



New Economy Roundtable Stakeholder Meeting

Meeting Summary

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Canadian Poverty Institute

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Poverty and the New Economy

A Review of Ontario Social Impact Organizations



1. Introduction

The Canadian Poverty Institute (CPI) hosted *Poverty and the New Economy in Ontario – New Economy Roundtable* on March 26, 2019 at the Centre for Social Innovation in Regent Park, Toronto. This Roundtable is part of the ongoing research into Poverty and the New Economy being conducted by the Canadian Poverty Institute in partnership with the Ontario Trillium Foundation. The meeting was hosted by Derek Cook, Director of the Canadian Poverty Institute and facilitated by Lynn Fergusson of Social Impact Advisors. The meeting was attended by 15 individuals representing a wide variety of impressive stakeholder organizations. The full list of attendees can be found in Appendix A.

The objectives of the New Economy Roundtable were:

1. Present and gain insight into research findings to date in order to identify any errors or omissions in the research and any knowledge gaps.
2. To determine where there is currently energy in Ontario around the various strategic dimensions presented.
3. To identify barriers or enablers to practice adoption.
4. To identify barriers / enablers for inter-sectoral collaboration.

Following a presentation of research findings to date, the session was dedicated

to obtaining further input from participants. First, to identify the current conditions that are enablers and barriers to new economy practice adoption. Then, in light of these barriers and enablers, to brainstorm possible actions for the adoption of new economy practices. Inter-sectoral collaboration was the final topic. While time didn't allow for a full exploration of the barriers, enablers, and proposed actions to support inter-sectoral collaboration, the group did have a brief conversation and showed their support for continued collaboration. The day ended with a mention of tools made available by the Ontario Trillium Foundation, and a discussion of the next steps to advance this work – for which there was great support.

2. Review of Research to Date

Stakeholders suggested that the emerging new economy needs to be situated within a socio-political context. It was stated that we are in a “major neo-liberal time in Canada.” In this context there is debate about ethical business questions, such as whether or not it is acceptable to freeze the minimum wage, or if one can be considered a “top employer” yet not be socially responsible. There is a corresponding need to attempt to influence this debate, though some felt that this work is taking place within a “cultural desert”. Anecdotally, however, some felt that there is a cultural shift taking place among youth, as evidenced by actions such as taking up the March for Climate Change. In addition to the cultural context, it is also important to be cognizant of the legislative

context that governs the form of corporate entities.

The important role of the public sector was highlighted. In many municipalities, the public sector is leading the way, particularly municipalities, as living wage employers. Current there are 17 communities that are promoting a living wage across Ontario. In order to extend the impact of living wage policies, the public sector should ensure that all contractors are also paying a living wage. This could be done through social procurement or a requirement for contractors to be a BCorp or to meet other social standards. The importance of social procurement as a strategy was discussed, and that this should be more strongly emphasized in the research.

Participants identified some important knowledge gaps that could support further development of the new economy. These knowledge gaps included:

- **Generational Change.** Noting a significant interest from some Millennials in this topic, it would be important to have additional data about this generation, including their socio-economic levels, and how they are supported and mentored in this work.
- **Impact Measurement.** Developing impact measures that indicate whether we are “doing good” is important. This should address questions of what measures should be used that cannot be “hijacked” because “data can say anything”. Also examine unintended impacts of strategies.
- **Paradigms.** It was suggested that the “growth paradigm” and the assumption of unlimited growth needs to be

challenged. Research could focus on whether the new economy requires growth, what kind of growth, the benefits of growth and whether growth leads to increased prosperity. Consideration should be given to the “circular economy”.

3. Current State of the New Economy

Encouragingly, participants identified many areas where there was already momentum around practices that are growing the new economy.

