

# Building Toronto

## Achieving Social Inclusion in Toronto's Emerging Green Economy

—

by Cheryl Teelucksingh and Laura Zeglen

### **Metcalf Foundation**

The mission of The George Cedric Metcalf Charitable Foundation is to enhance the effectiveness of people and organizations working together to help Canadians imagine and build a just, healthy, and creative society.

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## FOREWORD

The goal of the Metcalf Foundation's Environment Program is to help build a low-carbon, resource efficient, and resilient Canada. Given the scale and complexity of the task of envisioning and realizing such a transformation, the Foundation sought to elicit a multiplicity of views and opinions, with a particular focus on southern Ontario.

In 2014, Metcalf commissioned a series titled *Green Prosperity Papers*. The aim was to contribute to the emerging policy conversation by connecting Ontario's robust university-based research capacity to timely public policy challenges. We invited proposals from a select number of researchers at Ontario-based universities who have a track record of producing research for public dissemination.

The six resulting *Metcalf Green Prosperity Papers* all address intersections of the environment and economy while taking up a range of topics from social justice, to fiscal reform, to democratic governance.

Since we commissioned the papers, Canada's commitments to climate action and growing a green economy have advanced substantially. The Foundation hopes the ideas explored in this series will assist in the crucial work, that is now underway, toward building a low-carbon, resource efficient, and resilient Canada.

Sandy Houston,  
**President and CEO**  
**Metcalf Foundation**



## SUMMARY

The City of Toronto is in an exciting period of growth and renewal. The proliferation of new development over the past decade coincides with a period of renewed interest in environmentalism, energy efficiency, and smart growth goals. This development has created job growth in key green sectors in the city, including energy efficient building (new and retrofits) and expansion of public transit infrastructure.<sup>1</sup> As Toronto builds better, greener buildings and invests in the transition away from car-based travel and urban sprawl, it is easy to get swept up in the excitement of the gains we are making toward becoming a sustainable city. But as things currently stand, not all Torontonians are set to benefit from the jobs, improved infrastructure, and enhanced quality of life being offered by this new, green economy.

The United Nations Environment Programme (UNEP) defines a green economy as an economy that addresses a reduction in carbon outputs, while demonstrating resource efficiency and social inclusivity.<sup>2</sup> As an important step in moving toward such a green economy, Toronto must reconcile the gap between its increasingly racialized population and the challenges that racialized workers encounter in the labour market. This includes labour market segregation, under-employment and precarious employment, and discrimination.

There has been a recognized paucity, in literature and in practice, of discussions that combine green economies with equity issues. There is a need to build consensus around issues of equity, labour, and environmental sustainability, including how to ensure traditionally disadvantaged groups are a central component of the transition to a green economy. Social inclusion in the emerging green economy requires equitable opportunities for decent work. It would be naïve to assume that such an outcome will naturally result from the transition to a green economy. Social inclusion requires innovative approaches and collaboration among stakeholders in government, corporations and small businesses in the private sector, the third sector (i.e. nongovernmental organizations, such as not-for-profits and charities), unions, and communities. Examples of such collaboration are illustrated through the three tools considered in this paper:

1. Employment equity
2. Community benefits agreements
3. Social enterprises

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1 Toronto Workforce Innovation Group, *Tending Green Shoots: Green skill building programs in the GTA* (2012). Accessed August 1, 2015 at: <http://www.workforceinnovation.ca/workforce-development-trends/tending-green-shoots>

2 United Nations Environment Programme (UNEP), *Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication* (2011). Accessed August 1, 2015 at: [www.unep.org/greeneconomy](http://www.unep.org/greeneconomy)

Based on case examples from Toronto and other Canadian jurisdictions, we believe the proposed tools represent tangible, achievable, and potentially transformative approaches to a socially inclusive green economy — approaches underpinned by decent work. This report provides an introductory level of background information around the tools themselves, with a focus on demonstrating their potential for connecting racialized communities with work in decent green jobs. We use the term “racialized” to refer to native-born visible minorities, as well as many immigrants and other social groups who are stigmatized by racial stereotypes. We will also provide recommendations toward implementing these tools effectively in the current context in Toronto.

The purpose of this paper is to address the opportunity gap faced by particular individuals who wish to participate in the green jobs market, and to address how to facilitate a just transition to a socially inclusive green economy.

## THE GREEN GAP: THE GREEN ECONOMY AND INEQUITY IN TORONTO

### WHAT IS A GREEN ECONOMY AND WHY DO WE NEED IT?

Despite the widespread popularity of the term, there is no singularly agreed-upon definition of “green economy.” Some treat it as a subset of the existing economy. Others see it as a new economy that contrasts with the existing “grey,” “brown,” or “traditional” economy. One of the most widely-accepted definitions is that of the United Nations Environment Programme (UNEP), which defines a green economy as a new economy that is oriented toward reducing carbon outputs, while demonstrating resource efficiency and social inclusivity.<sup>3</sup> Toronto Workforce Innovation Group defines it more simply as “an economy that functions to bring about short and long-term *economic, social* and *environmental* benefits for society as a whole.”<sup>4</sup>

In a report published by the Metcalf Foundation,<sup>5</sup> the *local level focus* for a green economy was explored as a foundation for sustainable, community-based economic activities. The need for local enterprise and investment was discussed and there was an emphasis on the importance of work that is

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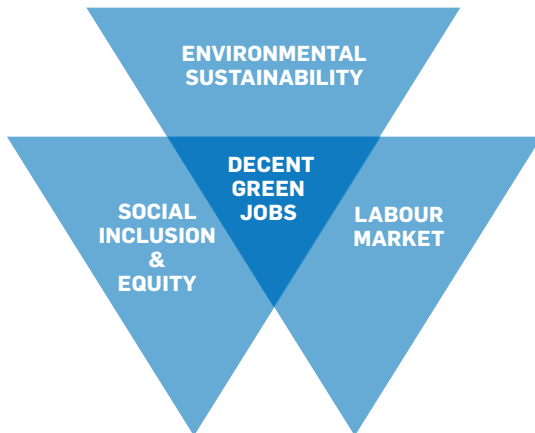
3 UNEP, *Towards a Green Economy*.

4 Toronto Workforce Innovation Group, *Tending Green Shoots*.

5 Jackson, T. and Victor, P., *Green Economy at Community Scale* (Toronto: Metcalf Foundation, 2013). Accessed August 1, 2015 at: <http://metcalfoundation.com/wp-content/uploads/2013/10/GreenEconomy.pdf>



**FIGURE 1**  
Model of a Green Economy



not only paid, but that is meaningful. Our model of a green economy takes into account the need for a balance between environmental sustainability, social inclusion and equity, and a strong labour market. Decent green jobs at the local level are seen as a tangible way to address all three goals.

Stakeholders, including academics, policy makers, business leaders, and job training stakeholders, present different reasons for moving toward a green economy. Environmental advocates have made the case for a green economy based on the unsustainable nature of industrial economies (e.g. Poland, Dooris & Haluza-Delay; Klein; UNEP).<sup>6</sup> Economists have offered financial reasons, including the potential to delve into untapped markets (e.g. Sustainable Prosperity)<sup>7</sup> and the higher number of jobs associated with renewable energy industries, including entry-level jobs, compared to traditional energy systems (e.g. BlueGreen Canada; EcoCanada; Thompson and Joseph; Demerse).<sup>8</sup> Others have called for a green economy on the basis of its connection to broader social and cultural benefits, such as the opportunity to build healthy communities (e.g. Burrows; Renner; Jackson and Victor),<sup>9</sup> and as a strategy to fight local and global poverty (e.g. UNEP).<sup>10</sup> There is increased acceptance that the goals of environmental sustainability and the goals of labour market growth are no longer as incompatible as previously thought.

This broad discussion around the importance of a green economy led to the Green Gap study (see Appendix 1 for more detail). The Green Gap is a multi-year research project housed at Ryerson University, funded by the Social Sciences and Humanities Research Council of Canada, with researchers from both Ryerson University and the University of Toronto. The Green Gap study seeks to address three questions:

1. What are the multiple social constructions of green jobs by various stakeholders?
2. What do green jobs mean for racialized communities?

6 Poland, B, Dooris, M, and Haluza-Delay, R, "Securing 'supportive environments' for health in the face of ecosystem collapse: meeting the triple threat with a sociology of creative transformation," *Health Promotion International*, 26(Suppl 2): 202-215. doi: 10.1093/heapro/dar073 (2011); Klein, N, *This Changes Everything: Capitalism vs. the Climate* (Toronto: Alfred A. Knopf Canada, 2014); UNEP, *Uncovering Pathways Towards an Inclusive Green Economy: A Summary for Leaders* (2015). Accessed at: [http://www.unep.org/greeneconomy/Portals/88/documents/GEI%20Highlights/IGE\\_NARRATIVE\\_SUMMARY.pdf](http://www.unep.org/greeneconomy/Portals/88/documents/GEI%20Highlights/IGE_NARRATIVE_SUMMARY.pdf)

7 Sustainable Prosperity, *Environmental Markets 2012: A Survey and Assessment of Environmental Markets in Canada* (2012). Accessed August 1, 2015 at: <http://www.sustainableprosperity.ca/content/environmental-markets-2012>

8 BlueGreen Canada, *More Bang for our Buck: How Canada Can Create More Energy Jobs and Less Pollution* (2012). Accessed August 1, 2015 at: <http://bluegreencanada.ca/>; EcoCanada, *The Green Jobs Map: Tracking Employment through Canada's Green Economy, Labour Market Research Study 2012* (2012). Accessed November 1, 2015 at:

<http://www.eco.ca/ecoreports/pdf/2012-Green-Jobs-Map-Tracking-Employment-through-Canadas-Green-Economy.pdf>; Thompson, D. and Joseph, SA., *Building Canada's Green Economy: The municipal role* (Ottawa, ON: Federation of Canadian Municipalities, 2011). Accessed August 1, 2015 at: [https://fcm.ca/Documents/reports/Building\\_Canadas\\_green\\_economy\\_the\\_municipal\\_role\\_EN.pdf](https://fcm.ca/Documents/reports/Building_Canadas_green_economy_the_municipal_role_EN.pdf); Demerse, C., *Reducing Pollution, Creating Jobs: The employment effects of climate change and environmental policies*. (The Pembina Institute, 2011). Accessed August 1, 2015 at: <http://www.pembina.org/reports/reducing-pollution-creating-jobs.pdf>

9 Burrows, M., "Just transition: Moving to a green economy will be more attractive when program are designed to remove job loss fears, and focus on transition to a more sustainable future," *Alternatives Journal*, 27(1): 29-32 (2001); Renner, M., "Making the Green Economy Work for Everybody," *Moving Towards Sustainable Prosperity, State of the World 2012*. (Washington DC: The Worldwatch Institute 2012); Jackson and Victor, *Green Economy at Community Scale*.

10 UNEP, *Uncovering Pathways Towards an Inclusive Green Economy*.

3. What do various stakeholders see as solutions to moving the green agenda forward?

This paper draws on broad findings from the Green Gap research and incorporates a review of relevant literature to expand on the three tools considered in this paper: employment equity, community benefits agreements, and social enterprises. We are making the case for transitioning to a socially inclusive green economy by creating local level opportunities for racialized and other marginalized workers to access decent green jobs.

### WHAT IS A DECENT GREEN JOB?

Decent green jobs are a central component of our model of a green economy, situated at the confluence of environmental sustainability, social inclusion and equity, and a strong labour market. According to the International Labour Organization, decent green jobs that contribute to socially inclusive and sustainable development have four attributes. See box below.

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#### **Our Working Definition of a Decent Green Job:**

1. adequate remuneration and equal pay;
  2. high labour standards in terms of contracts, hours, and benefits, and the potential for upward mobility;
  3. accountability of the employer to ensure these standards; and
  4. workers' rights to union representation, collective bargaining and social protections<sup>11</sup>
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The defining feature of a decent green job is not environmental impacts alone, although this is a necessary component. Other defining features are how the job affects the community in which it is situated, how it respects the dignity of its workers, how it protects its workers against the risks of unemployment, exclusion and disability, and how it empowers its workers to speak and act freely toward making environmentally-sustainable choices.<sup>12</sup>

Some green jobs will be entirely new jobs in new sectors (e.g. renewable energy), whereas others will require applying new skills and objectives to existing jobs (e.g. designing energy efficient buildings). Some green jobs

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11 Stevens, C., *Green Jobs and Women Workers: Employment, Equity, Equality* (Draft Report). International Labour Foundation for Sustainable Development, Sustainlabour, 2009. Accessed August 1, 2015 at: <http://www.sustainlabour.org/IMG/pdf/women.en.pdf>; Harden-Donahue, A. and Peart, A., *Green, Decent and Public, Canadian Labour Congress and The Council of Canadians* (2009) Accessed August 1, 2015 at: <http://canadians.org/sites/default/files/publica->

[tions/Green%20Decent%20and%20Public%20-%20Report%20Final.pdf](#)

12 United Nations Environment Programme (UNEP), *Green Jobs: Towards Decent Work in a Sustainable Low-Carbon World*. Washington, DC: Worldwatch Institute for the UNEP (2008); Stevens, *Green Jobs and Women Workers*.

may require specialized environmental skills, knowledge, experience, or competencies. Others may employ skills that are transferable from other sectors.<sup>13</sup> For the purposes of this paper, the defining “green” feature of the job will be that it contributes to an environmentally sustainable product, service or other outcome, and this includes individuals working in roles that directly support that work. Some examples of green jobs might include:

- Roofer whose work includes installing of green roofs and/or solar panels
- Energy efficiency manager for a company
- Entrepreneur with a business focused on reducing or repurposing waste
- Grower/distributor/retailer of sustainably-produced and ethically-sourced foods
- Construction worker helping to build public transit or cycling infrastructure
- Accountant for a renewable energy business

Regardless of the job sector, the defining feature of a “decent” green job is social inclusion. For example, sweatshops that create cheap solar panels for mass distribution may create new jobs with “green” material outputs, while trapping racialized workers in a cycle of poverty. In this case, we would not consider solar panel manufacturing to be a decent green job. Likewise, participants in the Green Gap project spoke to this misappropriation of the term “green” by some employers. Participants explained that employers sometimes frame policies to customers as examples of how they are an environmentally friendly business, when in reality these policies are detrimental to employees, particularly marginalized workers in precarious jobs. For example, hotels claiming they are being “green” by washing guest towels or sheets less frequently may be doing so as a cost-cutting measure at the expense of hotel staff whose hours are now being reduced, rather than redistributing these employees’ hours into other tasks. This raises the issue of how “green” businesses need to address not only environmental concerns, but also the well-being of those they employ by offering decent green jobs.

