

MAY 2010
MAI 2010

Current Conceptualizations of the Social Economy in the Canadian Context

Janel Smith
Annie McKittrick

Current Conceptualizations of the Social Economy in the Canadian Context

Janel Smith

Annie McKittrick

AUTHOR AND ACKNOWLEDGEMENTS

Janel Smith (MADR, HBA) was the Research Coordinator at the Canadian Social Economy Hub from 2006-2008. In 2008 she graduated from the Masters in Dispute Resolution program at the University of Victoria, and in 2009 Verlag Publishers published her thesis as a book. In the fall she moved to London, England to undertake a PhD in international relations at the London School of Economics exploring the roles of “grass-roots” civil society in peace-building.

Annie McKittrick (BSc, DPSM, MEd) received a Masters of Education in Leadership in June 2009 from the University of Victoria. She is the Manager at the Canadian Social Economy Hub, University of Victoria.

The authors wish to thank J.J. McMurtry for reviewing the paper and for his invaluable feedback. We also wish to thank Aliez Kay for her assistance in editing the paper and Vivian McCormick, Administrative Assistant for the Canadian Social Economy Hub for her help with tables and word processing.

Copyright © 2010 Canadian Social Economy Hub at the University of Victoria

Any portion of these materials can be freely available for information and educational purposes, but cannot be re-published in any format that may entail fees or royalties without the express permission of the copyright holders.

Design and Layout by Lindsay Kearns, James Kingsley and Ashley Hamilton-MacQuarrie

Printed in Victoria, Canada



ABOUT THE OCCASIONAL PAPERS

The Canadian Social Economy Research Partnerships (CSERP) will periodically publish research papers on the Social Economy. These papers will be by both scholars within the academy and by practitioners. CSERP hopes these publications will increase understanding of, and discussion about the Social Economy – past, present and future.

ABOUT THE CANADIAN SOCIAL ECONOMY RESEARCH PARTNERSHIPS

The Canadian Social Economy Research Partnerships (CSERP) is a collaborative effort of six regional research centres across Canada, their community partners, and the national facilitating research hub. CSERP reaches out to practitioners, to researchers and to civil society, and undertakes research as needed in order to understand and promote the Social Economy tradition within Canada, and as a subject of academic enquiry within universities.

Canadian Social Economy Research Partnerships

c/o Canadian Social Economy Research Hub

University of Victoria

2300 McKenzie Avenue

Technology Enterprise Facility (TEF) - Rm 214

Victoria BC V8P 5C2

Canada

Tel: 250.472.4976

Fax: 250.853.3930

secoord@uvic.ca

www.socialeconomyhub.ca

To purchase copies of this or any other of the Occasional Papers series, send \$6 to the above address. Cheques should be made payable to the University of Victoria.

ABSTRACT

This paper provides a review of some of the ways that the Social Economy (SE) is currently conceptualized within the Canadian context. It takes into account the different political, economic and social perspectives and backgrounds of several prominent theorists as well as the interdisciplinary nature of the field. It also explores the perceived “natural tensions” that are thought to exist between the academic and practitioner sectors. The composition and what constitutes the sector continues to be a source of debate and a common definition is still being determined.

At present, the Social Economy climate in Canada is relatively diffuse. The future of the sector is challenged with respect to the change in the federal government from liberal to conservative in 2006, the 2006 cancellation of uncommitted funds, and the low degree of joint mobilization, formalization and identification with the SE among its members. Indeed only in Québec are the terms social and solidarity economy recognized and used on a widespread and coherent basis. Moreover, theoretical understandings of the meanings of the term, and knowledge of the Social Economy itself remains relatively unknown, unfamiliar and under-investigated outside of specific academic and practitioner circles.

This paper seeks to establish a framework in which to begin to delineate and unpack some of the complexities and debates surrounding how to comprehend the Social Economy within Canada. It develops and sets out a continuum of current SE definitions and understandings recognizing common aims, similar defining characteristics and areas of debate and disagreement. The paper further calls attention to the need to develop a common vocabulary in order to illustrate and promote a collective sense of identity for the Social Economy that is sustainable and can be used to strengthen and raise public awareness of the Social Economy across Canada. The development of this collective sense of identity will also emphasize the Social Economy as a key component of society that requires government recognition and a supportive public policy regime in order to fully make a contribution to the public good.

Table of Contents

Acknowledgments	3
Abstract	5
Foreword	7
Introduction	8
Methodology and Theoretical Framework	14
Situating Ourselves	15
Research Sequence	16
Table 1: Key Definitional Indicators	17
Results and Analysis	18
Definitional Indicators	19
Approaches to Defining the Social Economy	26
Table 2: Approaches to Conceptualizing the Social Economy	27
Reformist/CED	27
Inclusive/Broad-based	30
Transformative/Civil Society	33
Conclusions – Where do we go from here?	35
References	37

FOREWORD

There are many sources for the Social Economy. It started to be formulated as a concept in Europe during the nineteenth century and has become increasingly more evident in the twentieth century. As a concept, it seeks to recognize the variety and the importance of community-based efforts that respond to social needs and, in many instances, to mobilize community resources for economic opportunities. The fact that it came out of very different kinds of community (based on geography, culture, religious belief, and class composition) meant that it took many forms and served a range of purposes, making easy categorisation impossible. It was further complicated in that it developed within significantly different national environments – France, Italy, Spain, and Portugal being among the most obvious early participants. It has subsequently spread to many other countries in Europe and subsequently outside Europe.

There are, therefore, always questions about what constitutes the Social Economy, though there is widespread agreement that it consists of certain kinds of organisations (for example, co-operatives, mutuals, volunteer organisations) and most would agree that they share in some common values: for example, commitments to service and democratic engagement as well as the distribution of surpluses (or profits) for common purpose not individual benefit.

This paper, prepared by two of the employees of the National Hub of the Canadian Social Economy Research Partnerships, examines different ways to think about the Social Economy, particularly from a Canadian perspective. No one expects that it will provide a final answer to the definitional question, but we hope it will provide food for thought and reasons for continuing to consider the question. The Social Economy is an evolving and developing concept, influenced by the changes of the present as much as by the understandings of the past. In that sense, it is similar to the market conventionally conceived and for-profit enterprise generally: the purposes, boundaries and practices are always shifting, always open for discussion.

Ian MacPherson, Co-director, Canadian Social Economy Hub

Introduction

The purpose of this paper is to explore the concept of the Social Economy through the writings of researchers and practitioners/acteurs that are referenced in the discussions and research activities of the Canadian Social Economy Research Partnerships. We hope that this exploration will contribute to furthering knowledge on the state of the Social Economy in Canada and especially to its understanding among academics and practitioners/acteurs. As MacPherson (2007) explains “Social Economy understandings are rooted in identity, personal, local and regional, and that they are shaped by communal understandings and relationships...there are differences across the nodes and within the partnerships” (p. 9). This paper seeks to illuminate the various approaches to defining the Social Economy rather than offer a definitive definition as it is viewed in Canada. It is, however, hoped that the methodology established by the authors will prove useful in terms of understanding the diversity of views and in creating greater understanding of the potential of the Social Economy to deal with social and economic issues in communities across Canada.

Our interest in undertaking this work stems from the rich and sometimes contentious dialogue concerning what constitutes the Social Economy as a sector currently taking place among leading researchers and practitioners/acteurs. One of the central tenets of this debate involves deliberation on the advantages of clearly identifying a concise definition of the Social Economy as opposed to encouraging diversity and flexibility in regards to structural and operational models. As researchers with the Canadian Social Economy Research Partnerships (CSERP) we were intrigued by the many ways in which this dialogical debate both simultaneously facilitates and impedes the development of the Social Economy sector. We were also keenly interested in growing the Social Economy by helping students to better conceptualize the Social Economy. This would help them use its values and concepts in their academic pursuits, and encourage greater scholarly study on the subject. One of the central objectives of this paper is, thus, to familiarize the reader and those within the Social Economy movement in Canada with the diversity of perspectives and approaches that are presented in the literature so that there can be clearer understandings of the concepts, debates and viewpoints that underpin the sector in Canada. It is also intended to “unpack” some dimensions of the debate as to the means by which the Social Economy should be identified and for what purpose it should function. Is the Social Economy to be defined according to the objectives and values it espouses, its organizational and

associative structures, the types of economic activities it engages in, or the kinds of actors involved? Is its primary purpose poverty reduction, the presentation of an alternative economic model, and must it contain a transformative change orientation?

