

SUSTAINABLE URBAN ECONOMIC DEVELOPMENT

An Aboriginal Perspective

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Definitions of sustainable economic development generally emphasize that improving the well-being of people today should not be at the expense of future generations (see, for instance, the Brundtland [1987] Commission on Environment and Development). These definitions are, correctly, concerned about the limited resources available and the need to use them wisely over time. The wisdom of this concern is readily apparent in northern and rural Aboriginal communities which rely on hunting, fishing, trapping, and forestry for at least part of their livelihoods. Over production or wasteful use of these resources will eventually reveal themselves in declining yields, denying today's children and their children of access to these resources.

In urban areas, it is less easy to apply this resource-based notion of sustainability to economic development. Different approaches are needed to address the different economic situation encountered there.

An Aboriginal workers' co-operative in Winnipeg, Neechi Foods, has developed a series of community economic development (CED) principles that seem to offer a much more comprehensive view of "sustainability." A view that could readily encompass the resource focussed defini-

tion, but which clearly goes beyond it (Winnipeg Native Family Economic Development Inc., 1993). This approach to sustainability was developed specifically to address urban economic development, but it could easily be adapted for remote and rural economies too.

These principles have been refined over time, through discussion and debate, and now number eleven in total. So appropriate do they appear to be that most organizations involved in CED in Winnipeg, both Aboriginal and non-Aboriginal alike, have adopted them as the principles upon which they conduct their activities and the measuring rod by which they evaluate their success.

The first three principles are closely inter-related and include: the production of goods and services in the local economy, the use of local goods and services in the local economy, and the re-investment of profits which are made locally back into the local economy. These fairly straightforward principles are designed to **build** and **maintain** a local economy supported by local producers and local consumers. The aim is for residents, to the extent possible, to meet their consumption needs from local producers and from local stores. The large number of

workers who may not reside in the inner-city but derive their incomes from employment there, often delivering services to Aboriginal people, are encouraged to “leave some of their income behind,” in support of local businesses. Local businesses are, in turn, encouraged to buy from and sell to other local businesses as much as possible. Finally, the profits made from doing business in the inner-city are to be re-invested, as much as possible, in expanding existing businesses or in creating new businesses in the inner-city.

Collectively, these first three principles can be summarized as the core of a “convergence” strategy of economic development, in which local resources are used as much as possible to satisfy the needs and demands of the local population (Loxley, 1986). This strategy was first proposed by C.Y. Thomas (1972) for small developing economies but was applied to northern Manitoba (Loxley, 1981). The idea behind it is to strengthen local economies by building up and intensifying **linkages** between producers and consumers. For producers, these inter-connections take the form of **backward** linkages which are purchases from other businesses of goods and services needed as inputs to produce their outputs, and of **forward** linkages which are sales of products to other businesses needing them as inputs. To the extent that local producers, consumers, and the government buy finished goods and services locally from profits, wages, or taxes, expands **final demand** linkages.

This strategy encourages each type of linkage helping to create, in the process, strong local economies which, to some degree, obtain that strength from “**looking inwards**” or being more “**self-reliant**.” This contrasts with the current situation in which substantial inner-city income **leaks** away as it is spent on goods and services produced elsewhere in the city or beyond. Re-investment of profits would also be designed to build businesses that increase community self-reliance and community cooperation.

The fourth principle is that CED should provide for the long term employment of local residents. Since the inner-city and, especially, its Aboriginal residents, experience chronically high rates of unemployment or underemployment—a major cause of the high poverty rates among Aboriginal residents—forms another crucial foundation of the Neechi approach. Giving people the opportunity to work and to lead more socially productive lives is expected to con-

tribute significantly to raising individual and community self-esteem, reducing, in the process, dependence on food banks and social assistance. Long-term employment will also help support the first three principles, strengthening convergence, as more income in the form of wages and salaries will be available for spending in the local economy, increasing the scope for linkages and new businesses.

It is recognized that long-term employment will require local skill development, principle five. Inner-city residents often do not qualify for jobs that are available there because of a lack of skills and appropriate training. A carefully crafted skills program would change all that, raising local employment, the productivity of inner-city residents, and the output of the economy all at the same time. There are also many urgent needs of inner-city/Aboriginal communities that are not being met, which might be met by local residents if suitable skills were developed.

The Neechi approach provides, in principle six, for local decision making, broadly defined. It provides for grassroots involvement and community self determination with people working collectively to meet the needs of the community, but it goes much further in stipulating local ownership and control of businesses through cooperative structures. While these are quite demanding requirements, especially for communities lacking in resources and in which the demands on community leaders are enormous, they are felt to be vital components of the strategy if local people are ever to be in charge of their destiny. There is an underlying notion that without such control and ownership, it will be difficult to give practical content to some of the other principles designed to change the way the economy functions for inner-city residents.

