



Submission To:
The Parliamentary Standing Committee on Finance

**Pre-Budget Consultation in Advance of the
2021 Federal Budget**

Submitted by:
Social Enterprise Council of Canada

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The Social Enterprise Council of Canada three key recommendations are:

Recommendation #1:

Level the playing field: Provide the non-profit social enterprise sector support that is equivalent to, and provide immediate access to, the existing programs and investment opportunities already in place that serve the for-profit sector entrepreneurs and businesses.

Recommendation #2:

Expand social procurement policy, strategies and outcomes across all government purchasing of goods and services, construction projects and infrastructure investments to be inclusive of social enterprise suppliers.

Recommendation #3:

Implement, on an accelerated basis, all of the ecosystem building recommendations of the Social Innovation / Social Finance Advisory Committee as described in [*Inclusive Innovation Report*](#).

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Submission from the Social Enterprise Council of Canada in Pre-Budget Consultations in Advance of the Upcoming Federal Budget from the Social Enterprise Council of Canada

The budget process has to focus on what kind of Canada we want. If our goal is a country that creates social inclusion, income equality, a healthy environment, and cultural respect, then the budget has to invest in those outcomes.

All budget decisions have an economic, social and environmental impact; indeed, that is their purpose. Therefore, we should focus on making investments that create the greatest social, economic and environmental value for our local communities and for Canadians as a whole. Spending that results in building social and physical infrastructure is an investment and should be amortized for multi-year outcomes not merely recorded as an annual expense and measurement. The budget should focus on community value creation not dollars spent.

That is why the Social Enterprise Council of Canada (SECC) believes it is now so important to accelerate the inclusion of social enterprise support in the budget considerations. Social enterprises are businesses operated to create social, environmental, or cultural value. Social enterprises in Canada are overwhelmingly owned and operated by non-profit organizations, re-investing surpluses back into their missions. They are community governed, transparent, and focused on creating community value. Non-profit social enterprises are examples of how market-based solutions can (and should) be guided by community values. Together, they set a high standard for the rest of the business community.

Social enterprises are across every business sector and create community value in multiple ways. As examples: DASC Industries and Lake City Products in Halifax employ persons with disabilities; Building Up in Toronto, Impact Construction in St. John's and Build in Winnipeg, bring youth at risk into the construction trades; CIRE in Vancouver makes commercial space available below market rates for non-profits serving the low-income residents; and everywhere there art centres, cultural institutions, catering, cleaners, thrift stores, and more.

The recent and on-going pandemic has emphasized the weaknesses in our social infrastructure, such as food security, resilient supply chains, and complexity of poverty. Along with other OECD countries, notably Scotland, we need to recognize the critical importance of making fiscal decisions through a community value lens. The budget allocations have to recognize the ripples

and multipliers they create, and how they could build community value, especially for the most vulnerable in society. Social enterprises are the businesses serving the most vulnerable populations and need at a minimum a level playing field to develop business models, gain access to markets, and finance their operations.

We must focus not just on recovery for those that were already well off, but turn attention to development inclusive of Indigenous, Black, and other valued members of our national community who have, for too long, been excluded from shaping our fiscal policy. These vulnerable communities need not just the most support; they need to be authentically engaged in defining how that support should be allocated. The banks and major international corporations will survive and recover and grow through access to multiple existing programs and a favourable tax system that is already available to them, to say nothing of the existing resources and reserves that they have. However, the vulnerable communities started without anything, and will have to recover, well actually survive, without any existing fall safe net.

If we accept that it is not merely the amount spent that measures a budgetary accomplishment, but that the budget decisions are a means not an end, and success will be judged on the outcomes they produce then we judge allocations on community capital growth. This transition to a community capital allocation process will require a shift in policy, practice and measurement over a multi-year timeframe, but can begin with the next budgetary commentary and allocation analysis. Most of these recommendations do not require new or additional financial commitments, but rather require a shift in policy objectives and outcome measurements.

In order to achieve a community capital value budget, the government must integrate existing budgets and programs from across multiple ministries with a mandate to create community value, rather than maintaining the silos and competitive nature of funding programs.

The SECC three key recommendations are:

1. Level the playing field: Provide the non-profit social enterprise sector support that is equivalent to, and provide immediate access to, the existing programs and investment opportunities already in place that serve the for-profit sector entrepreneurs and businesses.
2. Expand social procurement policy, strategies and outcomes across all government purchasing of goods and services, construction projects and infrastructure investments to be inclusive of social enterprise suppliers.
3. Implement, on an accelerated basis, all of the ecosystem building recommendations of the Social Innovation / Social Finance Advisory Committee as described in [Inclusive Innovation Report](#).

We look forward to the day when the budget is based on creating the most community value possible, not only economic transactions; and when the government ministries' budget reporting is based upon community capital outcomes, not merely adherence and compliance to financial budget goals.

Sincerely,

Social Enterprise Council of Canada

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