- **Employment.** There is increased interest from companies in employing persons with disabilities. Current policies, however, present a barrier. Specifically, the ODSP / OW claw-back provision discourages social hiring. One participant suggested a creative way around this whereby individuals create a business (especially a co-op) and the organization is hired rather than the individuals. In addition to a focus on persons with disabilities, there is also a growing focus on workforce development. Finally, it was noted that there is potential to re-shore jobs with current technology and that the new economy could be a catalyst for this.
- **Community Benefit Agreements** Community Benefit Agreements (CBAs) are an emerging tool with great potential for positive social impact. Good examples of CBAs in Ontario include new builds through Infrastructure Ontario as well as the Gordie Howe Bridge in Windsor and its connection with the Windsor United Way. The City of Hamilton is also leading in this space along with several poverty reduction

tables and the Ontario Non-profit Network.

- **Procurement.** There is a growing focus on increasing supplier diversity in Ontario through social procurement. Work to promote social procurement is being led by CCEDNET and Buy Social Canada.
- **Anchor Strategies.** There is a significant focus on anchor institutions, particularly in Toronto with the Atkinson Foundation playing a leading role. Currently 18 institutions and government are involved. This work will be energized by a planned Ontario Summit with a focus on procurement strategies.
- **Social Finance.** Social Finance is a growing opportunity, with investors increasingly looking at ESG (Environmental, Social and Governance) and non-financial information in making their investment decisions. Advancing the social finance sector can be encouraged by the development of a matrix of investment opportunities to access capital. At the same time it was noted that there is a tension between social security at a government level and innovation / social finance, with it being questioned whether the pendulum is swinging too far.
- **Partnerships.** Partnerships with different actors (including private companies and the sharing economy) present a huge opportunity for advancing the new economy. Partnerships can greatly influence how organizations make decisions on what they are going to impact. There is a

need for organizations to look at this strategically and align with groups who know this work, have lived experience, and are aligned with the community need. This then needs to align with their organization's expertise and corporate identity (which may be multi-faceted). In order to maximize impact, organizations need to identify community-driven impacts that people can get behind and measure.

- **Certification.** There is growing interest in BCorps and other certification programs. In particular it was noted that some lawyers are interested in BCorps and other legislative models, with young startup law firms being particularly focused on this. At the same time, participants highlighted the fact that start-ups find it difficult to access BCorps and other certifications.
- **Culture.** Participants stated that culture change is happening. Even the Bank of Canada is questioning why wages aren't rising. This culture change is being driven by youth who have expressed interest and anger at inequity. Deloitte's *Millennial Report* discussed how youth want to work for responsible organizations, and the best and brightest go to responsible organizations. As the current generation continues to retire, Millennials will have increasing impact and influence in corporate culture. In addition to Millennials, it was noted that women entrepreneurs also seek primacy of purpose. There is a need to leverage the concept of the intersection of social purpose and practice, and promote Primacy of Purpose as an identity for organizations to adopt.

- **Organizations.** Participants discussed how organizations are positioning themselves to deliver social impact. Various organizations were identified as leaders in this space. Specifically, Danone Canada was seen as a BCorp blueprint. As well, Unilever’s sustainable building plan was highlighted, although it was also noted that international organizations are limited by their legislative options. The co-op sector as a whole was also discussed as a leader. *“The co-op sector has momentum. You can feel the community ownership, by committed partners.”* The Cooperators, for example, has a VP Citizenship and Sustainability. The Credit Union movement in particular was highlighted with Libro Credit Union being identified as a particular leader. Finally, Community Wealth Partners was identified as an American hub for resources and case studies that can inform and support organizations in Canada seeking to increase their impact.

4. **Barriers and Enablers for Practice Adoption**

a. **Barriers**

The stakeholders participating in the roundtable identified various barriers to greater practice adoption among employers.

- **Organizational Knowledge / Capacity.** One key barrier for many organization is a lack of knowledge and not being sure how to go about it. This is related to a lack of education or awareness about what one participant termed “uncharted territory”. In particular, there is a lack of understanding of the financial and / or

social return on investment. There is also a general lack of understanding what practice actually looks like on the ground. Some organizations also simply lack capacity.

