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A Rose by Any Name:

The Thorny Question of Social Economy Discourse in Canada

Brett Fairbairn

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ABSTRACT

This paper considers how language and concepts about the Social Economy reflect particular histories, political contexts, community aspirations, and modes of engagement across Canada. Governments, activists, and researchers have all sought to deploy words and concepts as tools for defining and mobilizing specific kinds of interests. The paper acknowledges and contextualizes the uniquely strong Social Economy in Québec and provides a framework for understanding the less-well-known social economies of other parts of Canada. While community-driven organizations can thrive no matter what they are called, in some respects it does matter how a sector or grouping defines itself and is defined by others. This is particularly true for interactions with the state and other actors. At the national level, the new political context created by the election of a Conservative government provides an opportunity and perhaps necessity for the Social Economy to present itself in different ways.

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

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Introduction

“Imaginary” identities are increasingly important in an age of globalization. Imagination serves as “a staging ground for action” in the words of Arjun Appadurai, a conceptualization that seems to fit very well with the imagining of the Social Economy¹. Globalization has undermined traditional notions of community because of the dynamic importance it assigns to “flows” that occur in global spaces: flows of capital, goods, information, and people². Such flows are privileged over traditional communities and the “places” around which such communities typically were formed. Change, agency, and autonomy are often associated with the global, while communities are cast as traditional and reactive³. Imagining new forms of action and autonomy, particularly those that mediate between the “spaces” of globalization and the “places” where people live and work, is critical. The Social Economy is potentially a very important act of imagining in exactly this sense: it 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.

Currently, the Social Economy is well-defined and presents itself as a relatively cohesive entity only in Québec. In the rest of Canada, concepts like co-operatives, community economic development, and Aboriginal economic development are familiar to community leaders and academics. By contrast “Social Economy” was rarely mentioned outside of specialized research networks until recently. The following two sections survey the outlines of what composes the Social Economy and how it has taken shape historically in Québec and in the rest of Canada.

The Situation in Québec

The origins and development of the Social Economy in Québec have been well-documented and have presented an inspiration for the rest of Canada⁴.

1 Arjun Appadurai, *Modernity at Large: Cultural Dimensions of Globalization* (Minneapolis: University of Minnesota Press, 1996), p. 31. For my understanding of issues of globalization and community, here and in what follows, I am indebted to the insights provided by the Globalization and the Human Condition project headed by Will Coleman of McMaster University.

2 Manuel Castells, *The Rise of the Network Society* (Oxford: Blackwell, 1996).

3 Arturo Escobar, “Culture Sits in Places: Reflections on Globalism and Subaltern Strategies of Localization,” *Political Geography* 20 (2), 2001: 139-74, p. 141.

4 Except as otherwise noted, what follows is based on Jean-Louis Laville, Benoît Lévesque and Marguerite Mendell, *The Social Economy: Diverse approaches and practices in Europe and Canada* (Cahier de l'ARUC-ÉS No C-11-2006, November 2006), pp. 15ff; Louis Favreau, “Social Economy and Public Policy: The Quebec Experience,” in Government of Canada, Policy Research Initia-

In Québec, the term Social Economy emerged – based on knowledge of European examples – as an overarching, or defining concept to unify a variety of already existing, on-the-ground initiatives, most of them taking the form of nonprofit, mutual, or co-operative enterprises. As the term emerged, it took solid form by its attachment to specific networks and organizations.

One important part of the recent history of the Social Economy in Québec was the growing diversification and organizational articulation of co-operatives. The 1980s and 1990s were prolific in this regard, with new generations of co-operatives including worker co-ops, housing co-ops, employee credit unions, forestry co-operatives, and co-operatives initiated by community, environmental, and trade-union movements. Support structures also developed, such as the Québec Federation of Labour's Solidarity Fund in the 1980s, the Confederation of National Trade Unions' Fondation in the 1990s, and the creation of Coopératives de développement régional as a form of development partnership between co-operatives and the state. The transformation of the co-operative sector was reflected in the 1992 États généraux de la coopération, which resulted in the strengthening and reorganization of the Conseil de la coopération du Québec (CCQ; now Conseil québécois de la coopération et de la mutualité) as the intermediary between the co-operative movement and government.

At the same time that co-operatives were reinventing themselves and diversifying, new nonprofit initiatives were also emerging, many of them springing from the community economic development (CED) movement. The years 1995-6 saw a growing wave of organization in connection with issues of poverty, jobs, and development. This included a Women's March Against Poverty led by the Fédération des femmes du Québec, and activities surrounding two social-economic summits in 1996. A key series of events occurred in connection with the government of Québec's Summit on the Economy and Employment. In preparation for the summit, a task force on the Social Economy conducted studies and organized the sector. Its report led to the creation of the Chantier de l'économie sociale.

In 1996, the Chantier adopted a definition of the Social Economy on the basis of five points: social-economy enterprises serve members or the collectivity rather than simply creating profits; they are managed autonomously in relation to the state; they follow democratic decision-making involving users and workers; they divide surpluses primarily among persons and labour rather than awarding surpluses to capital; and, they base their activities on principles of

tive *Horizons* 8, 2 (Feb. 2006), pp. 7-15; and Jacques Caillouette, *The Community and Social Economy Movement in Québec: Development and Recognition (1989-2003)*, *Cahiers du CRISES* no. ET0415 (August 2004).

participation, taking control, and individual and collective responsibility⁵.

