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The Manitoba Community Economic Development Lens: Local Participation and Democratic State Restructuring

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The Manitoba Community Economic Development Lens: Local Participation and Democratic State Restructuring

Introduction

In Manitoba there is a deeply-rooted appreciation for community economic development (CED), which has arisen from a unique set of factors. The inner city in Winnipeg is beset by problems of chronic poverty; yet, there is a vibrant left-wing political tradition committed to concepts of economic and social justice, as well as a large urban Aboriginal population with an activist leadership that is inspired by ideals of self-governance and self-determination. Together, these factors contributed to the emergence of a “CED vision”. This vision became more coherent as a result of the neo-liberal political agenda pursued throughout the 1990s by the Conservative government of Gary Filmon, since it did not lend a great deal of support to local, community-driven initiatives. The Filmon Tories largely abandoned the inner city, leaving questions of economic and community development to the community itself.

The result, particularly in Winnipeg, was the development of a diversity of community development organizations which, for the most part, occurred independently of the state. These organizations were often small and poorly resourced, and depended on project funding cobbled together from a variety of sources. In many instances they remained dependent on some degree of state funding and subsidization. That funding, however, was often precarious and vulnerable to government cutbacks and priority changes.

With the election of the New Democratic Party (NDP) under Gary Doer in 1999, there was some expectation that CED and support for civil society organizations working in the inner city would become a higher priority—Manitoba NDP governments have historically identified with the left side of the political spectrum, and have been broadly committed to social and economic justice. These hopes seemed justified when the Doer government undertook to include CED issues in its policy agenda. The centerpiece of this commitment was the implementation of the Community Economic Development Lens, which was to be a policy tool for integrating a CED perspective into government policies across programs and departments. From the perspective of communities, it was hoped that this new orientation would permit a more coherent and supportive approach to CED, ending the fragmented and tenuous strategy that had been taken by the Filmon Tories.

The expectations around the CED lens remain, however, largely unrealized: its integration into the policy framework of the state has been at worst a failure, and at best incomplete. This is due, in part, to the inadequacy of the mechanism chosen for the implementation of the lens. The lens was put into operation through the creation of a central agency—the Community and Economic Development Committee of Cabinet (CEDC)—which was to coordinate economic policy across

departments. One of the strengths of the central agency approach is its ability to create frameworks overarching a number of line departments. In the case of the CED lens, however, the CEDC had competing objectives, such that CED was mostly a secondary concern. Moreover, committee members working on the CED lens had little capacity to direct the activities of departments and no program authority. In other words, programs and policies remained the responsibility of individual line departments. For those departments not sympathetic to CED, therefore, it was relatively easy to simply ignore the lens.

One of the critical tasks faced by the proponents of the CED lens was, to a certain extent, changing the fundamentals of bureaucratic culture: the implementation of the lens required policy makers across departments to conceptualize their roles and to understand the policy framework under which they operated in a totally different way. This was necessary over the past several decades because public sector restructuring had led to the transformation of bureaucratic culture and its reorientation along neo-liberal lines. "New Public Management", as this process widely came to be known, had revolutionized public services throughout the western world, resulting in the restructuring and downsizing of state

bureaucracies. Its implementation had resulted in a wholesale change in the "culture" of bureaucracies, with greater emphasis on marketization, privatization and entrepreneurialism (Osborne and Gaebler: 1993, Shield and Evans 1998). To the extent that CED represented an alternative conception of economic development, its promotion would require radical changes to the way bureaucrats and policy makers approached the question of economic development.

This paper is divided into four parts. The first provides a brief discussion of what is meant by CED, and of its radical potential as an alternative strategy for economic development. The second part discusses the origins of the CED lens in Manitoba, and the difficulties the state has faced in its development. Interviews were conducted with individuals working in the CEDC Secretariat and departmental representatives on the CED working group. Interviews were also conducted with CED activists about their perceptions of the CED lens. The third part examines the reasons for which the transformation of bureaucratic culture along CED lines is so difficult, and shows that policy culture in Manitoba remains non-conducive to CED. Finally, the conclusion offers some ideas as to how democratic change and CED could be pursued more effectively.

Community Economic Development

The notion of CED can be understood in a number of ways. For the purposes of this paper, CED is understood as a community-driven process that combines social, economic and environmental goals to build healthy and economically viable communities. CED aims to revitalize and renew community economies by developing community resources. Local control and ownership of such resources is considered vital to enhancing the self-reliance of communities; it also ensures that economic development efforts will be responsive to local priorities as defined by the community itself.