So where are the best opportunities for decent green jobs in Toronto? While the emphasis of Ontario’s *Green Energy Act* (2009) is largely on renewable energy and green manufacturing, many of the green manufacturing jobs are located outside of Toronto. The Toronto Workforce Innovation Group’s TOP Report for 2014 indicates professional, scientific, and technical services have seen the largest increase in the number of employers in

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13 EcoCanada, The Green Jobs Map; Goodwork.ca., *What is a green job?* (2015).

Toronto, followed by construction.<sup>14</sup> A search of the Canada Job Bank<sup>15</sup> indicates that occupations with the best employment outlook for the 2014-2016 period include: construction managers, residential home builders and renovators, civil engineers, civil engineering technologists and technicians, construction estimators, construction inspectors, and other occupations within the construction trades.<sup>16</sup> These occupations are aligned with all aspects of green building and energy retrofits, as well as with building public transit infrastructure, which can be considered a green sector because of its potential to contribute to greenhouse gas reductions. The Green Skills Network also identified jobs in green construction as one of the most promising areas of green jobs for entry-level workers.<sup>17</sup> New jobs in retrofitting social housing to be energy efficient are expected as part of strategies to address climate change drawing on Ontario's new Green Investment Fund.<sup>18</sup>

Again, these labour market trends do not necessarily reflect *decent green jobs* which depend on the conditions of employment as much as the jobs themselves. It bears repeating that this aspect of green jobs must not be overlooked in any discussion of a socially inclusive green economy.

## RACE AND INEQUITY IN TORONTO'S JOB MARKET

Toronto's labour market is changing. At the same time that there is increasing pressure on businesses to become more environmentally sustainable, it is also becoming increasingly difficult for jobseekers to find work — green or otherwise. The current market is characterized by the loss of local manufacturing jobs, which have historically been middle-class jobs. In addition, there has been a labour market shift toward more precarious employment characterized by non-unionized, part-time and/or temporary work offering minimal job security, fewer (or no) employee benefits, fewer opportunities for upward mobility, and lower pay.<sup>19</sup>

14 Toronto Workforce Innovation Group, *Toronto's Opportunities and Priorities Report: Local Labour Market Update 2014* (2014). Accessed November 1, 2015 at: [http://www.workforceinnovation.ca/sites/default/files/Labour\\_Market\\_Update\\_1.pdf](http://www.workforceinnovation.ca/sites/default/files/Labour_Market_Update_1.pdf)

15 Unfortunately, quantifying green job opportunities is difficult, given that green jobs do not currently have their own National Occupational Classification Codes (NOC Codes), but are subsumed within other categories of jobs (Government of Canada, n.d.).

16 Government of Canada, *Job Bank: Explore Careers – Outlook Report* (2015). Accessed November 1, 2015 at: [http://www.jobbank.gc.ca/LMI\\_report\\_area.do?&area=9219&reportOption=outlook](http://www.jobbank.gc.ca/LMI_report_area.do?&area=9219&reportOption=outlook)

17 Green Skills Network, *Emerging Green Jobs in Canada: Insights for Employment Counsellors into the Changing Labour Market and its Potential for Entry-Level Employment* (2012). Accessed November 1, 2015 at: <http://www.firstwork.org/wp/wp-content/uploads/2012/06/Emerging-Green-Jobs-in-Canada.pdf>

18 Ontario Ministry of Municipal Affairs (2016) News Release “Ontario Investing \$92 Million to Create Jobs and Retrofit Social Housing.”

February 12, 2016. Accessed April 5, 2016 at: <https://news.ontario.ca/mah/en/2016/02/ontario-investing-92-million-to-create-jobs-and-retrofit-social-housing.html>

19 Walks, A., *Income Inequality and Polarization in Canada's Cities: An Examination and New Form of Measurement*, University of Toronto Cities Centre, Research Paper 227 (2013). Accessed August 1, 2015 at: <http://neighbourhoodchange.ca/documents/2014/04/walks-2013-income-inequality-rp227.pdf>; Zizys, T., *Better Work: The path to good jobs is through employers* (Toronto: Metcalf Foundation, 2014). Accessed August 1, 2015 at: <http://metcalfoundation.com/wp-content/uploads/2014/10/2014-10-02-Better-Work.pdf>; Lewchuk, W, Lafleche, M, Procyk, S, Cook, C, Dyson, D, Goldring, L, Lior, K, Meisner, A, Shields, J, Tambureno, A and Viducis, P., *The Precarity Penalty: The impact of employment precarity on individuals, households and communities and what to do about it*, Poverty and Employment Precarity in Southern Ontario, McMaster University and United Way (2015). Accessed August 1, 2015 at: <http://www.unitedwaytoronto.com/document.doc?id=307>; Ontario Ministry of Labour, *The Changing Workplaces Review* (2015). Accessed August 1, 2015 at: <http://www.labour.gov.on.ca/english/about/workplace/>

“The term racialized is used to acknowledge “race” as a social construct and a way of describing a group of people. Racialization is the process through which groups come to be designated as different and on that basis subjected to differential and unequal treatment. In the present context, racialized groups include those who may experience differential treatment on the basis of race, ethnicity, language, economics, religion.”<sup>25</sup>

As racialized and marginalized jobseekers struggle to find work, there has also been a move away from employer-provided training and a shift toward credentialism. Credentialism increases requirements for job applicants to have formal designations or types of education and training in order to be considered for jobs.<sup>20</sup> The Green Gap study identified that the move toward credentialism is highly problematic. Many jobs that have traditionally been considered entry-level jobs with room for career growth, including frontline work in the energy sector, are now requiring prerequisite training and education. This has the negative consequence of excluding those who do not have the means to pursue such credentials. Credentialism also disadvantages foreign-trained immigrants whose international credentials are often not recognized in Canada, and who therefore must often turn to lower-skilled or even entry-level jobs.<sup>21</sup>

In short, the current economy has a notable shortage of decent jobs, let alone decent green jobs.<sup>22</sup> Disturbingly, city-level data indicate that those affected by poorer employment outcomes and poverty are disproportionately racialized people, particularly racialized women.<sup>23</sup> Racialized people include native-born visible minorities, immigrants, and other social groups, who are stigmatized by racial stereotypes. Racialized workers are often positioned outside of mainstream social and employment networks.<sup>24</sup> We acknowledge that not all racialized jobseekers face the same barriers to inclusion in the green job market. Racialized and marginalized jobseekers include both highly skilled foreign-trained jobseekers and low-skilled entry-level jobseekers.

Our discussion must also consider subtle but persistent processes of *social exclusion*. Social exclusion is a concept that is increasingly applied to the condition of racialized and marginalized groups in Canada.<sup>26</sup> It has been defined as both the structures and the dynamic processes of inequality among groups. Over time, social exclusion creates unequal access to

20 Zizys, T., *Working Better: Creating a High-Performing Labour Market in Ontario* (Toronto: Metcalf Foundation, 2011). Accessed August 1, 2015 at: <http://metcalfoundation.com/wp-content/uploads/2011/05/working-better.pdf>

21 Turegun, A., “Rebuilding Professional Lives: Immigrant Professionals Working in the Ontario Settlement Service Sector,” *Journal of International Migration and Integration*, 14(3): 597-614. doi: 10.1007/s12134-012-0258-0 (2013); Access Alliance, *Where are the Good Jobs? Ten stories of working rough, living poor* (Toronto: Access Alliance Multicultural Health and Community Services, 2013). Accessed August 1, 2015 at: [http://accessalliance.ca/wp-content/uploads/2015/03/Summary\\_Where-are-the-Good-Jobs-Report-2013.pdf](http://accessalliance.ca/wp-content/uploads/2015/03/Summary_Where-are-the-Good-Jobs-Report-2013.pdf)

22 United Nations Environment Programme (UNEP), “Green Jobs: Towards Decent Work in a Sustainable Low-Carbon World.” Washington, DC: Worldwatch Institute for the UNEP (2008); Stevens, Green Jobs and Women Workers.

23 Wilson, RM, Landolt, P, Shakya, YB, Galabuzi, GE, Zahoorunissa, Z, Pham, D, Cabrera, F, Dahy, S, and Joly, MP, *Working Rough, Living*

*Poor: Employment and Income Insecurities Faced by Racialized Groups in the Black Creek Area and their Impacts on Health* (Toronto: Access Alliance Multicultural Health and Community Services, 2011). Accessed August 1, 2015 at: [http://accessalliance.ca/wp-content/uploads/2015/03/Access-Alliance\\_Working-Rough-Living-Poor-Final-Report-June-2011.pdf](http://accessalliance.ca/wp-content/uploads/2015/03/Access-Alliance_Working-Rough-Living-Poor-Final-Report-June-2011.pdf)

24 DiverseCity, *Insights on Diversity in Leadership: Learnings from the Toronto Region* (2013). Accessed August 1, 2015 at: <http://diversity-toronto.ca/wp-content/uploads/DC-InsightsOnDiversity-Final-Report2013-FA-web.pdf>

25 Block, S and Galabuzi, G.E., *Canada's Colour Coded Labour Market: The gap for racialized workers* (Toronto: Wellesley Institute and Canadian Centre for Policy Alternatives, 2011). Accessed August 1, 2015 at: [http://www.wellesleyinstitute.com/wp-content/uploads/2011/03/Colour\\_Coded\\_Labour\\_MarketFINAL.pdf](http://www.wellesleyinstitute.com/wp-content/uploads/2011/03/Colour_Coded_Labour_MarketFINAL.pdf)

26 Galabuzi, G.E., *Canada's Economic Apartheid: The Social Exclusion of Racialized Groups in Canada's New Century* (Toronto: Canadian Scholar's Press, 2006).

**Social inclusion** is about working together as a society to foster active participation and equality of life chances for all citizens. It is not about assimilation or handouts; but rather, it is about recognizing differences in access to opportunities, and removing barriers toward levelling the playing field for all. It must also be differentiated from diversity, which is primarily about variety.

“critical resources that determine the quality of membership in society and ultimately produce and reproduce a complex of unequal outcomes.”<sup>27</sup>

*Social inclusion*, on the other hand, is about working together as a society to foster active participation and equity of life chances for all citizens.<sup>28</sup> It is not about assimilation or handouts. Rather, it is about recognizing differences in access to opportunities and removing barriers toward equity in the allocation of resources. Inclusion must also be differentiated from diversity, which is primarily about variety, but does not necessarily “take appropriate account of historical and contemporary injustices and unequal outcomes.”<sup>29</sup> Social inclusion seeks to change dominant systems of power and decision-making.

As an important step in moving toward a green economy, Toronto must address historical forms of exclusion in the traditional economy as it works to reconcile the employment outcomes gap between different racial and marginalized groups (e.g. Block and Galabuzi; Stapleton, Murphy and Xing; Access Alliance).<sup>30</sup> If a green economy hopes to address this issue it must purposely work to be more inclusive of race and marginalized groups than the traditional economy. This includes outreach and engagement into marginalized communities, particularly youth, who might not be aware of opportunities in the green jobs market. Inclusivity also includes providing appropriate supports for job training, including pre-training supports such as English literacy through to assistance in job placement.

## TORONTO'S GREEN ECONOMY: OPPORTUNITIES AND POINTS OF PAUSE

Policy has played an important role in the development of Toronto's green economy. In 2005, Ontario introduced its *Places to Grow Act*, which focused on land use intensification of urban areas to counter urban sprawl consistent with smart growth. In 2009, the province introduced its *Green Energy and Green Economy Act* (commonly known as the *Green Energy Act*) which strove to stimulate green employment, including funding into training in the skilled trades and community power initiatives. In 2009, the City of Toronto released its *Toronto Green Standard*, which demanded higher standards of energy efficiency in its new buildings than mandated by the provincial code. More recently, Ontario passed its *Infrastructure for*

27 Galabuzi, G.E. and Teelucksingh, C., *Social Cohesion, Social Exclusion, Social Capital*. Discussion Paper for the Region of Peel, Funded by Citizenship and Immigration Canada (2010). Accessed November 1, 2015 at: <https://www.peelregion.ca/social-services/pdfs/discussion-paper-1.pdf> p.9.