The Chantier was understood to have the purposes of promoting job creation, speaking on behalf of the Social Economy, and acting as an intermediary with government. Its status was formalized in 1999 when it was recognized as an official agency by which the nonprofit social-economy sector deals with the government of Québec⁶. In structure the Chantier has been described as a network of networks of people active in the Social Economy. *Comités régionales de l'économie sociale (CRÉS)* brought together social-economy organizations and allies (such as women's organizations, public-sector agencies, and businesses) at the local level. Its networked character was also expressed in other alliances. During the early years of the Chantier, its development was supported by the *Mouvement Desjardins*, which housed the initial offices of the Chantier in the *Complexe Desjardins* in Montréal.

The Chantier and the CCQ have been recognized as two independent representatives of the Social Economy. Both organizations have membership in the Canadian section of the International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC), and in the *Réseau d'investissement social du Québec (RISQ)*. As noted by Favreau among others, the development of the CCQ, Chantier, and other organizations in Québec illustrates a democratic partnership model involving the state in social-economic development; this model is distinct from both market-based neoliberal approaches and government-centred social-statist approaches⁷. The strategic role played by co-operatives in the origins, development, and present state of the Social Economy represents somewhat of a contrast to Europe, but possibly a similarity to the rest of Canada⁸.

A word about the more recent political context in Québec is also in order. A new era began with the election of a Liberal government under Jean Charest in 2003, which activists saw as less sympathetic than its *Parti Québécois* predecessor⁹. The new government perceived itself as an agent for re-engineering of government and the economy, leaving less room for codetermination partner-

5 <http://www.chantier.qc.ca/> as accessed 3 May 2007.

6 On the work of the task force, see William A. Ninacs, "Social Economy: A Practitioner's Viewpoint," in *Social Economy: International Debates and Perspectives*, ed. Eric Shragge and Jean-Marc Fontan (Montréal: Black Rose Books, 2000), pp. 130-155.

7 Favreau, p. 13.

8 Laville, Lévesque, and Mendell, p. 15.

9 Marie J. Bouchard, Benoît Lévesque, and Julie St-Pierre, *Modèle québécois de développement et gouvernance: entre le partenariat et le néolibéralisme? Cahiers du CRISES No. ET0505 (April 2005)*.

ships with organized representatives of civil society¹⁰. However, the cohesion and solidity of the Social Economy in Québec, including the strength of its networks and federations, meant that it succeeded in getting even a new and relatively unsympathetic government to take account of it. The change in government, that is to say, came at a moment of maturity for the Québec Social Economy and it weathered the change.

The Social Economy may have additional changes to weather if the rise of the right-wing Action Démocratique Québec, or ADQ in the 26 March 2007 elections is any indication. The ADQ surpassed the Parti Québécois to establish itself as the official opposition, and reduced Charest's Liberals to a minority government. This new party represents a combination of "soft" nationalism, social conservatism, and pro-free-enterprise economic policy. Its expanded strength in Québec represents a challenge to the assumptions of the 1990s about a distinct Québec model of economic governance. What the influence of the ADQ may mean for the Social Economy is unclear. Its party platform advocated support for health and home-care co-operatives, stating that co-operatives and the Social Economy would be considered as methods for alternative delivery of public services¹¹. In its campaign, the ADQ promised to spend \$145 million to develop private and co-operative health clinics, an idea criticized by opponents as a form of privatization¹².

The resurgence of new right-wing ideas in Québec is a trend mirrored at the federal level in Canada as a whole. While in Québec, political change confronts a Social Economy that is quite mature and cohesive, in the rest of Canada political ups and downs pose questions of identity and direction for a sector that is only emerging.

The Situation in the Rest of Canada

In many respects, the rest of Canada illustrates a pattern that resembles Québec's, but with the Social Economy having a lower degree of mobilization and formalization, and less recognition by governments. Commonalities between Québec and the rest of Canada (and differences from Europe and some other parts of the world) include the foundational role of the community-economic-development (CED) movement in the origins of the Social Economy as well as the strategic role played by co-operatives. Indeed, outside Québec and some Francophone areas the Social Economy could be said to consist of networks of

¹⁰ Caillouette, p. 1.

¹¹ Action Démocratique Québec, *Une vision. Un plan. Une parole. Un plan A pour le Québec*, pp. 11,15, and 25.

¹² <http://www.cnw.ca/fr/releases/archive/March2007/22/c5462.html> as accessed 7 May 2007.

Co-operatives were more or less the original wave of Social Economy and CED – the first form for mobilizing general community social capital in economic enterprises..

co-operatives plus networks of CED practitioners – with only a loose collective identification between the two. In certain regions, particularly the West, one would want to add Aboriginal economic development as another set of important networks¹³. It is important to remember that although this paper refers to these different networks as parts of the Social Economy, their members do not commonly imagine themselves as part of a Social Economy.