CED emerged as a strategic response to depressed socio-economic conditions in local communities, and is based on the premise that traditional models of economic development do not meet the needs of large numbers of communities and local residents. As such, its practitioners and activists have sought to promote an alternative vision of economic development. In this vision, the goals of social welfare, equity, economic development and sustainability are not left to the market, but are facilitated by a flexible process and guided by a strategic vision defined by the needs and priorities of the community itself. While many different models of CED have emerged, they all tend to offer strategies that focus on responding to locally defined priorities. Within Winnipeg's CED community, the Neechi Foods CED Principles have been adopted as a benchmark for CED initiatives (see appendix).

CED challenges traditional approaches to policy development and implementation at both the collective level and at that of the individual. With regards to the first,

economic development policy has generally been understood in market terms. Levers of economic development therefore tend to involve a range of incentives to private business, such as tax incentives and a variety of other direct enticements. In this context, the role of the state in economic development is limited to creating a "business-friendly" climate in which companies will want to locate. As such, the state's frame of reference is largely at the macro level: it is concerned with economic development at the level of the nation, province or city, depending on the level of government in question. Rarely is economic development thought of at the level of individual neighbourhoods or communities, since their scale is simply too small for most traditional economic development tools.

Within the traditional economic development framework, the state does not concern itself with the products/outputs of economic development. In other words, profits generated from economic activity remain in the hands of private business, and what is done with those profits is not the concern of the state. Therefore, the state has an extremely limited capacity to direct the reinvestment of those profits into the community for local benefit. From the state's perspective, the establishment of a new manufacturing plant in an inner-city neighbourhood, for example, might constitute an example of successful economic development; however, from a CED practitioner's point of view this would only be successful if the plant were to employ community members and reinvest profits into the community. Moreover, the CED perspective would see the community itself, and not just the company, involved in setting

those priorities. In traditional economic development models, the questions of who to employ and what to do with earnings are within the exclusive purview of the private company.

At the level of individual community members, state policy tools have been similarly understood in market terms. State policy has historically been limited to such mechanisms as income support and training programs designed to help individuals overcome temporary periods of unemployment. These mechanisms understand the role of the state as being limited to helping overcome periodic failures of the labour market: rarely has state policy attempted to link business investment decisions with the economic and social well-being of both individuals and the broader community in which they live. It is even rarer for state policy to view community members as participants in decision-making regarding employment and investment decisions or training opportunities—these issues are generally considered to be within the exclusive purview of the private sector.

CED, then, offers a radical alternative to conventional approaches to economic development. CED can also be conceptualized as an alternative model of state-community relations. In particular, the democratic possibilities embedded within CED notions of local autonomy and decision-making provide the basis for creating state-community partnerships that are more participatory and developmental in nature. In this way, CED offers the potential to go beyond traditional models of policy-making and service delivery, which are all too frequently oriented from the top down and are bureaucratically driven. It has the potential to develop partnerships that are less one-sided, and

that are capable of genuinely enabling community organizations to set the terms and priorities of service delivery.

The CED Lens in Manitoba

After the election of the NDP under Gary Doer in 1999, a series of discussions developed between CED groups and the government which centered on the disjuncture between the objectives of the former and the policy framework of the latter. CED groups felt the state agencies they dealt with did not understand CED, and were not sympathetic to or supportive of the ways in which they were organized and operated. Overall, the government's policy framework and approach to service delivery was considered antithetical to the achievement of the CED goals of enfranchising and empowering communities. In modern bureaucracies, policy development and implementation conceive of accountability and expertise in ways that privilege the authority of state experts, and that are generally not supportive of the mechanisms of community participation and self-determination. Governments generally engage in a top down approach to economic development that provides little or no opportunity for local participation. In the case of CED this problem is compounded by the fact that civil servants have poor comprehension of CED principles. It was felt by activists that unless government policy makers had a better understanding of CED principles they would continue to receive limited support. If real transformation was to occur, a greater awareness of CED on the part of government was necessary.

