

OUR HEARTS ON OUR STREET: NEECHI COMMONS AND THE SOCIAL ENTERPRISE CENTRE IN WINNIPEG

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Introduction

Can community-based groups create social enterprises that generate employment and work toward changing the character of their neighbourhood? Two recent projects from Winnipeg's North Main Street illustrate that ambitious projects are possible and that there are diverse ways of using community economic development (CED) principles to achieve employment, urban renewal and community vitalization. Neechi Commons, located at 865 Main Street, and the Social Enterprise Centre (SEC), located at 765 Main Street, are neighbours and relative newcomers to a stretch of Winnipeg that cuts through one of the poorest postal codes in Canada. Homeless and addicted persons convene on this street, a street home to pawn shops, pharmacies, bars and boarded up buildings.

Neechi Commons is a community business complex, with a supermarket, bakery, restaurant, arts store as well as office space. The Social Enterprise Centre can be described as an office complex that houses construction-based social enterprises, policy and charitable CED organizations as well as independent artists and a social service organization. Both Neechi Commons and the SEC have significant footprints in Winnipeg's North End, both in terms of square footage and of the reach each has in community economic development circles and movements for social enterprise development, and the cultural and economic renewal of Aboriginal people that is led by and for Aboriginal people.

Both Neechi Commons and the SEC are large undertakings that have sought to change the area, each with a vision that grew from CED principles developed and fostered in Winnipeg and within Winnipeg's Aboriginal communities. Yet how those involved in the two projects went about designing and bringing their vision to fruition – the ins-and-outs of buying buildings, renovating them and creating new spaces – are unique. We were interested in the similarities and differences in each project. We understood each project as “putting our heart on the street”, but we were also intrigued by the ways the projects were distinctly different – in purpose and in terms of who and how each came about. In this case study, we want to highlight some of those shared and divergent aspects.

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Brief Histories of Neechi Commons and the Social Enterprise Centre

Neechi Commons is a place of community. It hires community members to staff its Three Sisters Fruit and Vegetable Courtyard¹; Kookum Bakery, Neechi Niche and Come n' Eat restaurant. Louise Champagne, Neechi Co-op president, has worked tirelessly with supporters and worker-owners for more than 23 years at Neechi Co-op Limited, the original grocery store serving the inner city community. With the community's continued support, a new project called Neechi Commons was opened in March 2013 to broaden the vision of the co-op. It draws in the disenfranchised and the marginalized and gives them hope through employment if they need work or a sense of community if they are customers. Neechi and Kookum, words of community, underline the value placed on their Aboriginal customers while Come N' Eat, reflects the friendly and open atmosphere throughout the Commons in extending an open hand beyond the inner city to Winnipeggers who want to support a wonderful initiative that enriches the city of Winnipeg.



Inside Neechi Commons: Part of the grocery store and, upstairs, the restaurant and an exhibit from the Winnipeg Boldness project on the gallery wall.

The creation of the Social Enterprise Centre – as an industry-specific cluster and as an incubator for Winnipeg-wide social enterprises (SEs) – aimed to capture and cultivate some of the creative energy brewing in the wider CED sector around the possibilities of SE development. For the partners who bought the physical building, in the most practical terms, co-locating aimed to make their businesses more robust and competitive. As such, the SEC was as much a creative response to current opportunities and challenges of each individual partner, as it was articulating a larger vision for CED-led SE development in the city.

The Social Enterprise Centre is owned by two social enterprises and one consumer cooperative. It rents office spaces to like-minded organizations including public policy organizations and social enterprises, as well as service organizations on the first floor and artists on the third. The owners, social enterprises BUILD and Manitoba Green Retrofit provide training and work experience opportunities in the construction trades to predominately Aboriginal staff as part of their mandate. Their third purchasing partner, a consumer cooperative, Pollock's Hardware Co-op

(which was already a successful business operating a hardware store on Main Street), is operating their SEC location as a “contractor's store”, selling large items like dry-wall, toilets,

¹ “Three Sisters” refer to corn, beans and squash the physical and spiritual sustainers of life for people of the Haudenosaunee, “Kookum” is grandmother in the Anishinaabe language and “Neechi” is friend, sister or brother in Cree and Anishinaabe.

and paint supplies. After purchasing the building in November of 2011, the group spent roughly \$275,000 on upgrades and space conversions.