Co-operatives

There are 7,000 co-operatives and over 10 million members across Canada; among which credit unions have the largest membership and assets¹⁴. Co-operatives were more or less the original wave of Social Economy and CED – the first form for mobilizing general community social capital in economic enterprises. The first in Canada was likely created in Stellarton, Nova Scotia in 1861, before Canada became a country.¹⁵ We have to say “official” because communities, including Aboriginal communities in Canada, practised many forms of shared or mutual economic activity even before the introduction of modern legal systems. Co-operatives are spread throughout Canada today, but they have made an impact on the public imagination mostly through well-known regional movements, such as: the Desjardins movement of caisses populaires and agricultural co-operatives in Québec after 1900; the Prairie farm co-operative movement after 1906; the Antigonish Movement in the Atlantic Provinces during the interwar years; Arctic Co-operatives in the North since the 1960s. Very large individual co-operatives include Vancity Credit Union in Vancouver, Calgary Co-operative (with 500,000 members, the largest locally based consumer co-operative in North America), and Mountain Equipment Co-operative (a direct-membership nation-wide retail co-operative with 2 million members). With the exception of particular sectors and regions such as the North, housing co-operatives, and worker co-operatives; most of the well-known co-operative movements emerged by the 1940s.

Co-operatives in Canada tend to focus on practical concerns, and to be connected to communities of place. However, increasingly these are regional rather than strictly local in character. Compared to other branches of the Social

13 Brett Fairbairn and Omer Chouinard, eds., *L'Économie sociale au Canada* (Special Issue of *Économie et Solidarités* 33, 1), 2002. Also: Brett Fairbairn, *What is the Social Economy?* (Power-Point presentation to Linking, Learning, Leveraging Social Economy Prairie Node Symposium, 27 January 2006).

14 For information on co-operatives, see the websites of the Canadian Co-operative Association (<http://www.coopscanada.coop>) and of the Co-operatives Secretariat, Government of Canada (<http://coop.gc.ca>).

15 Ian MacPherson, *Each for All: A History of the Co-operative Movement in English Canada, 1909-1945* (Toronto: Macmillan, 1979), p. 22.

Economy, co-operatives are distinguished by two key features: first, a strong self-help, economic dynamic focused on a defined membership (co-operatives serve only, or mainly their members); and second, a unique propensity, at least among certain types of co-operatives, to band together into strong geographic and sectoral second- and third-tier organizations. Co-operatives are formally the largest and best-networked part of the Social Economy. Nationally, Anglophone co-operatives are represented by the Canadian Co-operative Association, and Francophone ones by the Conseil canadien de la coopération, both of which are based on regional and sectoral organizations.

Community Economic Development (CED)

The Canadian CED Network (CCEDnet) defines CED as “action by people locally to create economic opportunities and enhance social conditions in their communities on a sustainable and inclusive basis, particularly with those who are most disadvantaged.” It goes on to say that CED is “a community-based and community-directed process that explicitly combines social and economic development and fosters the economic, social, ecological and cultural well being of communities. . . . It is founded on the belief that problems facing communities – unemployment, poverty, job loss, environmental degradation and loss of community control – need to be addressed in a holistic and participatory way.”¹⁶ CED is, in other words, an approach to development, and one that has become embodied, over time, in its own networks and institutions. Although co-operatives could be said to be the first stage of the CED movement, in practice CED has become separately organized and structured since the mid-20th century and constitutes a field of its own.¹⁷

The CED community includes practitioners who are developers, facilitators, trainers, and staff – working together with community members and community leaders. There are many kinds of organizations at various levels, as well as many initiatives that are project-based and grant-funded, ranging from social-purchasing portals to housing development to job creation. The diversity of CED activities may be one reason the sector is insufficiently appreciated by governments and the general public. Some influential CED leaders have formalized the concept around specific structures, especially community-development corporations as a preferred tool.¹⁸ These nonprofit, locally based

¹⁶ <http://www.ccednet-rcdec.ca/en/pages/home.asp> as accessed 23 March 2007.

¹⁷ CED could be considered an subfield of the broader area of community development, a participatory approach that is applied in many areas from social work to health to urban planning. The Community Development Society (mostly U.S.-based, but with many Canadian members) represents many practitioners: <http://comm-dev.org/> as accessed 23 March 2007.

¹⁸ This approach is particularly associated with Stewart Perry, a founder of the CED movement who headed the American-based Center for Community Economic Development from 1969-75.

corporations access grants and other revenues in order to promote local business development, generate training, and initiate projects that revitalize their communities. They epitomize a CED approach because they are open-ended and multipurpose. In Canada, such organizations include Community Futures Development Corporations (258 in rural Canada¹⁹), Community Development Corporations (CDCs), Regional Development Corporations, Neighborhood Development Organizations, and others by other names. At the other end of a spectrum are approaches to CED that do not focus on an organizational structure, but rather on a planning or engagement process that can be practised by almost any organization in almost any setting.²⁰ Between these approaches are organizations that mix a particular approach with a structure dedicated to a certain group (women's CED, Francophone CED, and so on); and of course, these approaches are not mutually exclusive.

Despite the diversity of forms and approaches, in the last two decades Canadian CED practitioners have built an inclusive nation-wide network to encompass their common interests. Growing interest in CED became evident when the Economic Council of Canada published a statement in favour of the approach in 1990.²¹ Meanwhile, practitioners of CED were getting more organized. A BC-based Centre for Community Enterprise was created in 1988, and began publishing a newsletter, *Making Waves*, in 1989.²² The newsletter quickly became a leading national vehicle for the CED movement in Canada. Networking among CED practitioners and organizations led to the emergence of the nation-wide network, the Canadian CED Network or CCEDnet, in the 1990s.²³

Is the Social Economy part of CED, or is it the other way around? Are co-operatives part of both? Such questions are mind-bending in the abstract, and try the patience of community-level people in all movements, who really

Perry participated in founding many community-development corporations (CDCs) in the USA and Canada. Within Canada, a key proponent of CDCs has been Greg Macleod of Cape Breton, whose *New Dawn Enterprises* (1979) claims to be the oldest CDC in the country. <http://www.newdawn.ca> as accessed 23 March 2007.