The Canadian Social Economy Research Partnerships consist of six regional research centers (British Columbia [B.C.] and Alberta; North, Saskatchewan, Manitoba and Northern Ontario; Southern Ontario; Québec; and Atlantic) and a facilitating Hub located at the University of Victoria. The Research Partnerships is funded through a special five-year grant from the Social Sciences and Humanities Research Council. The grant was established in the 2004 Throne Speech of the Canadian government in conjunction with an allocation of over \$130 million for capacity building and to establish financing instruments. The October 5, 2004 Throne Speech stated:

What makes our communities strong is the willingness of men and women from all walks of life to take responsibility for their future and for one another. We can see this in the number of voluntary organizations and social economy enterprises that are finding local solutions to local problems. The Government is determined to foster the social economy—the myriad not-for-profit activities and enterprises that harness civic and entrepreneurial energies for community benefit right across Canada. The Government will help to create the conditions for their success, including the business environment within which they work (2004 Throne Speech).

The then Liberal government was committed to making the Social Economy a key part of Canada's social policy tool kit. Unfortunately most of the funding to Social Economy organizations was removed from the Federal government budget when the Conservatives under Prime Minister Stephen Harper came into office after the 2006 election. The research funding had already been allocated to the Hub and Nodes and, thus, the Research Partnership was able to continue the work that had been allocated in the fall of 2005 for five-years. Each Node has established a research agenda, and the Hub in its facilitating role encourages a national perspective on the Social Economy. The work of the Nodes is rooted in the context of their region and the research interests of the researchers and practitioners affiliated with them. For example, the Saskatchewan, Manitoba and Northern Ontario Node is located at the Center for Co-operative Studies at the University of Saskatchewan in Saskatoon and has a long history of scholarly pursuits in the field of co-operatives. The British Columbia and Alberta Node is located in a practitioner organization,

the Canadian Centre for Community Renewal with its headquarters in Port Alberni, B.C. Some of the Nodes have a long history of practitioner/researcher engagement such as the Québec Node, which was formed from a very successful Community University Research Alliance (CURA).

The Canadian Social Economy Research Partnerships has not, however, adopted a common working definition of the Social Economy across the Hub and six Nodes. Each Node currently uses its own definition, reflective of its culture and the interests that guide its work. It is the role of the Hub to facilitate a national perspective and understanding of the Social Economy through its knowledge mobilization and publication work. The absence of a common vocabulary among the Partnerships creates significant challenges to the facilitation of a national perspective.

Coming to a definition of the Social Economy is challenging given the interdisciplinary nature of the academic disciplines involved in research and practice in this field. In CSERP, for example, researchers come from at least 17 different disciplines (including Applied Social Science, Anthropology, History, Economics, Education, Community and Economic Development, Environmental Studies, Sociology, Business, Human Resource Management, Psychology, Public Administration, Philosophy, Nursing, Natural Resource Management, Social Work, and Geography). The approach of researchers and practitioners/acteurs to the Social Economy reflects their scholarly and service delivery backgrounds and has a huge influence on their definitions of the Social Economy. In the future, it is particularly important that as Social Economy research is used to make recommendations on public policy (at all levels) it is rooted in an understanding of the historical, cultural, social, economic and political histories of the groups concerned and that the linkages of these histories to particular approaches to conceptualizing the Social Economy are equally well acknowledged.

In addition, developing deeper understandings of the Social Economy in Canada is further complicated by the fact that there are few courses or programs with an emphasis on the Social Economy at the post-secondary level. Among the programs that do exist are schools in Québec and Saskatchewan, which have co-operative study programs; St. Mary's and Cape Breton University, which have programs on Community Economic Development and co-operatives; and Simon Fraser University's Sustainable Community Development programs. The Nodes and Hub also currently have a role in mentoring students at the universities affiliated with them and promoting study of the Social Economy

through student research. A Social Economy Student Network was started by the Hub to further students' interest in a wide diversity of disciplines in the Social Economy and to provide opportunities for access to research grants and other resources (See: [www.http://socialeconomy.info](http://socialeconomy.info)).

In their 2006 bulletin (*Horizons 2006*) dedicated to the Social Economy, the Policy Research Initiative of the Government of Canada outlined three different approaches in conceptualizing the Social Economy. These are that the Social Economy borrows from: (1) market practices and principles; (2) the government delivery of public services approach; and (3) the community model used by non-profit organizations. This approach is one of the many different attempts to organize the Social Economy into a conceptual framework. Another approach has been to classify Social Economy organizations along two dimensions resulting in a typology of four kinds of organizations. This approach developed by Lévesque and Mendell (2004) has as its first dimension the issue of whether the organization was established primarily as a strategy to combat poverty, social and occupational exclusion or to respond to new opportunities. The second dimension is whether organizations are predominantly market or non-market based. For her part Bouchard (2008) provides an overview of how scholars have classified the Social Economy. She suggests that the Social Economy's diverse definitions can be attributed to the numerous legal forms that Social Economy organizations adopt, its economic activities and the social mission (i.e. to members or general public) that it carries out.

The lack of recognition of the Social Economy at political and economic levels of governance also increases definitional challenges. This is especially problematic in English speaking Canada where the term is not widely utilized because there is no tradition of using the associated terminology. More recently, challenges associated with the difficulty of distancing the concept of the Social Economy from its Canadian political usage by the former Liberal government have also arisen. The term, however, has a rich historical context, as demonstrated by scholars such as Defourny and Develtere (1999). This can provide valuable insights into the social and economic dilemmas of present day communities. These authors have traced the concept of the Social Economy back to the "Egypt of the Pharaohs" through to the solidarism of Charles Gide and the present day Grameen Bank in Bangladesh.

In Canada, Lévesque has elaborated on the evolution of the Social Economy in Québec (2007) from a solidarity-oriented economy in 1850-1880 to a state-sponsored Social Economy from 1880-1920; a corporatist cooperation from

1932-1950; cooperation within the framework of economic nationalism from 1960-1980; and ultimately, a social and solidarity oriented economy from 1990-2007. The history of the Social Economy in Anglophone Canada is less well documented. Quarter et al suggest that it has only recently received the attention of Anglophone scholars in Western Europe and Canada. MacPherson (2007) provides an overview of Social Economy discourse in English-speaking parts of North America and attributes the recent rise in interest to the work of Putnam (1999) on social capital arising out of his research in northern Italy. MacPherson argues that Putnam ignored the role of the co-operative sector in his consideration of the decline of social capital, but further suggests that the discussion of economic value to social capital has helped in the conceptualizing the Social Economy.

Ultimately, the term Social Economy itself has not yet gained prominence in Anglophone Canada as the term Community Economic Development (CED) is favoured instead to describe activities aimed at enhancing communities and providing inclusion to marginalized groups (poverty, gender, ethnicity, disability etc). Social Economy began to be used more extensively following its use by the Federal government in its Budget of October 2004 under the government of Liberal Prime Minister Paul Martin. The Budget stated its “increased support for community-based economic development and the Social Economy.” At that time, government departments such as Western Diversification posted definitions of the Social Economy and engaged practitioners/acteurs in discussions of the Social Economy prior to establishing the funding programs promised in the Budget. In British Columbia, the B.C. Roundtable on the Social Economy (www.socialeconomy.ca) was founded by practitioners/acteurs and B.C. funders such as the United Way and VanCity Credit Union. Together, they provide a forum for discussion and action on the Social Economy.

After the 2006 election and cutbacks to Social Economy Programs; however, the term was removed from Federal government programs in favor of social enterprise or community based businesses – and the definition disappeared from the Western Diversification website (See: www.wd.gc.ca/). Practitioners concurrently stopped using the term Social Economy as a broad encompassing concept and in most cases social enterprises or social purpose businesses became the terms of choice. In Manitoba, for example, Community Economic Development (CED) became the term of choice. In B.C. through the influence of the Enterprising Nonprofit (ENP) program, established in 1997, the Social Economy became described in social entrepreneurship terms and as a way for nonprofit organizations to gain financial sustainability.

Of particular interest is a March 7, 2008 press release from the Government of Canada Western Diversification Department (See: http://www.wed.gc.ca/77_10173_ENG_ASP.asp). The press release announced a \$155,250 grant to the Enterprising Nonprofit program to expand to rural areas and to the provinces of Manitoba and Saskatchewan. In contrast to the earlier writings of the Western Diversification Department, in this press release there was no mention of the Social Economy or the social purpose that the enterprises have in communities. Instead the release reported:

Entrepreneurship continues to drive job creation and economic growth in British Columbia,” said MP Hiebert, on behalf of the Honourable Rona Ambrose, President of the Queen’s Privy Council for Canada, Minister of Intergovernmental Affairs and the Minister of Western Economic Diversification. “Our Government, through Western Economic Diversification Canada, is working to ensure the non-profit sector can become more entrepreneurial and capitalize on this growing sector of the provincial economy (Press release March 7, 2008).