- **Organizational Culture.** The culture of the organization was the second key barrier identified. This had many dimensions. First, there are challenges that arise from existing assumptions regarding risk and profit that drive decisions. This may be related to what one participant termed a “scarcity mindset” which leads to short-term, profit-driven thinking rather than a strategic focus that seeks long-term gain. Secondly, the lack of knowledge leads to risk averseness arising from a fear of the unknown. These challenges may all be affected by, thirdly, a leadership gap which can produce a lack of will. A lack of diverse decision-makers can also impede progress. Finally, the competitive nature of most sectors and industries can stifle attempts at collective action.
- **Societal Culture.** The culture of the community and society can also be a barrier to adoption. As one person noted, *“inequality makes people conservative”* and this conservatism may account for a *“right turn in politics.”* Another cultural factor that inhibits adopt is the lack of knowledge by the public about alternative economic models. Finally, the lack of financial literacy in the community can hinder progress.
- **Infrastructure.** Practice adoption requires a supportive infrastructure. This may be a knowledge infrastructure or an organizational one. The lack of a well-

developed organizational infrastructure in the form of a Community of Practice inhibits adoption and the development of a shared understanding of concepts or the ability to build capacity through shared learning. The lack of business mentorship opportunities and the awareness and sharing of existing models was specifically mentioned. At the same time, there is a lack of a well-developed knowledge infrastructure. This includes a lack definitions and no accepted / clear understanding of the concepts of “good” or “impact”. Similarly there is a lack of lack of a community or social impact framework as well as a lack of solid metrics.

b. Enablers

The stakeholders participating in the roundtable also identified various enablers that would facilitate greater practice adoption among organizations and employers.

- **Policy.** Various policy innovations were suggested to improve the ability of organizations to adopt decent work practices. Generally, policies to redistribute income and wealth were felt to be a good start, particularly efforts to legislate high job quality and living wages. Also mentioned were social purchasing policies and support for environmental legislation.
- **Research.** Practice adoption would be aided by more research documenting alternatives (case studies that could provide evidence of benefits and create a strong business case. In particular, building on and leveraging research on the social determinants of health was suggested as promising. For this work,

engaging research institutes would be important.

- **Education / Awareness.** Raising the awareness of alternative economic and business models with the general public would be helpful. This includes, specifically, increasing awareness of the coop business model. Support for diversity education would also benefit inclusive business practices. Of particular importance is work to educate elected federal, provincial and municipal representatives. Increasing financial literacy in the community was also noted as important.
- **Social Purchasing.** Supporting social purchasing can greatly enable the adoption of new economic and business models and practices. This includes buying local, supporting living wage employers as well as co-ops and BCorps.
- **Infrastructure.** Creating an organizational and knowledge infrastructure is an important enabler for practice adoption. This includes the creation of a community of collaboration for networking and to champion new ways of working. This could also involve creating mentorship opportunities for peer-to-peer learning. In addition to an organizational infrastructure, there is also a need for a knowledge infrastructure, particularly for open data.
- **Partnerships and Engagement.** Creating engagement opportunities and nurturing partnerships is an important aspect of increasing practice adoption. This may be in response to public pressure or peer pressure. There is also

pressure from the new emerging Millennial workforce that is seeking this type of organizational culture in which to work. Partnerships may involve working with universities and colleges to encourage support social impact. It was noted that better engagement with customers and clients can drive competitive advantage.

- **Finance.** Providing appropriate finance to organizations to support practice adoption will be important. This can include federal Social Finance funds, or Patient Capital from investors. Also, shifting money from banks to Credit Unions can help build the sector.

c. Actions

Following a discussion of barriers and enablers, participants identified the following actions that could be taken to address the barriers and build on the enablers.