28 Sen, A., *Development as Freedom* (London: Oxford University Press, 2001).

29 Yen Lui, Y and Keleher, T., *Green Equity Toolkit: Standards and Strategies for Advancing Race, Gender and Economic Equity in the*

*Green Economy*. Published by Race Forward: The Centre for Racial Justice Innovation (2009). Accessed at: [https://www.raceforward.org/system/files/pdf/reports/Green\\_Toolkit\\_112009.pdf](https://www.raceforward.org/system/files/pdf/reports/Green_Toolkit_112009.pdf) p.5.

30 Block and Galabuzi, *Canada's Colour Coded Labour Market*; Stapleton, J., Murphy, B. & Xing, Y., *The Working Poor in the Toronto Region: Who they are, where they live, and how trends are changing* (Toronto: Metcalf Foundation, 2012). Accessed August 1, 2015 at: <http://metcalfoundation.com/stories/publications/the-working-poor-in-the-toronto-region-who-they-are-where-they-live-and-how-trends-are-changing/>; Access Alliance, *Where are the Good Jobs?*

*Jobs and Prosperity Act* (2015), while at the same time there has been a renewed enthusiasm for infrastructure funding from a newly-elected Federal government.

Together, these policies have spurred job growth in key green sectors in the city, including energy efficient building (new and retrofit) and development of public transit infrastructure. Along with associated jobs in the skilled trades, these sectors provide a range of professional, administrative, and technical jobs. The *Green Energy Act* also brought renewable energy to the fore as an area for investment. While renewable energy manufacturing may not be a key sector of job growth in the City of Toronto, it has spurred innovation in other areas, including cleantech engineering and the growth of innovation centres in the city such as MaRS Discovery District, Ryerson's Centre for Urban Energy, and the Centre for Social Innovation.

This proliferation of green-related work in Toronto must not be celebrated uncritically. To begin, only those with the necessary qualifications, or knowledge of these job opportunities, can benefit from this job growth. Many of the construction-related jobs being created are non-unionized, contract jobs that end upon completion of the project. Many of these positions have little to no long-term security and therefore are outside our definition of decent green jobs.

There is another side to the green economy to be considered. As Raffol argues<sup>31</sup>, governments have gradually narrowed the options for urban development. Public-private reinvestment in inner cities, consistent with smart growth objectives, has mainly focused on housing, businesses, and amenities in the downtown areas of cities. Smart growth's critique of urban sprawl has included strong environmental discourses, and seems arguably to be in line with a green economy. But urban development and improvement of urban environments have excluded many of Toronto's lower income and racialized communities because as areas become gentrified, many marginalized residents can no longer afford to live in areas close to the downtown where amenities and access to public transit are concentrated. At the same time as there have been diminishing opportunities for inclusion in Toronto's labour market in general, the city's urban development boom has led to increasing exclusion of racialized and marginalized groups and to inequities in access to transit, affordable housing, and jobs.<sup>32</sup>

To address the inequitable and racialized nature of poverty in Toronto through a green economy, employment initiatives must simultaneously focus on two issues. First is the creation of *decent green jobs*. Second is *purposefully connecting and empowering racialized and marginalized*

31 Raffol, M., "Community Benefits Agreements in the Political Economy of Urban Development" *Advocates' Forum 2012*, University of Chicago School of Social Service Administration (2012). Accessed August 1, 2015 at: [http://ssa.uchicago.edu/sites/default/files/uploads/AdvocatesForum\\_2012\\_web\\_1.pdf](http://ssa.uchicago.edu/sites/default/files/uploads/AdvocatesForum_2012_web_1.pdf)

32 Hulchanski, J.D., *The Three Cities Within Toronto: Income Polarization Among Toronto's Neighbourhoods, 1970-2005*. University of Toronto Cities Centre (2010). Accessed August 1, 2015 at: <http://www.urbancentre.utoronto.ca/pdfs/curp/tmrn/Three-Cities-Within-Toronto-2010-Final.pdf>; Freeman, B., *The New Urban Agenda: The Greater Toronto and Hamilton Area* (Toronto: Dundurn Press, 2015).

people with these opportunities in the city’s burgeoning green economy through access to training and education.

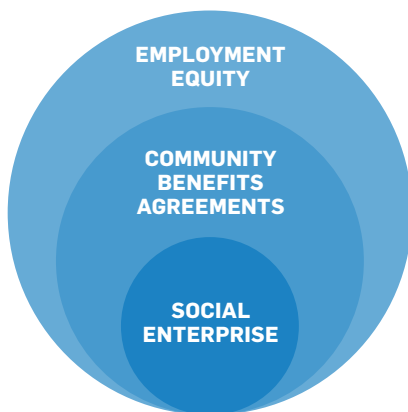
## TOOLS FOR A JUST TRANSITION TO A GREEN ECONOMY

A report on the green economy in the City of Victoria, British Columbia, suggests that complex social issues such as unemployment and income inequality have not been successfully addressed by top-down approaches alone.

“The growing consensus is that: a) the traditional economy has excluded significant populations; b) exclusion has been detrimental to individuals and expensive to address; c) the social and public sector cannot address these issues alone; d) the green economy offers a different approach to economic development; and e) the imperative exists to innovate across sectors to develop a prosperous region.”<sup>33</sup>

### FIGURE 2

Interrelation of the three tools for an inclusive green economy.



Given this, it is necessary to assess a range of solutions across the spectrum from the public, private, and third sectors, as well as the role of unions, and also communities. To achieve a green economy consistent with goals of equity and social inclusion, it is posited that green employment initiatives in Toronto should give greater consideration to the integration of the best practices learned from the following “tools”: employment equity, community benefits agreements (CBAs), and social enterprise.

Each of the tools requires contributions and collaboration from a variety of stakeholders. There is also notable overlap between the scope of each of these three tools and they are believed to be highly complementary. Employment equity is the most broad and is implicated in the other two tools. CBAs are more focused, and include social enterprise as a component. Social enterprises are the most focused and specific tool and are also becoming increasingly prevalent in Toronto, making them the most directly tangible of our three approaches.

33 Fairholm Mader, K., *Green Economy, Good Jobs: Integrating Economic Opportunities and Employment for Vulnerable Populations Within Victoria’s Healthy and Green Economy Strategy*, Commissioned by the City of Victoria, British Columbia (2013).

Accessed August 1, 2015 at: <http://www.victoria.ca/assets/Departments/Sustainability/Documents/Green%20Economy%20Good%20Jobs%20.pdf> p.5.



## TOOL #1: EMPLOYMENT EQUITY

**TABLE 1**

Key benefits of employment equity for a socially inclusive green economy

### DIRECTLY MEASURABLE BENEFITS

#### Access to green jobs

In the context of exclusive social networks in the green labour market, marginalized groups gain better access to employment.

#### Skill building opportunities

Where training is provided in the workplace, marginalized groups have access to skill development and opportunities for career growth through green jobs.

### INDIRECTLY MEASURABLE BENEFITS

#### Social inclusion

Marginalized individuals and communities enjoy the benefits of employment in decent green jobs.

#### Democratic citizenship

Promotes environmentally-conscious decision-making and democratic participation, as historically marginalized and equity-seeking groups are empowered through access to decent green jobs.

#### Strengthening of green economy in general

Bringing in diverse employees into a sector that has been traditionally culturally homogeneous creates opportunities for innovation.

### WHAT IS EMPLOYMENT EQUITY?

Employment equity can be understood as both a governmental regulatory tool mandating certain hiring practices, and as a guiding directive for enhancing inclusion in the job market in general. In Canada, employment equity aims to remedy systemic labour market inequalities faced by equity-seeking and historically disadvantaged groups, including recruitment, training, hiring, and promotion practices. It is not just about getting a job, green or otherwise. It is also about making sure racialized Canadians are not overrepresented in jobs and sectors that pay poorly and have few upward mobility opportunities, and that they have the opportunity to fully develop and apply their skills and human capital to the best of their potential once they are in a green job. This approach to inclusion will benefit not only racialized workers but it will benefit Canadian society in general. Considerations of employment equity rarely intersect with discussions

about the green economy.<sup>34</sup> A report by Environmental Careers Organization Canada<sup>35</sup> reveals that most professional jobs in the green economy have lacked diversity in the same way that the mainstream environmental movement and environmental institutions have lacked representation from racial minority groups.<sup>36</sup> Applying aspects of employment equity thinking to the green economy would ensure that the environmental workforce is diversified in terms of race, immigrant status, and class.<sup>37</sup> It would also ensure the use of an established policy tool to conceptualize and implement a “just transition” to the green economy by supporting the environmental initiatives of equity-seeking groups.

Participants in the Green Gap project have spoken to the cultural exclusivity of Toronto’s green economy. For example, a recurring theme related to the renewable energy sector is that it is still a relatively small sector largely comprised of those who are already relatively economically successful. It tends to employ few racial minorities. Since networking is key to finding work in this sector, and people often hire who they know, this necessarily excludes many racialized jobseekers. Many Green Gap participants expressed the perception that racialized individuals are not aware of job opportunities in the green sector, or they do not consider green jobs as a viable option when they are working their way up the system. It was also mentioned that whether or not a job is “green” might have little bearing for some jobseekers, as long as it provides an income.

At the same time, we must caution against making blanket assumptions about the motives or experiences of others. Among racialized jobseekers in the Green Gap study, motives for seeking work in the green economy were varied. They ranged from a personal sense of responsibility to care for the environment, to the recognition that a green economy is the way of the future and will be a lucrative focus for career development. Employment equity efforts in a green economy must not only take into account providing opportunities for different marginalized groups, but the diversity of motives and experiences among racialized jobseekers themselves.

## RELEVANT EMPLOYMENT EQUITY POLICY: THE TORONTO CONTEXT

Formal employment equity policy in Toronto applies only in the public sector and businesses regulated by the federal government. Canada’s federal *Employment Equity Act* (1986, 1995) “encourages the establishment of working conditions that are free of barriers, corrects the conditions of

34 Teelucksingh, C, Zeglen, L, and Galabuzi, G.E., *Transition to an Inclusive Green Employment: Employment Equity and the Green Economy*. Work in a Warming World Conference, York University: Toronto, November 28, 2013.

35 Environmental Careers Organization Canada, *Defining the green economy: Labour market research study* (2010).

36 Taylor, D., *Green Jobs and the potential to diversify the environmental workforce*. Utah Environmental Law Review, 13(1): 47-77; Yen Lui and Keleher, *Green Equity Toolkit*.

37 Taylor, *Green Jobs and the potential to diversify*.

disadvantage in employment and promotes the principle that employment equity requires special measures and the accommodation of differences for the four designated groups in Canada.”<sup>38</sup> It identifies four main categories of historically vulnerable groups: visible minorities, women, Aboriginal people, and people with disabilities. It also states that employers must consider equity hires with respect to different occupational groups, so equity hires are not overrepresented within certain levels or types of jobs. It applies to all members of the federal public service, federally-regulated employers, crown corporations, and provincially-regulated contractors of large-scale federal-level contracts. This Act recognizes the need for the government to intervene in the private sector/free market in order to counter employment discrimination and the reliance of mainstream employment recruitment strategies that disadvantages racialized workers.<sup>39</sup> The City of Toronto has also formalized its own *Employment Equity Policy* (2000), which applies to all employees and prospective employees of the City of Toronto and targets the same four priority groups as the federal policy.

### HOW IS EMPLOYMENT EQUITY POLICY WORKING?

Some recent reports have indicated that employment equity policies in the public sector have led to significant improvements over time, and that federally-regulated employers are making progress toward achieving a fully representative workforce.<sup>40</sup> Despite important progress made toward employment equity, there is still work to be done. Racialized men and women still continue to experience forms of employment discrimination.<sup>41</sup>

They continue to be underrepresented in management and other professions and over-represented in lower paying jobs<sup>42</sup>

Efforts have been made to measure and celebrate employment equity in Canada. One example is MediaCorp Canada Inc's annual publication “Canada's Best Diversity Employers,”<sup>43</sup> which ranks Canadian employers

38 Government of Canada Labour Program, *Employment Equity* (2015). Accessed August 1, 2015 at: [http://www.labour.gc.ca/eng/standards\\_equality/eq/emp/index.shtml](http://www.labour.gc.ca/eng/standards_equality/eq/emp/index.shtml)

39 For a summary of employment equity policy initiatives in Canada, see the Public Service Alliance of Canada website: <http://psacunion.ca/brief-history-employment-equity-canada>

40 Employment and Social Development Canada, *Employment Equity Act Annual Report: Labour Program 2014*. (2014). Accessed August 1, 2015 at: [http://www.labour.gc.ca/eng/standards\\_equality/eq/pubs\\_eq/annual\\_reports/2014/docs/ear2014.pdf](http://www.labour.gc.ca/eng/standards_equality/eq/pubs_eq/annual_reports/2014/docs/ear2014.pdf)

41 Block and Galabuzi, *Canada's Colour Coded Labour Market; Teelucksingh, C and Galabuzi, G.E., Working Precariously: The impact of race and immigrants status on employment opportunities and outcomes in Canada*. (Toronto: The Centre for Social Justice and The Canadian Race Relations Foundation (2005). Accessed August 1, 2015

at: <http://www.socialjustice.org/uploads/pubs/WorkingPrecariously.pdf>

42 Block and Galabuzi, *Canada's Colour Coded Labour Market; DiverseCity, Insights on Diversity in Leadership; Ryerson University Diversity Institute, Diversity Leads: Women and Visible Minorities in Senior Leadership Positions: A Profile of the Greater Toronto Area (GTA)* (2014). Accessed August 1, 2015 at: <http://www.ryerson.ca/diversity/publications/index.html> MediaCorp Canada Inc. and the Globe and Mail, *Canada's Best Diversity Employers: 2015 Magazine* (2015). Accessed November 1, 2015 at: <http://issuu.com/ct100./docs/diversity-2015?e=14200235/11978967>

43 MediaCorp Canada Inc. and the Globe and Mail, *Canada's Best Diversity Employers: 2015 Magazine* (2015). Accessed November 1, 2015 at: <http://issuu.com/ct100./docs/diversity-2015?e=14200235/11978967>

by their efforts to address equity according to the four identified priority groups. Some companies of note include Boeing Canada Operations Limited (based in Winnipeg). Boeing has established an Aboriginal recruitment and retention strategy and partnered with a local college to develop Boeing-specific skills. Graduates of the program are hired in cooperation with the Centre for Aboriginal Human Resource Development.