19 <http://www.ic.gc.ca/cmb/welcomeic.nsf/icPages/Programs#regional> as accessed 9 May 2007.

20 An example of this approach is David J. A. Douglas, *Community Economic Development and Strategic Planning: An Overview Course* (Ottawa: Employment and Immigration Canada, 1992).

21 Economic Council of Canada, *From the Bottom Up: The Community Economic-Development Approach. A Statement* (1990).

22 *Making Waves: Canada's Community Economic Development Magazine*. See <http://www.ced-works.com/index.html>.

23 David J. A. Douglas et al., *Community Economic Development in Canada* (Toronto, Ont.: McGraw-Hill Ryerson, 1994); Burt Galaway and Joe Hudson, eds., *Community Economic Development: Perspectives on Research and Policy* (Toronto: Thompson Educational Pub., 1994).

just want to get on with doing good things and don't much care what they are called. Instead of focusing only on abstract definitions, it is perhaps helpful to see things like CED, Social Economy, and co-operatives as networks or communities: groups of people with ideas and membership that sometimes overlap, but with their own histories, outlooks, and strategies. The example of Aboriginal economic development illustrates further why it may be helpful to think this way.

Aboriginal Economic Development

Aboriginal communities in Canada — First Nations, Inuit, and Métis — in many cases experience high levels of poverty, unemployment, and social distress, though there are important exceptions to this generalization. People interested in development in Aboriginal communities have tried various approaches including co-operatives and CED, with some successes. Generally, it has become apparent that the shape of alternative economic development in Aboriginal communities is different from non-Aboriginal communities. There seem to be two main reasons for this: on the one hand, the political-institutional environment, especially band structures and the striving for Aboriginal self-government; and on the other hand, a desire to find business forms that are compatible with the variety of Aboriginal cultural values and social structures.

Like the other concepts discussed here, Aboriginal economic development is represented by its own networks and organizations. One of these, at the national level, is the Council for the Advancement of Native Development Officers, or CANDO, created in 1990.²⁴ While there is no clear consensus about what, specifically, makes an enterprise Aboriginal, it is clear that it has something to do with both an Aboriginal identity (leadership, staff, members or clients, symbols and visual identification) and Aboriginal context (consistency with the values, structure, and culture of Aboriginal communities, including with their political structures). Well-known examples of Aboriginal economic development often include enterprises owned by First Nations governments, such as the Kitsaki development corporation owned and controlled by the Lac La Ronge Indian Band. Chief Cook Searson and her band council serve on the corporation board of directors, guiding it in the interests of their eight thousand band members.²⁵ Such an organization, integrated into its community and the political structures in an Aboriginal setting, is part of Aboriginal economic development in a way that a government development corporation would not be considered part of the Social Economy, CED, or co-operatives.

²⁴ <http://www.edo.ca/home> as accessed 23 March 2007.

²⁵ <http://www.kitsaki.com> as accessed 29 March 2007.

Social-economy, CED, or co-operative approaches certainly succeed in some or many Aboriginal communities, yet it is presumptuous to imagine that they are a universal fit. A co-operative might not be consistent with community values and cultures if it created division or conflict in the community by serving only its members rather than the community as a whole; or if it became entangled in unproductive ways with family and political structures. It might be a very good fit in other cases, but in societies that have been colonized for generations, the imposition of models or approaches from outside — even supposedly participatory ones — is an extremely sensitive issue. For a variety of reasons, it is better to conceptualize Aboriginal economic development as an approach of its own: resembling and parallel to CED and co-operative development, part of the Social Economy if by this we mean it is led by a community-based process that is oriented toward the benefit of the community and its individual members in both economic and social terms.

For a generation or more, co-operatives, CED, and Aboriginal Economic Development have been established concepts with legs in communities. They had people on the ground, networks to organize them and spread information, and representatives who spoke in public and policy forums. The concept of Social Economy, by contrast, was still primarily an abstraction in Canada as a whole — a term used almost exclusively by researchers who were familiar with Québec or Europe.²⁶ In 2004-6 it appeared that this situation might change fundamentally due to a combination of government action “from above” and policy entrepreneurship “from below.”

The Martin (Liberal) Government and the Social Economy, 2004-6

Realistically, most non-Francophone Canadians would have continued to talk about CED, co-ops, or their other community-based projects — and hardly have mentioned Social Economy — if not for the brief prime ministership of Paul Martin. Martin declared his support for the Social Economy, and his intention to raise it as an issue, even before he took office.²⁷ After Martin became leader of the Liberal Party and, by virtue of this, Prime Minister in December 2003, both his advisors and social-economy representatives had to have been aware of the possibility of Martin taking action in relation to the Social Economy. They did not have to wait long. The first Speech from the Throne during Martin’s prime ministership, in spring 2004, introduced the term Social Economy to many Anglophone Canadians for the first time, and pledged the Liberal government’s support for the concept in a variety of concrete forms.

²⁶ For example, the pioneering work by Jack Quarter, *Canada’s Social Economy: Co-operatives, Non-Profits, and Other Community Enterprises* (Toronto: James Lorimer, 1992).