These discussions led to the development of a CED initiative, which was to be coordinated through the Community and

Economic Development Committee of Cabinet (CEDC) secretariat. The cabinet committee was initially chaired by the premier and included six ministers representing the following departments: Industry, Trade and Mines; Advanced Education and Training; Aboriginal and Northern Affairs; Culture, Heritage and Tourism; Agriculture and Food; and Intergovernmental Affairs.

The CEDC explicitly adopted a very broad and participatory definition of CED. The policy framework defines CED in the following terms:

CED is a community driven process that combines social, economic and environmental goals to build healthy and economically viable communities. CED strategies aim to revitalize and renew community economies by developing community resources for community benefit. CED focuses on local control and ownership of resources and strives to increase the self-reliance of local communities. CED requires that economic development be responsive to locally defined priorities. (Government of Manitoba, undated document)

Fundamental to CED is that processes and strategies must be owned and driven by communities, and be directed to fostering the economic, social, ecological, and cultural well-being of communities. Within this context, CED can have an important role in developing local economies and communities in a way that maximizes opportunities for people to work collectively in addressing community problems. CED is a process that is intended to ensure that social welfare, equity, economic

development and environmental sustainability are not left to chance, but rather are facilitated by a flexible process guided by a strategic vision. (Government of Manitoba. CED Initiative. <http://gww.internal/cedinitiative/policy.html>)

To its credit, the CEDC's approach to CED roughly parallels that of Neechi Foods, and incorporates all of the Neechi principles. (A complete list of the principles that informed the lens is included in the appendix.)

For CED activists, the creation of the CEDC and the adoption of the lens seemed to be very positive developments. For the first time it appeared that CED was being taken seriously at very senior levels of government, and there appeared to be some political will to restructure policy processes in a way that would be more sensitive to and supportive of CED values.

The initial optimism of community CED activists that the creation of the CEDC would increase the visibility of inner-city economic issues was soon replaced by a certain degree of frustration. This was because the new cabinet committee confronted a number of obstacles to integrating community-based principles into broader notions of economic development. The CEDC is responsible for economic development issues generally, and CED, while important, is only one priority among many. In this regard it is important to note that the name of the cabinet committee is conjunctive: it is the Community *AND* Economic Development committee, not the Community Economic Development Committee. Consequently, it has been involved in a number of economic development ventures, such as the creation of a "single

gateway” for new businesses interested in moving to Manitoba and the encouragement of outside investment in the province. The committee has been described as the government’s SWAT team for encouraging business investment, overseeing and smoothing the way for new development projects (Rabson 2003). These have included very traditional initiatives, including, for example, the development of meat packing plants, a potato processing plant, manufacturing, the construction of a downtown arena and a downtown Red River College campus. While arguably all of these projects may benefit their community in the broadest sense, they were not developed or managed in accordance with CED principles. In other words, they did not involve local planning, management, and reinvestment.

There has, however, been some movement towards the integration of CED principles into a broader policy framework at the level of the CEDC Secretariat, which provides staff resources and assistance for the cabinet committee. The secretariat is divided into nine project areas, though only one project officer is charged with the Community Economic Development file. The remaining officers deal with more traditional economic concerns.

This resulted in the establishment of an interdepartmental working group, chaired by the CEDC project officer responsible for CED. The working group included three staff members and “CED champions” nominated from a variety of departments and agencies. These included representatives from Aboriginal and Northern Affairs; Culture, Heritage and Tourism; Advanced Education/Education, Training and Youth; Family Serv-

ices and Housing; Healthy Child Committee of Cabinet; Industry, Trade and Mines; and Intergovernmental Affairs, which had 3 representatives on the working group. The notion of a CED lens as a policy tool developed out of the work of this committee. The lens was to provide a framework, or a set of indicators, that departments could utilize to evaluate policy initiatives in order to ensure that they are consistent with CED principles. The lens would also allow departments to identify policy areas where CED opportunities exist and could be developed. As part of its work, the CEDC has taken responsibility for the development of this policy framework.