Canada Mortgage and Housing Corporation (based in Ottawa) is another noteworthy employer on this list. They work with a variety of organizations that support the employment efforts of new Canadians. In partnership with the Immigrant Services Association of Nova Scotia, they provide six-week work placements for new Canadian job-seekers. It is interesting to note that relatively few of the employers on the list of Canada's Best Diversity Employers are also on the list of Canada's Greenest Employers.<sup>44</sup> YMCA of Greater Toronto is one of the few exceptions and they have many examples of embedding both inclusive programming and environmental initiatives into their work.

A recent public opinion poll in Toronto highlighted that Torontonians support greater representation of the region's diversity, especially in leadership roles, not only because it is "right" but as a way to create prosperity.<sup>45</sup> This has important implications for connecting racialized and marginalized jobseekers with the city's most promising public sector green job opportunities.

To challenge how race operates at the structural level in organizations, employment equity must go beyond technocratic solutions (e.g. a reliance on quotas and statistical reporting) and an overly-narrow focus on diversity hiring. Many who support employment equity in theory are not engaging with the hidden systemic issues at play (e.g. embedded structures of power and privilege) and focus on surface-level approaches to measuring success (e.g. counting the number of perceived racialized people in an office, without considerations of their level of power within the organization).

## EMPLOYMENT EQUITY IN THE PRIVATE SECTOR

Many green sector jobs are in private businesses, including the majority of jobs related to renewable energy technology and the energy efficient building sector. The private sector is not currently regulated by employment equity policy. Such regulation is generally deemed too intrusive to free market forces, a criticism that has also been made of employment equity policy in the public sector.<sup>46</sup> Statistics on the representation of racialized

44 MediaCorp Canada Inc., *2015 Canada's Greenest Employers* (2015). Accessed November 1, 2015 at: <http://www.canadastop100.com/environmental/>

45 DiverseCity, *Insights on Diversity in Leadership*.

46 Grundy, J. and Smith, M., *Evidence and Equity: Struggles over federal employment equity policy in Canada, 1984-95*. Canadian Public Administration, 54(3): 335-357. doi:10.1111/j.1754-7121.2011.00179.x (2015).

people in leadership positions in the GTA have demonstrated that racialized employees remain concentrated in entry-level and middle-management positions,<sup>47</sup> and that the proportion of racialized employees in leadership positions is lowest in the corporate sector.<sup>48</sup> The move away from employer-provided training and the shift toward credentialism has made it increasingly difficult for racialized and marginalized jobseekers to have upward mobility.

### The role of unions

Unions have an important role to play with respect to employment equity in the green private sector. Unionized jobs are typically associated with elements of decent work such as a living wage, job security and benefits, opportunities for career growth, and the right to collective bargaining and social protection. Since the 1990s, private sector unions have been active advocates for the role of blue-collar workers in a green economy.<sup>49</sup> The just transition movement has been about “protecting the social and economic integrity of workers and their communities whenever environmental policies lead to unavoidable job losses.”<sup>50</sup> Groups such as the BlueGreen Alliance and Good Green Jobs for All combine objectives of labour and the environment.<sup>51</sup> The next step is to integrate objectives of employment equity into the conversation.

## RECOMMENDATIONS

Questions related to employment equity as a tool to help Toronto build a socially inclusive green economy are:

- How can the public sector successfully strengthen its existing employment equity policies, particularly in departments and policies tied to sustainability and support for the green economy?
- How can the objectives of employment equity be better incorporated into private sector green businesses?

### 1. Teach green sector employers how to implement employment equity initiatives

Many employers may fail to properly implement existing employment equity policies and focus on hiring quotas based on the racial background

47 Block and Galabuzi, *Canada's Colour Coded Labour Market*.

48 Ryerson University Diversity Institute, *Diversity Leads*.

49 Nugent, JP., *Changing the Climate: Ecoliberalism, Green New Dealism, and the Struggle over Green Jobs in Canada*. Labour Studies Journal 36(1), 58-92. doi: 10.1177/0160449X10392528 (2011).

50 Nugent, *Changing the Climate*, p.63.

51 Nugent, *Changing the Climate*.

## Recommendations

1. Teach green sector employers how to implement employment equity initiatives
2. Reach out to racialized and marginalized communities with opportunities for green work
3. Align employment equity with the goals of green business
4. Support unions and collective bargaining

of their job applicants (i.e. a focus on diversity rather than inclusion). Public sector employers have been criticized for focusing on the technocratic tasks of reporting on the statistical representation of equity groups in their organizations consistent with a diversity approach.<sup>52</sup> Instead, in order to move toward social inclusion, employers should challenge how equity and social exclusion operate at the structural in their organizations by examining unequal power relations and questioning how inequities inform organizational procedures and discourses. This is believed to be due more to a lack of conceptual understanding of employment equity, than a lack of interest or support for such policies.<sup>53</sup> In the context of green jobs, where considerations of equity could be seen as peripheral to environmental goals, programs are needed to teach employers how to implement employment equity in practice. Employment equity should also include greater pre-employment and on-the-job supports for racialized and marginalized jobseekers, leading to more meaningful green employment opportunities.

### 2. Reach out to racialized and marginalized communities with opportunities for green work

Employment equity should provide green economy public education and awareness events for racialized Toronto jobseekers to enable them to take advantage of the opportunities within this job market. Toronto Renewable Energy Cooperative (TREC) Education (<http://treceducation.ca/>) is democratizing knowledge about the green economy. They have a program for students in Indigenous communities to learn about existing and future jobs in the renewable energy sector. Another example is the Central Ontario Building Trades Hammer Heads (<http://www.cobtrades.com/hammer-heads/>). It is an employment-based skills training program within the construction industry offering career opportunities via apprenticeships to youth in under-resourced, primarily racialized, neighbourhoods.

One example of jobseeker-focused employment equity at the community scale is work being done with the building of the Eglinton Crosstown Light Rail Transit line. Recruitment and training of racialized groups is a central component of this project. The section on Community Benefits Agreements includes a detailed discussion about this.

### 3. Align employment equity with the goals of green business

Given the large number of green jobs in the private sector, it is important that employment equity discourse speaks a language that businesses

52 Grundy, J. and Smith, M. (2011). "Evidence and Equity: Struggles over federal employment equity policy in Canada, 1984-95." *Canadian Public Administration*, 54(3): 335-357. doi:10.1111/j.1754-7121.2011.00179.x

53 Bakan, AB and Kobayashi, A., *Employment equity policy in Canada: An interprovincial comparison*. (Canada: Status of Women Canada 2000). Accessed August 1, 2015 at: [http://www.academia.edu/3063071/Employment\\_Equity\\_Policy\\_in\\_Canada\\_An\\_Interprovincial\\_Comparison](http://www.academia.edu/3063071/Employment_Equity_Policy_in_Canada_An_Interprovincial_Comparison); Grundy and Smith, *Evidence and Equity*

understand. It has been recognized that hiring from various racial and immigrant groups helps businesses attract new markets. In this regard, hiring strategies focused at equity groups often make good business sense.<sup>54</sup> Many Toronto-based intermediaries are already working to promote the benefits to businesses of hiring employees from different racial, immigrant, and cultural backgrounds. For example, Toronto's DiverseCity leadership project provides suggestions for making corporate leadership more inclusive and including diversity as a strategic priority. They also provide case examples of how businesses operating in Toronto have leveraged the diversity of their employees for greater innovation and to attract broader demographic markets.<sup>55</sup> Participants in the Green Gap project also spoke about how individuals from different racial and immigration backgrounds bring fresh ideas and perspectives that foster innovative thinking in the green sector.

It must be emphasized that a socially inclusive green economy requires more than simply hiring qualified racialized and marginalized workers. It is also necessary to address systemic inequalities in workplaces connected to processes of decision-making and power structures. Otherwise, systemic discrimination may unintentionally be perpetuated in the green economy, although appearing on the surface that it is being addressed (Hart, 2009).

#### 4. Support unions and collective bargaining

Government-mandated policy, at least as a standalone approach, is unlikely to be an effective solution for employment equity in the private sector. In response to this, some (e.g. Hart<sup>56</sup>) have advocated that workers hold employers to certain standards of employment equity. Indeed, unions have been at the forefront of advocating for a “just transition” to the green economy, whereby workers’ rights are a key consideration.<sup>57</sup> One potentially effective approach is greater support for unions, since they can advocate for workers’ equity rights as part of collective bargaining processes. For example, the International Labour Foundation for Sustainable Development has argued the need for unions to advocate for proportional involvement of women in green jobs,<sup>58</sup> the case for which can arguably be applied to racialized populations, as well. They outline five focus areas for union advocacy:

- employment through anti-discrimination laws;
- recruitment for non-traditional jobs (e.g. green jobs) through quotas and targeted schemes;

54 Grundy and Smith, *Evidence and Equity*; DiverseCity, *Insights on Diversity in Leadership*; Ryerson University Diversity Institute, *Diversity Leads*.

55 DiverseCity, *Insights on Diversity in Leadership*.

56 Hart, *Self-regulation, corporate social responsibility*.

57 Nugent, *Changing the Climate*.

58 Stevens, *Green Jobs and Women Workers*.

- training in green jobs skills through specialized apprenticeship and training initiatives;
- equitable pay by reducing job segmentation and wage gaps between different demographic groups; and
- organization through increasing the union membership of racialized workers in potential green sectors

## **CONCLUSION**

Employment equity, as both a regulatory tool and as a guiding principle, shows promise in helping move Toronto toward a socially inclusive green economy. It is fundamental that employment equity not only apply in hiring practices, but that it also addresses systemic inequalities along the lines of race and other forms of exclusion. As stakeholders in the Green Gap study explained, we cannot assume that those who have been disadvantaged and left out of the current economy will be part of a green economy unless the green economy adapts goals of social inclusion and equity.



## TOOL #2: COMMUNITY BENEFITS AGREEMENTS

**TABLE 2**  
Key benefits of  
CBAs for a  
socially inclusive  
green economy

DIRECTLY MEASURABLE BENEFITS	INDIRECTLY MEASURABLE BENEFITS
<p><b>Access to green jobs</b> Marginalized groups have better access to employment in green jobs associated with the development in their community.</p>	<p><b>Deliberative democracy</b> Promotes grassroots decision-making and participation to empower historically marginalized and equity-seeking groups.</p>
<p><b>Skill building opportunities</b> Marginalized groups have access to skill development and training toward better long-term job prospects once the development is complete.</p>	<p><b>Balancing the role of the private sector</b> Greater visibility of the community's needs helps government act in favour of the community at large, while still supporting development that is compatible with the private sector.</p>
<p><b>Reinvestment in marginalized communities</b> Community benefits considerations are a necessary component of new developments, such that marginalized communities can enjoy improved community amenities such as access to public transit. Social procurement can also support local small businesses, including social enterprises.</p>	<p><b>Building better partnerships between the private, public and third sectors</b> The need for collaboration between different stakeholders builds stronger understandings of the roles and responsibilities of each, as well as highlighting areas of common interest and mutual benefit.</p>

### WHAT IS A COMMUNITY BENEFITS AGREEMENT?

Community Benefits Agreements (CBAs) have been embraced by policy-makers and academics in other parts of the world — particularly the UK and the US — but are relatively rare in Canada. CBAs are legally-enforceable contracts between communities and developers. They are a tool for purposefully linking social and environmental goals with major infrastructure development projects and they help to build community wealth. CBAs have been defined as:

1. A signed, *legally enforceable agreement*, having clear monitoring and enforcement mechanisms;
2. Specificity to a particular construction project (rather than an institutional policy);
3. An inclusive, collaborative, and accountable process of leveraging a development project towards achieving a broader range of policy objectives such as equity, poverty reduction, environmental sustainability and local economic development;
4. A CBA details in writing the specific benefits that a community will receive from a given development project. These benefits might include equitable hiring practices, funding for training, neighbourhood improvements, support for social enterprises, etc.;
5. There is substantial community involvement in all phases of the CBA.<sup>59</sup>

CBAs require developers to mitigate the impact of development and to also attach benefits from the perspective of residents and local businesses, which might improve the quality of life in the community.<sup>60</sup> They typically include considerations of economic development related to land use regulation, infrastructure and real estate, and ways to include the communities affected by the development in mutually beneficial ways. They may also include environmental considerations, such as sourcing materials from environmentally-responsible companies, or building energy efficient structures. Community benefits agreements include provisions such as improved quality of life for local residents in the form of jobs (e.g. quotas for hiring locally-based jobseekers, sourcing materials from local businesses, and ensuring that jobs provide decent work), affordable housing, and other community services. In terms of the impact on developers, Raffol<sup>61</sup> explains that CBAs function like a redistributive tax on developers so that development benefits a broad range of stakeholders. The primary benefit in a CBA for developers is community support, which can help facilitate a smooth approval process for the project.