From a definitional perspective, the result is a disparity in defining the concepts and values of the Social Economy between Anglophone and Francophone Canada. Particularly in Francophone Canada these definitions are much broader than Anglophone Canada’s use of the term CED, social purpose businesses and social enterprises used to describe the Social Economy. There is also a new trend in Francophone organizations to use the term Social and Solidarity Economy – *économie sociale et solidaire* (i.e., *Économie solidaire de l’Ontario*). Therefore, it appears that in one part of Canada the trend has been to reduce the term to specific forms of Social Economy organization while the concept has been broadened in Francophone Canada to include issues arising out of global injustices.

In seeking to more closely examine these diverse conceptualizations of the Social Economy in Canada, the paper proceeds as follows. First, the methodology and theoretical framework used to conduct the research are discussed. Second, we outline and elaborate on a set of central definitional indicators identified from the literature and develop three approaches or schools of thought to the Social Economy adhered to by researchers and practitioners/acteurs in order to provide a “portrait” of the current context of the Social Economy in Canada. In conclusion, we address the question of how we might we advance dialogue and grow the Social Economy as we move forward with our research and practice.

Methodology and Theoretical Framework

The research is qualitative, adopting a Social Constructivist orientation toward knowledge and Discourse Analysis as the principal methodology in which to carry out the research. Social Constructivism assumes that the intellectual basis for acquiring knowledge is rooted in the ways that we “make meaning” through our interactions with others and negotiated through the social, economic, political, historical and cultural lenses that operate on our lives. Discourse Analysis has been described as “an approach to the analysis of language that looks at patterns of language across texts as well as the social and cultural contexts in which the texts occur” (Paltridge 2006, p. 1). Rather than focusing solely on the words, phrases or sentences necessary for communication, Discourse Analysis focuses on the relationship between the textual elements of language and the social and cultural factors that impact how that language is used and contextualized. In utilizing both of these concepts we were able to explore and call attention to the interplay between how meanings are constructed through our social, political, cultural and historical interactions and the discourse that we use to describe these interactions.

The recognition of knowledge as formal, informal, lived and experiential, is a central consideration in carrying out this type of research. The impacts of one’s sense of self and community as well as their ideological, historical and cultural standpoints impact how they make meanings and understandings of the political, economic and social constructs in which we live. Both Social Constructivism and Discourse Analysis consider how worldviews and identities are constructed and conveyed through discourse (Slembrouck 2006, p. 1). With respect to the research, this involves examining the texts with the intention of not only identifying definitional indicators within the works, but also with an eye to developing a better understanding of the factors that underpin conceptualizations of the Social Economy.

Smith (1999) writes that often “what makes ideas ‘real’ is the system of knowledge, the formations of culture, and the relations of power in which these concepts are located” (p. 48). Due to the qualitative nature of the research we must take into account the subjectivity inherent in the process of interpreting the size and scope of the Social Economy. We must also be aware of re-conceptualizing these interpretations, unpacking assumptions and patterns of thinking, and recognizing their effects on the way that the data investigated and the research are presented. One of our principal goals was to

develop “deeper” levels of understanding and knowledge of the area of research focus, “capturing” the different perspectives of researchers and practitioners/acteurs, and examining “the implications of different perceptions (or multiple ‘realities’)” but not pronouncing which “set of perceptions was ‘right’ or ‘more true’” (Patton 2002, p. 98).

Situating Ourselves

Although we attempt not to permit personal biases and beliefs to significantly impact the research and findings and do not seek to come to a definitive definition of the Social Economy or to favor one approach over another, our ideological standpoints must be accounted for as they indirectly influence the way that the research is presented. Both of us as researchers subscribe foremost to a Transformative approach to defining the Social Economy, though we recognize the importance and contribution of all of the approaches we have identified in the paper in moving Social Economy discourse, research, policy and practice forward in Canada. Both of us are also socially constructivist in our views on reality and interpreting the world. This is a way of observing, measuring and understanding reality that holds that one’s conception of reality is based more in social interactions and socially constructed meaning systems than in the existence of an objective and singularly knowable world. ‘Meaning-making’ is therefore subjective, operating through the processes of interaction between individuals and groups.

Janel Smith comes from an academic background in International Relations and Dispute Resolution educated in a North American academic environment. She was the Research Coordinator for the Canadian Social Economy Hub from 2006-2008. Her interests pertaining to the Social Economy include: the roles of civil society in the Social Economy, linkages between Social Economy and social movements, transformative learning, social and solidarity networks, Social Economy and globalization (global governance) and Social Economy and peacebuilding. Annie McKitrick is the manager of the Canadian Social Economy Hub and has an interest in democratic governance, civic engagement, social planning, community development and the Social Economy in Asia. She has benefited from her studies and travels outside of Canada and is originally from France.

Research Sequence

A range of literature produced by leading Canadian scholars and practitioners/acteurs on the Social Economy was first surveyed in order to develop a preliminary picture of some of the complementary and contrasting perspectives that currently exist in the field of research and practice (Abele, Bouchard, Defourny, Develtere, Downing, Fairbairn, Fontan, Levesque, Lewis, Loxley, MacPherson, McDougall, McMurtry, Mendell, Neamtan, Ninacs, Painter, Quarter, Restakis, Shragge, Southcott, Thériault, Toye, Vaillancourt). Based upon themes and topics that emerged from a literature review a list of keyword definitional indicators was generated. In order to identify the most significant keywords from this initial list of indicators, we compiled summaries of the defining aspects of the authors' works, with a focus on drawing out the key defining elements of the Social Economy concept that they identified.

These summaries were compared and cross-examined until the strongest themes emerged across the literature to form a set of eight principal definitional indicators for the Social Economy. This list was then further sub-divided based upon which descriptive category – values or structure/characteristics – that each of the indicators fit within. It should be noted that each of the authors weigh the importance of individual indicators differently and that there are large distinctions between the various authors based upon the importance they place on values versus structure/characteristics in defining what is a Social Economy organization. These differences are highlighted in our discussion of the different approaches or schools of thought that we developed to help us conceptualize the ways in which the Social Economy is defined in Canada. The list of Key Definitional Indicators is presented below in Table 1. Values are understood as the principles, or standards of practice that guide the Social Economy, the ethos of its members and practitioners. Structure/Characteristics refer to the institutional frameworks or legal structures that the authors assert that organizations must adopt in order to be considered part of the Social Economy.

Table 1: Key Definitional Indicators

Values:

1. Service to Community / Primacy of persons over profit
2. Empowerment
3. Civic Engagement / Active Citizenry / Volunteer Association
4. Economic and Social values and mission

Structure / Characteristics:

5. Profit (re)distribution
6. Autonomous Management / Collective ownership
7. Democracy, democratic governance and decision-making
8. “Third sector”

A two-stage coding process followed the initial comparative review and identification of the key definitional indicators. First, the author summaries were re-examined using Discourse Analysis methodology as a means of determining the central indicators and overarching approaches that the authors used to define the Social Economy. Second, the summaries were grouped according to the central indicators that each of the authors highlighted throughout their works and organized into three schools of thought or approaches to defining the Social Economy in Canada. This served to call attention to the particular indicators that are favored by each approach (school of thought) as well as emphasized certain cultural, geo-political, social, economic and historical factors that underscore and ground each of the approaches. This ultimately helped to paint an overarching picture, or portrait, of the ways in which the Social Economy is conceived of across Canada.

As mentioned above, it was vital throughout the research process to take into account the different standpoints and influences that impact understandings of what constitutes the Social Economy and how these understandings in turn help to shape discourse and, ultimately, construct what the Social Economy is perceived to be. Paltridge (2006) explains that this is a “social constructionist

view of discourse; that is, the ways in which what we say contributes to the construction of certain views of the world, of people and, in turn, ourselves” (p. 2). This presented one interesting challenge throughout the research with regard to finding ways to convey the breadth of different viewpoints and terminologies utilized in discourse on the Social Economy. The approaches (schools of thought) were, thus, developed as a means of grouping, organizing, classifying and analyzing the data and expressing the findings in an easily discernable manner.