While the idea of using the CED lens as a policy tool is promising, its operationalization has proven more difficult: the integration of a more participatory and locally driven approach to economic development into existing policy frameworks has been frustrated by the realities of bureaucratic organization. The CED lens is meant as an internal tool for self-analysis that will permit policy makers to identify possibilities for CED applications—it has not been utilized as a vehicle by which community groups are brought into that process. One activist, while supportive of the idea behind the lens was critical of its implementation. He stated, “*it amounts to government people talking to other government people*”. Although the need for the CED lens may have emerged from a dialogue with community groups, discussions since then have primarily been internal. The background documents prepared by the committee have not been shared with CED groups and practitioners, nor are they publicly available. (The materials are kept on a government intranet, accessible only by public servants.) Moreover, although

the interdepartmental working group invites individuals from the community to make presentations to it, these occasions are rare, and are conceptualized as “information gathering” by the committee, rather than as opportunities to involve community groups in the committee’s discussions and planning. Finally, while most members of the working group are very supportive of and enthusiastic about the lens, they are still in the process of self-education as to what constitutes CED. There is a consensus that this needs to take place before education can begin at a broader level.

While some departments have utilized the CED lens as a basis for conducting an inventory of programs, those departments most embedded in traditional modes of economic development—Industry, Trade and Mines and Energy, Science and Technology—have not. The departments that have done so are those in which a well-developed policy community exists, and which have a history of consultation and involvement by members of that community in policy processes. This would certainly describe the Labour and Immigration Department: both business and labour groups have traditionally been very involved in labour policy development, as have a number of organizations representing immigrant communities in Manitoba for policy concerning immigration. The same can be said of the Aboriginal and Northern Affairs Department, in which the logic and language of self-governance is very current and dominates the bureaucratic discourse. Since there is congruence between the language of CED and the aims and aspirations of self-governance, the development and integration of CED principles into the operation of the department has been more easily achieved.

However, very few departments have conducted inventories by use of the lens at the date of writing. This reflects the fact that many participants in the working group do not understand or appreciate the relevance of its work to the daily activities of the departments involved. In fact, interviews conducted with members of the working group reflect that they do not perceive the principles of CED to be particularly applicable to their day by day operations. To a certain extent, the lens operated within a “double bind”. Departments without a strong economic focus found it difficult to conceptualize its relevance to their operations; and working group members from departments most associated with traditional models of economic development were sceptical of its approach. The project was seen as an interesting exercise, but as one with limited applicability. The promotion of CED in general was understood as a significant gesture to the broader social justice ambitions of the government, but one which was ancillary to its primary economic agenda.

The fact that the lens was not viewed to be compatible with traditional models of economic development can be readily seen in the approach some departments have taken toward it. A representative of Industry, Trade and Mines, for example, identified the department’s vision as *“bringing economic prosperity and identifying Manitoba as a competitive marketplace for industry”*. To this end, the department’s objective was to stimulate and facilitate economic growth, particularly by promoting Manitoba as a location for investment and by improving access to capital for potential investors. As a result, the working group member from this department felt that CED *“did not really fit in with a large proportion of what the department does”*.

The case of Manitoba Agriculture and Food is also instructive. The representative to the working group conceptualized his department's work as consistent with CED. However, this understanding was linked to conceptions of "value added diversification" within the context of agri-business. Effectively, this means the expansion of economic activity beyond primary agricultural activities—planting and harvesting—to include manufacturing and tertiary activities such as food processing and retailing. Clearly, this approach understands CED not as a community-driven and participatory process, but rather as one of helping rural communities adjust to the harsh realities of the global market. Although there is a sense that this should take place within a context of sustainability and support for the family farm, this is still a far cry from CED as it is understood within the framework of the lens.

Transforming Bureaucratic Culture

It is useful to examine the factors that contributed to the success of New Public Management at shifting the culture of the public service in order to assess the capacity of the current NDP Government to reorient public services in a fashion consistent with CED values and principles.

The onset of New Public Management did not represent the first time it has been argued that the public sector should be made more like the private sector. Rather, this has been a common theme throughout the twentieth century (Savoie 1994). What is remarkable about New Public Management is its success at restructuring public services and transforming the political culture of those institutions.

Evidence of this cultural shift is reflected throughout the state: government departments prepare "business plans"; heads of agencies are called chief executive officers; and customer service, as opposed to citizen accountability, is the primary goal of many agencies.

While many factors contributed to the ascendance of New Public Management, such as fiscal crisis, globalization and the election of neo-liberal governments in a number of industrial democracies, several seem particularly important in explaining its capacity to shift the cultural values of public sector institutions. First, state restructuring was carried out under a fiscal imperative. The relationship between New Public Management and the politics of restraint has been discussed elsewhere (see Shields and Evans 1998). For the purposes of this chapter, it is enough to note that the desire to reduce deficits and government spending was given added impetus by the perceived fiscal crisis of the state. Moreover, massive cuts to departmental budgets and layoffs of civil servants left those remaining with little option but to comply with demands for restructuring. In other words, fiscal pressure was utilized to overcome bureaucratic inertia.