²⁷ Marguerite Mendell, “The Social Economy in Québec” (VIII Congreso Internacional del CLAD sobre la Reforma del Estado y de la Administración Pública, Panamá, 28-31 Oct. 2003), p. 15.

In replying to the Speech from the Throne on 3 February 2004, Martin announced a “new deal” in which the government would work with “people who are applying entrepreneurial creativity ... to pursue social and environmental goals. That’s what we call the Social Economy – and while it may be a less familiar part of the economy, we must not underestimate its importance.”²⁸ Martin cited the example of RESO, a large coalition of trade unions, businesses, community groups, and active citizens that revitalized southwestern Montréal in the 1990s. “The Social Economy is everywhere,” Martin declared. “We intend to make the Social Economy a key part of Canada’s social policy tool kit.... Over the course of the next year we will work with these groups to develop the tools they require. Just as entrepreneurs are essential to a strong economy, social entrepreneurs are essential to strong communities, and they require our support. This Government will offer it.”

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Representatives of the Social Economy were actively involved in conversations with federal officials as the practical details were being worked out. A kind of social-economy federal policy community began to constitute itself, within which CCEDnet and other community and academic representatives participated along with federal officials from relevant departments, notably Social Development (later Human Resources and Social Development) Canada. While at first co-operatives were somewhat sidelined in these conversations, over time a kind of partnership developed between CCEDnet and the Canadian Co-operative Association (CCA) as two spokespersons for the Social Economy, mirroring the partnership of the Chantier and the CCQ in Québec. One might say that the alliance between CCEDnet and the CCA — a partnership that required an act of will and choice, rather than one that emerged naturally or automatically — was the beginning of a Canadian Social Economy. At any rate, through the work of all actors, federal programs for the Social Economy began to take shape.

The 16 March 2004 budget announced “increased support for community-based economic development and the Social Economy.”²⁹ This pledge took shape in a variety of important measures. The government announced \$100 million in funding for the Social Economy over 5 years, \$30 million of this for Québec; these funds were to be used for lending to social-economy enterprises and to build up regional patient-capital funds. The development funds were supplemented by \$17 million for capacity building over 2 years — to fund strategic planning in CED organizations — and \$15 million for research over 5

28 http://www.pco-bcp.gc.ca/default.asp?Page=sftddt&Language=E&doc=sftddt2004_1_reply_e.htm as accessed 4 May 2007 (and the same for the following).

29 Government of Canada press release 2004-021, “Budget 2004: Health Care, Learning and Communities,” 23 March 2004 (<http://www.fin.gc.ca/news04/04-021e.html> as accessed 4 May 2007).

years.³⁰ On the government side, delivery of the social-economy programming was complicated because it cut across multiple agencies and required their collaboration. While Human Resources and Social Development Canada emerged as the leader on social-economy policy, Industry Canada and regional economic development agencies were to deliver most of the business-oriented programming.³¹ Meanwhile the research support, extended through the Social Sciences and Humanities Research Council of Canada (an arms-length academic granting agency), took the form of community-university research alliances in 6 regions of Canada.³²

The Martin government remained in power for less than two years after its historic social-economy program announcements. This provided sufficient time to begin to popularize the concept of Social Economy, at least among officials, lobby and interest group representatives, researchers, and some community leaders. But the Martin government did not survive long enough to get its concrete programs up and running.

The Harper (Conservative) Government, 2006-

In January 2006 the Conservatives under Stephen Harper were elected to form a minority government in Ottawa, creating a new era and new uncertainties for social-economy discourse. “Canada’s New Government” (as it calls itself) is not necessarily hostile to the Social Economy. It would be more precise to say that the Conservatives took power with no policy perspective on the subject, and with other concerns uppermost on its their minds. Also, as a minority leader, Harper has to govern with the task in mind always to keep a majority in the House of Commons with the help of other parties, and always to seek the possibility of going to the electorate to win majority support. These political considerations helped keep the government focused on a narrow range of chosen priorities.

The New Government’s Speech from the Throne in April 2006, entitled “Turning a New Leaf,” outlined five priorities for the government’s first year.³³ These included “bringing accountability back to government,” a reference to politi-

30 Government of Canada, “Budget 2004 – Budget Plan. Chapter 4 – Moving Forward on the Priorities of Canadians – The Importance of Communities.” <http://www.fin.gc.ca/budget04/bp/bpc4de.htm> as accessed 4 May 2007.

31 These include the department’s Federal Economic Development Initiative for Northern Ontario (FedNor), and the independent regional federal agencies, the Atlantic Canada Opportunities Agency (ACOA) and Western Economic Diversification (WD).

32 See the Canadian Social Economy Hub website: <http://www.socialeconomynetwork.ca/hub/>.

33 <http://www.sft-ddt.gc.ca/> as accessed 4 May 2007.

cal spending scandals under the previous Liberal government; reducing tax burdens on ordinary Canadians and families, which resulted in spending cuts, debt repayment, and tax relief in the spring 2006 budget; “tackling crime” through tougher legislation on crimes and sentencing; “providing child care choice and support,” which took the form of a universal childcare tax benefit to individuals; and, finally, “ensuring Canadians receive the health care they have paid for”, a commitment expressed through a federal-provincial agreement to reduce hospital wait times. Other issues that arose either in the Speech from the Throne or during the government’s first year in office included the renewal of federalism (during the year, a resolution was passed recognizing Québec as a “nation”), increased military spending and Canada’s significant role in Afghanistan, and environmental issues related to global warming and the Kyoto Accord.