Results and Analysis

This section begins by describing each of the definitional indicators in greater detail with specific reference to the discourse used by various authors to describe these indicators. This way, how they are conceived of, and the meanings that are attached to each indicator will be made more apparent. Following this, we provide an analysis of the different approaches (schools of thought) to conceptualizing the Social Economy in Canada. Although we were able to group the central themes and characteristics the authors used to describe the Social Economy into eight definitional indicators and three schools of thought, the differences in the specific meanings that authors attribute to the indicators called attention to the complexities inherent in seeking to define such a diverse sector. MacPherson (2007) alluded to this in a speech to the Southern Ontario Node when he stated that:

The shape of the Social Economy takes somewhat different forms in different cultural and economic circumstances; to a significant extent, the Social Economy is a social construct not an abstraction conforming to iron laws or even policy mandates. The Social Economy is and will be different in Quebec than in Prince Edward Island, Manitoba, British Columbia and Nunavut ... and there will be differences within those entities, most obviously among indigenous groups, within economic communities, in rural contexts, across generations and in places where resources are acutely scarce (p 7).

Nevertheless, we believe the fact that there are commonalities, broadly speaking, the discourse used to describe the Social Economy does suggest a basis for the emergence of a common vocabulary concerning what constitutes the Social Economy in Canada. We believe that there is enabling potential in identifying

areas of commonality in which a diverse spectrum of individuals and groups can come together in support of a broad set of beliefs. For us, this exercise also called attention to some of the nuances of the debate we referred to previously regarding the desirability of seeking to “pin down” a precise definition of the sector versus intentionally depicting it as more inclusive, open and undefined. The undercurrents of this debate are further evident in the discussion of the different schools of thought that follow the elaboration of the definitional indicators below.

Definitional Indicators:

Values:

1. Service to Community / Primacy of persons over profit: The service to community and primacy of persons over profit indicator implies that the provision of goods and services by a Social Economy organization is done so in the interests of the public or its members and not solely in the service of capital or for individual profit maximization. Restakis (2006) uses the concept of reciprocity as a central defining element of the Social Economy. He states that “the key to understanding this view is understanding reciprocity as an authentic economic principle with wholly distinct characteristics that embody social as opposed to merely commercial attributes” (Restakis 2006, p. 10). Lewis and Swinney (2007) also highlight the role of reciprocity in defining the Social Economy in their work. They write:

the economic principle that animates the social economy is reciprocity. The primary purpose of social economy organisations is the promotion of mutual collective benefit. The aim of reciprocity is human bonding or solidarity. In contrast to the private sector principle of capital control over labour, reciprocity places labour, citizens, or consumers in control over capital” (p. 11).

Both of these uses of reciprocity as an “animator” of the Social Economy emphasize its social dimensions and the primacy of people over capital and commercial gains in its economic activities.

In describing the unique character of the Social Economy in the North, Abele and Southcott (2007) point to the natural fit between the values of the traditional

economy of indigenous societies and those espoused by the Social Economy. They explain that “much of the traditional economy of indigenous societies can be considered part of the social economy in that much of its pre-capitalist values still play an important role in the region and act in contradiction to the profit seeking values of contemporary society” (Abele and Southcott 2007, p.3). McMurtry (2004) also argues that in “more thoroughly” examining “the social interests of the social economy” we find that one of its key components is “making the lives of their ‘memberships’ better than they were by providing alternative (however small) modes of economic life-good delivery” (p. 875). The above examples clearly indicate the critical role that the authors assert that service to community and primacy of persons over profit play in describing the primary purpose of the economic activities of a Social Economy organization.

2. Empowerment: The empowerment indicator alludes to the transformation of individuals or communities to become more invested with power, access and authority, and increasing their spiritual, cultural, social, political and economic strength and capacity – though not necessarily at the expense of another. Importantly, it also involves developing and encouraging greater self-sufficiency. Abele and Southcott write that

particular socio-economic conditions lead to a social economy that can be seen to differ from other types of communities. The absence of a stakeholder culture and the lack of economic empowerment can be seen to engender a lack of commitment to the community and a culture of dependence that can be seen to negatively affect the development of social economy organizations” (Abele and Southcott 2007, p. 5).

According to Abele and Southcott, empowerment is, thus, viewed as one key definitional aspect of the Social Economy, and vital to the health of sector as a whole, in the North.

Similarly, Lewis and Swinney (2007) assert that Social Economy organizations “focus attention on seeking greater allocation of resources to better support the marginalised constituencies their work seeks to empower. Part of making this happen leads to a secondary goal: attaining equal standing as the third sector, alongside the state and the market” (p. 5). For Lewis and Swinney empowerment applies not only to “marginalised constituencies” that they assert Social Economy organizations seek to empower but also to building the

strength and capacity of the sector itself.

3. Civic Engagement / Active Citizenry / Volunteer Association: This indicator describes the acts associated with exercising of “rights” enshrined in a democracy, including: equality before the law, upholding civil liberties, freedom of speech, and freedom of political expression among others, as well as investing (non-monetarily) and actively participating in one’s community. Neamtan’s (2006) position on the Social Economy is that a central purpose is to “contribute to the renewal of positive and active citizenship, locally, nationally and internationally and to the process of redefining relations between the state, the market and civil society” (p. 71). Fontan (2006) also highlights the importance of citizen engagement and fostering a greater sense of active citizenship through the Social Economy in his work. Writing for the Horizons Journal’s 2006 Social Economy edition he states that “the Social Economy differs from the private economy in that it is based on citizen engagement. That engagement drives new individual and collective aspirations and helps to develop innovative socio-economic solutions to social and economic problems” (Fontan 2006, p. 16).

Similarly, Quarter, Mook and Richmond (2007) highlight both volunteer associations and civic engagement in their analysis of the Social Economy. They write that “organizations of the social economy share some common characteristics that will be discussed under four categories: social objectives, social ownership, volunteer/social participation, and civic engagement” (Quarter, Mook and Richmond 2007, p. 23). For their part Shragge, Graefe and Fontan (2001) write about the Social Economy as means of responding “to job scarcity and poverty that will also provide access to services” and in terms of fostering more “inclusive citizenship and creating new forms of social participation for all citizens” (p. 1). Each of these authors clearly describes attributes of civic engagement, active citizenry and volunteer association as figuring centrally in their discussions of what constitutes the Social Economy.

4. Economic and Social values and mission: Economic and social values relate to the set of economic and social values in addition to the overarching purpose of Social Economy practitioner/acteurs and organizations. Downing (2004), for example, states that the Social Economy “involves integrated social and economic development to reduce poverty and inequality by creating assets and enterprises under collective community control that generate social and economic benefits” (p. 3). This statement describes the balance between both the socio-economic means and ends of Social Economy activity according to

Downing. This sentiment is echoed by Lewis (2007) when he writes that the “social economy should be seen as the kingpin in forging an economy where solidarity is the central attribute; after all, social economy organizations are the only market-based organizations presently placing social goals at the centre of the development equation” (p. 10).

Among the works examined Quarter, Mook and Richmond (2007) put forth perhaps the definition of the Social Economy with the strongest emphasis on the social dimension of the values and mission that drive Social Economy activity. They state that “our definition of the Social Economy is *broad and inclusive of the entire array of organizations that have a social mission: a bridging concept for organizations that have social objectives central to their mission and their practice*” (Quarter, Mook and Richmond 2007, p. 17; our italics). Ultimately, this indicator is perhaps best thought of as existing along a spectrum in that even though the authors differ in the extent to which social values and mission define a Social Economy organization they all assert that to some degree Social Economy organizations must possess a social purpose.

Structure/Characteristics:

5. Profit (re)distribution: The Profit redistribution indicator is defined by the (re)investment of profits back into the Social Economy organization and the limited, or prohibited distribution of profits to members of the organization. It is further defined by limited return on capital, and by the stipulation that shares of the organization are not publicly-traded or available for purchase on the financial market. In “creating links between economic development and social development, the social economy focuses on serving the community rather than on generating profits for shareholders” (Bouchard, Ferraton and Michaud 2006).

Defourny and Develtere (1998) also note that “the fact that the objective of the social economy is to provide services to its members or to a wider community, and not as a tool in the service of capital investment, is particularly important ... The generation of a surplus is therefore a means of providing a service, not the main driving force behind economic activity” (p. 16). They continue that “the primacy of people and work in the distribution of revenues covers a wide range of practices within enterprises of the social economy: limited return on capital; distribution of surpluses in the form of refunds among workers or

user-members; setting aside surpluses for the purpose of developing projects; immediate allocation of surpluses toward socially useful objectives, and so on” (Defourny and Develtere 1998, p. 17). This practice of profit (re)distribution and limited return on capital is another means of defining the Social Economy and distinguishing it from the model of profit maximization adopted by the private sector economy.