So far, the principles have been narrowly economic, though with provision for much more democratic and participatory processes and structures than is normal. But the Neechi approach is a very holistic one that recognizes the multifaceted nature of the problems of underdevelopment and poverty. This is reflected in principles seven through ten. Principle seven provides for the promotion of public health in the community. Improving the physical and mental health of community residents is seen a necessary step towards healthier and happier families, more effective participation of children in schooling and a more productive work force. Good health

is vital for skill improvement, leadership development, and the ability to participate fully in community economic, social, and political affairs. It is also, in and of itself, an important aspect of human happiness and social welfare.

Good health and a thriving local economy depend, in turn, on a sound physical environment, principle eight. This makes the case that successful CED requires healthy, safe, attractive, and ecologically sensitive neighbourhoods. People have to want to live in the neighbourhood and not be striving to move out at the first opportunity. Making the place attractive physically is certainly an important, though not a sufficient, requirement for this. Neighbourhood safety raises important issues of policing, in which residents can and do play a role; it also raises questions about gangs and violence and the best methods of eradicating both.

The physical environment is an important element in building neighbourhood stability, principle nine. Without this, there can be no basis for long-term development. Stability, in turn, depends also upon the availability of good quality affordable housing and, it might be added, access to sporting and recreation facilities, decent schools, health care facilities, stores, banks etc., although these are not mentioned explicitly in the principles. Addressing the social problems that give rise to high rates of mobility within the inner-city and, especially, within the Aboriginal community of the inner-city (Loxley, 2000) is absolutely vital for improving the education background of residents and building a strong sense of community.

Principle ten is one of human dignity, which is the cornerstone of the whole approach. This encompasses not only individual self respect but also respect for seniors and children, social dignity regardless of personal, physical or mental differences and national, ethnic, racial or religious background. It is based on gender equality, Aboriginal pride, and the building of community spirit.

Finally, there is a commitment to solidarity among organizations which subscribe to these principles, in Winnipeg and elsewhere, so that they mutually reinforce each other through trade and other transactions.

These 11 principles continue to be refined as community groups discuss them with a view to adopting them. Thus, in a recent meeting in Winnipeg in April 2002, two refinements were suggested. The first was that under human dig-

nity, explicit provision be made for conflict resolution in CED, recognizing that differences of approach and viewpoint will inevitably arise within the process. Working through differences, to the extent possible, is desirable if community spirit and collective decision making are to be promoted. This is not to say that differences can always be resolved amicably. By its very nature, CED may involve conflict as it involves challenging vested interests in the *status quo* (Loxley, 1986), and especially given the very specific and demanding nature of the 11 principles outlined above. Nonetheless, the importance of having community-based organizations to tackle these issues is unquestionable.

The second refinement was to underscore the importance of building greater equity into the distribution of income in local communities. This is implicit in the convergence approach, and very explicit in the work of C.Y. Thomas, but it is certainly important enough to warrant specific mention.

Taken together, these 11 principles spell out a framework for CED which, if achievable, would create sustainable development in an urban Aboriginal setting. Sustainability in this context requires a holistic approach to development which lays down not only environmental considerations but also specific economic, social and organizational criteria.

Assessment

The Neechi approach has become popular in Winnipeg as local development corporations, a large credit union, a micro-bank, and other community based projects have all adopted them as their guiding criteria for action in CED. It is, however, quite demanding in some respects. The cooperative or collective ownership base runs against the tide of government policy and, to some degree, public opinion, but it resonates well through much of the Aboriginal community.

Secondly, the Neechi approach is silent on the issue of government funding of CED, but given the abject poverty in the inner-city and the current lack of community ownership or control over income and investment flows out of the community, some degree of public funding of CED is necessary. Indeed, Neechi Foods itself could not have got off the ground without it, in spite of initial solid local financial and other support from both the Aboriginal and non-Aboriginal communities. It is easier, however, for

micro banks and others to obtain government funding and even funding from charities for small scale private businesses than it is funding for larger scale community enterprises.

Finally, the Neechi approach to CED is not the only one promoted by the Aboriginal community in Winnipeg. There is a very strong "incubator" approach, centred around the Aboriginal Centre and the Thunderbird House, which sees appropriate CED as taking the form of building central facilities, offering space, training, financial, marketing, and other advice, that local businesses can then share. This approach concentrates small business, private or communal, often government supported, in a central space that is also usually government funded. The Neechi approach differs in that it stresses the importance of basing facilities physically in the neighbourhood, while still providing for cooperation, and it would tend to rely less on government support. It would see the huge investment in physical buildings as a poor way to spend scarce public dollars. Once these facilities are up and running, however, the trick will be to see how

far the two approaches can be made to reinforce, as opposed to compete with, each other.

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