Opening in May of 2012, the Social Enterprise Centre originally was envisioned as a home for the three partnering purchasers and a hub or innovation centre for social enterprise development. Neither the original project nor its final result are quite what was planned, yet the result is a building that now sees about 200 visitors a day including workers, clients, and the general public, making this once “invisible” location a busy place where employment- and social-justice initiatives are quietly growing.

From Neechi Foods Community Store to Neechi Commons

Neechi Commons grew out of a grocery and specialty store called Neechi Foods, which had been in operation in the same building on Dufferin Street since the early 1990s. Neechi Foods originated out of a Winnipeg North End training program that brought Aboriginal people together and in 1985 when the program ended, the store was founded as a worker co-op. It relied on community projects, planning, and pilots conducted by volunteer labour in the inner city. The community store was well-known and respected in the community for its fresh bannock, wild rice as well as the CED principles it developed (known as the Neechi Principles) that have become the backbone of the CED movement in the city. Yet it became clear over time that Neechi Foods needed to expand their operations.

The small store (Neechi Community Store) epitomized the low self-image that many Aboriginal people carry. It was dilapidated, crumbling and perhaps could not be conceived as something better because of internalized oppression. This negative attitude is hard to overcome but then we saw the opportunity to move the project forward and it was liberating. We can make this work in the middle of skid road. We want to be a profitable business and we are also about building strength, pride and success in the inner city. (Champagne, 2014)

They made a plan to expand. A building became available with space for a store, a restaurant, and an arts space. One element would draw customers to the other elements. They are now carrying heavy debt and working hard at establishing the businesses while reducing their debt load and maintaining their levels of operation..

Louise Champagne has been involved since the beginning: first as a support person and then as manager and president. She notes that Neechi’s has long learned to balance the quality of social relationships with business profitability. For instance, many of Neechi’s employees face great personal challenges, but as a worker cooperative (where employees are also owners of the business), Neechi must regularly encourage employee involvement in the business and deal with the inevitability that costly mistakes may be made. Louise suspects that the oppression of Aboriginal people, and specifically, internalized racism, means that workers have to work past ideas that are not good enough, as individuals or business owners. This kind of oppression can also be acted out on each other. In Aboriginal communities, often what happens is that distress builds to such an unhealthy degree that people do not get along and projects are destroyed.

Louise sees part of the answer in an alternative economy that nurtures Aboriginal people as individuals which means the distress people feel has to be taken on and not ignored.

In reflecting on the journey from the small store to Neechi Commons, Louise suggests that community-based business development led by women is a different experience than a regular profit-driven business. In her experience at Neechi Foods, the women involved started small and learned to operate a manageable project – and they were largely accepted by the business world (i.e. suppliers, financiers) because they were small. When they were ready to grow, the same business world was not ready to take the women seriously.

How Neechi Foods planned the expansion was certainly not typical of most businesses. Planning consultations with staff and community for the move was extensive. More than 50 Winnipeg citizens were involved in the consultations and then in work groups, volunteering more than 9,500 hours to the project. The new space that houses Neechi Commons is on a 50,000 square foot lot on Main Street. It is part of a low income area with north Point Douglas and Lord Selkirk Park districts in close proximity. This is by choice as the Commons could have been built anywhere in the city. The building has earned Green Globe certification for its geo-thermal and cooling systems.

