

# **Community-based Intermediation Organisations and Social Innovation : A case study in Montreal's Apparel sector**

**By**

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**This presentation has two objects:**

- 1) to argue that the conversion of a metropolis such as Montreal to a “knowledge society” should be inclusive and integrated and that all productive sectors and layers of society should participate jointly,**
- 2) To illustrate the role that a community-based intermediation organisation can play in order to mobilise public and private resources that can foster innovation (social innovation)**

# Our presentation has five parts.

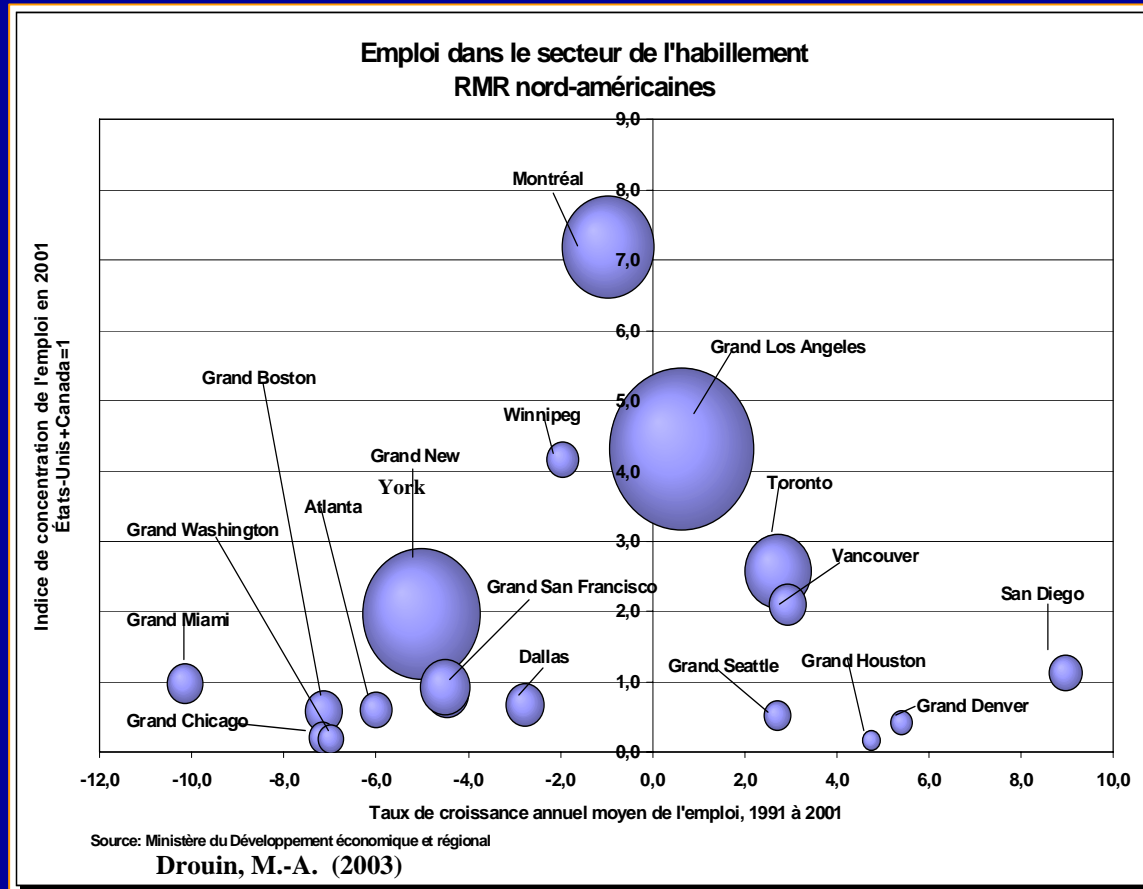
1. A summary of problems and issues facing Montréal's clothing production.
2. A brief presentation of our main hypotheses and some theoretical concepts that guide us, especially the concepts of proximity, social innovation and governance.
3. A brief introduction to community economic development corporations (CEDC), which are local organisations acting in support to entrepreneurship and local development.
4. An illustration of social innovation with the help of a case study where a CEDC supports the implementation of a Fashion Designers' cluster in the Mile-End (a devitalised Montréal neighbourhood).
5. The analysis of the specific role played by the CEDC in the development of this cluster.