Importantly, CBAs are designed to be based in the communities where developments are taking place and to involve local residents as a key player in negotiations. It has been noted that the process of creating CBAs is part of the benefit, in that it is a tool for “deliberative democracy.” Marginalized communities have a say in developments that will directly affect them,<sup>62</sup> and are involved in “building grassroots capacity and expertise to impact a

59 Gross, J., “Community Benefits Agreements: Definitions, Values, and Legal Enforcement,” *Journal of Affordable Housing*, 17 (1-2): 35-58 (2007).

60 Salkine, PE and Lavine, A., “Understanding Community Benefits Agreements: Equitable Development, Social Justice and Other Considerations for Developers, Municipalities and Community Organizations,” *UCLA Journal of Environmental Law and Policy*, 26: 291-332 (2008).

61 Raffol, *Community Benefits Agreements*.

62 Baxamusa, M., “Empowering communities through deliberation: The model of community benefits agreements,” *Journal of Planning Education and Research*, 27(3): 261-276 doi: 10.1177/0739456X07308448 (2008).

wide range of land use and urban growth issues.”<sup>63</sup> The grassroots element that is so fundamental to CBAs has the built-in benefit of social inclusion by involving community members, who may not normally be represented in decision-making positions, in civic action and community engagement. It is important that advocacy coalitions are broad-based and representative of the community to be affected by the development, so that those representing the community do not give the impression of inclusion while actually pursuing their own interests.<sup>64</sup>

CBAs began in California and have spread in connection to smart growth initiatives.<sup>65</sup> They arose largely in response to fears about displacement of existing residents that often accompany gentrification and new development in marginalized urban areas. CBAs strive to address weaknesses or gaps in community consultation processes regarding land use planning that are normally done by city government officials in advance of a development.<sup>66</sup> This is particularly relevant to Toronto, where the biggest sectors of the green economy are urban development projects, including green buildings and public transit infrastructure.

### CBAs AND THE GREEN ECONOMY

As explored in the section *Toronto's Green Economy: Opportunities and Points of Pause*, those who are racialized and marginalized have so far been doubly disadvantaged in Toronto's green economy. At the same time as they face limited access to green jobs, they face geographic segregation and are relegated to disinvested areas with poor access to public transit and other amenities. CBAs address this in a positive way. CBAs improve access to green jobs while building greener and more inclusive communities.

As discussed in the section on employment equity, concerns around social inclusion are often seen as peripheral to private sector development projects — green or otherwise. A true green economy must have a diversity of opportunities for green jobs for all workers. Efforts to democratize access to green jobs require the active participation of equity-seeking communities, and collaboration between these communities and government, the private sector, and job skills training providers. CBAs provide an opportunity to formalize this collaboration and ultimately provide more deliberate training and access to green jobs for racialized communities. CBAs aim to give access to employment opportunities and benefits to

63 Gross, J, LeRoy, G, and Janis-Aparicio, M, *Community Benefits Agreements: Making Development Projects Accountable*. Good Jobs First and the California Partnership for Working Families (2005). Accessed August 1, 2015 at: <http://www.goodjobsfirst.org/sites/default/files/docs/pdf/cba2005final.pdf> p.5.

64 Wolf-Powers, L., “Community Benefits Agreements and Local Government: A Review of Recent Evidence,” *Journal of the American Planning Association*, 76 (2), 449-508. doi:

10.1080/01944360903490923 (2010). A paper released by the Mowat Centre in August of 2015 (Galley, 2015) does a thorough job describing CBAs in Toronto. It is a good reference for more detailed information on the CBA process.

65 Gross, LeRoy, and Janis-Aparicio, *Community Benefits Agreements*.

66 Wolf-Powers, *Community Benefits Agreements and Local Government*.

marginalized groups who are often disadvantaged by mainstream systems including unionized employment in green jobs.<sup>67</sup>

Environmental injustices associated with urban development, such as the chronic disinvestment in lower-income communities, are often hidden in zoning by-laws and development agreements that favour private developers over lower-income, racialized, and marginalized communities.<sup>68</sup> The building of grassroots capacity and expertise that is facilitated through CBAs is one way to counterbalance this inequitable distribution of decision-making and empower racialized and marginalized people in Toronto to participate meaningfully in a green economy. Indeed, as some have argued, “the process is (in part) the product.”<sup>69</sup> It has also been suggested that the CBA negotiation process is, “an effective mechanism for communities to negotiate for environmental benefits and mitigations beyond those required by law. CBAs can also allow community groups to step in when government enforcement is lax, supplementing the always-important process of working with the government to ensure enforcement of environmental laws.”<sup>70</sup> CBAs are also a proactive rather than reactive process and draw on the community’s power to organize.

### CBAs IN ACTION: TORONTO’S EGLINTON CROSSTOWN PROJECT

In Toronto, the city’s current and forthcoming Light Rail Transit (LRT) System projects have included a Community Benefits Framework as a component of their work. The building of an LRT may be considered a green project as it increases access to public transit, which, in turn, facilitates greenhouse gas reductions as fewer people are forced to use their cars. These infrastructure development projects are being led by Metrolinx, a government agency of the province of Ontario, who is contracting out the construction work to a private sector third party. In April of 2014, the Community Benefits Framework for the Eglinton Crosstown LRT project was signed by representatives of Metrolinx and the Toronto Community Benefits Network (TCBN).<sup>71</sup> An important distinction is that the current Framework is not a legally-binding or enforceable agreement, but rather, a guide for action on the part of the developer.

67 One potential issue with union jobs in CBAs is, in some cases, workers with higher seniority may have a right to the jobs that become available over newly unionized members of the local community. Specific issues associated with this are beyond the scope of this paper but must be acknowledged.

68 Gobert, J., “Environmental Justice, Community Benefits and the Right to the City: The case of Detroit.” *Justice Spatiale | Spatial Justice*, Number 2 (2010). Accessed August 1, 2015 at: <http://www.jssj.org/article/justice-environnementale-community-benefits-et-droit-a-la-ville-le-cas-de-detroit/>

69 Broadbent, A and Bravo, A., *Community Benefit Agreements – a New*

*Tool to Reduce Poverty and Inequality*, Maytree Opinion (2014). Accessed August 1, 2015 at: <http://maytree.com/policy-and-insights/opinion/community-benefit-agreements-new-tool-reduce-poverty-in-equality.html>, para 8.

70 Gross, LeRoy, and Janis-Aparicio, *Community Benefits Agreements*, p.51.

71 Metrolinx and Toronto Community Benefits Network, *Metrolinx Community Benefits Framework* (2014). Accessed August 1, 2015 at: <http://www.thecrosstown.ca/sites/default/files/pdf/communitybenefitsframework.pdf>

One important place where community benefits considerations in Toronto began to take root was with a group of community-focused and grassroots organizations across the city, who eventually came together to form the TCBN. This coming together of smaller labour and community organizations to form a network or coalition is a common element of CBAs.<sup>72</sup> In the case of the TCBN, these organizations had been advocating for provisions around local employment in conjunction with development projects in their neighbourhoods. Many of these neighbourhoods are highly racialized and residents saw the opportunity for the development to benefit their community through the provision of good jobs and by improving accessibility and green space in their neighbourhoods. While sustainability or green jobs have not been the primary focus of TCBN, these are valued and have been acted upon through its community engagement activities, community benefits advocacy and annual strategy workshops.

For example, the Mount Dennis Community Association (MDCA), a founding member of TCBN, was initially responding to closure and sale of the local Kodak Canada plant and resisting conversion of these employment lands to big box retail before the connection to public transit development was made. Leading a local network that involved unions, other community groups, local agencies, learning institutions and faith groups, MDCA began a campaign to revitalize the local economy by advocating its connection to the new green economy, including converting the previously industrial site as a 'Green Centre of Excellence' that included green energy production, energy efficient buildings, and green jobs training and innovations. (City of Toronto, 2009; Mattos and Ciccarelli, 2015).

Prior to the signing of the framework agreement, the TCBN had begun recruitment and outreach sessions to local communities as part of its "jobs pipeline," with information sessions about future jobs related to construction of the LRT lines. The jobs pipeline includes recruitment and outreach; assessment of candidate skills and provision of pre-employment supports and skills, where necessary; job training; job placement; and tracking and accountability of the employment outcomes of community members involved in the pipeline.

The scope of these community benefits reaches wider than connecting racialized jobseekers with construction jobs. One of the key potential "green" pieces of this project lies in its broader support for social enterprises. The TCBN's core objectives include the need to support social enterprises through social procurement, which are built-in considerations for contractors "to source their products and services (e.g. poster printing, catering, etc.,) from local social enterprises, and to support local businesses with equity goals."<sup>73</sup> In this way, CBAs can attend to environmental

72 Wolf-Powers, *Community Benefits Agreements and Local Government*.

73 Toronto Community Benefits Network, *On track to Opportunities: Objectives for an Eglinton-Scarborough Crosstown Line Community Benefits Agreement* (2013). Accessed August 1, 2015 at: [http://communitybenefits.ca/?page\\_id=951](http://communitybenefits.ca/?page_id=951) (Link no longer active)

considerations, even if the project itself is not explicitly green in focus by negotiating for contractors to source locally and from *environmentally-responsible social* enterprises. This helps build the local economy while also addressing issues of equity.

### THE MOVEMENT TO STANDARDIZE CBAs IN TORONTO

A case study of four American cities, each with unique examples of a CBA, suggests overarching themes of successful CBAs: “In order for a CBA to be workable, the cases suggest that the climate for real estate investment in the locality must be robust while bargaining is underway, the public subsidy to the project must be substantial, and the potential for community opposition to derail government support must be great enough to justify developers meeting advocates’ demands rather than resisting them or declining to invest.”<sup>74</sup> Likewise, in order for environmental considerations to be feasible, the context must be supportive of green jobs and sustainable development practices.

In Toronto, many of these context factors appear to be present. As a start, the economic context in Toronto is ripe for CBAs. The *Places to Grow Act* (2005), the *Infrastructure for Jobs and Prosperity Act* (2015) and other policies supporting urban land use intensification support a development boom, and developers are more likely to build even with additional employment equity and environmental stipulations from the community, as demand and customer willingness to pay is there. In markets like Toronto, where businesses are already inclined to invest, CBAs have a greater chance of being successful.

In the case of public transit and infrastructure development in the city, public subsidy is already substantial. And in terms of support for environmental considerations, the City of Toronto has long been considered by many to be a “groundbreaker” in environmental policy. Its *Toronto Green Standard* (2009) demands higher standards of energy efficiency in new buildings than the provincial code. Toronto’s Strategic Actions report for 2013 to 2018 includes specific focuses on environmental sustainability and social development.<sup>75</sup> The least measurable context factor is that of potential for community opposition, but in the case of the community benefit negotiations between the TCBN and Metrolinx, the voice of the community has proven to be strong.

Additionally, there has been widespread political support for community benefits in Toronto. The efforts of the TCBN have been funded by the

74 Wolf-Powers, *Community Benefits Agreements and Local Government*, p.502.

[Toronto/City%20Manager's%20Office/City%20Manager%20Profile/City%20Initiatives/Strategic%20Actions%20for%202013%20to%202018\\_FINAL.pdf](https://www1.toronto.ca/City%20Of%20Toronto/City%20Manager%20Office/City%20Manager%20Profile/City%20Initiatives/Strategic%20Actions%20for%202013%20to%202018_FINAL.pdf)

75 City of Toronto, *City of Toronto Strategic Actions 2013-2018* (2013). Accessed August 1, 2015 at: [https://www1.toronto.ca/City%20Of%20](https://www1.toronto.ca/City%20Of%20Toronto/City%20Manager%20Office/City%20Initiatives/Strategic%20Actions%20for%202013%20to%202018_FINAL.pdf)

Ministry of Training, Colleges and Universities and by various charitable foundations, including United Way Toronto and York Region, the Metcalf Foundation, and the Atkinson Foundation. At the provincial level, the *Infrastructure for Jobs and Prosperity Act* (2015) is arguably in line with support for CBAs. This Act has the purpose “to establish mechanisms to encourage principled, evidence-based and strategic long-term infrastructure planning that supports job creation and training opportunities, economic growth and protection of the environment, and incorporate design excellence into infrastructure planning.”<sup>76</sup> Ontario’s Premier Kathleen Wynne is a strong supporter of a CBA for Eglinton-Scarborough Crosstown.<sup>77</sup> As recently as April 2015, city councilors recommended that Toronto establish a City of Toronto Community Benefits Working Group. It has also been recommended that Toronto incorporate a focus on community benefits into work currently underway, to make community benefits a consistent part of all land use regulation, infrastructure, and real estate.<sup>78</sup>

In addition to embracing a Community Benefits Framework for all major projects moving forward, Metrolinx has a Community Benefits Working Group. It is comprised of representatives from Metrolinx, the TCBN, the Ministry of Training, Colleges and Universities, Infrastructure Ontario, and the construction consortium that will build the Eglinton Crosstown line. With continued support for community benefits at the political level, it is likely that other public-private partnerships will follow suit in their bids for major green infrastructure projects.