6. Autonomous Management / Collective ownership: Autonomous management and collective ownership refers to self-management of Social Economy organizations by members or the public/community, and by the fact that no one individual possesses ownership of the organization. In their seminal work on the qualification criteria for Social Economy organizations, Bouchard, Ferraton, and Michaud (2006) assert that “the creation of a social economy organization is the result of initiatives on the part of either individuals or collective bodies that are independent of the public authorities. Generally, membership in a social economy organization is open to any person who wishes to join, subject to certain conditions (the payment of a membership fee, for example) (p. 7).

According to Defourny and Develtere (1998), “autonomy in management distinguishes the social economy from the production of goods and services by governments. Indeed, public sector activity does not generally enjoy the broad independence that informs the basic motivation behind every associative relationship” (p. 16). McDougall (2007) similarly points to the goal of autonomous management among Social Economy organizations when he writes that “social enterprises can be defined as companies or organizations that have the dual objective of achieving one or more social, cultural or environmental goals, while earning sufficient revenue to be increasingly or entirely self-sufficient” (p. 2-3). This is not necessarily to say that government support in helping to grow the Social Economy is not welcomed by some authors, but rather that Social Economy organizations aim not to rely on outside assistance and to be self-sufficient instead. Painter (2006) explains in his case study analysis of the Roasted Cherry Coffee House that “anything the government can do will be welcome ... but it’s not part of the Roasted Cherry culture to count on outside help.... We need to be entrepreneurial in spirit” (p. 41).

The unique character of the Social Economy in the Northern Canadian context and its impact on the ability of the sector to achieve autonomous management is discussed in the work of Abele and Southcott (2007). They write that “the state has been more directly involved in the development of services in the north

than are usually developed by social economy organizations ... Research on the social economy in the north needs to take into account the omnipresence of the federal state” (Abele and Southcott 2007, p. 4). This highlights one of the complexities inherent in deepening the autonomy of, and growing the Social Economy in situations of strong public sector involvement in the sector.

7. Democracy, Democratic Governance and Decision-making: This indicator refers theoretically to the democratic principles of majority rule, of “one member, one vote” not “one share, one vote,” as well as ensuring that all those not invested with the power to govern have equal access to power within the organization. Vaillancourt (2008) indicates his support for the notion that the Social Economy has democratic potential when he argues that “the democratization and enhancement of public policy requires participation by collective and individual stakeholders from the market and civil society in its creation (co-construction) and its application (co-production)” (p. 2). Abele and Southcott also point to the importance of democratic decision-making within the Social Economy when they write that “the mixed economy is not the social economy. There are important differences that research in the north needs to understand. The notions of non-profit activities or democratic decision-making central to the social economy are not central concepts to the mixed economy” (Abele and Southcott 2007, p. 7).

Social Economy organizations “grant decision-making powers according to use and not to the share of capital held. Generally they accord each member equal status in the collective decision-making process (i.e., in democratic proceedings constituted by the annual general meetings and board meetings) whatever their contribution to the organization” (Bouchard, Ferraton and Michaud 2006, p. 7). Likewise Defourny and Develtere (1998) write that “democracy in the decision-making process refers theoretically to the rule of ‘one person, one vote’ (and not ‘one share, one vote’), or at least to a strict limit on the fact that actual practices are quite diverse in nature, particularly in the South. This principle shows above all that membership and involvement in decision-making are not primarily functions of the amount of capital owned, as they are in mainstream enterprises” (p. 17). Democratic decision-making is, thus, highlighted as a key distinguishing structural and operational feature of the Social Economy across a range of different geo-political, linguistic, geographic and cultural contexts around the country.

8. “Third sector”: Finally, the eighth indicator, “Third sector,” describes a Social Economy that represents a “middle way,” a sector in its own right that

is distinct from both the public and private sectors. In some instances the term solidarity economy is also used to describe the efforts of Social Economy practitioners/acteurs that work between and within the public, private and non-profit sectors. Lewis and Swinney (2007) make this distinction in their work when they write that “the solidarity economy thrusts social economy actors into the spaces among and between the three economic sectors and inserts reciprocity as the dominant animating driver, creating a space for expanding solidarity” (p. 3). They further define the Solidarity Economy as “conceptually located at the intersection of the private, public, and social economy sectors. It explicitly assumes engagement of all three sectors” (Lewis and Swinney 2007, p. 4).

Most authors situate the Social Economy as the “third sector” located between the public and the private sectors. For example, Lewis and Swinney (2007) describe the Social Economy as “occupying the societal space between the public and private sector” (p. 4). They continue that “within this broad canvas, the social economy is situated as a subset of the third system; it features market-based trading activities being used to meet social goals” (Lewis and Swinney 2007, p. 4). Fairbairn (2004) further explains that the “Social Economy unites organizations rooted in communities and constitutes them as a sector that can engage in national and transnational partnerships and interactions with the state and other actors” (p. 2). Restakis (2006) similarly asserts that:

the broader context for the re examination of the social economy is ultimately the failure of contemporary political and economic policies to provide minimum acceptable levels of economic and social well being Many people see the social economy as a means of redressing these failures by placing social and human concerns at the centre of economics” (p. 2).

Therefore, “modern societies are characterized by three distinct yet interconnected sectors – the private sector, the public sector, and the social economy” (Restakis 2006, p. 10).

In contrast, Painter (2006) provides a different way of looking at the relationship between the state, private sector and the Social Economy. He reconceives of this typology, *situating the public sector (government) at the center with the private and Social Economy sectors on either side*, with both receiving subsidies from government for their operation (Painter 2006, p. 41). What

is particularly interesting in Painter's conceptualization of the relationship between the public, private and Social Economy sectors is the enabling role that he asserts that government can play in helping to support and grow the Social Economy as well as the mutual benefits that he envisions stemming from this relationship. He writes that "governments often pursue goals beyond efficiency, including equity objectives that the social economy may be in a position to help achieve" (Painter 2006, p. 42). Painter (2006) continues that "governments should facilitate the formation of organizations that advance shared common interest and public service objectives ... since social economy enterprises can make a positive contribution to welfare, governments should encourage their formation" (p. 42). In this way Painter envisions that the three sectors can co-exist, with the Social Economy offering producers and consumers an alternative to the private sector in the delivery of goods and services.

Approaches to Defining the Social Economy:

Based upon the approaches delineated in the literature we grouped the works of the authors into three principal approaches (schools of thought) to understanding and conceptualizing the Social Economy. These are: 1) Reformist/CED; 2) Inclusive/Broad-Based; and 3) Transformative/Civil Society. Table 2 depicts the three approaches and outlines the principal defining characteristics of each approach. One of our purposes in creating this typology is to explore how definitions and approaches to the Social Economy impact the promotion of the Social Economy and the recommendations made to government for the establishment of enabling policies and best practices in Canada. It also alludes to some of the geographic, cultural and historical contexts in which the different approaches are rooted.

Table 2: Approaches to Conceptualizing the Social Economy

Defining Characteristics	Primary Focus	Locus of Activity	Primary Associative Function	Geographical Roots of Approach	Primary Objective/ Mission
Reformist/CED	market	local, place-based and people-centred	market	North America	“gap-filling”, fills roles that public and private sector are unable to fulfill
Inclusive/ Broad-Based	society	people-centred	social	North America	Achieve social goals, social values on par with economic values in society
Transformative/ Civil Society	Public sector/ governance	Transnational (both local and global in scope)	transformational/ societal change	Europe / Latin America	Empowerment, propose alternatives to public and private sector governance

Reformist/CED

Defining Principles:

- Prioritizes market functions of Social Economy over social change (i.e., what market advantage can be gained from Social Economy activity, what is the socio-economic value, cost-effectiveness, greater productivity that Social Economy activity provides that validates its existence)
- Concerned with economic measurement and impacts of Social Economy as well as impacting the economy/private sector
- Accepts current market and political structures, bases work in existing structures and accepts as “real” current institutions, boundaries, goals, values and mission of sectoral activity (i.e., private and public sectors)
- Primarily “gap-filling” – filling roles that government (public sector) and market (private sector) are unable, unwilling to or inadequately/ineffectively fulfill
- Social Economy defined by its “role in mitigating the ravages of capitalism

and neo-conservative social-policy” (McMurtry 2002)

- Locally-focused, physical and place-based, people-centred developmental activities
- Focus on marginal communities/groups

The Reformist/CED approach to the Social Economy is founded in community-based action occurring primarily at local levels. This approach is most commonly utilized in English-speaking Canada and North America more broadly. It is rooted in a concern for people and community, particularly those most marginalized and disadvantaged in society. Often referred to as the “people-centred” or “place-based” approach to economic development, the Reformist/CED approach involves a wide range of practices with the common goal of improving economic and social conditions in communities. Downing (2004), for example, describes CED initiatives as the “engines” of the Social Economy, creating and implementing social enterprises and fostering social entrepreneurship strategies in their communities (p. 1). In our analysis we found that many of the authors who contained elements of the Reformist/CED approach in their work were CED practitioners/acteurs.