The success of this fiscal pressure was also, at least in part, due to support from the center. Political leaders and central agencies of control were supportive of the perceived need to restructure administration and of the direction that this restructuring should take. This combination of fiscal pressure and political will meant that civil servants were not able to dismiss public sector reform as a passing fad. Rather, New Public Management offered both a prescription for minimizing the state, and a practical solution to the prob-

lem of delivering services with greatly reduced budgets and staff.

Some members of the interdepartmental working group hope to restructure the policy culture of the state, and to create changes that will outlast the current administration. However, fiscal pressures in Manitoba run counter to the implementation of CED in a serious way, and as a result render the development of a CED culture within the bureaucracy extremely difficult. Although it is certainly true that building economically sustainable communities would save the Manitoba government a great deal of money in the long run by reducing the amount currently spent on social assistance, health care, child welfare and policing, these savings would likely not be realized in the foreseeable future, and possibly not for several generations. Moreover, given the small nature of current CED initiatives, to increase their size and scope to the point where they would begin to have a significant impact on the opportunities of disenfranchised communities would involve large increases in expenditures. Yet, the Manitoba government is still feeling the fiscal legacy of New Public Management. Balanced budget legislation precludes running a deficit, and the government is committed to not raising taxes; in fact, the Doer government believes electoral victory to depend on being consistent in its adherence to these two principles. Consequently, there is no great desire to embark on a policy direction that would involve significant increases in expenditures in the short term with cost savings not being realized for some time.

The lack of fiscal incentive to adopt CED principles might be overcome if there was sufficient support from the premier's of-

fice; yet, this seems to be lacking. Though some support for the initiative is evidenced by the facts that the CEDC is chaired by the premier and the secretariat is headed by a powerful government figure, Eugene Kostyra, whose appointment was seen as reflecting the premier's commitment to the project, the CED aspect of the secretariat's work remains a limited portion of its mandate. Indeed, both Kostyra and the government are quick to include megaprojects such as the building of Winnipeg's new downtown arena as significant examples of CED.

This points to a broader problem—namely, that the government's conception of CED differs significantly from that of local community activists and CED practitioners. CED can be reinterpreted fairly easily so as to be consistent with very conventional notions of economic development; and the democratic and participatory elements of CED can easily be jettisoned. The commitment of the government to CED, therefore, may be more limited than it appears. For the most part, the work of both the CEDC and the secretariat can be understood within a relatively traditional economic framework. Their primary concerns are with business development, training and creating an economic climate that is favourable to traditional private business investment—objectives that can easily be incorporated and articulated through a language of CED that has little to do with the objectives of the lens. This same ambivalence can be seen among some of the participants in the project.

CED as a more progressive and radical alternative is, at best, an add-on. In some respects it is a concession to inner-city activists who have been pushing the gov-

ernment to devote more resources to problems in their neighbourhoods. There is, however, little evidence of a broader commitment beyond the inter-departmental working group to actually integrating CED principles into the fabric of the state.

The absence of a deep commitment to CED can be seen in a number of recent examples of development projects that have proceeded without a significant CED component, despite their obvious potential to do so. For example, the construction of the new Red River College Campus in Winnipeg's Exchange District proceeded without any requirements to employ local residents even though the campus is adjacent to one of the poorest neighbourhoods in Winnipeg. As another example, a series of discussions recently took place between a community coalition, the federal government, the Province and the city of Winnipeg over how to structure community participation in the allocation of funds for inner-city development. Provincial officials were reportedly angry that community groups were to be given a role to play.

In other instances, "partnerships" between the provincial government and not-for-profit organizations continue to be structured by "service agreements", which often impose terms on the community group with very little possibility for negotiation. Community groups are frequently so under-funded that in the scramble for resources it is relatively easy for government agencies to engage in a top down process. From the government's perspective, this approach has the merits of providing fairly clear mechanisms of accountability with strict reporting schedules and performance obligations, without any of the potential com-

plications that might arise from a more democratic or participatory process. It also retains control in the hands of state policy experts, and does not share authority and responsibility with local communities. Under this scenario, community groups have very little choice but to accede to the dictates of government.

