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Public Policy for the Social Economy: Building a people-centred economy in Canada

Sarah Amyot, Rupert Downing, and Crystal Tremblay

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Produced for the Public Policy Facilitating Committee of the Canadian Social Economy Hub.

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ABSTRACT

This paper proposes future directions to strengthen the public policy environment for the Social Economy as a key agenda to building a more people-centred economy in Canada. It highlights the public policy findings of research by the Canadian Social Economy Hub and Research Partnerships and suggests the significant recent trends in public policy by governments at all levels to invest in the Social Economy as a means to address social, economic and environmental issues. Specific analysis is provided on key issues in the public policy environment for the SE in Canada, and in its potential contribution to social, economic and environmental outcomes. Examples of public policy are provided that contribute to an enabling environment for the SE by all levels of government, and cross cutting themes in the policy development process are identified based on key informant interviews. Finally the paper suggests some key lessons for actors in the Social Economy (co-operatives, social movements, community non profit organizations, credit unions and others) on how they can work to co-construct a common policy agenda based on their shared values and objectives. Based on this analysis, proposals are provided to strengthen the public policy environment for the SE in Canada for it to contribute to a more people-centred economy in Canada.

Keywords: social/solidarity economy, community-economic development, civil society, non-profit sector, co-operative development, mutual associations, public policy, socio-economic development, policy instruments.

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1.0 Introduction: The Case for a More People-Centred Economy

Canada's economy is pluralistic, made up of three overlapping sectors: the private market, the state including all levels of government, and civil society. This latter sector has become known as the Social Economy – a unique realm made up of co-operatives, non-profit societies, civil society associations, credit unions and social enterprises that are working to combine social objectives with economic ones. The Social Economy is not only able to create unique outcomes that make a difference in the social, economic and environmental conditions of people and communities, but it is also part of a shifting the relationship between citizens, the state and the market- both effected by these shifts and affecting them.

The Canadian Social Economy Research Partnerships has supported efforts by actors in the Social Economy to dialogue on how to build a more people-centred economy in Canada; learning from our own experiences, those of other places around the world, and the research and evidence that has been produced by the Social Economy Research Partnership program funded by the Social Science and Humanities Research Council. Central to this process is the importance of constructing public policy that enables the Social Economy to maximise its potential to create unique socio-economic and environmental outcomes, and connect to state and private sector activities in ways that contribute to those outcomes. A new policy framework is being posited that places people, their communities and ecosystems at the centre of the public policy paradigm for Canada's future. This vision is a work in progress and calls on values of participation, co-operation, co-construction and co-production in the policy making process. This paper seeks to contribute to that process by reflecting on some of the existing policy initiatives in Canada and abroad, and proposing directions to strengthen the policy environment in the future.

In this paper we provide a brief introduction to the Social Economy concept including some of the different approaches to its definition. We argue for a normative vision of the Social Economy as part of a movement to create a people-centred economy. Next we argue for the importance of the Social Economy as a tool to create positive social, economic and environmental outcomes. We scan some international and Canadian examples of the policy initiatives that are supportive of the Social Economy. In doing so, we also reflect on the Canadian experience with the cancelled federal Social Economy Initiative to begin thinking about the conditions for success of policies supportive of the Social Economy. In the end, we conclude that effective policy supporting the Social Economy includes attention to both specific policy instruments and domains, and to the policy process itself.

We conclude that effective policy supporting the Social Economy includes attention to both specific policy instruments and domains, and to the policy process itself.

In developing this paper we have undertaken some original research on both the process and nature of a small sample of policy initiatives in different Canadian jurisdictions. Researchers identified a number of important policy initiatives supporting the Social Economy in Canada. Key informants were identified based on the researchers' experience working in the Social Economy field, and in some cases by using a snowball sampling technique. Policy initiatives at the municipal, provincial and federal level are considered; as are policies from a range of areas important to the Social Economy—financing, the environment, sustainable development, social enterprise, co-operative development, and cross-government policy frameworks are all considered. In total nineteen interviews were conducted with Social Economy practitioners and government officials. The goal of the interviews was twofold: to produce a series of Public Policy Profiles (see www.canadiansocialeconomyhub.ca) that provide an introduction to policy initiatives supporting the Social Economy and to better understand the evolution, successes, and challenges of public policy for the Social Economy. The interviews lasted approximately 30-minutes to just over an hour, and were audio-recorded.