Reformists advocate the use of community resources for community benefit, including the use of economic tools, participatory processes and grass-roots, democratic decision-making in order to achieve goals. The practice of CED “aims at developing, attracting, and retaining or capturing economic activity for designated locality” (Loxley ed. 2007 p. 39). It is action by people locally to create economic opportunities for development and to improve the social, economic and environmental conditions of community members. For their part, Ninacs and Toye (2002) suggest that organizations developed through CED activities “most often possess the characteristics associated with social economy initiatives, respond to local needs, use local resources as much as possible, and frequently involve local players from different fields” (p. 25). They continue to describe this relationship between improving the lives of the local community and the activities of what they term the “new social economy” writing:

some scholars consider that CED and the social economy are intrinsically interwoven, with CED being a subset of the latter even though CED also supports the development of conventional businesses. While some may disagree on the relationship between CED and the social economy,

it remains vital no matter how it is viewed. This is because a key feature of the new social economy is local commitment and management that ensures coordination between different sectors and authorities. This favours strategic planning, including the development of social economy initiatives and a focus on both social and economic objectives to ensure that projects are truly grounded in local priorities and needs” (p. 26).

Generally speaking, Reformists prioritize the market functions of the Social Economy over social functions; asking, what is the market advantage can be gained from our Social Economy function or is there cost-effectiveness, improved social conditions and/or greater productivity generated by Social Economy activity?

One of the principal aims of Reformist action is to work toward redressing inequalities caused by the capitalist model of economic activity. From this approach, the Social Economy is defined by its “role in mitigating the ravages of capitalism and neo-conservative social-policy” (McMurtry 2002). Lewis and Swinney (2007) explain that “while many have roots in the 19th century struggles of people relegated to the margins by the industrial revolution, others have grown out of the modern ‘margins’, where failures of ‘free market’ orthodoxy have created expanding enclaves in which people had few options other than to try to invent economic alternatives” (p. 4). The Social Economy is essentially seen as a “third sector” that operates between current market (private) and political (public) structures.

For this reason the work of Reformists is often seen as “gap-filling” – filling roles that government (public sector) and market (private sector) are unable to fulfill or do not do so adequately or effectively. Restakis (2006) alludes to this when he writes that “this social and relational imperative is also at the heart of current efforts to promote social economy as a more effective, and humane, means of addressing seemingly implacable social problems in ways that neither the private sector nor government can offer” (p. 15). Within this context, “much CED falls in the category of gap filling” (Loxley ed. 2007, p. 39). Therefore, the approach is “far from being labeled as transformative and has not acquired the status of a social movement” (Loxley ed. 2007, p. 53). This differs from the history of the Social Economy in Québec where “it is important to grasp clearly that recognition of the social economy was first of all a demand expressed by social movements before it became a government initiative. Therein lies the originality of the Quebec institutional context, which saw the emergence of public policy aimed at supporting the development of social economy

projects” (Vaillancourt and Thériault 2006, p. 5). Some of the authors, thus, make the distinction between the Social Economy as demonstrated in Québec and community economic development/social economy as practiced in other jurisdictions across Canada (Loxley 2007; Vaillancourt and Thériault 2006).

At its most “radical,” however, the Reformist/CED approach can take on a transformative orientation, drawing:

its inspiration from socialist and anarcho-syndicalist critiques of capitalism. It accepts the shortcomings of capitalism held by the ‘CED-as-gap-filling’ group and adds to them the lack of economic democracy in capitalism (given private ownership of capital), its patriarchal autocracy and its tendency to recurrent crises and abuse of environmental limits to growth (Loxley ed. 2007, p. 10).

The transformative view of CED argues that “CED should be seen as a viable alternative to the system. Along with workers’ and other forms of co-operatives, CED would replace capitalism, not just compensate for its deficiencies” (Loxley ed. 2007, p. 10). This activity would still primarily be rooted in local communities and work from the bottom-up.

Inclusive/Broad-based

Defining Principles:

- Bridging concept for organizations that have social objectives and generate some economic value
- Places broad limits to governance structures and values in determining what is a Social Economy organization, what is “in” and what is “out”
- Loose boundaries conceptually and structurally/institutionally
- Institutional framework/structure de-emphasized in favor of social objectives and values
- Primary focus is social. Social functions prioritized over economic functions
- Locus of activity: mainly communities and people-centred

- Empowerment is not seen as an essential objective, though voluntary association and self-governance are included as definitional criteria

From the Inclusive/Broad-based perspective the institutions of the Social Economy are intended to serve primarily social interests as opposed to market ones. The Inclusive/Broad-based approach views the Social Economy as a bridging approach for organizations that have a social mission, hold objectives central to their core practice, and who generate some economic value through their activities and practice. This approach “is broad and inclusive of the entire array of organizations that have a social mission: ... The term social economy puts up front the economic value of social organizations – that they produce and market services, employ people, may own valuable assets, and generate social value” (Quarter, Mook and Richmond 2007, p. 17). Quarter, Mook and Richmond (2007) further describe it as “a bridging concept for organizations that have social objectives central to their mission and their practice, and either have explicit economic objectives or generate some economic value through the services they provide and purchases they undertake” (Quarter, Mook and Richmond 2007, p. 17).

Similar to the Reformist/CED approach, the Inclusive/Broad-based approach is associated with the North American perspective on Social Economy, particularly the John Hopkins Comparative Nonprofit Sector Project led by Lester M. Salamon at the John Hopkins University. This approach is comprised of five central organizational features: organized, private, non-profit distributing, self-governing and voluntary (Hall et al. 2005, p. 2-3). These features define the sector in broad terms “encompassing informal as well as formal organizations, religious as well as secular organizations” (Hall et al. 2005, p. 3). Similarly, Defourny and Develtere (1999) note that “in the Anglo-Saxon world, it is primarily the non-profit organisation (NPO) and the non-profit sector which have revived interest in the third sector” (p. 17).

According to the Inclusive perspective the empowerment of individuals and communities through participation in the Social Economy does not play a pivotal role in the organization’s mandate and function. Instead, the notions of voluntary association and a self-governing character are paramount. Even though Social Economy organizations are not viewed as including government agencies of any kind and have a self-governing character, organizations such as universities that might rely heavily on government funding are included as Social Economy. Non-profits that supply public services, and depend on government funds, such as grants or billings to government programs for

services rendered (i.e., health care billings or children and family service facilities) are also included. Other volunteer organizations that serve the public and rely entirely on donors and volunteer services are also included. This is apparent in the context of Northern Canada where the state has been more directly involved in the development of services delivered by Social Economy organizations than in other regions in Canada. One of the most illustrative examples of this is “the role of the federal government in the development of consumer and producer co-operatives” (Abele and Southcott 2007, p. 8). Service to the public (communities) is, therefore, prioritized above empowerment. However, it should be noted that this does not exclude empowerment as a desirable outcome of activity.

Furthermore, although the relationship between discourse and context influences the defining principles of each of the definitional approaches, this relationship impacts and influences the principles of the Inclusive approach to a greater extent than the other two approaches. This is because from the Inclusive/Broad-based perspective it is recognized that there are circumstances where it may be necessary for Social Economy organizations to be heavily reliant on government funding or where government influence is more significant. Again, the Canadian North provides a good context of specific examples where the Federal Government has played a direct role in the development of the Social Economy. These types of historical and culturally-based factors have impressed a requirement of inclusiveness in defining the Social Economy. For example, Quarter, Mook and Richmond note that “the social economy sometimes is used as a catchall for organizations that are neither in the private nor public sectors although, as will be illustrated subsequently, such a conceptualization is inadequate because there is also overlap between some social organizations and the private sector and between others and the public sector” (Quarter, Mook and Richmond 2007, p. 17). This is ultimately indicative of the placement of broad limits on governance structures and values in determining what is “in” and what is “out” of the Social Economy under the Inclusive/Broad-based school of thought.