### SHORTCOMINGS AND CRITICISMS OF CBAs

Despite many promising aspects of CBAs, they are not without their critics. Salkine and Lavine<sup>79</sup> caution that the process of negotiation in a CBA, between stakeholders with different levels of power, can lead to challenges. For example, when community groups negotiate with developers, they do not have the same means in terms of time, money, or expertise to negotiate mutually beneficial terms or hold developers accountable in court should items in the agreement not be honoured. Costs associated with establishing the community group can also be prohibitive, particularly if a beneficial outcome is not guaranteed. Since CBAs are community-specific and vary in form and content, aspects of equity, environmental stewardship, and local labour and economic opportunities can vary or be excluded. As such, it is not a given that all CBAs are aligned with a socially inclusive green economy; it is a matter of who is bargaining and the terms specified.

76 Legislative Assembly of Ontario, *Bill 6, Infrastructure for Jobs and Prosperity Act, 2015* (2015). Accessed November 1, 2015 at: [http://www.ontla.on.ca/web/bills/bills\\_detail.do?locale=en&BillID=2998](http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&BillID=2998)

77 Bedard, E., *What are Community Benefit Agreements?* Rabble.ca (2014). Accessed August 1, 2015 at: <http://rabble.ca/news/2014/10/what-are-community-benefit-agreements>

78 Wong-Tam, K., *Letter to Toronto Mayor John Tory: Community Benefits Agreements (CBAs)* (2015). Accessed August 1, 2015 at: <http://www.toronto.ca/legdocs/mmis/2015/ex/bgrd/backgroundfile-78810.pdf>

79 Salkine and Lavine, *Understanding Community Benefits Agreements*.

Many of the criticisms of CBAs assess them as standalone tools for goals of social inclusion. However, we are advocating for them to be included in concert with the tools of employment equity and social enterprise.

## RECOMMENDATIONS

### Recommendations

1. Improve transparency and reporting requirements for CBAs
2. Provide support mechanisms for local communities to facilitate legally-binding CBAs
3. Ensure that training and apprenticeship provisions are a central component of CBAs
4. Include provisions for local green procurement in CBAs
5. Incorporate environmental goals into CBAs

The big questions related to Community Benefits Agreements as a tool to help Toronto build a socially inclusive green economy are:

- How do we ensure that racialized and marginalized jobseekers and communities truly benefit from the green jobs provided by CBAs?
- How do we bring the “green” aspect into CBAs in a meaningful way?

### 1. Improve transparency and reporting requirements for CBAs

Unlike employment equity, where too strong of a focus on monitoring and reporting of results can distract from the broader goal of systemic change, high levels of transparency and accountability are paramount in community benefits agreements. Transparency and reporting requirements to hold developers accountable to their commitments, and claw-back agreements to regulate the terms of the specific agreement, have been identified as important in upholding equity and environmental aspects of CBAs.<sup>80</sup> Some<sup>81</sup> have advocated for monitoring mechanisms through government to ensure compliance by developers, as community-based organizations do not typically have the resources to hold developers accountable to their agreements. However, given the criticism that government enforcement of community benefits is notoriously lax, pressing for formal legally enforceable CBAs is called for so that community organizations have the legal right to enforce developer’s commitments.<sup>82</sup> Although Toronto’s Eglinton Crosstown has not been formalized into a binding agreement, community advocates continue to push for this goal.

### 2. Provide support mechanisms for local communities to facilitate legally-binding CBAs

Government has an important role to play in facilitating CBAs. This can be done through grants to support the work of communities in CBAs, as is happening with TCBN and the Eglinton Crosstown project. The government’s role may also be to legislate transparency and reporting on the part of developers to communities, as discussed in the previous recommendation.

80 Newfoundland and Labrador Federation of Labour, *Good Jobs, Green Jobs: Exploring Opportunities for Newfoundland and Labrador* (2009). Accessed August 1, 2015 at: [http://www.nfl.nf.ca/files/sharethewealth/NLFL\\_Green\\_Jobs\\_Discussion\\_Paper.pdf](http://www.nfl.nf.ca/files/sharethewealth/NLFL_Green_Jobs_Discussion_Paper.pdf)

81 Wolf-Powers, L., *Community Benefits Agreements and Local Government*.

82 Gross, LeRoy, and Janis-Aparicio, *Community Benefits Agreements*.



The process of community engagement around CBAs is as important, if not more important, than the potential outcomes of a successfully-negotiated agreement. As Broadbent and Bravo have explained:

“The full participation of the community is essential. For this to happen, a diverse set of community stakeholders must identify a shared set of values to inform the process of negotiating priorities. Here, the process is (in part) the product, as a coalition may work from small to larger victories for a project-specific agreement, eventually pursuing public policy change...The plan to build new transit lines across the Greater Toronto Area presents us with a historic opportunity.”<sup>83</sup>

If government were to mandate CBAs for developments, an important benefit might be diminished: inclusion of marginalized communities at the grassroots level. The Partnership for Working Families specifically advocates against policies that require developers to negotiate CBAs, giving the following reasons: “it is not clear who will negotiate on behalf of the ‘community’ in such circumstances, and the process could be coopted by more well-connected and well-resourced interests; and in the case of projects not receiving subsidy (or otherwise the subject of a government agreement), the CBA may be subject to the same set of legal constraints that govern conditions of project approval, limiting the kinds of community benefits that can be included.”<sup>84</sup> Partnership for Working Families recommends that government facilitate CBAs by providing support to local communities to negotiate them, with important considerations of power dynamics to ensure that community voices are represented

### 3. Ensure that training and apprenticeship provisions are a central component of CBAs

A salient criticism of employment equity policy is that job applicants should be hired based on merit, not their racialized status. When a training component is included in CBAs as a way to recognize the relative disadvantage of certain communities to access such training, this criticism can be overcome. It has been recommended that a just transition to a green economy include a range of entry points to accommodate jobseekers' diverse skillsets. It is also recommended that programs be delivered, by existing training centres and agencies, with a specific focus on green economy and green job skills to prepare jobseekers for future labour market needs. Linkages between unions, professional associations and apprenticeship programs, and employers in various sectors of the green economy are also key, as are targeted government subsidies and regulation to provide

83 Broadbent and Bravo, *Community Benefit Agreements*, para 8 and 10.

84 Partnership for Working Families, *Policy & Tools: Community Benefits Agreements and Policies* (2015). Accessed November 1, 2015 at: <http://www.forworkingfamilies.org/resources/policy-tools-community-benefits-agreements-and-policies>, para 11.

training opportunities in the green jobs sector.<sup>85</sup> The TCBN’s “jobs pipeline” is well-aligned with a just transition strategy for a green economy and should be replicated in future CBAs.

The role of the labour movement is also important in CBAs.<sup>86</sup> Unions can provide support for training provisions related to green jobs associated with major development projects. This benefits the community by building skills and improving employability for marginalized individuals. When unions join together with local community groups, including faith-based communities and environmental groups, they can also stand to create a new “power bloc” in local development politics.<sup>87</sup>

#### 4. Include provisions for local green procurement in CBAs

Procurement practices that prioritize green businesses and green social enterprises, particularly those owned and operated by members of local racialized and marginalized communities, are a potential way to support local residents without needing to hire them directly. This allows for local green entrepreneurs to develop businesses in line with their own interests and skills, and provides them with a level of guaranteed income related to development in their community. This development of the local economy can help build the community not only during the process of construction itself, but offers legacy effects in the form of successful businesses that provide good green jobs for years to come. Further considerations of equity in social enterprises will be discussed in the next section.

#### 5. Incorporate environmental goals into CBAs

It has been noted that broader environmental considerations are not always incorporated into CBAs, perhaps in favour of focusing on equity-seeking aspects such as local jobs.<sup>88</sup> CBAs present a unique opportunity for communities to demand improvements to the local environment, as well as to attend to broader environmental values. Including environmental goals may also be a way to facilitate collaboration and partnerships with local or other environmental organizations, and a way to support local green social enterprises if social procurement is a part of the CBA model. For example, CBAs in the US are leading to a renewed labour movement whereby labour groups are now working in alliances with environmental advocates and housing developers, rather than in opposition to them.<sup>89</sup>

85 Thompson, D and Duffy, R., *Jobs, Justice, Climate: Building a Green Economy for BC*. Report prepared for the Jobs, Justice Climate conference in Vancouver, BC, September 10, 2010. Accessed August 1, 2015 at: [http://www.columbiainstitute.ca/sites/default/files/attachments/REVISED\\_FINAL\\_Columbia\\_green\\_jobs\\_nov2010.pdf](http://www.columbiainstitute.ca/sites/default/files/attachments/REVISED_FINAL_Columbia_green_jobs_nov2010.pdf)

86 Wolf-Powers, *Community Benefits Agreements and Local Government*; Thompson and Duffy, *Jobs, Justice, Climate*.

87 Wolf-Powers, *Community Benefits Agreements and Local Government*.

88 Salkine and Lavine, *Understanding Community Benefits Agreement*.

89 Gross, LeRoy, and Janis-Aparicio, *Community Benefits Agreements*.

## CONCLUSION

Community Benefits Agreements show strong potential as a tool for achieving a socially inclusive green economy in Toronto, particularly given the current political and economic context in the city. While not yet common practice, the Community Benefits Framework for the Eglinton Crosstown Project is setting a precedent. In a policy context supportive of employment equity and green development, which increasingly is the case in Toronto, CBAs have ever-greater potential to expand their scope to include environmental considerations including green jobs, support for local green social enterprises, and other general broader supports for building up communities.

# TOOL #3: SOCIAL ENTERPRISES

**TABLE 3**  
Key benefits of social enterprises for a socially inclusive green economy

<b>DIRECTLY MEASURABLE BENEFITS</b>	<b>INDIRECTLY MEASURABLE BENEFITS</b>
<p><b>Access to green jobs:</b> Marginalized groups have better access to employment in local green jobs through targeted hiring mandates of social enterprises</p>	<p><b>Greener consumption:</b> Promotes environmental consciousness and empowers marginalized individuals to make sustainable consumer choices</p>
<p><b>Skill building opportunities</b> Marginalized groups have access to skill development and training toward better long-term job prospects after working for a social enterprise</p>	<p><b>Building better partnerships between the private, public and third sectors:</b> The need for collaboration between different stakeholders builds stronger understandings of the roles and responsibilities of each, as well as highlighting areas of common interest and mutual benefit</p>
<p><b>Local economic development in marginalized communities</b> Social enterprises bring economic activity, including accessible green jobs, to communities</p>	

## WHAT IS A SOCIAL ENTERPRISE?

Social enterprises are the most tangible of the three tools. There are many social enterprises currently operating in Toronto and specific policy supports are in place for entrepreneurs to pursue their own social enterprises. There are many definitions of social enterprises but all have the common thread of being an organization outside of the public sector with shared economic and social goals. In addition to the social and economic goals, a green social enterprise also has a focus on environmental outcomes.

Some have considered social enterprises a type of hybrid business model (e.g. Social Capital Partners; Canadian Community Economic Development Network [CCEDNet]; Manwaring and Valentine; Social Enterprise Toronto; Bonini and Emerson<sup>90</sup>), as they do not share the usual private sector/non-profit distinction of financial versus social and/or environmental goals.

Instead, they occupy the space between the two sectors, “harnessing the strengths of both.”<sup>91</sup>

Literature about social enterprises<sup>92</sup> often distinguishes that it is the social or environmental mission that must be the dominant reason for the organization to exist, and that this should be driving the economic/profit side. Enterprises whose central mandate is financial and who are also striving to integrate social and environmental goals into their business, such as “Certified B Corporations” (see <https://www.bcorporation.net/>), would not be included in this definition of a social enterprise.

Various types of organizations are considered social enterprises. For the purpose of this paper and for making the case that green jobs are a central component of a socially inclusive green economy, we will focus on employment-based social enterprises with an environmental focus. We will adopt the definition provided by Social Enterprise Toronto<sup>93</sup>: “A social enterprise is a non-profit organization that employs business methods and practices to create training opportunities and employment for low-income and marginalized individuals.” This speaks to the need identified throughout this paper not only to connect racialized and marginalized jobseekers with decent work, but also to increase their employability and future career prospects by providing them with access to the necessary skills and training to succeed.

There is a relative absence of information in political and academic discourse regarding the involvement of racialized communities in social enterprise activity.<sup>94</sup> Social enterprises can provide employment opportunities for those who are often overlooked by the private sector, by providing the skills training needed for success in the mainstream labour market. Racialized and marginalized populations, who are given the chance to participate in the paid workforce, benefit their community by being able to buy goods and services in their local economy, which supports the work of others.<sup>95</sup>

There are several examples of social enterprises in Toronto that work to provide skills and employment opportunities for racialized and

90 Social Capital Partners, *The Five Critical Factors of Social Enterprise Profitability* (2009). Accessed August 1, 2015 at: [http://socialcapitalpartners.ca/wp-content/uploads/2015/01/SCP\\_5\\_Factors\\_Summary.pdf](http://socialcapitalpartners.ca/wp-content/uploads/2015/01/SCP_5_Factors_Summary.pdf); The Canadian Community Economic Development Network, *Social Economy Stories: Social Enterprise: The Alternative Business Model with Karim Harji* (2010). Accessed August 1, 2015 at: [https://ccednet-redec.ca/sites/ccednet-redec.ca/files/ccednet/images/SEStories\\_Feb2010\\_Karim\\_Harji.pdf](https://ccednet-redec.ca/sites/ccednet-redec.ca/files/ccednet/images/SEStories_Feb2010_Karim_Harji.pdf); Manwaring, S and Valentine, A., *Social enterprise in Canada: Structural options*. (Toronto: MaRS Discovery District, 2011). Accessed August 1, 2015 at: [http://www.marsdd.com/wp-content/uploads/2012/04/MaRSReport-Social-Enterprise\\_2012.pdf](http://www.marsdd.com/wp-content/uploads/2012/04/MaRSReport-Social-Enterprise_2012.pdf); Social Enterprise Toronto, *What is a social enterprise?* (n.d.) Accessed August 1, 2015 at: <http://socialenterprisetoronto.com/about/about-us/>; Bonini, S and Emerson, J., *The Blended Value Map: Tracking the Intersects and Opportunities of Economic, Social, and Environmental Value Creation* (2003).