We have also examined research by the Canadian Social Economy Research Partnerships to determine whether the role and importance of the Social Economy is growing in Canada and around the world, and why. We have concluded that there is increased recognition of the interdependence of social, economic and environmental conditions, and the need for public policies that take this interdependence into account. Economic frameworks that posit the private market sector of the economy as the only important factor in determining socio-economic conditions have failed to produce significant results in terms of improved socio-economic conditions or environmental sustainability for large sections of the world's population. Market failures in meeting human needs for the basic conditions of life have been cited around the world as a major challenge to achieving human goals for development (e.g. the United Nations Millennium Development Goals). The recent global economic crisis has exacerbated these failures.

In Canada, one in eight Canadians, including over 600 000 children live in poverty (Statistics Canada, 2005a). Further, one in six Canadian workers earn less than \$10 an hour, a figure that places the annual income well below the poverty line for many Canadian workers (Statistics Canada, 2005b). The reality is even starker for some groups of Canadians. For Aboriginal people, new immigrants, single mothers, people with disabilities, and single adults over 45-years-old the poverty rate is estimated to be between 20 percent and 40 percent. Further, the situation for most Canadians is worsening, even in times of prosperity. In 2004, the average earnings of the richest 10 percent of Canada's families raising children was 82 times that earned by the poorest 10 percent of Canada's families- almost triple what it was in 1976 (Yalnizyan, 2007, p. 1).

This trend holds true even when we consider more average incomes. The after-tax income share for the bottom half of Canadian income earners has declined over the last 30-years, even though all but the richest 10 percent of Canadian families are working on average 200 more hours a year. These trends have only been aggravated by the current economic crisis. As the world was plunged into a deep recession last year, it became all the more obvious that an economy left largely unregulated and in the hands of a few could not be trusted to protect the interests of people. According to the CCPA, at the height of Canada's recession 486,000 full-time jobs "evaporated into thin air" (2010). Clearly, our current approach is not working.

And this has consequences for everyone. According to Laurie (2008) "the cost of poverty is reflected in remedial, intergenerational and opportunity costs" to society. These costs are seen in a range of areas, including "extra costs to our health care system, the costs of crime, the cost of social assistance, the loss of tax revenue that accompanies low earnings, and the intergenerational costs that flow from the likelihood that a significant number of children from poor families will also be poor when they grow up" (ibid, p. 1). Two examples highlight the magnitude of the cost to Canadians. The link between poor health and poverty is well established; poverty leads to poor health (Phipps, 2004). Poor children, for example, have higher incidences of almost every health problem than their non-poor counterparts. Laurie (2008) estimates that the additional costs to the health care system from poverty related issues is around \$7.6 billion annually. A second example is drawn from the Report of the Royal Commission on Aboriginal Peoples that estimated that the costs associated with the economic marginalization of Aboriginal people were \$7.5 billion. Of this \$5.8 billion was estimated as the cost of foregone production because Aboriginal people are not able to fully participate to their potential in the economy and \$1.7 billion for extra expenditures on remedial programs to cope with social problems (RCAP, 1996). Clearly, the costs of not addressing social and economic issues are immense.

1.1 The Changing Nature of the Canadian Welfare State

These realities are the effect of government policies and decisions that have encouraged the concentration of wealth in the hands of a few at the expense of the rest of us, our society, and environment. These decisions have been driven by neoliberal policy directions, programs, and actions undertaken by governments and private actors.

Much has been written about the changing nature of the welfare state throughout much of the industrialized world. Gone is the 'golden age' of the Canadian

welfare state, replaced with the new logic of neoliberalism¹. The influence of neoliberalism is evident in the privatization of public services (Evans & Shields, 2002; Goode & Maskovsky, 2001), the removal of the universality standard from social policy initiatives, the efforts to shrink the role of the state in providing for citizens (Rice & Prince, 2000), the increased deregulation of the private sector (Evans & Shields, 2002), and the downloading of responsibility for social care onto community organizations without adequate support.