Conclusions

One should not be overly critical of the Doer NDP government, since the situation of many community groups has certainly improved relative to their circumstances under the Filmon Conservatives. Nonetheless, the existing policy framework around CED remains inadequate. CED, if it is to provide a basis for restructuring the relationship between community groups and the Manitoba government, needs to be given a higher priority status as a state objective. This will require several changes to government structures. First, CED needs to be integrated more effectively into the government's overall agenda, an achievement that will require a commitment from the premier and his office. More concretely, CED needs to be made a priority at the level of the CEDC and at that of its secretariat. The CEDC, while an important economic committee, does not have the same degree of authority over government policy as does the Treasury Board, and there is no requirement that all new policies be vetted as to their CED potential prior to going to Cabinet for approval. In this sense, it has yet to become a true central agency of control. As a result, the exhortations of the interdepartmental working group are its only mechanism for ensuring that government policies conform to CED principles.

Second, several changes to the interde-

partmental working group will be required. At the moment, each department approaches the question of CED from its own particular perspective, resulting in widely varying understandings of the concept. The interdepartmental working group is attempting to formulate a common perspective, but this will depend on the cooperation and agreement of representatives from a wide range of departments. Therefore, the group needs to develop its own policy and program capacity: it must have the ability to develop training programs, create best practices manuals tailored to the needs of particular departments and sponsor pilot projects. At the same time, a performance evaluation component permitting the group to undertake external evaluations of the integrity of the CED efforts of line departments would be extremely useful. As well, because it is simply too easy for departments and agencies to utilize the language of community without actually integrating genuine CED principles into their operations, the working group may have to be transformed into an agency in its own right. This would allow it to develop a coherent CED approach.

Nevertheless, it would be a mistake to believe that simply adjusting the operational form of the current secretariat and working group can provide an adequate solution—there is a more fundamental contradiction at the heart of the CED lens project. That is, the objective of the lens is to adjust bureaucratic behaviour and attitudes so as to render them more amenable to community-based initiatives; yet, this project has been conceived as an effort that is largely internal to the state, without sufficient participation from community groups. The lens is an attempt to facilitate the state in developing a top-down process of promoting more

democratic participation in economic decision-making, rather than facilitating the community to develop its own democratic capacity.

To this extent, an appropriate strategy may be to hand the CED lens over to the community. Greater involvement of community participants through community-based assessments of departmental policies, joint civil servant and community planning forums, and hiring project officers directly into departments with the explicit role of facilitating and developing new forms of state-community participants would have been extremely useful. Such approaches have been attempted with some success in other jurisdictions, particularly in New Zealand (Larner and Butler 2005), and they would likely have been more fruitful than was the traditional model of policy development undertaken.

To date, the success of the interdepartmental working group at raising the profile of CED within the provincial government has not been great. Though the CED lens has only been in existence for six years, one might nevertheless have expected greater output from the interdepartmental working group. The CED lens does not appear to have much purchase in the operations of most departments. In part, this reflects the nature of bureaucracy: it is frequently slow to act, and many quarters of the state will be unreceptive to any initiative intending to increase the capacity of community groups to influence and direct policy. However, the failure of the CED lens initiative to produce substantive change to public service delivery also reflects a lack of support from the center. Fundamentally, the Doer NDP government's approach to governing in Manitoba is

based on the model of the Third Way pioneered by Tony Blair's New Labour government (for further discussion of the Third Way see Bradford 2002; Sheldrick 2002), which depends on a fairly careful engagement in brokerage politics. In the Manitoba context, the government has adopted a strategy of appeasing business: the business community is given the concessions it wants—primarily, lower taxes—and with its leftover capacity, the

government makes marginal investments that are intended to be seen as advancing the cause of social justice. It is in this context that the inadequacies of the CED lens can be explained: it is perceived by the government as a nice idea—one, however, that will not be permitted to interfere with the traditional economic development strategies it considers key to its electoral success.

Appendix

The CED Lens: Objectives and Principles

A. CED Goals and Objectives:

1. Building Greater Community

Capacity: Community Capacity building involves people working collectively, learning, planning, and developing programs, services, and networks that facilitate CED. Capacity building is an ongoing process that encompasses community education and awareness, organizational development and strategic development. Community capacity includes institutions, relationships, and norms that shape the quality of a community's social interactions. In turn, these facilitate development, coordination and co-operation.