Accessed August 1, 2015 at: <http://community-wealth.org/sites/clone.community-wealth.org/files/downloads/report-bonini.pdf>

91 Social Enterprise Toronto, *What is a social enterprise?*

92 Workforce Planning Board of Waterloo Wellington Dufferin, *Social Enterprise Overview* (2011a). Accessed August 1, 2015 at: <http://workgreen.ca>

93 Social Enterprise Toronto, *What is a social enterprise? para 1.*

94 Sepulveda, L, Syrett, S and Calvo, S., *Social Enterprise and Ethnic Minorities*. (UK: Third Sector Research Centre, Working Paper 48, 2010). Accessed August 1, 2015 at: <http://www.birmingham.ac.uk/generic/tsrc/documents/tsrc/working-papers/working-paper-48.pdf>

95 Workforce Planning Board of Waterloo Wellington Dufferin, *Social Enterprise Overview*.

marginalized members of the labour market. It is somewhat difficult to find examples of social enterprises that are strong in both employment equity and environmental focuses; one is almost always a much stronger focus than the other. TurnAround Couriers (<http://www.turnaroundcouriers.com/>) is an example of a successful employment-focused social enterprise that works toward goals of employment equity, and indirectly, environmental sustainability.

Established in 2002 in Toronto, TurnAround is a courier whose services include bicycle deliveries. They remain profitable by providing an in-demand service in Toronto's downtown core to such high-profile clients as RBC Financial Group. They have recently begun to expand their scope by providing food delivery and service to other parts of the Greater Toronto Area. They exclusively recruit at-risk youth for all of their bicycle courier positions and back office staff. They provide young, and often racialized people, with an opportunity to gain valuable work experience and financial means, as well as build confidence toward successful employment in the future. All couriers are also given a bike on a rent-to-own basis, so they can use the bike not only for work, but also for their own personal use to get around the city. In addition to providing these supports to its employees, TurnAround has recently begun to develop partnerships with education providers, including George Brown College, and contributes to funding its employees as they pursue higher education.

### Types of employment-based social enterprises

There are two broad categories of employment-focused social enterprises. "Linking social enterprises" provide skills training and experience for employment elsewhere; "parallel social enterprises" provide permanent accommodating employment for those who are unlikely to be able to work without specialized supports.<sup>96</sup> Both categories of social enterprises are important in addressing employment and income gaps between racialized and non-racialized groups. Linking social enterprises acknowledge the barriers associated with temporary marginalization such as foreign-trained new immigrants looking to improve their English language proficiency and gain Canadian work experience. Parallel social enterprises are better-suited for those marginalized by multiple layers of oppression such as racialized individuals with low levels of educational attainment who are facing intergenerational poverty.

The benefits of parallel social enterprises are that they generally have lower turnover, and are able to provide stable work over the long term for

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96 Liburd, J, Dooling, A, and Taylor, M., *Doing Well While Doing Good: How to Launch a Successful Social Purpose Enterprise* Toronto Enterprise Fund (2008). Accessed August 1, 2015 at: [http://www.torontoenterprisefund.ca/images/documents/doing\\_well\\_while\\_doing\\_good.pdf](http://www.torontoenterprisefund.ca/images/documents/doing_well_while_doing_good.pdf)

racialized and marginalized people. However, the beneficial outcomes are not as far-reaching in that they benefit a few people who are employed versus providing a starting point and support for multiple jobseekers.

Linking social enterprises reach a much wider number of jobseekers and provide them with the training and skills they need to succeed in other jobs. The main downside to this approach is that with the high turnover of employees, profitability is reduced and there is a greater reliance on outside funding. Also, there is no guarantee that those trained will be connected with decent, long-term work elsewhere.

### THE CONTEXT FOR SOCIAL ENTERPRISES IN TORONTO

It is estimated that Ontario currently has close to 10,000 social enterprises that employ around 160,000 people, and that 68 percent of these have a poverty reduction focus, including a focus on providing employment and training opportunities for marginalized communities.<sup>97</sup> It is unclear how many of these social enterprises have an environmental focus. A study drawing on data from 2011 on social enterprises in Ontario found that nearly half surveyed had a cultural or environmental mission, and over 40% engaged in employment development and/or training for workforce integration as part of their organization's mission.<sup>98</sup>

The Government of Ontario strongly supports social enterprises. As outlined in *Social Enterprise Strategy (2013)*, the government aims to “increase the number of social enterprise start-ups; leverage private sector impact investments to help social enterprises to scale up; and to launch new initiatives to support the creation of an estimated 1,600 new jobs in the social enterprise sector.”<sup>99</sup> The strategy document identifies the role of social entrepreneurs who launch social enterprises, as well as social enterprise intermediaries, which are organizations who that partnered with private investors to provide start-up capital and other resources for emerging social enterprises. The strategy includes a dedicated fund called the Social Enterprise Demonstration Fund, with funding being delivered through community-based intermediaries. This strategy aligns closely with the recommendations of a green jobs report out of the City of Victoria, including the need to support social entrepreneurs through incubation programs, and the need for workforce development and capacity building.<sup>100</sup>

97 Office of the Premier of Ontario, Newsroom: *Ontario Investing \$4 Million to Help Social Enterprises Grow, Fund Creates Opportunities for Social Entrepreneurs* (2015). Accessed August 1, 2015 at: <http://news.ontario.ca/opo/en/2015/02/ontario-investing-4-million-to-help-social-enterprises-grow.html>

98 Flatt, J, Daly, K, Elson, PR, Hall, PV, Thompson, M, and Chamberlain, P., *Inspiring Innovation: The Size, Scope and Socioeconomic Impact of Nonprofit Social Enterprise in Ontario* (2013). Community Economic Development Network. Accessed August 1, 2015 at: <http://>

[ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/pdfs/inspiring\\_innovation-social\\_enterprise\\_in\\_ontario\\_by\\_ccednet-pgs.pdf](http://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/pdfs/inspiring_innovation-social_enterprise_in_ontario_by_ccednet-pgs.pdf)

99 Ontario Ministry of Economic Development, Trade and Employment, *Impact: A Social Enterprise Strategy for Ontario for a strong economy and a fair society* (2013). Accessed August 1, 2015 at: <http://vibrantcanada.ca/files/social-enterprise-strategy-en.pdf> p.2.

100 Fairholm Mader, *Green Economy, Good Jobs*.

In the City of Toronto, institutions like the Centre for Social Innovation (CSI; <http://socialinnovation.ca/>) and Social Innovation Generation at MaRS (SiG@MaRS; <http://www.sigeneration.ca/>) support emerging social enterprises by providing social entrepreneurs with a physical space to test their ideas and launch their business. These social enterprise intermediaries are also being supported through the Ontario government's Social Enterprise Demonstration Fund.

Smaller scale intermediaries, such as Afri-Can FoodBasket, also play an important role in supporting emerging green social enterprises for racialized and marginalized entrepreneurs. Afri-Can FoodBasket (<http://blog.africanfoodbasket.com/>) is an example of a green social enterprise intermediary with an explicit focus on providing training and resources to racialized Torontonians. It is an organization "dedicated to building strong, sustainable, local food systems that ensure access to affordable, nutritious, and culturally appropriate food for all people at all times." In addition to its many urban gardening and food education initiatives, it acts as an intermediary between funders and local African immigrants looking to start up social enterprises in community supported agriculture. This organization also works to foster a sense of community among its participants, facilitating the building of social networks among members of communities that are otherwise marginalized.

Social enterprises can function as branches of larger organizations and do not necessarily have to launch as independent start-ups. For example, the Centre for Addiction and Mental Health runs the Out of this World Café (<http://otwcafe.com/>), which provides inclusive employment opportunities for its clients living with mental health and addiction issues.

## CONSIDERATIONS FOR FEASIBILITY OF SOCIAL ENTERPRISES

Social enterprises have gained popularity in recent years as a potential solution to economic, social, and environmental needs. In essence, the growth of social enterprises demonstrates the recognized need to do business differently if these various goals are to be achieved. According to the Workforce Planning Board of Waterloo Wellington Dufferin:<sup>101</sup> "Industry experts believe that this growth is due to an understanding that some needs (e.g. social and environmental) will never be met by the market on its own, yet at the same time the market provides an opportunity to advance mission-related goals for not-for-profit organizations." But what is needed for social enterprises to thrive and to present a feasible alternative to business-as-usual?

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101 Workforce Planning Board of Waterloo Wellington Dufferin, *A Green Sector Overview: Social Enterprise* (2011b). Accessed August 1, 2015 at: <http://workgreen.ca/content/social-enterprise-overview>, p.1.



### Profitability and survival of social enterprises

While social enterprises are driven more by social and environmental goals than financial ones, some level of profitability is required to keep the enterprise strong and provide long-term and stable employment in line with our definition of decent work.<sup>102</sup> Social Capital Partners (2009) provide a model for determining the profitability of social enterprises, with five factors of consideration that determine whether a business will be profitable and self-sustaining or will require high levels of subsidies such as government or charitable donations to stay afloat. Attributes include good business acumen, a simple business model, highly-skilled and job-ready employees, and the flexibility of management to choose financial goals over social or environmental ones when needed.

The attributes associated with high profitability are also those that align most closely with traditional business models. Of course, this presents a paradox for social entrepreneurs looking to develop employment-focused social enterprises as a way to enhance inclusion in the green job market for marginalized people. As one social entrepreneur in the CCEDNet project explains:

“For social enterprise, there needs to be a strong recognition of the social mission, but ultimately you’re running a business. Non-profits need to be aware that you can’t simply start or manage a social enterprise with the same skill set used to manage a non-profit. The social enterprise is not a silver bullet by any means and, in some cases, both the nonprofit and social enterprise have gone under because of the tensions between the social and financial objectives.”<sup>103</sup>

The level of risk is lower for enterprises where the target group is experiencing more temporary marginalization, compared to enterprises where the target group is facing multiple, ongoing barriers. Social enterprises that focus on providing employment to highly disadvantaged jobseekers have higher financial costs and risks. The more assistance clients need, the higher the costs to the social enterprise, and the higher the risk of not being able to sustain the enterprise financially.<sup>104</sup>

### Challenges of running a successful social enterprise: The story of Charlie's Freewheels

Charlie's Freewheels (<http://www.charliesfreewheels.ca/>) is a thriving not-for-profit organization located in the Regent Park neighbourhood of

102 Liburd, Dooling and Taylor. *Doing Well While Doing Good*; Social Capital Partners, *The Five Critical Factors*.

104 Social Capital Partners, *The Five Critical Factors*.

103 The Canadian Community Economic Development Network, *Social Economy Stories*, p.4.

Toronto, an area characterized by high numbers of racialized immigrants and below-average household incomes and employment rates.<sup>105</sup> Charlie's provides free bike-building and repair workshops for local youth. At the completion of the workshop, participants get to keep the bike they have built at no cost to them. The program also provides a space for youth to connect with others and form a sense of community, while acquiring hands-on skills and learning about sustainable transportation. The not-for-profit shares a space with Charlie's Bike Joint, a for-profit bike repair shop. Although the two share resources and work closely together, for tax purposes they are considered two separate entities.

At its conception, Charlie's Freewheels was not intended to be a not-for-profit. The original plan was for it to follow a social enterprise model, whereby profits from the repair shop would fund the skills and community-building components of the youth program. As lead mechanic Sohel Imani recounted to us, those who launched the enterprise had a strong desire to do good in the community and to promote the environmental and other benefits of cycling to a new generation of youth. But the business plan had some weaknesses. The bike shop itself was not initially profitable enough to support the youth program, and the lack of capital to hire employees on a consistent basis led the business to rely heavily on a constantly revolving stream of new volunteers. This meant a great deal of time was spent seeking and training new people rather than developing the business itself. Ultimately, the social enterprise model could not succeed due to lack of capital and the founders were faced with the decision to restructure their business model so that the youth program could continue to run.

Fortunately, things are turning around for Charlie's Freewheels. Charlie's has formed a partnership with the Pathways to Education (<http://www.pathwaystoeducation.ca/>) program out of the Regent Park Community Health Centre. They are also looking to expand their programming by partnering with other organizations (e.g. YMCA) who will pay Charlie's to provide their free program to their clients. This will raise funds to keep the program going. Last year the for-profit shop had its first profitable year. They have been able to hire more permanent staff and are considering revisiting the social enterprise model. The creative and collaborative approaches to funding the program, and a renewed attention to financial considerations, have turned this venture around toward a position of being able to thrive.

