

Community Economic Development

***Issues and Opportunities in the
Auckland Region
February 2010***

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Genesis

- 2008 report to ASBCT
- Since turned into a 'generic' report

This presentation:

1. Findings and key issues emerging
2. Highlights CED opportunities in the Auckland region

Methodology



Scope

- small scale
- Auckland region focus, national application
- cultural dimensions acknowledged but not main focus



Literature review



Workshops with key sectors



Key informant interviews

ASBCT response

- New projects stalled
- CED still in Strategic Plan – on hold
- Supporting CED just not called this
- CED not usual charity model, new territory for funders
- No common understanding or language for CED
- No impetus if no demand

About CED

- Exciting, innovative.....but not well understood

- Sits within the third sector

- Links to

- community and self-help economy
- local economic development
- social enterprise

" CED is a process by which communities actively work to nurture opportunities to grow their local economy while producing social, cultural, environmental and/or employment benefits"

Lancaster 2006

Core Features

- Bottom up

- Responds to needs & opportunities

- Holds wealth for collective benefit

- Involves trading of goods/services to achieve financial & non financial returns

- Financial returns are distributed for collective rather than private benefit

- Relies on innovative, passionate people, 'oily rag' principle is the norm

CED: Catalysts

- In times of crisis or economic downturn
- When government and markets fail
- More common in smaller/rural areas
- Passionate community entrepreneurs
- Local community planning & revitalisation initiatives

“What gets people out of bed in the morning is the vision, not the thought of profit”

Benefits of CED

- Altruistic, for the good of others
- Builds social capital
- Produces results
 - ⊗ empowerment, self determination
 - ⊗ adaptability, resilience
 - ⊗ builds local resource base
- Provides alternative economic models, radical potential

Challenges for CED

■ Can be hard to get started and sustain

- requires unique mix of skills, capacity, education, networks & resources

■ Generally focuses on areas private market rejects

- hard to survive financially
- business know how can be lacking
- usually under-capitalised

■ High risk, success not guaranteed

- often relies on a few individuals, burn out

■ Culture of dependence and discomfort with money

■ Many funders **discourage** making financial returns

CED: the NZ Context

■ Under the radar since demise of CEG

- community sector not high on govt agenda
- ideology fixed on individual not collective interest
- govt priority on economic growth, risk averse

■ Few explicit or large scale funding opportunities

- funders unclear about CED – too hard and fuzzy
- short funding cycles
- unwilling to fund profit generating activities
- onerous accountability requirements

■ Lack of enterprise culture within community sector

- Dependence issues
- 'Blame the govt'

National CED Needs

■ **Nationally** CED needs:

- funding, advisory expertise, information, research, lobbying, networking, training
- 1. Raising the game nationally
 - Advocacy, relationship & capacity building
- 2. Developing an enterprise culture
 - Skills, project design & implementation
- 3. Building knowledge
 - Sharing information, successes, ideas

Further national needs

- Explicit funding sources – government, philanthropics and financial sector
- People on the ground to broker CED
- Research and information base
- Learning from different cultural world views and approaches
- Mechanisms to bring people together

Encouraging signs

- Philanthropic interest (ASBCT, Tindall) – open to good ideas and proposals
- Iwi emerging as a significant force
- Pacific regional economic development
- Place based and community led development renaissance
- This conference!

Auckland region

- Obsession with big business and economic growth
- Pockets of poverty and severe disadvantage
- Much hidden innovation and inspiration
- Need to support community leaders to connect and act together

Auckland region

■ CED infrastructure opportunities:

- ⦿ A CED centre/s
- ⦿ Brokers to link business/funders with community ideas and projects
- ⦿ Building a resource base – working with funders, investors, finance sector
- ⦿ Auckland specific research
- ⦿ Mechanisms to network regionally/locally, eg a CED network
- ⦿ Identify potential leaders/mentors of CED

Potential sites & sources

- Marae based
- Ethnic based – Maori, Pacific, migrant
- Faith based
- Locality based
- Sector based – local government, government agency, community sector, private sector, economic development agencies
- Issue based – renewable energy, food production and consumption, household self sufficiency (water, waste, food etc)

Auckland opportunities

- Social housing
- Tourism
- Rugby World Cup
- Local markets
- Food growing collectives
- Cooperatives, recycling centres
- Adult education
- Community sector research and consultancy services

To conclude

- Partnerships/collaboration the key to CED
- CED can model alternative economic pathways – radical potential
- Time feels right to move this along
- Go where energy exists and work with the willing
- Opportunities are limitless but its not an easy road