoba's greenhouse gas (GHG) emissions while training and employing Inner City workers. The provincial government and Manitoba Hydro are supporting social enterprises so they can work in two emerging 'green' sectors: building retrofits and alternative energy installations.

Three social enterprises are examined in "Government Support for Social Enterprise Can Reduce Poverty and Green House Gases." An Aboriginal-owned social enterprise, Aki Energy (Aki is Oji-Cree for earth) works with Manitoba Hydro to enable First Nations – the majority of which rely on expensive electric heating – to access Pay As You Save (PAYS) Financing. This program finances the upfront cost of equipment and installation for geo-thermal systems, recovering the cost through an on-bill charge over 20 years. Energy bill savings are greater than the financing charge, so that participating First Nations households see energy bill savings from day one.

In the first year Aki Energy trained 30 First Nation geothermal installers who installed 110 residential geothermal systems on Peguis First Nation and Fisher River Cree Nation. Families who received the new systems will cumulatively save approximately \$44,000 per year in reduced utility costs.

Manitoba Hydro recently announced plans to install \$18M worth of geothermal installations (around 1,200 homes) over the next three years, and Aki Energy is currently expanding this program to a number of additional First Nations.

Building Urban Industry for Local Development (BUILD) and the Brandon Energy Efficiency Program (BEEP) are Manitoba social enterprises that train multi-barriered workers.

Located in Brandon and administered by the Brandon Neighbourhood Renewal Corporation (part of the government's Neighbourhoods Alive Program), BEEP currently works with 12 trainees who are funded by Training and Employment Services at the provincial department of Jobs and the Economy. All trainees were previously unemployed and/or collecting Employment Insurance (EI) or Employment and Income Assistance (EIA) from the province.

Through Manitoba Hydro's Affordable Energy Program and Pay as You Save (PAYS) program participants install attic, basement and wall cavity insulation. BEEP has completed energy and water-efficiency and insulation upgrades in over 600 Manitoba Housing units. More recently, Manitoba Housing hired BEEP to complete asbestos and mold remediation on 25 duplexes in Brandon prior to completing exterior refreshes. These contracts provide excellent training opportunities to BEEP participants so they can develop marketable skills.

Started in 2006, BUILD today works with 50 trainees per year. Trainees tend to be Aboriginal men who live in Winnipeg's Inner City and/or North End. There are also some newcomers and females, and almost all are under-educated, lack stable housing and most have had contact with the justice system. For 2 months trainees learn trades-based math for 1.5 hours every morning in preparation for an essential skills assessment. Trainees then continue on to hard skills training in building insulation, taping, mudding, door hanging and dry walling. Soft skills cover everything from nutrition, parenting and budgeting to stress management and work ethics. Those workers who successfully work through training have the opportunity to move to the social enterprise side of BUILD where they expand their on-

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IN LABOUR ISSUES

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the-job training with government procurement jobs through Manitoba Housing and Manitoba Hydro.

Up to 75 percent of BUILD/BEEP trainees have a history with the criminal justice system, so when the cost of ‘fighting crime’ is weighed next to the cost of giving high-risk people an alternative to illegal activity, the savings are compelling. Savings are also realized when previously unemployed people work, pay income tax and increase their consumption - and when workers no longer collect Employment and Income Assistance (EIA).

Manitoba Green Retrofit (MGR) does energy-efficient retrofits for Manitoba Housing; property management; demolition and salvage; ‘make readies’ - repairs for Manitoba Housing; and offers an effective bed bug treatment service called Bug N Scrub which is available free to vulnerable renters through a provincial government program, and to individuals who pay MGR directly. MGR completed a contract to replace 160 furnaces (with high efficiency models) with Manitoba Hydro and Kinew Housing. Many MGR employees have graduated from the BUILD program, helping them transition to the regular labour market.

The good work done by these social enterprises receives government support on several levels. Neighbourhood Renewal Corporations; a combination of new and existing legislation; Manitoba Hydro; the province’s use of a Community Economic Development (CED) strategy which informs government procurement; and the new Social Enterprise Strategy all form a framework so the social enterprises can operate. Of particular note is *The Energy Savings Act* which supports the use of social enterprises to improve energy efficiency and reduce GHGs and includes the On-Meter Efficiency Improvement Program and PAYS. The full report offers more detail for each level of support.

Given the potential for social enterprises to train and employ previously unemployable

workers, the *Act* could go further. It needs to adopt some hard targets for building retrofits in more low-income housing units. And the province needs to exploit the model in other areas besides Manitoba Housing and Manitoba Hydro. The City of Winnipeg should take note as well.

One more element in the model needs to be puzzled out: how to help trainees transition into the tougher private sector where employers are not as supportive. Canadian Centre for Policy Alternatives Manitoba research recommends adopting an Aboriginal-focused Labour Market Intermediary (LMI) - a network of community-based organizations (CBOs) that service multi-barriered workers. CBOs could provide addictions counselling, child care, resume writing, drivers licenses etc. The LMI would also include educational institutions, interested employers and relevant trade unions. An LMI assesses the needs of employers and employees and connects them with each other, or connects employees with training and/or counselling. The province is considering how to support the design of an LMI which, if and when implemented, would help complete the social enterprise strategy.

Social enterprises have come a long way in the 15 years the current government has been in office. Many are wondering how the sector might survive a change in government - should that occur in April, 2016. Elements may survive but the big fear is that a different party would not see the value in what has been so painstakingly built up over the years. It would be tragic if the framework were dismantled; much has been gained and there is much more left to do.

*Lynne Fernandez holds the Errol Black Chair in Labour Issues at the CCPA MB and is the author of **How Government Support to Social Enterprise Can Reduce Poverty and Green House Gases***

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