# 1) The crisis of Montréal's clothing industry : an economic and urban issue

- The whole clothing industry is redeploying, in the context of global economic pressures. Manufacturing is moving to countries where labour is less expensive, while Western countries concentrate in fashion design and marketing activities.
- This has been the same for many other manufacturing sectors since the 80s, except that, the clothing sector had been protected in Western countries by a specific regulation (the Agreement on Textiles and Clothing (ATC)) until the 1st of January, 2005.

The crisis generated by the end of ATC affects the whole of Canadian and Quebec clothing sectors, but especially Montreal which accounted for 40% of Canada's clothing workforce.

As shown by this graphic, the labour force in Montréal's apparel sector is the third largest in North America, after Los Angeles and New York.

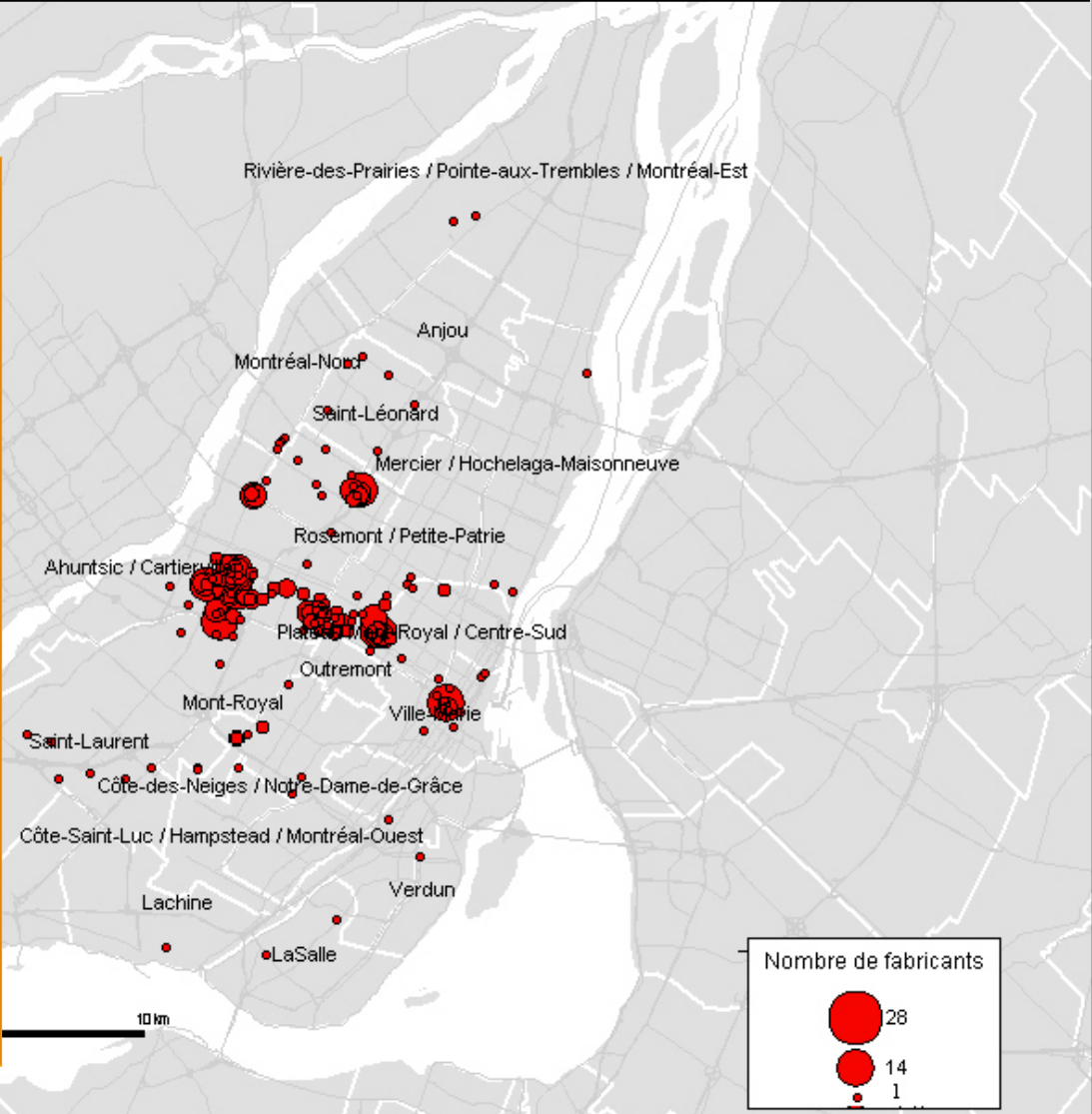


And its part in the metropolitan economy is much more important than in any other major North-American agglomeration, seven times higher than the average for North American urban areas.

# This is the map of clothing manufacturers located in Montréal

(those between 5 and 49 workers, which are 84% of the total)