Transformative/Civil Society

Defining Principles:

- empowerment of individuals and communities, and collective enterprise/ action focus
- contributes to the renewal of positive and active citizenship
- principal focus on political functions of Social Economy and what constitutes economic forms of activity rather than taking this as given
- concerned with political measurement and impacts of Social Economy
- Social Economy viewed as an alternative to neo-conservative, capital models of governance and economic activity, suggests new boundaries and conceptions, does not accept as “given” existing political and economic structures in which we operate (i.e. goal is to transform sectors, re-draw boundaries of operation)
- primary associative function: prioritizes social and societal change and a questioning of what constitutes economic activities over current economic/ market-based system
- locus of activity: transnational (global and local spaces); communities conceived of as broader than geographic location, presents and searches for alternative views and practices of globalization, economy, and ways of practicing politics/governing

Those who subscribe to the Transformative approach see transformative politics and the achievement of societal change as essential to Social Economy discourse and practice. This approach has been most closely associated with French-speaking Canada (specifically Québec and Francophone Canada) and is rooted in the European and Latin-American traditions of Social Economy. The transformative approach is concerned with political and economic functions or opportunities for socio-political action of the Social Economy. In his review of the importance of co-construction and co-production to the growth of the Social Economy in Québec and Latin America Vaillancourt (2008) defines co-production as the “participation by stakeholders from civil society and the market in the implementation of public policy” and co-construction as “participation by those very stakeholders in the design of public policy” (p.12). He continues that “the contribution of co-production to the democratization of public policy stems less from the number of stakeholders from the third sector

present in this policy than from the quality of the relations created between the state and the third sector” (p.20). Measuring the political and socio-economic impacts as well as altering existing political and economic structures is the central mission of the approach.

Thus, the Transformative approach prioritizes societal change over solely the market and social functions of the Social Economy. The Social Economy is defined by its potential as an alternative and can be seen as oppositional in the sense that it represents a challenge to the “status quo” of neo-liberal capitalist expansion and neo-conservative socio-political policy. The Transformative approach also views Social Economy as providing and expressing alternative conceptions of globalization. It is a transnational approach, rooted not at one central level of analysis or physical location, but rather operating at all levels of governance. Communities and spaces, or localities, of action are generally more broadly defined than that of the Reformists and include, for example, virtual communities of Social Economy practice.

This approach is intended to offer new boundaries and conceptions of social, economic and political activity, pushing the envelope and refusing to accept as “given” the current political and economic structures in which we operate. Those who adhere to this approach ask how we can “begin to conceive of the social economy not just as a reaction to the current hegemony of market relationships ... as a historically deep seated and powerful alternative to them. ... This is the re-grounding of the political social economy” (McMurtry 2002, p. 876). He continues that “when one thinks about it, it is in fact precisely the social economy’s tradition of critically evaluating and ultimately challenging this assumed possibility – frame that constitutes its vision and conceptual power” (McMurtry 2004, p. 870). This approach emphasizes the Social Economy tradition of critical engagement and evaluation, of challenging the societal frameworks and structures that constitute certain power imbalances. It represents “a growing will and desire on the part of social movements to propose an alternative model of development, in response to the dominant neo-liberal model” (Neamtan 2002, p. 2).

Finally, the Transformative approach also brings to light the potential for linkages to be developed between various acteurs of the Social Economy, including civil society, and other social movements outside of the Social Economy more broadly. In this way, diverse but theoretically similar movements can work together to inform one another’s policy and practice and develop knowledge-sharing networks that are collaborative and rooted in a common vision of

empowerment. The empowerment of individuals and communities through collective enterprise and action as well as the provision of opportunities for autonomous management are hallmarks of the Transformative approach. The approach reflects “a movement of social transformation, aiming for the democratisation and development of an economy of solidarity; a movement which is able to evolve without confusing political goals with ideas concerning economic development” (Neamtan 2002, p. 4). In this way the Transformative view of Social Economy contributes to the renewal of positive and active citizenship at all levels of governance and seeks, ultimately, to redefine relations between the state, market and Social Economy.

Conclusions – Where do we go from here?

In undertaking this review it must be acknowledged that we could have chosen from many other works and that the typology developed may benefit from some refinement. We view this work, however, as an important preliminary step in seeking to arrive at a common understanding of the potential of the Social Economy to help “communities” to thrive. The authors that were chosen for the study represent a broad cross-sample of the current scope of Social Economy discourse and analysis in Canada. It should be noted that even though some of the works examined in this paper are representative of Social Economy discourse in Québec, no French papers were reviewed in commissioning this work. We recognize that subsequent studies will benefit from, and enable a more comprehensive portrait to be developed through a review of French literature.

The review of key writers on the Social Economy in Canada has revealed that there are conceptual differences in thinking about definitions of the Social Economy. The identification of eight central definitional indicators identified by the majority of authors demonstrated that while there is variation in understanding the Social Economy in terms of its transformative potential, there is generally speaking some agreement on the indicators that form the “crux” of the Social Economy in Canada (i.e., Service to Community/Primacy of persons over profit; Economic and social values and mission; Autonomous management/collective ownership; Democratic governance and decision making etc.). It is worth repeating, however, that while some evidence exists that suggests commonality in utilizing these terms to define the Social Economy the particular meanings of the terms as described by the authors as well as the importance they place on certain indicators over others differs and this should not be overlooked in any analysis of the sector.

The variation in approaches: Reformist/CED, Inclusive/Broad-based, Transformative/ Civil Society is what differentiates and creates fissures among researchers and practitioners/acteurs in coming to understandings of the Social Economy as a cohesive sector across Canada. The divide in approach is both geographic and linguistic, with a stronger connection to the Transformative approach located among authors in Francophone Canada (as well as Europe and Latin America). We believe that this divide will continue to impact future discussions with regard to recommendations made to government for policies that will further grow the Social Economy and could prove challenging in terms of assessing of the impacts of Social Economy policy and practice in Canada. We also believe, however, that the diversity in these approaches significantly enriches the Social Economy sector in Canada and offers opportunities to influence public policy development across a wide range of areas of service delivery. As we move forward in developing policy recommendations and in our practice we must continue to reflect on and revise our conceptualizations of what constitutes the Social Economy. It is essential that we address both perceived and real “natural tensions” that exist between academics and practitioners/acteurs in different geographic and linguistic regions across the country.

In developing a definitional framework and continuum for classifying and unpacking some of the debates and understandings of the Social Economy in the Canadian context, this research represents an important first step toward furthering an enabling environment in which to grow the Social Economy in Canada. It has highlighted areas of commonality that can be capitalized upon to build networks of solidarity as well as called attention to areas of debate and disagreement where the greater development of a common vocabulary and recognition of the validity of various standpoints can help move Social Economy discourse forward in sustainable and positive ways. Ultimately, coming to a better understanding of the similarities and differences across approaches can enable a more rich and informed dialogue to take place in the future – one that aims to be collaborative in defining and discussing the Social Economy rather than prescriptive. This will help to unite the disparate voices of the Social Economy in solidarity to provide a strong, well-articulated voice that is able to insert itself in dialogues on social, economic and political issues.