While the good times outweigh the bad, it is still not an easy journey to put Neechi Commons on solid footing. Louise notes:

One of the hardest things in this project has been getting the financing. When you are poor you live from hand to mouth and that's Neechi too. We struggle and live from hand to mouth and have survived in a very competitive food industry. It has not gotten any easier in the 25 years we have been here. The level of sales you have to earn to survive has quadrupled. If you aren't hitting those sales levels then suppliers don't even want to look at you because you aren't going to survive. It's very tough for small businesses but that is who we are in the wider world. We are still here despite all the challenges because of stick-with-it-ness. (Champagne, President, Neechi Commons 2014)

Sales have climbed to over \$2 million since the move and are expected to double in a year. According to Louise, Neechi is one of the largest non-governmental employers of Aboriginal people in Winnipeg with staffing growing from 12 to 50. This early success underlines the *economic* healing that is needed to support sustained personal and social healing. This is the context in which Neechi Commons was born.

Expanding our relationships

From the initial idea, to building purchase and renovation – the creation of the Social Enterprise Centre was a quick five-month project. In their search for a new location, BUILD's then-executive director, Shaun Loney, came across a three-storey warehouse set back from Main Street. At 31,050 square-feet, the building was too big for BUILD alone. The possibility of doing something bigger with CED-led businesses it already worked closely with “developed almost overnight” (Loney, 2014).

The Government of Manitoba through the Urban Development Initiative provided a funding boost for the founding group of businesses to put towards a down payment on the building. The policy environment was favourable, in that increasing businesses that hired and trained local residents in the North End of Winnipeg was a government priority. Store-front and other businesses in Winnipeg's North End have been closing or moving-out of the neighbourhood in the last decade, in part due to the retirement of long-standing business owners. So when the group proposed that the co-location of their three socially-oriented businesses would not only help stabilize themselves but also have the potential to create a hub, the (social) business case "practically made itself" (interview, Manager, MGR).

Convincing the provincial government that a down-payment was a sound and reasonable investment in community development took up a good deal of the emerging partnership's time and resources. As Loney points out, such an investment makes economic sense insofar as now, tenants of the SEC are using their rent payments towards a long-term project of community-owned infrastructure. The use of the funds was also of the articulation of a new way of going about neighbourhood renewal.

Winnipeg has seen a tremendous growth in social enterprises over the past decade. Winnipeg-based SEs are diverse in terms of their ownership – some are owned by registered charities, some are independent organizations, others are a hybrid of service-oriented organizations and a traditional businesses. BUILD, for instance, operates as both a government-funded training program and a fee-for-service business). Winnipeg SEs exist to benefit diverse constituents: that is, the social "dividend" of individual SEs can be used to fully or partially fund a charity's programming, or be aimed at providing training and employment within a "hard to employ" labour pool. In addition, the goods or services SEs offer directly improve the quality of life for local residents.

Winnipeg SEs are also diverse in terms of the industries that they operate in, but are especially prevalent in the construction and restaurant-catering industries. All three of the partners on the SEC project were in the construction business, as construction companies (BUILD and MGR), or a retailers to that sector (Pollock's). The continued success of SEs and new-SE formation is dependent on the development and delivery of SE policies and incentives, and whether SEs can find creative ways to achieve a competitive advantage within their sector. Co-locating was seen as one way to achieve this.

Yet the embeddedness of CED organizations and SEs – that is, their ability to sustain local economies by "holding them together" and, likewise, by being "held together" by their communities – is precarious. CED organizations, and especially SEs, face fiscal challenges akin to small businesses and medium-sized enterprises, struggling to remain competitive while creating or distributing positive social outcomes. Relative to "mainstream" business knowledge networks and knowledge-transfer instruments, even Winnipeg's ambitious and hardworking support organizations are tiny, underfunded, and spread thin. Additionally, some of those within the sector warn that the generation who built the sector's foundations are entering retirement age, which may result in a loss of expertise and the bottoming out of the mass of CED-institutions currently in existence (Pearce, 2015). Lastly, although they contribute positively to the creation

and enhancement of their home communities, most CED organizations and SEs work within economically depleted communities, which can mean that the places they reside have few traditional economic resources to draw on. This is why the further development of CED and the SE sector is integral: SE robustness and creation is part of a larger strategy to increase community-led ownership, attract private business (retail and manufacture), and create an equally robust labour market. This was the plan the partners approached government with; a government who has made a policy priority the scaling up of community economic development.



