

What is Community Economic Development?

Community economic development (CED) or local economic development (LED) is a community-driven process where communities identify and initiate their own solutions to economic, social and environmental issues to build healthy, economically viable communities. CED contains principles and goals based on a grassroots approach to development where communities choose deliberate actions to influence the local economy and improve the quality of life for its residents.

Some examples of CED principles include –

- Mobilizing local resources (people, capital, institutions, organizations, etc.) to meet local needs.
- Re-investment of profits into the local economy.

Some of the goals of CED are to –

- Create employment.
- Renew, stabilize and/or improve the community and local economy.
- Develop local economic links.
- Improve the physical environment of the community.

Communities can adopt a process to incorporate the principles and goals of CED. This CED process includes the following steps –

- Form a CED agency/organization that is responsible for leading the CED process.
- Work with your neighbors in a region to address common development issues.
- Collect and analyze data to determine appropriate strategies and activities.
- Decide on a strategic focus based on the data analysis. This can include a combination of strategies such as –
 - Business development (ex: local investment pool, business support services)
 - Local development (ex: beautification, zoning, industrial parks)
 - Human resource development (ex: local training initiatives)
 - Sector development (ex: business retention and expansion projects, supply chain gap analysis)

Communities can use the principles and goals of CED, adopt a good planning process and choose appropriate strategies to achieve the goals of CED. This means that community development, economic development and environmental sustainability are not left to chance but are directed by the people who live and work in the community.

Community Readiness for CED

Before a community can effectively implement a CED process, the community must commit to long-term support of CED processes. This means municipalities, key community leaders, groups, organizations and institutions must be prepared to invest in CED to make positive changes in the community.

- Remember, CED is not a quick fix to a crisis (ex: large business closing). It is a way to plan and act over a long period of time, so that a community can take charge of its own future.

No matter what gets a community involved in CED, success depends on many things –

- People in the community who are willing to get involved
- Knowledge and skill of the leaders (ex: councilors, economic development staff or community volunteers leading the charge)
- Motivated and effective community and political leadership
- Community spirit and how well groups get along and work together
- Entrepreneurial spirit

The Local CED Organization

Once people in your community have decided that they want to participate in CED through a CED organization, the next step is to decide how the work will be done. One of the critical components of effective CED is to establish a core organization or committee that is nonprofit, independent and non-governmental (ex: organization may be funded by local government but has its own mandate and operating procedures).

A local CED organization can help individuals and organizations in a region work together towards common goals. This can happen when community members in the region join together to determine appropriate strategies and actions to address common issues in a strategic, collaborative way. It may take more time to establish a successful CED organization in communities and regions that are not used to working together or where there has been internal conflict.

In communities that are used to working together, and where leaders and groups have established trust and collaborative relationships, the CED organization can be the intermediary that links the individuals and organizations together in a more formal way. The formal organizational structure of a CED organization can allow communities to be more efficient and make progress more quickly on collective issues and needs.

CED organizations can be incorporated bodies such as Community Development Corporations (CDCs), or can be more informal (unincorporated) economic development associations or volunteer committees. Local CED organizations can involve more than one community or municipal corporation, so you can get things done for each individual community, but you can also collaborate on common issues and share the operational costs of the organization.

Learn more online at http://www.gov.mb.ca/jec/rned/community/ced_planning.html