• As we can see, apparel industry has concentrated in specific neighbourhoods and sometimes in buildings aggregated into authentic industrial districts.



Réalisation : Pierre-Mathieu Le Bel, 2005.

Source : Liste industries et commerces, Natalie Gagnon, MESSF, 2004.

• This intensive concentration explains why clothing crisis and why any clothing reconversion project have both economic and urban consequences, and why the analysis requires multidisciplinary perspectives and a multi-stakeholders coordination

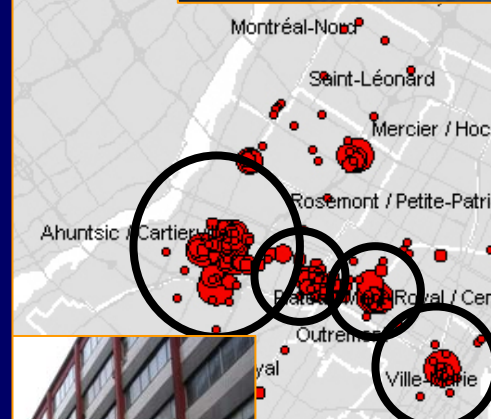
5 À 49 E



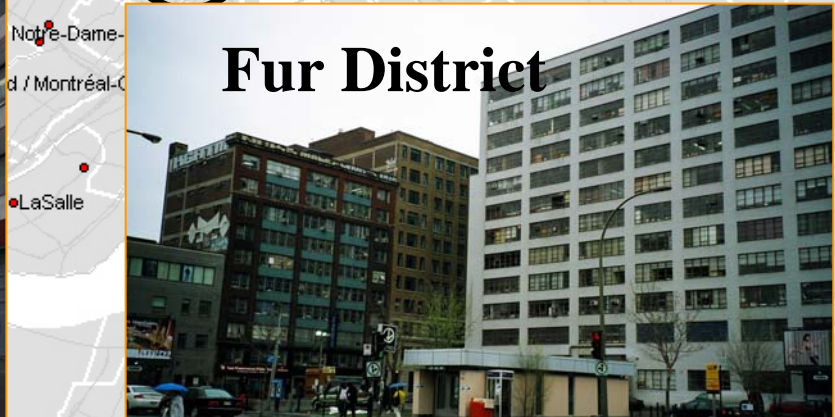
**Chabanel**



**Rosemont**



**Mile-End**



**Fur District**

## 2) Theoretical hypothesis and concepts

- As we said, our analysis is embodied in a research program on the reconversion of Montréal to the new economy. Reconversion means the creative and social adaptations introduced to get in synchrony with new global economic requirements.
- The hypothesis pursued in our research is that local territory is the playing field in which take place stakeholder interactions and governance processes that foster innovation.
- Our vision of innovation, however, is not restricted to technological innovation. We also refer to and advocate for social innovation as a necessary companion or dimension associated to technological innovation.