Conservative discourse need not be hostile to the idea of Social Economy. There are connecting points around ideas such as accountability to citizens, healthy crime-free communities, or choice and effectiveness in health and social services. But while Conservative ideas can be compatible with social-economy initiatives, the fairly narrow focus of the Harper government during its first year precluded engagement with the Social Economy. Accountability, safety, and choice were discussed as matters between individuals and their governments, in which organizations of community or mutual self-help did not figure. In any case, it would have been too much to expect the Conservatives to embrace warmly a set of initiatives closely associated with the predecessor they had just defeated.

Social Economy was not on the new government’s political radar. Federal agencies and officials continued to pursue the 2004 policies, but without a clear sense of direction, support from above, or sense that this necessarily fit the New Government’s approach. Then in the new government’s first budget in the spring of 2006 – when a variety of social, cultural, and citizenship programs were cut in an apparent effort to show that the government was focusing on what it considered basics – all new spending on the Social Economy was also eliminated. The cuts included the capacity-building and enterprise-financing funds except where these had already been committed under signed agreements with partners. In practice this meant that the programs were canceled everywhere outside Québec; in the rest of Canada, only the research funds committed through the Social Sciences and Humanities Research Council continued. Thus federal funding for the development of the Social Economy continues only where the Social Economy is already strong, and has been canceled where the Social Economy is in its formative stages. The effect is to accentuate differences between Québec and the rest of Canada, which previously had looked (in relation to the Social Economy) to be on similar tracks with Québec simply further ahead.

The government's ideas about social-economic development issues became a little clearer with the Advantage Canada economic plan issued in November 2006. Advantage Canada is a strategic, long-term economic plan emphasizing mobility, competitiveness, and workforce issues. It aims to create five "advantages" for Canada compared to other countries: tax advantages for personal income and for investment; fiscal advantages (low public debt); entrepreneurial advantages (reduced "red tape"); knowledge advantages (the "best-educated, most flexible, most skilled workforce in the world"); and infrastructure advantages (roads, bridges, ports, gateways, public transit).³⁴ The government aims to achieve these advantages by focusing government on what it does best (efficiency); creating new opportunities and choices for people (reduced taxes, expanded education and training); investing for sustainable growth (strategic partnerships for scientific research, clean environment, modern infrastructure); and freeing business to grow and succeed. In short, the plan outlines a conservative or neoliberal approach of reducing government and focusing it on supportive functions for the growth of private enterprise, including research, education, infrastructure, and environment.

In a significant policy statement on 6 February 2007, Prime Minister Harper reviewed the New Government's accomplishments and outlined further priorities for the future: democratic institutions, a strong federation, a strong economy, and an assertive role in the world.³⁵ In line with this vision, the 2007 budget emphasized further tax cuts, spending restraint, and debt reduction accompanied by strategic investments along the lines of what Advantage Canada envisioned. From the point of view of the Social Economy, two features of the prime minister's statement stand out. First, he discussed agriculture, forestry, and environment in terms that suggested a more assertive kind of government leadership and public policy, language that suggested how partnerships with communities and social-economy organizations might fit into the government's vision. These possibilities were realized at least in part when the government subsequently, in June 2007, released its Growing Forward agricultural strategy: the Canadian Co-operative Association declared it a "victory for the co-operative sector" that co-operatives were explicitly recognized in the document.³⁶ But – second – the prime minister's February 2007 statement also made it clear that generally the government aims to accentuate "a clear choice between a country where individuals are free to make the best of their choices and the most of their opportunities, versus a country where the State presumes to know best how to spend your money and raise your family." In other words, the prime minister sees issues within the dichotomy of either state

³⁴ Canada's New Government, *Advantage Canada: Building a Strong Economy for Canadians*. 2006.

³⁵ "Prime Minister Harper outlines agenda for a stronger, safer, better Canada," <http://www.sft-ddt.gc.ca> as accessed 13 February 2007.

³⁶ Canadian Co-operative Association Co-operative News Briefs 8,13 (July 12, 2007).

action or individual action, a polarized view that leaves relatively little room for Social Economy.

The Social Economy in a Conservative State

The Social Economy in Canada as a whole faces two key challenges. First, it has to decide whether it wants to imagine and constitute itself as a Social Economy, to become a staging ground for action along the lines spoken of by Appadurai. Second, it has to imagine how to do this in a Conservative state, or at least in a way that is not connected to a single, failed Liberal government.

Some might argue that minority governments are weak and transitory; perhaps the Harper Conservatives will prove short-lived and the Social Economy need pay little attention to them. But there are reasons to disagree with such a view. So far the Harper government seems remarkably stable (which also reflects the fragmentation of the opposition among multiple parties), and given that Canadians like to reward well-performing governments with at least two terms in office, it would seem dubious to bet on the Conservatives leaving office soon. But also, it would be foolish to count on the Liberals to save the Social Economy even if they did return to power. The Liberals also have a history of pro-business economic policies, albeit with a more active role for the state, and are not inherently friends of Social Economy. Paul Martin as Liberal Prime Minister supported the Social Economy, but Martin is gone. There is nothing to say a new Liberal government would automatically support Martin's policies. In any case, can the Social Economy afford to be bound to a single political party and its fortunes? Much as the Social Economy in Québec has had to resist and find its way under a Liberal government, and now faces the interesting new politics of the ADQ, the Social Economy in the rest of Canada has to be strong enough and willing to adapt.