Breaking through walls: Two BUILD Apprentices Dillon (front) and Jordan (back) making a new entryway to the second-floor of the SEC. The renovation included adding a new stairwell on the east end of the building.

Community-centred economies: Challenges and opportunities

Co-location promised the partners the opportunity to “live” their CED principles by engaging in local purchasing from other community-owned enterprises while keeping a close eye on their own bottom lines. As the above example illustrates, the SEC leasees can directly benefit from being located near “natural” purchasers and potential partners, a process known as “multiplier effects”. Creating and taking advantage of such multipliers is one way the CED sector has taken a page out of mainstream business practices.

Quite early on, the SEC aimed to accomplish two inter-related tasks: to increase the sustainability and growth potential of established and emerging social enterprises; and to increase the city-wide profile of inner-city based SEs as well as, importantly, the profile of skilled construction labour in the neighbourhood. Although each of the partners was an important employer in a neighbourhood of high unemployment, it was hoped the SEC could attract employers to the neighbourhood, or attract employers to the labour being trained by BUILD and MGR.

The principle advantage of clustering like minded businesses and organizations derives from the interchange of both tacit and codified knowledge, including general business acumen within a given sector (for example, enhanced know-how and trend-watching within the construction industry); personnel training, retention or “laddering” within a cluster; and the creation and increased strength of networks between firms and other institutional actors. Through clustering, small and medium-sized firms are able to achieve “external economies of scale” – both through the knowledge-transfer described above, but also by sharing material resources, from sharing storage facilities, to engaging in bulk purchasing, and so on (Marshall, 1920; Scott, 1998).

Clustering allows small firms “to keep costs down without any loss of productive efficiency” via an array of “mechanisms of cooperation” (Amin, 1994, p. 16). Creating multiplier effects by doing business together and knowledge interchange that happens between firms by being located close together are the hallmarks of clusters, described the existence of regular contact and significant cooperation between firms as well as other local institutional actors such as non-government organizations, educational institutions, and government (Wolfe and Gertler, 2003). Indeed, clustering has been one of the ways that small and medium enterprises (SMEs) have created competitive advantage in a globalizing market place directed, largely, by transnational corporations (Porter 1990). What the partners of the SEC wanted to achieve, was a cluster that would help maintain (if not grow) their own social enterprises, while creating a space where social enterprise start-ups could flourish.

Even with the three partners signed on to buy the building together and to enter into long-term leases in the building, tenants were needed to take the building to full occupancy, in addition to finding financing or other grant monies to undertake renovations. Finding tenants from the existing CED community was not hard, as the groups were well-connected via learning communities and CED associations like The Canadian CED Network (the Manitoba region became a tenant).

The building was purchased for \$800,000, with BUILD fronting \$60,000 for closing costs (this would later be repaid to BUILD by the partnership). BUILD had won the inaugural ScotiaBank EcoLiving prize earlier in 2011. Building improvement costs were also supported by a \$75,000 grant from the Thomas Sill Foundation and another grant of the same value by The Winnipeg Foundation. One of the appeals of the project by these local charities was that the majority of the construction of the project was completed by BUILD trainees and apprentices.