Alongside these shifts has been a re-thinking of the role of the state and its relationship to other sectors. This has been characterised in much policy writing as a shift from government to governance to reflect a broadened understanding of government beyond the state. The role of the state has changed from an interventionist state to a facilitative one (Brock and Bulpitt, 2007; Ilcan and Basok, 2004). As Brock and Bulpitt (2007) argue, the state now needs the participation of a wide range of actors, notably Social Economy organisations, as “partners in policy” to pursue its objectives (p. 7). As Vaillancourt and Theriault (2008) note “this ‘new architecture’ for social policy specifically involves being open to a new model in which government intervention continues to be valued, as it was at the height of the Welfare State, but brings with it innovative mechanisms whereby the *État stratège* agrees to construct social policy with civil society players, notably those in the social or solidarity-based economy, in order to push back marketization and advance the general interest or common good” (Vaillancourt and Theriault, 2008, p. 13). Community-based organisations (CBOs) that make up the Social Economy are increasingly looked to to provide social services and supports. However, the impacts of these shifts are still being determined and we find ourselves at a crossroads, faced with a choice between a ‘hollowed out’ state and one that builds on the democratic and innovative capacity of community to provide for people and the environment. We believe that support to the Social Economy, with its emphasis on values of participation, justice and democracy is the way forward. In order for the Social Economy to fulfil its potential; however, a policy environment reflective of these values is required.

¹ However, the transition to a neoliberal economy and state has not been as smooth, nor is it as complete is often suggested. Harvey (2005) notes that “all is not well with the neoliberal state” and goes on to argue that it is an inherently unstable political formation; its ideology and practices riddled with contradictions. Further, J.K. Gibson-Graham (and many other feminist and heterodox economists) argue that myriad non-capitalist economic forms exist alongside conventionally capitalist and neoliberal activities (Gibson-Graham, 2008). Unpaid labour, barter systems, co-operative forms, and subsistence labour all form important, if often invisible, sectors of the economy. Recognising these forms is important to destabilize the dominance of capitalism and neoliberalism, exposing them as “more like [their] less well-known siblings, as a set of practices scattered over a landscape – in families, neighborhoods, households, organizations, states, and private, public and social enterprises. [Their] dominance in any time or place ... an open question rather than an initial presumption” (ibid, p.615).

1.2 The Social Economy Response

1.2.1 What is the Social Economy?

In this paper we discuss the Social Economy as one part of the movement for ‘people-centred economy’. A people-centred economy is one in which the importance of human life, well-being and social development are put above the interests of capital accumulation and greed. This draws attention to the need for reform that extends into other areas of policy (e.g. social assistance, health care) and regulatory (banking and capital markets, for e.g.) reform. Given the events of the last year in which the financial markets and their leaders demonstrated a shocking lack of regard for human wellbeing, we feel it important to emphasize these ideas.

It has been widely noted that while the practices of the Social Economy have a long and diverse history, the term itself has been less widely used in Canada outside of Québec. While there is continuing debate about how to understand the Social Economy, according to Levesque & Mendell “on the ground organisations and actors have established criteria for identifying who is part of the Social Economy based on the legal status of organisations, their values (e.g. solidarity) and their principles and rules (e.g. one person, one vote)” (2005, p. 10). The Chantier de l’économie sociale, for example, articulates its vision of the Social Economy based on a set of principles regarding organisational practice, the social value of economic activity, and the conditions under which goods and services are produced (ibid). Social Economy organisations operating within these principles have developed in two areas: to respond to urgent social needs, and in areas of new opportunity (e.g. organic farming, etc.). Further, Social Economy organisations can have predominantly market or non-market characteristics (ibid, 2005). We believe that it is important to consider these diverse practices under the banner of the Social Economy as doing so strengthens all components, while at the same time we must stay attentive to the differences between Social Economy organisations and practices. Our interviews support the perspective that different types of practice require different policy supports.

Underpinning this discourse is the need for public policy that supports the Social Economy as a means for delivering on social, economic and environmental objectives and arriving at solutions to pressing issues of homelessness and landlessness, poverty, social exclusion, sustainable livelihoods, community decline, and environmental degradation. In addition, ample research points to the importance of the Social Economy in producing other important public goods: in the form of social capital and sustainable livelihoods, the democratization of the economy and governance, social innovation, and by working in partnership with other movements for justice.