There are connecting points where the Social Economy, constituted as an actor in policy and in social and economic development, could engage the current government or any other. At a minimum, CED practitioners, co-operative leaders, and Aboriginal economic developers will have to deal with impacts of Conservative government policies — ignoring these will be impossible. The economic strategy outlined in Advantage Canada, favouring mobility, trade, investment, and skills, will accelerate the impacts of globalization on all kinds of communities, putting pressures on existing social enterprises and also creating needs in communities that existing or new social enterprises might address. But also, the selective government intervention as in areas like agriculture, forestry, research and development, skills, and perhaps health and environment will create new programs which will favour the development of some kinds of organizations — either social-economy ones or others. All of these are reasons

the Social Economy should continue to organize itself, pay close attention, and engage with government.

An assertive, self-conscious Social Economy could put forward its ability to work with the government in at least four areas. First, the Social Economy represents community self-help, self-reliance, choice, and nongovernmental decision-making, qualities that resonate with Conservative ideals. Stressing the communitarian aspects of Social Economy is a way to build bridges. Second, the government's stated interest in the productivity and skills of the work force suggests a goal toward which certain kinds of social-economy organizations could contribute, especially those that focus on social inclusion through labour-force insertion and integration for marginalized and disadvantaged groups. Many social co-ops and social enterprises exist to deal with such issues, especially in other countries, and more of them could exist in Canada.³⁷ Third, the government's view of fiscal conservatism, a restricted role for government, and accentuation of citizen choice suggest that discussions of alternative service delivery may increase, much as the ADQ has explicitly raised this issue in Québec. A number of years ago co-operatives developed a nation-wide discussion and consultation about the possible roles of co-operatives in public-service delivery, a study that might now need to be dusted off.³⁸ As the discussions at that time showed, there are many sensitive issues involved, but this may not be an area that can be wholly avoided. Fourth, one should not forget that even a Conservative government sees areas for active government intervention; it simply sees these areas differently than a Liberal government does. Stated areas of interest for Prime Minister Harper — all with great political significance — include access to health care (community solutions; prevention and health promotion), environmental businesses (partnerships for clean environment), and agriculture and forestry (adaptation and value-added). If the Social Economy wishes to present itself as such, it could be an important partner in these areas, as co-operatives already are in the new agricultural policy.

So there are grounds for conversations with the federal government and its officials. The real question is whether there is a Social Economy — as a unified entity, a staging ground for action, and not just an analytical category used by researchers. “Because the definition of ‘Social Economy’ by social actors is the result of compromise — including compromise with the State — it is not

37 See the chapter by Louis Favreau in Spear et al.

38 John Restakis and Evert Lindquist (eds.), *The Co-op Alternative: Civil Society and the Future of Public Services* (Toronto: Institute of Public Administration of Canada, 2001).

accepted without reservation, debate, and even opposition.”³⁹ That observation based on the Québec experience applies also to the rest of Canada. The term “Social Economy” is hardly established. Should one think about the Social Economy outside Québec at all?

What something is is fundamental; but at times, what it is called may also be important. “Tis but thy name that is my enemy,” Shakespeare has Juliet say in *Romeo and Juliet*: “Romeo, doff thy name.” Should the Social Economy follow Juliet’s advice in order to woo a Conservative government? Would Social Economy by another name smell as sweet?

One possibility is that Canadians outside Québec and Francophone regions could continue with an unconnected assortment of CED initiatives and networks, co-operatives, and other good works in communities, without seriously attempting to link these together. This is, effectively, the status quo, in which most of these movements and their representatives have complained of being ignored or underestimated by governments and the public; but some might argue that the status quo is not that bad. If a unified concept would make greater impact, but Social Economy is not the right formulation, one could search for an alternative that means almost the same thing while fitting better with a pro-business, individualistically oriented climate. Older language of voluntarism and the voluntary sector is one possibility, likely consonant with Conservative ideas of community. “Social Enterprise” is an interesting, newer candidate for such a term.

Social enterprise has a variety of definitions. EMES, a Belgian-based research network, defines social enterprises as “organisations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits. They place a high value on their independence and on economic risk-taking related to ongoing socio-economic activity.”⁴⁰ The mostly US-based Social Enterprise Alliance defines a social enterprise as “an organization or venture that advances its social mission through entrepreneurial, earned income strategies.”⁴¹ The US idea is more about charitable or nonprofit associations that decide to enter into commercial or businesslike activities to further their philanthropic mandates. Charles King, founder of the alliance, is quoted as saying “What we are about is the business of changing the entire paradigm by which not-for-profits operate and generate the capital they need to carry out their mission.” Some would include private,

39 Laville, Lévesque, and Mendell, p. 18.

40 <http://www.emes.net> as accessed 29 March 2007.

41 <http://www.se-alliance.org/> as accessed 29 March 2007 (and the same for the following quote from Charles King).

for-profit businesses that have prominent social or environmental goals.⁴² Elements of the American idea of social enterprise can be seen in the Vancouver-based Enterprising Non-Profits initiative, which began in 1997. Enterprising Non-Profits has a variety of sponsors including financial co-operatives, led by Canada's biggest credit union, Vancity, as well as corporate, government, and foundation sponsors. It promotes social entrepreneurship annual conferences since 2006. The initiative explicitly appeals to, but is not limited to, nonprofits that are adopting new entrepreneurial strategies.⁴³

But adopting a term like social enterprise is no panacea – it is no better defined than Social Economy, could still be captured by particular groups or interests, and is not necessarily more appealing to a Conservative government or any other. It makes sense not to put all one's eggs in one basket and to mix up terms – social enterprise, Social Economy, community business, voluntary initiative – but all these concepts have to have roots in something real and preferably cohesive.