Community-efforts: Towards Employment

International research has found that across quite different national and local economic regions, SEs are particularly successful in creating and sustaining employment (Spear and Bidet 2005). Creating employment is one step towards cultivating stronger local consumer markets (Lionais, 2010) – better employment usually equals more disposable income. Each of the Centre’s purchasing partners employ and / or provide training for entry into jobs that pay a living wage (if not higher). Tenants likewise are involved in employment-based initiatives: for example, LITE (Local Investment Towards Employment), a charity, provides grants to small business start-ups by lower income people, and Aki Energy, a social enterprise specializing in environmental energy sources like ground source heat-pumps, works with Manitoba First Nation groups to train and employ their residents to install geothermal heat pumps. Aki Energy is the newest social enterprise in the building and the first that developed within its walls. As Loney notes,

People get excited in here. I’m touring people all the time. You can convey upon people a bigger scale. It shows growth from our old place. It was easier for Aki to grow and get started because we were all here together. BUILD looks after Aki’s books, for example. And I’m working at both places. (Loney, 2014)

The spaces we made: Moving forward

Life in community-led real estate and making clusters happen

The challenge for the SEC is what cluster scholars and advocates call “animation” – a spokesperson or group that champions and acts as a facilitator of the hub or cluster. In 2013, the partners hired a full-time contract staff person to do some of this work along with overseeing minor building improvements and explore the possibility of buying another building together. The position was funded through the group’s mortgage, and although the animator was able to work one-one-one with tenants – the short-term nature of the contract meant that most of this work was focused on tenant satisfaction and building operations than social enterprise development. Notable as well is that the role was paid for via financing: as a registered for-profit entity, the Social Enterprise Centre is limited in its ability to tap into grant funding, and the operating budget does not (yet) allow for a full-time paid animator or building manager.

One of the positive developments that emerged from the animator’s work was the articulation of an idea: thinking about rent as a resource for CED development and property ownership as a long-term stabilizing mechanism for non-profit groups (Stewart and Pearce, 2014). That idea had been present at the inception of the project, but the animator was able to get tenants and the partners talking about the possibilities of how all tenants could work together for long-term stability and begin to explore the idea of joining forces for further real estate investment. The animator was able to liaise with other non-profits and charitable groups looking for space and who were excited about the “rent as resource” idea. But changes in the fortunes of the partnering social enterprises, the difficulty of forming new partnerships and (in the partner’s estimations) the over-priced local real estate market meant that no further project has been able to go forward.

Such a situation is not all negative: the good news is the operating budget for the Social Enterprise Centre is robust, so the stability of the current building and operation remains strong.

Each of the partners and their boards are ever-changing: BUILD, reliant on grant funding to hire participants in its training program, has seen its federal funding program come to an end and is faced with rebuilding itself. As a result of its shrinking workforce and workload reductions, its purchasing of goods from Pollock's has likewise fallen significantly. This is the inherent danger of agglomeration economies: when firms rely on each other, if one fails, they all fail. Mitigating BUILD's downsizing on the agglomeration economy of the three partners, Manitoba Green Retrofit, a SE that is run without any grant funding, has more than doubled during the same period, meaning the number of jobs for entry-level construction workers who are likely to find the private industry have barriers to entry that they cannot meet, have found permanent employment. In response to falling revenues, Pollock's, in turn, has sub-leased part of its space to a small cooperative, Urban Eatin' Gardeners Worker Cooperative, and is also working on increasing traffic from the general public. New tenants, the partners have found, bring new energy and new visitors. Perhaps this "innovation hub" will be slower to generate new businesses than (well-funded) private-sector hubs.

Neechi Commons has likewise engaged in innovative approaches to community-oriented needs. They were the first co-op in Manitoba to get approval to sell shares to the public. According to Russ Rothney, Neechi Commons Treasurer, with the lure of a 30 % Manitoba Community Enterprise Development Tax credit, most of the \$360,000 raised from the first share offering came from individuals, rather than organizations. This was insufficient to cover the current debt load of \$7 million so a second share offering is being planned. Efforts are also being made to attract a partner interested in purchasing the real estate from them so Neechi Commons will lessen their debt load. The tax credit has now been enhanced to 45 % and local corporations are now eligible to participate, as well as individual residents of Manitoba (Rothney 2014).