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105 City of Toronto, Neighbourhood Census / NHS Profile (2011). Accessed August 1, 2015 at: <http://www1.toronto.ca/City%20Of%20Toronto/Social%20Development,%20Finance%20&%20Administration/Neighbourhood%20Profiles/pdf/2011/pdf4/cpa72.pdf>

### Limitations of social enterprises

While social enterprises have the potential to connect racialized and marginalized jobseekers with green jobs, they are not without their shortcomings. A study of 363 social enterprises in Ontario found that older social enterprises were hiring a significant number of full-time positions, while emergent social enterprises had more part-time and contract positions.<sup>106</sup> This suggests that in some cases the jobs created in green social enterprises may be no less precarious than those available in the mainstream labour market. Social enterprises often rely heavily on volunteer labour, and volunteer-based social enterprises may inadvertently play a role in keeping racialized and marginalized workers in precarious employment. Issues around over-representation of marginalized groups in unpaid labour<sup>107</sup> should be considered to ensure that existing associations between income inequality and racialized status are not perpetuated by social enterprises. A socially inclusive green economy requires access to decent green jobs that provide stability, security, and avenues for upward mobility, rather than perpetuating the cycle of uncertain and low incomes faced by many racialized and marginalized Torontonians.

Social enterprises are *not* about shifting responsibility for social services from various levels of government to the private sector or to the third sector<sup>108</sup>. It has been noted that with declines in government spending and charitable donations since the late 1990s, third sector organizations' reliance on earned income through social enterprise has increased.<sup>109</sup> The danger is that privatization has historically been inconsistent with equity, as many private businesses currently rely on the free market to allocate resources. Social enterprises are seen here as a complement to existing government support networks, not a replacement. Indeed, they will likely continue to depend on some level of support from government to reach their environmental and equity goals.

### RECOMMENDATIONS

The big question related to social enterprises as a tool to help Toronto build a socially inclusive green economy is:

- How do we ensure that green social enterprises become a viable source of jobs for racialized and marginalized jobseekers in Toronto?

106 Flatt et al., *Inspiring Innovation*.

107 Block and Galabuzi, *Canada's Colour Coded Labour Market*.

108 Sepulveda, Syrett and Calvo, *Social Enterprise and Ethnic Minorities*; Flatt et al., *Inspiring Innovation*.

109 Eakin, L, Graham, H, Blickstead, R, and Shapcott, M., *A policy perspective on Canada's non-profit maze of regulatory and legislative barriers: Mapping the way forward for third sector organizations*. (Toronto: The Wellesley Institute, Policy Brief. (2009). Accessed August 1, 2015 at: [http://www.wellesleyinstitute.com/wp-content/uploads/2011/11/Policy%20Brief\\_Canada's%20Non%20Profit%20Maze.pdf](http://www.wellesleyinstitute.com/wp-content/uploads/2011/11/Policy%20Brief_Canada's%20Non%20Profit%20Maze.pdf)

## Recommendations

1. Continue to support entrepreneurs to start up green employment-based social enterprises
2. Develop innovative ways to finance emerging green social enterprises
3. Create a green jobs strategy for Toronto, including social enterprises

### 1. Continue to support entrepreneurs to start up green employment-based social enterprises

One Canadian study of social enterprises found that a majority were abandoned prior to being launched. Reasons for this included the sense that non-profits should not compete with the private sector as they lack the business capacity to launch and maintain operations without significant reliance on loans and in-kind donations. Many felt that there was no support network to which they could turn to develop the necessary business capacity in terms of skills and financial capital.<sup>110</sup> The addition of environmental goals to the mission of a social enterprise could create further challenges by adding complexity to the business model.

Incubation programs, which provide a physical space as well as resources to support the work of social entrepreneurs, are one potentially effective way to address these obstacles. In Toronto, the examples of the Centre for Social Innovation and Social Innovation Generation at MaRS have been identified in this paper as steps in the right direction, in their role of acting as intermediaries between social entrepreneurs and the resources needed to succeed. In recognizing the important role these third sector organizations have in supporting social, environmental and financial needs in Ontario, the provincial government's *Social Enterprise Strategy (2013)* provides dedicated funding to these social enterprise intermediaries.

Financial supports should extend to organizations providing training and employment opportunities including both linking social enterprises and parallel social enterprises. Given the different target groups of these two types of social enterprises (i.e. linking with temporary forms of marginalization, such as newcomer status and unrecognized credentials, and parallel with more permanent forms of racialization, such as intergenerational poverty and oppression), available funding should not incentivize one type of social enterprise over the other.

There is also a potential link to community benefits agreements (CBAs). If CBAs become more strongly embedded into the planning around infrastructure projects, support for social enterprises can be integrated through social procurement, whereby private developers are contracted to use the services of local green businesses employing equity groups.

### 2. Develop innovative ways to finance emerging green social enterprises

As a recent survey of social enterprises found, accessing external capital was the biggest challenge facing social enterprises.<sup>111</sup> The provincial *Social Enterprise Strategy* also highlights the role of social enterprise

110 Fairholm Mader, *Green Economy, Good Jobs*.

111 Flatt et al, *Inspiring Innovation*.

intermediaries in providing important sources of capital to emerging enterprises, so that they do not need to rely on volunteer labour.

One approach to this financing is social procurement (also called social purchase), whereby developers of major infrastructure projects source their materials from local green social enterprises. Social procurement intermediaries, who act as brokers or matchmakers between suppliers and purchasers, have been identified as a potential way to increase the financial sustainability of social enterprises, “by connecting the purchasing power of businesses, governments and nonprofit organizations with the productivity of social enterprises in the Greater Toronto and Hamilton Area (GTHA).”<sup>112</sup> For example, the Toronto Community Benefits Network, as part of its Community Benefits Agreement negotiations with Metrolinx around the Eglinton-Scarborough Crosstown project, includes social procurement as one of its key objectives, as a way to ensure that development benefits communities by supporting local enterprises.<sup>113</sup>

Another proposed approach to financing emerging social enterprises with environmental goals is through green microcredit programs for small businesses and entrepreneurs.<sup>114</sup> Green microcredit loans have had some success in the developing world, and have been suggested as a potentially efficacious approach for supporting green social enterprises in Canada. Currently, the Alterna Savings and Credit Union supports community-based development through micro-finance loans. These are small loans to fund and support small enterprises and are an alternative to conventional credit models.<sup>115</sup> Extending this model to larger institutions, particularly with a focus to environmentally-focused ventures, could help emerging social enterprises in Toronto access the start-up capital they need.

In its *Social Enterprise Strategy*, the Ontario government identifies that it is piloting social impact bonds, which “are an innovative tool which allows private institutions to work collaboratively with government to deliver social interventions.”<sup>116</sup> With social impact bonds, payments are typically tied to outcomes, such as environmental goals and/or employment and training of marginalized populations. On a related line of thinking, a joint study by Deloitte and Social Capital Partners<sup>117</sup> proposed a Community Employment Loan Program (CELP), whereby the Ontario government gives small business employers a refund on the interest rate on their business

112 Revington, C, Hoogendam, R, and Holeton, A, *The Social Procurement Intermediary: The State of the Art and its Development within the GTHA* (Toronto: Metcalf Foundation, Social Enterprise Toronto and Learning Enrichment Foundation (2015). Accessed August 1, 2015 at: <http://lefea.org/documents/Social-Procurement-Intermediary-LEF-2015.pdf> p. 1; Canadian Task Force on Social Finance, *Mobilizing Private Capital for Public Good* (2010). Accessed August 1, 2015 at: <http://www.marsdd.com/wp-content/uploads/2011/02/MaRSReport-socialfinance-taskforce.pdf>

113 Metrolinx and Toronto Community Benefits Network, *Metrolinx Community Benefits Framework*.

114 Rouf, KA., “Green microfinance promoting green enterprise develop-

ment” *Humanomics*, 28(2): 148-161. doi: 10.1108/08288661211228906 (2012).

115 Rouf, KA. “Green microfinance.”

116 Ontario Ministry of Economic Development, Trade and Employment, *Impact: A Social Enterprise Strategy*, p. 23.

117 Deloitte and Social Capital Partners, *The Community Employment Loan Program: Mainstreaming social finance to increase job opportunities for Ontario's most vulnerable* (2014). Accessed August 1, 2015 at: [http://socialcapitalpartners.ca/wp-content/uploads/2015/01/SCP\\_Feasibility\\_StudyReport\\_5Nov2014.pdf](http://socialcapitalpartners.ca/wp-content/uploads/2015/01/SCP_Feasibility_StudyReport_5Nov2014.pdf)

loan when they hire marginalized jobseekers from their local community. Their study showed this to be a promising approach in line with the Government of Ontario's *Social Enterprise Strategy* as well as its *Poverty Reduction Strategy (2014)*.

### **3. Create a green jobs strategy for Toronto, including social enterprises**

Alongside policies aimed at supporting individual social enterprises, there is a need for a broad strategy to envision how all enterprises, large and small, may come together to achieve social and environmental goals. Such a strategy would complement the *Social Enterprise Strategy* and would include considerations around the role of various stakeholders, including municipal government, training and education providers, relevant industries, and jobseekers. This is vital to identify key gaps that emerging social enterprises could fill, avoid redundancy of social enterprises providing the same services, and more broadly, to ensure that money is not squandered by providing training for green jobs that do not materialize.

A useful case example of such a strategy is Calgary's Green Collar Job — a partnership between industry, training, municipal, and non-profit sectors. It is designed to help lower income people in Calgary move into environmental jobs that offer opportunities for advancement and good wages in fields such as green construction, renewable energy, environmental remediation, and recycling.<sup>118</sup> Addressing the needs of foreign-trained professionals, and how to effectively bridge them into the Canadian job market, is also an important piece of this puzzle.

## **CONCLUSION**

By connecting the profit-generating strength of private sector businesses with the attention to social and environmental considerations of the public and third sectors, social enterprises have the potential to benefit those who are traditionally disadvantaged by the labour market, including racialized and marginalized jobseekers. The current policy context in Ontario is strongly supportive of social enterprises, which bodes well for the success of this tool. However, it is important that social enterprises not be seen as a replacement for government investment into social and environmental goals, but as a complement to it. Together with ties to employment equity and community benefits agreements, social enterprises provide an important tool for developing green employment opportunities that are inclusive to all.

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118 Fairholm Mader, *Green Economy, Good Jobs*.

## **MOVING FORWARD: TOWARD A SOCIALLY INCLUSIVE GREEN ECONOMY IN TORONTO**

As Toronto continues to build and move to an increasingly green economy, we must reflect on how that new economy will benefit and be inclusive of all Torontonians. We have recognized that there is a prominent gap in employment outcomes between racialized and non-racialized communities across Toronto, and that certain communities will be excluded from meaningful participation in this green economy if we don't change our current course.

A socially inclusive green economy is underpinned by decent work for all. As an important step in moving toward a green economy, Toronto must address historical forms of exclusion in the traditional economy. This, of course, is a task fraught with complexity. Yet there are ways to achieve it when stakeholders from across the board — private, public and third sectors, as well as unions and communities themselves — are included as part of the solution.

We have discussed three interrelated tools as recommended approaches toward these ends, providing a point for critical reflection on how equity and the green economy are closely intertwined. We hope this paper will serve as a jump off point for many future discussions.

# APPENDICES

## APPENDIX 1: THE GREEN GAP PROJECT

The primary data for this paper derives from interviews and focus groups from the Green Gap Study ([greengap.org](http://greengap.org)), a multi-year research project funded by the Social Sciences and Humanities Research Council. The project is housed at Ryerson University, with contributions from researchers at Ryerson University and the University of Toronto. The project seeks to address three main questions:

1. What are the multiple social constructions of green jobs by various stakeholders?
2. What do green jobs mean for racialized communities?
3. What do various stakeholders see as solutions to moving the green agenda forward?

Forty-nine stakeholders from across six key groups were interviewed. These stakeholder groups included Toronto-based policy makers (n=6), labour and union representatives (n=6), training program representatives (n=9), green business leaders (n=10), and job seekers both with (n=7) and without (n=11) green-specific job skills training, who self-identified as racialized. In total, it was a nearly even split of female and male participants, with 45% of participants being female and 55% being male. Likewise, it was a nearly even split of racialized versus non-racialized participants, with 53% who self-identified as racialized, and 47% who did not. Overall, it was a highly educated group. In terms of highest level of formal education attained, all of the participants had at least the equivalent of an Ontario grade 12 diploma, and a vast majority (84%) held a university undergraduate or graduate degree.

Potential interview participants for the policy, labour, training and business stakeholder groups were identified by key informants, including the academic, policy, and business networks of the research team, and members of local community-based organizations with environmental and social justice mandates. Jobseeker participants were recruited via an online advertisement

distributed by local employment and job training organizations.

Following the interviews, three focus group sessions were held, in which interview participants were invited back to participate in a discussion based on the findings from the interview data.

Excerpts from these interviews and focus group sessions have been incorporated into the paper, as illustrative examples of this research according to Toronto-based stakeholders themselves.



## **APPENDIX 2: SUMMARY OF RECOMMENDATIONS**

When integrated together, these recommendations are believed to represent tangible, achievable, and potentially transformative approaches to a socially inclusive green economy.

### **Recommendations around Employment Equity**

1. Teach green sector employers how to implement employment equity initiatives
2. Reach out to racialized and marginalized communities with opportunities for green work
3. Align employment equity with the goals of green business
4. Support unions and collective bargaining

### **Recommendations around Community Benefits Agreements**

1. Improve transparency and reporting requirements for CBAs
2. Provide support mechanisms for local communities to facilitate legally-binding CBAs
3. Ensure that training and apprenticeship provisions are a central component of CBAs
4. Include provisions for local green procurement in CBAs
5. Incorporate environmental goals into CBAs

### **Recommendations around Social Enterprises**

1. Continue to support entrepreneurs to start up employment-based social enterprises
2. Develop innovative ways to finance emerging social enterprises
3. Create a green jobs strategy for Toronto, including social enterprises



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