# Theoretical hypothesis

- Our research program claims that Montréal partially follows a reconversion process that includes a number of specific features which relate to an innovating regime and which are different from those of current metropolitan dynamics in North America.
- According to us, what differentiates the Montréal regime – which is deeply rooted in the « modèle québécois », is its accent on inclusiveness.
- In Montréal, multiple paths combine and interlink in a flexible governance context where social agencies deeply rooted in community movements and the social economy, take action mobilising their own resources as well as those provided by public and private bodies.



### 3) Community Economic Development Corporations

- Using the case of the apparel sector, we shall illustrate how the part played by community economic development corporations (CEDCs) in the implementation of social innovation may actually support such paths and contribute to the configuration of innovative regimes.
- CEDCs operate at the level of specific neighbourhoods and act as intermediate organisations in the support of entrepreneurship.
- This explains that CEDCs were among the first to respond to the problems created by the crisis in the apparel industry.

# The CEDC

- CEDCs are social economy organizations created in the 80s to react to the industrial and employment crises in the most affected neighbourhoods where they devised a local and community based intervention strategy for economic recovery.
- By the end of the 1980s, City Hall turns CEDCs into local development bodies and from then on CEDCs are established throughout the city boroughs.
- CEDCs are assigned the *mandate to promote partnership based initiatives, to assist local stakeholders in identifying common targets, to support local entrepreneurship and local job creation and to improve the employability of the jobless.*
- CEDCs have operated an important shift in both community action and in the management of economic development.

# CEDC recognition as a community intermediary

- The Québec government has *recognised CEDCs in their role as intermediary in 1998* when a reform modernised local and regional development policies and programs. As a result of this reform, the provincial government introduced *local development centres (CLDs)* throughout the territory.
- CLDs amalgamated different local development support agencies and were assigned the management of entrepreneurial support funds on the basis of local development priorities.
- In Montréal, the management of CLD funds was assigned to CEDCs....
- A case of *Civic governance with multiple actors (public, private, community organisations)*

- In 2001, CEDCs concerned by the apparel industry launched a work group to examine the situation; they identified the main strengths of the sector.
- CEDC managers consider that it is neither possible nor desirable to keep every productive activities pertaining to the apparel sector: *Niche production*
- “*Designers are the future of the apparel industry in Montréal*”, they said to us.

## The main strengths

Entrepreneurial management

**Design and production capacity for high end fashion clothing**

Production flexibility and capacity of businesses that opened the way to new technologies

Resilience traditionally perceived as an asset for adapting to change in market conditions

Reorientation or shift toward exports

Vitality of national and provincial associations

- The CEDC of Centre-Sud—Plateau-Mont-Royal is actively participating in the conception of the *LABoratoire créatif*, a cluster of young fashion designers.
- It is the result of *joint efforts between young fashion designers and the CEDC*, which has two objectives :
  1. the revitalisation of a seriously depressed industrial zone
  2. the reconversion of the apparel industry

#### 4) The **LABoratoire créatif**: a social innovation created by a CEDC and a group of designers



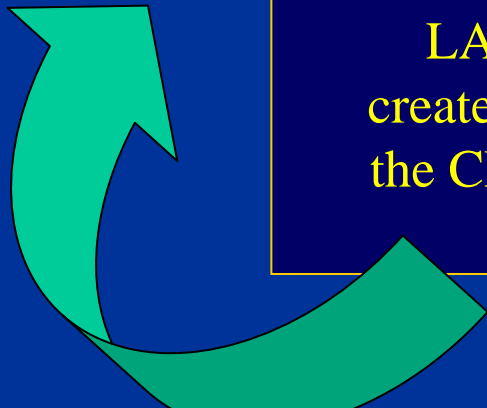
# The LAB's Roots according to one of its leaders

One of the first designer-member of the group told us how the project was born. She worked in a large *Mile-End industrial building*, striving to develop and make her own line of garments. She would often come across other young fashion designers. *Physical proximity led to exchanges* between them : 'It came about as an urge to survive', she says. *First a sewing pool, needles and fabric, then contacts, tips and finally ideas.*

-The basic idea was: *why can't we share equipment and even premises ?*



That is why the  
LAB was  
created with  
the CEDC's  
help



Created in 2004, LAB was incorporated as a NPO in 2006 and has 53 members in 2007.