Educating customers about Neechi Commons is an-ongoing project of trust-building. Some observations include that customers respond to sales so that is an effective way to get people to try new products. A challenge for people on low incomes is to buy goods they know their family will eat, so trying something new is not always an easy thing. If they are used to buying highly processed foods switching to cooking more nutritious products – even if they are cheaper – does not come easy. Consumers are heavily influenced by corporate advertising. And middle class people who could afford to buy more expensive food are still looking for a deal – so commonly are as price conscious as low income people. (Champagne, President, Neechi Commons 2014)

A broader customer base is essential for survival and growth. One strategy to draw in a broad customer base is plans for a specialty foods boutique that will promote ethnically diverse foods, local specialty food suppliers, and cross-cultural interest and respect. Another initiative will see the development of a deli-style service, with a food preparation area and refrigeration area for take-out food, like perogies, cabbage rolls, butter chicken, samosas and Korean food.

Louise looks at the broad picture and notes, "It is inspiring to see the sense of pride that Aboriginal people have when they come into Neechi Commons no matter where they are from. It is a beautiful place and seeing all these Aboriginal workers here making a reasonable-sized business function has made it worth it. We really do need some winners. We count, and look what we can do!" (Champagne, President, Neechi Commons 2014)

Leadership

Working in the co-op as key leaders has allowed Louise and Russ to draw on personal values and perspectives over 25 years. A common theme is that a person who has or is facing problems in their life can still be successful in meeting their ambitions. Going against the statistics² and labels placed on Aboriginal employees in particular has made Neechi the largest commercial employer of First Nations and Métis people in Winnipeg.

Neechi Commons is set to leave a unique legacy in the city that has often been called “Canada’s Crime Capital”. The gift they offer is everything that challenges that mindset. Many businesses come and go but few are likely to leave a legacy that can change lives individually and in the community.

Like many businesses, Neechi Foods and now Neechi Commons have a story that is both uplifting and full of challenges. Often it is the passion for an idea that carries the day. Passion comes from many places including knowing pain, having compassion for others, a strong sense of community and wanting to do what is right. Louise and Russ have these ties to Neechi Commons that are shared with the workers who join the project. Their vision is to offer a chance to change lives for the better which will positively impact the broader community. They have the challenge of trying to give priority to a social objective while earning a profit. This means changing habits and it is a slow process.

Louise notes that Neechi Commons has become in many ways like a new type of Friendship Centre. Friendship Centers have helped many Aboriginal newcomers to cities across the country transition successfully to an urban community since they first began more than fifty years ago.

By having pride through working here in a business that is owned by Aboriginal people is significant model in their lives. There are alternatives. While most of us don't have access to inherited financial wealth we can have a transformative vision. That type of wealth is really all about hope.

Hope is powerful for enduring the trials of making change, giving opportunity and being proud of one’s heritage, city and fellow citizens. Louise, Russ and the owners of the co-op demonstrate hope and more than that, they do not give up. They offer all important lessons lived for all to benefit in a love letter to those living in the north end, but an even more important one, to the city of Winnipeg.

Concluding thoughts

For all their differences, Neechi Commons and the Social Enterprise Centre have a lot in common: both are drivers behind community-centered economies, both have dreams of inner city revitalization and both are experimental CED initiatives that have seen success. As emerging major employers in Winnipeg’s North End, Neechi Commons and the SEC collectively improve the overall health of individuals within their neighbourhood by lessening the anxiety, depression

² The demographic profile across the country demonstrates slow improvement in employment, health, income and many other indicators of a healthy population that is ready to contribute to the economic welfare of society. Aboriginal people also struggle with the effects of poverty, residential schools, ignorance and racism.

and other health problems associated with low-wage employment and perpetual un- or under-employment (Richards et al 2009).

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