The reality from which to begin – as stressed in this paper – is that co-operatives, CED, Aboriginal economic development, and similar and related initiatives are strong, vibrant, and creative across Canada. But they do struggle to make themselves noticed. At root, this problem is part of what the idea of constituting a Social Economy is intended to solve, as illustrated by the Québec experience. Pursuing the idea of a Social Economy means systematic networking and collaboration among existing networks: continuing and deepening partnership between the community-economic-development and co-operative movements, between CCEDnet and CCA at the national level and their local/regional affiliates; and expansion of this partnership to connect with Aboriginal economic development networks. The goal of all this is to make more impact on governments and on the public. Such collaboration also means the development of a set of concepts, a discourse, that begins to convey what all these movements and organizations have in common. Since 2004, networks of Canadians have only begun to imagine what a Social Economy would look like, and whether the concept best captures their hopes and aspirations.

⁴² See, for example, the definition used by Harvard Business School's Social Enterprise Initiative, which explicitly includes "the nonprofit, private, and public sectors": <http://www.hbs.edu/social-enterprise/> as accessed 29 March 2007.

⁴³ <http://www.enterprisingnonprofits.ca/> as accessed 3 May 2007.

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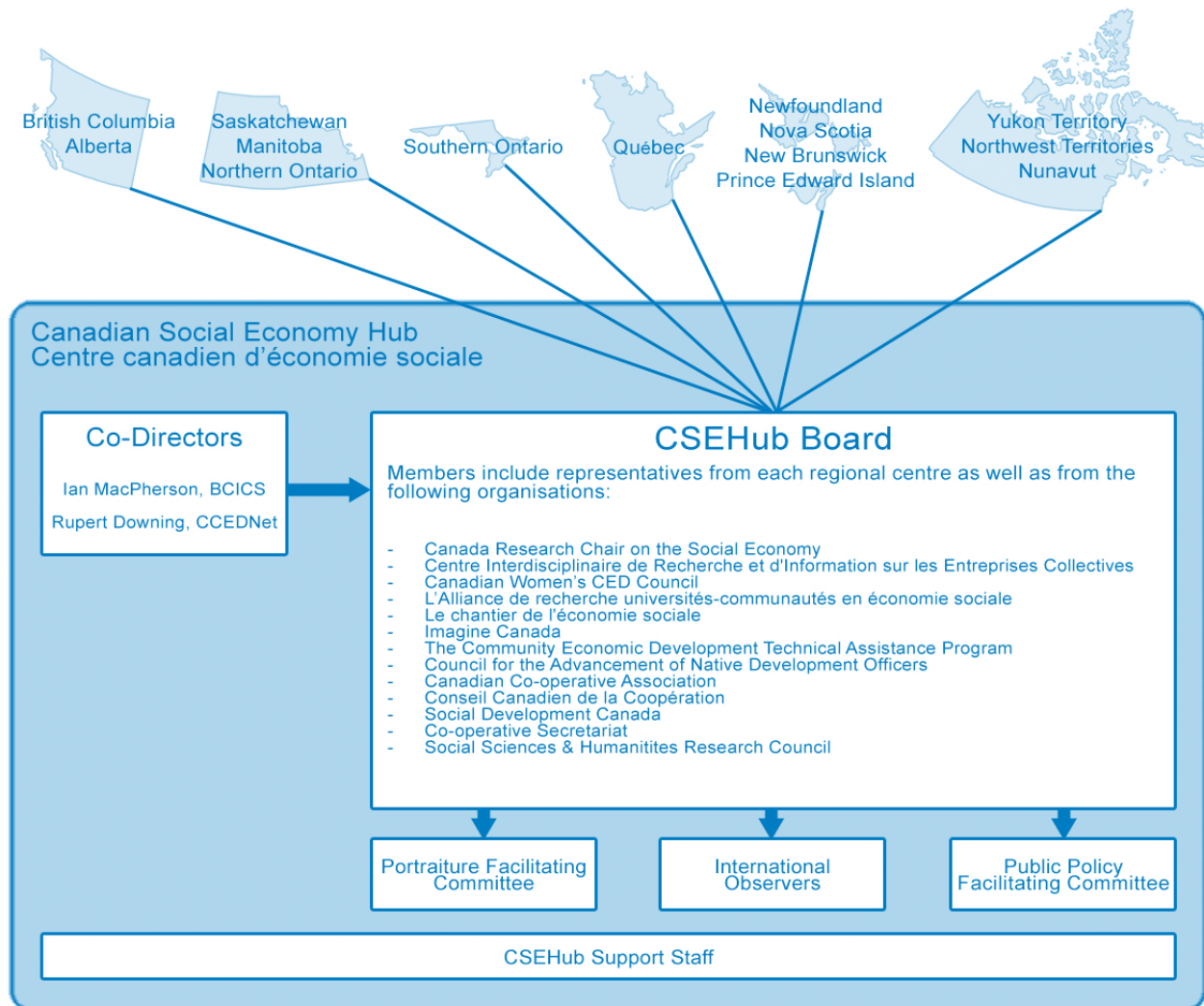
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