Name	Year	Workers
Falbala	1995	entre 1 et 5
Pauline Duguay Montréal	1995	entre 1 et 5
Iris Collection	1998	entre 1 et 5
Pmpro	1998	aucun
Majolie	1999	aucun
J'Bouj	2000	aucun
Maillagogo	2000	entre 1 et 5
Bodybag	2001	entre 1 et 5
Manu	2001	aucun
Marie et Martin	2001	aucun
Eliane Design textile	2002	aucun
Karin's Kreations	2002	aucun
Sonia Lévesque design	2002	aucun
Bvnéa Déa	2003	aucun
Deux Maternité	2003	aucun
Blackmission	2004	aucun
Fairyesque*	2004	entre 1 et 5
Helmer	2004	aucun
Judy design	2004	aucun
M-So	2004	aucun
Rachel F	2004	entre 1 et 5
Valérie Dumaine	2004	aucun
Annie 50	2005	entre 1 et 5
Anastasia Lomonova	2005	aucun
Cinsuitsyou	2005	aucun

Name	Year	Workers
Complex Geometrics	2005	aucun
Eufori Feel It	2005	entre 1 et 5
Eve Gravel Design	2005	entre 1 et 5
Melow design	2005	aucun
O Collection	2005	entre 1 et 5
Possum	2005	aucun
Symbiose by Hinda A.	2005	aucun
Hasting and main clothing	2005	aucun
Charlie par Caroline Frenette	2006	aucun
Dinh Ba Design	2006	entre 1 et 5
Fenelus	2006	aucun
Genre Féminin*	2006	aucun
Immaculé Taché	2006	aucun
Liloo	2006	aucun
Madkingdom	2006	aucun
Major	2006	entre 1 et 5
Malina Cailëan	2006	aucun
MegCouture	2006	aucun
Station 8 Clothing	2006	entre 1 et 5
Katrin Leblond	2006	aucun
Lilidom	2007	aucun

# Services provided by the LAB

LAB's mission consists in supporting the development of fashion design businesses. Some services provided to designers are:

- Offering premises (individual and common spaces): in collaboration with the CEDC Plateau-Mont-Royal – Centre Sud)
- Promotion: a *website* where designer collections are showcased, a free of charge *participation to the Montréal Fashion Week show*, a *collective showroom*, an *online sales interface*, a *boutique*, *hiring sales representatives* (supported by the MDEI).
- Access to sophisticated programmable equipment: in collaboration with the CTTM,
- Training solutions: in partnership with *l'École des métiers des faubourgs de Montréal*



# LAB—CDEC Main partners

Développement  
économique, Innovation  
et Exportation

Québec 

LABORATOIRE  
CRÉATIF



CDEC

Centre-Sud / Plateau Mont-Royal

Corporation de  
Développement  
Économique et  
Communautaire

École des métiers des

FAUB  URGs

de Montréal

CTTM

Centre de Transfert Technologique de la Mode

## 5) The CEDC's Role

LAB results from the collaboration between fashion designers and the CEDC, which:

- Worked out original clustering ideas along with the designers
- Provided designers with resources allowing the hiring of a firm to prepare the business plan
- Sponsored the start-up phase
- Managed the day-to-day-business of the group during the implementation of the business plan.
- From 2007 on, CEDC assumes the role of mediator between the LAB, designers and property owners (renting spaces for a ten-year period, and subletting them out to LAB and to designers).

# Conclusion

- The LAB is a good example of the role a community organisation can play as an *intermediary, as part of civic governance*.
- In addition to the organisational and financial support it provided to designers, the CEDC provided a form of *legitimacy* and access to otherwise inaccessible *information networks* for young fashion designers.
- CEDCs have implemented mechanisms that allow both to share knowledge and learn collectively.
- Because they are so embedded within the local socio-economic environment, *CEDCs are able to mobilise diversified arrays of stakeholders and resources, local and external, private and public*.
- Access to these resources is an important asset for innovative economic development projects as it *taps into the vital socioterritorial capital to launch innovative local initiatives*.