References/Bibliographie

- Abele, F., and Southcott, C. (2007). The social economy in northern Canada: Developing a portrait. Paper presented at the 1st International CIRIEC Research Conference on the Social Economy.
- Bouchard M., Ferraton C., and Michaud V. (2006). Database on social economy organizations: The qualification criteria. Working Papers of the Canada Research Chair on the Social Economy.
- Bouchard, M. (2006). Defining the Social Economy. Paper presented at the Social Economy Hub Teleconference.
- Canada, Government of. (March 7, 2008). Non-profit organizations across British Columbia to benefit from expanded program. Retrieved from: http://www.wed.gc.ca/77_10173_ENG_ASP.asp.
- Defourny, J., & Develtere, P. (1999). The Social Economy: The worldwide making of a third sector. In *L'économie sociale au Nord et au Sud*.
- Downing, R. (2004). The role of the social economy in strengthening new media development in Canada.
- Fairbairn, B. (2007). What's in a name? Revitalizing communities: Social enterprises in a new political climate.
- Fairbairn, B. (2007). A rose by any other name: The thorny question of social-economy discourse in Canada.
- Fontan, J.-M. (2006). Social Economy in Québec: Dynamic contribution for the development of our communities.
- Fontan, J.-M.. (2006) Partnership-Oriented Research on the Social Economy in Québec Horizons Policy Research Initiative, 8(2), 16-21.
- Hall, M. H., Barr, C. W., Easwaramoorthy, M., Sokolowski, S. W., and Salamon, L. M. (2005). The Canadian nonprofit and voluntary sector in comparative perspective. Toronto, Ontario: Imagine Canada.
- Levesque, B., and Mendell, M. (1999). *L'économie sociale au Québec: éléments théoriques et empiriques pour le débat et la recherche*. Lien social et Politiques, No. 41, 107-108.
- Lewis, M. (2007). Constructing a sustainable future: Exploring the strategic relevance of social and solidarity economy frameworks: BALTA B.C.-Alberta Social Economy Research Alliance.
- Lewis, M., and Swinney, D. (2007). Social economy? Solidarity economy? Exploring the implications of conceptual nuance for acting in a volatile world: BALTA B.C.-Alberta Social Economy Research Alliance.
- Loxley, J. (2007). *Transforming or Reforming Capitalism: Towards a Theory of Community Economic Development*. Halifax: Fernwood Publishing.
- Loxley, J., and Simpson, D. (2007). Government policies toward community economic development (CED) and the Social Economy in Québec and Manitoba: Canadian CED Network (CCEDNET).
- McPherson, I. (2007). Speech to the southern Ontario node symposium., University of Victoria, Victoria.
- MacPherson, I. (2007). Considering options: The social economy in Canada - Understandings, present impact, policy implications. In I. MacPherson (Ed.), *One Path to Co-operative Studies* (Vol. 1, pp. 423-454). Victoria, BC: New Rochdale Press.

References/Bibliographie

- McDougall, B. (2007). Results of the 2006 feasibility study on the for-profit segment of the community sector.
- McMurtry, J. J. (2004). Social economy as political practice. *International Journal of Social Economics*, 31(9), 868-878.
- Neamtan, N. (2002). The social and solidarity economy: Towards an 'alternative globalisation'. Paper presented at the Citizenship and Globalization: Exploring participation and democracy in a global context.
- Neamtan, N. (2005). The social economy: Finding a way between the market and the state. *Policy Options*, July-August 2005, 71-76.
- Ninacs, W., and Toye, M. (2002). A review of the theory and practice of social economy / économie sociale in Canada. SRDC Working Paper Series, 02-02.
- Painter, A. (2006). The Social Economy in Canada: Concepts, Data and Measurement. *Horizons Policy Research Initiative*, 8(2), 30-34.
- Painter, A. (2006). The Role of Government in Supporting the Social Economy. *Horizons Policy Research Initiative*, 8(2), 40-43.
- Patton, M. Q. (2002). *Qualitative research and evaluation methods*. Thousand Oaks, California: Sage Publications.
- Quarter, J., Mook, L., & Richmond, B.-J. (2007). *The Social Economy*. In *What Counts: Social Accounting for Nonprofits and Cooperatives* (2nd ed.). London: Sigel Press.
- Paltridge, B. (2006). *Discourse analysis*. London: Continuum.
- Restakis, J. (2006). Defining the Social Economy - The BC Context. Paper presented at the BC Social Economy Roundtable, 2006.
- Shragge, E., Graefe, P., and Fontan, J.-M. (2001). The citizenship building consequences of Quebec's social economy: Canadian Policy Research Networks Inc. (CPRN).
- Vaillancourt, Y. (2008). Social economy in the co-construction of public policy.
- Vaillancourt, Y., and Thériault, L. (2006). Social economy, social policy and federalism in Canada.

Feedback on the Occasional Papers

Please let us know what you found helpful in this Occasional Paper:

How could the Occasional Paper Series be improved?

Is there anything that needs to be changed in the text?

Name and contact info (optional):

Mail to:

Canadian Social Economy Research Partnerships

c/o Canadian Social Economy Research Hub

University of Victoria

2300 McKenzie Avenue

Technology Enterprise Facility (TEF) - Rm 214

Victoria BC V8P 5C2

Canada

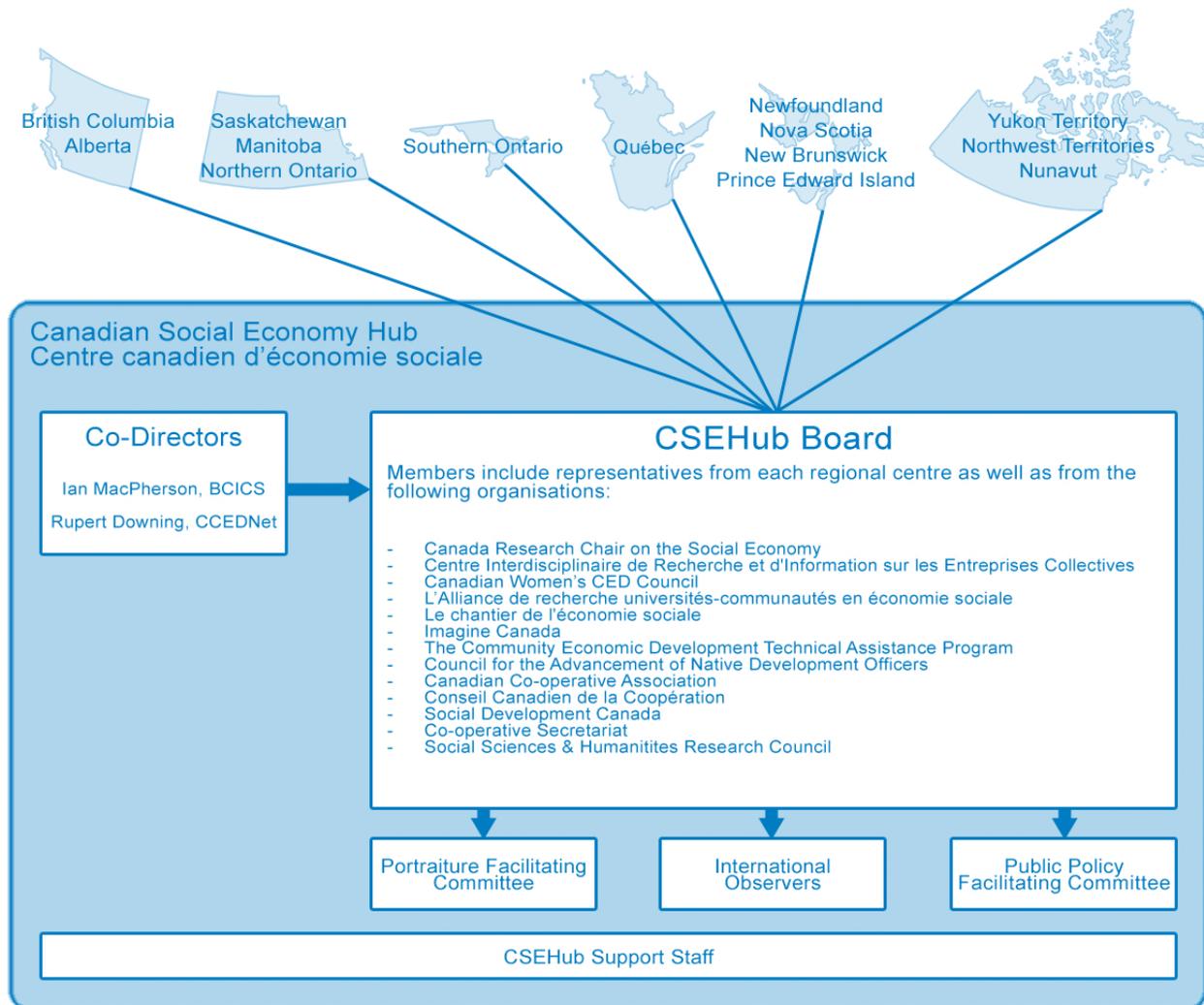
Tel: 250.472.4976

Fax: 250.853.3930

secoord@uvic.ca

www.socialeconomyhub.ca

The Canadian Social Economy Research Partnerships Centre canadien de recherche partenariale en économie sociale



Questions? Please Contact Us

Annie McKittrick, Manager/ Gestionnaire
 Telephone: (250) 472-4976
 Fax: (250) 853-3930
 Email: secoord@uvic.ca
 Website: www.socialeconomyhub.ca
www.centreeconomiesociale.ca

**Canadian Social Economy Research Partnerships/
Centre canadien de recherche partenariale en
économie sociale**
 University of Victoria
 2300 McKenzie Avenue
 Technology Enterprise Facility (TEF) Rm 214
 Victoria, BC V8P 5C2



**University
of Victoria**



Social Sciences and Humanities
Research Council of Canada

Conseil de recherches en
sciences humaines du Canada

Canada