- **Communication.** It was suggested that a communications / public relations strategy be developed. This should include goals and objectives as well as promotional tools. Such a strategy should focus at the broad public, but also include a focus on children. This may include promotion to SDG groups. The urgency of the issue needs to be communicated. It was suggested that resources and language needs to be developed to assist CEOs to use in board presentations and to work with associations to disseminate it. This could be modeled after the manual PEPSO developed for employers with KPMG. A media campaign that more aggressively promoted certifications and what they mean to consumers was also suggested.

- **Advocacy.** Efforts to advocate to both government and business were deemed to be important. This could include lobbying to support progressive investment (e.g. shifting funds from banks to Credit Unions).
- **Research.** Conduct research to establish the business case (ROI) for inclusive business and new economy practices. This would be part of a broader effort to develop the evidence base more fully and test it. Research should be conducted that spans the value chain, identifying and developing solutions for inclusivity throughout. Research needs to be framed positively in terms of how to take advantage of opportunities, including sharing successful new business models that have emerged internationally.
- **Cooperation.** Facilitate greater cooperation between interested stakeholders in order to share experience and expertise, as well as to develop an action plan to move forward. There needs to be a backbone organization to convene and support the development and implementation of the plan. This should include work with the Province and social procurement groups.
- **Direct Action.** Organizations can take direct action by implementing some of the strategies for a more inclusive economy, such as buying social / fair trade or shifting their funds to Credit Unions.

5. Next Steps

A short conversation took place to explore the need for inter-sectoral collaboration in support of the new economy, for which there resounding support. The session's participants were interested in an opportunity to continue to connect on this work, as well as expanding the group, both because a big group was seen as necessary to address a big issue, and because there should be room for nay-sayers, unlikely allies, groups representing big money, and community members at the table too, to create best solutions. With a broader group, it was felt there should be core values established to bring everyone together and avoid watering down the intent of the work.

Next steps for continuing the dialogue and further developing this stream of work include the following.

- a. **Meeting Reporting.** An obvious first step is to share and review the outcomes of this session with the participants.
- b. **Resources.** As shared at the end of the session, the Ontario Trillium Foundation hosts an online, interactive Knowledge

Centre, with a space for discussion of the New Economy within the *Prosperous People* hub:

<https://share.otf.ca/tags/new-economy>.

Reports from this session will be posted to the Knowledge Centre, and we encourage participants to freely add discussion comments and supplementary information.

- c. **Recommended Actions.** There was clearly interest from participants to be advised of further opportunities to collaborate and explore working together to support the new economy. There's also interest in seeing additional research to support this movement, and in inviting others to participate. We can see the potential for a broader Community of Practice, with a clear mandate and plan of action. This aligns well with some of the recommended actions from the group, in clarifying objectives, roles and ownership. We expect there will be some funding/grant requests made to further this work, which could include investigating Innoweave's Collective Impact approach, supported by the McConnell Foundation.

Appendix A: List of Attendees

- Clement Brunet, The Cooperators
- Peter Cameron, OCCA
- Derek Cook, Canadian Poverty Institute
- Michael Courey, Pillar Non-profit Network
- Sarah Couturier-Tanoh, SHARE
- Jacob Greenspon, Institute for Competitiveness and Prosperity
- Denyse Guy, CCEDNET
- Ann Jamieson, United Way of Toronto / York Region
- Wayne Lewchuk, McMaster University
- Cheryl May, VanCity Community Investment Bank
- Craig Pickthorn Ontario Living Wage Network
- Tracey Robertson, Ontario Trillium Foundation
- Sherida Ryan, CLSEW, OISE
- Eric Sarvaala, CBSR
- Kate Siklosi, Ian Martin Group
- Randall Terada, Ontario Non-Profit Network

ABOUT THIS REPORT

This report is produced by the Canadian Poverty Institute as part of an ongoing research initiative on Poverty and the New Economy being undertaken in collaboration with the Ontario Trillium Foundation.

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