The extent to which people can take initiative and provide leadership is heavily influenced by their own feelings of self-confidence and self-respect. These factors also affect people's ability to share and act upon a sense of community. Great care must be taken to ensure that CED policies and programs are consciously designed to encourage and support grassroots innovation and leadership.

2. Nurturing Individual and Community Pride, Self Reliance and Leadership:

The extent to which people can take initiative and provide leadership is heavily influenced by their own feelings of self-confidence and self-respect. These factors also affect people's ability to share and act upon a sense of community.

Great care must be taken to ensure that CED policies and programs are consciously designed to encourage and support grassroots innovation and leadership.

3. Enhancing Knowledge and Skills:

CED requires that community members have access to education and training opportunities that are accessible, relevant and affordable. Education and training contributes to enhanced employability, greater productive capability, and social and economic innovation. As such, it is critical to building strong economies and allowing people to live purposeful lives. Education and training is necessary to support lifelong learning that enables individuals and communities to adjust to changing circumstances and continuously meet their needs.

4. Developing Business that are Responsive to Social, Economic and Environmental Needs:

When business investment is narrowly focused on realizing commercial profits, there is no guarantee that business development will have a desirable impact on people or the environment. CED can be used to focus attention on social, environmental and broad economic needs. Mainstream investments are predominantly based on fast capital turnover and maximizing profit rates. For CED, flexible financing and business support is needed to accommodate small and large-scale investments, longer time periods, and a balance between social and environmental benefits and com-

mercial returns. CED financing is also needed to support solid business ideas that may, or may not, have access to conventional forms of collateral.

- 5. Fostering Balanced Equitable and Sustainable Economic Development:** A strong economy needs to have diversity. There needs to be a balance between different economic sectors, so that local and regional economies are not vulnerable to being destabilized by the inevitable upswings and downswings of the market. This balance implies strong linkages between industries and businesses at the community and regional level. Income circulation, rather than income drain, is a hallmark of a well-developed economy. Balance also implies reinvesting profits back into the local economy. Equitable income distribution and good environmental stewardship.

B. CED Principles:

1. Local Employment

- Support the creation of long term employment opportunities for local residents
- Create opportunities for greater personal and community self-esteem and self-sufficiency, while at the same time reducing reliance on welfare and food banks.
- Enable the spending of incomes in the local economy.

2. Local Ownership and Decision-making

- Help community members increase

their ownership and control over local assets such as co-operatives and other community-based businesses, properties, natural resources, etc..

- Encourage strong grassroots involvement and leadership in CED activities.
- Use democratic and consensus-building approaches to decision-making.

3. Local Economic Linkages

- Help build economic linkages within the community and beyond that result in economic diversity and balance—this will include a priority focus on purchasing locally produced goods and services and, conversely, producing goods and services for local use and benefit.

4. Reinvestment of profits in communities

- Encourage the reinvestment of profits back into the community in order to expand local economic activity and strengthen community self-reliance.

5. Local Knowledge and Skills Development

- Provide education and training opportunities that are accessible, relevant and affordable for community members.
- Support lifelong learning that enables communities to adjust to changing circumstances and continuously meet their needs.
- Promote enhanced employability, greater productive capability and innovation.

6. *Positive Environmental Impact*

- Protect the environment by building green, clean and safe communities.
- Generate Innovative ways to conserve resources and improve the physical environment.

7. *Health and Well-Being*

- Promote the physical, mental and emotional well-being of community members at home, in the workplace and in the community at large.
- Provide opportunities for positive social interaction and mental stimulation, and for healthy physical activity.

8. *Neighbourhood Stability and Community Cohesion*

- Create conditions that encourage community members to live and work in their community on a long term basis (eg. Dependable housing, safer streets, secure employment).
- Promote a strong sense of community, based on shared interests,

experiences and collective initiative, so that all community members feel that they have a place in the community and a stake in the future.

9. *Human Dignity*

- Develop relationships and interactions that build individual and community pride, self-respect and leadership.
- Recognize community members as the most important resource for CED.

10. *Interdepartmental and Intergovernmental Collaboration*

- Improve interdepartmental and intergovernmental communication, joint planning and cooperative program delivery in order to provide the best possible services to the people of Manitoba.

(Source: Government of Manitoba. CED Initiative. <http://gww.internal/cedinitiative/policy.html>)

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