Despite this broad ‘on the ground’ understanding of the Social Economy, in practice in Canada, government policy has tended to favour the more market-oriented functions of the Social Economy, at times reducing the Social Economy to ‘Social Economy enterprises’

Despite this broad ‘on the ground’ understanding of the Social Economy in practice in Canada, government policy has tended to favour the more market-oriented functions of the Social Economy, at times reducing the Social Economy to ‘Social Economy enterprises’ (Industry Canada, 2004). This is problematic because it heightens the risk of simply monetizing areas of life that were formerly seen as outside the market economy rather than expanding our understanding of the economy to include broader considerations. It is when the Social Economy is reduced to little more than Social Economy enterprises that the Social Economy begins to resemble the ‘hollowed out’ state discussed previously. It is because of this that attention to the principles and processes of policy construction are so important. Policy supporting the Social Economy must mirror the fundamental principles of the Social Economy and support it in maintaining these principles.

1.2.2 Size and Scope

Many claim that the “third sector” (i.e the Social Economy) is too small a component of overall economic production to make a significant difference to global and national economic conditions. However, there is an increasing recognition amongst international and national agencies concerned with sustainable human development that the Social Economy does in fact play a major role, not only in creating the means of sustainable livelihoods for people and communities, but also as an aggregate force for creating alternatives to neoliberal free market strategies that have failed to provide the means for people to share in wealth and prosperity and balance environmental and social concerns with economic growth. Salamon (2007) estimates that the non-profit sector contributes over \$1.9 trillion annually to the global economy, creating over 48.4 million full-time jobs. In Canada alone, this sector represents \$79.1 billion or 7.8 percent of the GDP (larger than the automotive or manufacturing industries), employing over 2 million people (or over 11.1 percent of the economically active population (Imagine Canada, XXX). In fact, Canada’s non-profit and voluntary sector is the second largest in the world. Further, Salamon et al. (2003) find that civil society organizations employ ten times more people than the utilities and textile industries, five times more people than the food manufacturing industry, and about twenty percent more people than the transportation industry in the thirty-five countries they reviewed. The co-operative sector provides another 100 million jobs worldwide- twenty percent more than multinational corporations (International Co-operative Alliance, 2009). In Canada, the co-operative sector employs over 160 000 Canadians. The Social Economy as a whole is thought to contribute more than ten percent of the GDP in many EU countries (CIRIEC, 2007).

However, the impact of the Social Economy cannot be measured by size alone. One of its unique strengths is the ability to contribute to public policy objectives and other important public goods in the form of social capital and sustainable livelihoods, the democratization of the economy and governance, social innovation, and by working in partnership with other movements for justice. The report, entitled *The Social Economy and CED in Canada: Next Steps for Public Policy*, commissioned by the federal government in 2005 came to the conclusion that “Social Economy enterprises ... share the objective of contributing to the economic and social development of the communities in which they are located... In addition, they play a role in terms of capacity building and empowerment, contributing to new forms of citizenship and participatory democracy” (Downing and Neamtan, 2005, p.18). Vaillancourt (2009) also stresses this point, arguing that the contribution of the Social Economy “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. 286).

1.2.3 Supporting Public Policy objectives

The Social Economy has been recognised as an effective tool to address key concerns for public policy in Canada, such as: environmental sustainability, poverty-reduction, social inclusion, employment-creation, and as a mechanism to address the needs of marginalised populations. Many of our interview respondents also point to the ways that the Social Economy successfully marries social, environmental and economic benefits and suggest there is a growing appetite for this type of policy by Canadians. In the section that follows we provide an overview of some of the key literature on how the Social Economy works to address these areas.

Environmental sustainability: There is overwhelming evidence that global challenges such as climate change, peak oil, and environmental degradation require significant economic transformation, “from a globalised growth economy...to a federation of decentralized, social, and ecological economies” (Lewis and Conaty, 2009). Communities must radically shift economies to become more locally and regionally self-reliant and resilient. Local and national governments around the world and in Canada are embracing the dynamic and interconnected social and ecological nature of the Social Economy producing new models for development and sustainability. The Social Economy is contributing in areas such as the reconstruction of local food systems, forging energy solutions, and promoting sustainable water and waste management.

Some would argue we are approaching a global food crises, marked by concerns about poverty and hunger, food safety and food-borne illness, and the effect of

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increasing energy prices on food costs (Brown et al., 2009). The Social Economy plays an important role in rebuilding community food security. Brown et al. (2009) argue that secure food systems need to be created by people to meet their own needs, and that this requires heightened public awareness of the Social Economy, food security and effective policies. “This commitment to people’s exercise of some degree of control over decisions that impact their food supply is critical to the concept of community food security” (ibid, p.12). Many organizations that support local food systems are already part of the Social Economy including: farmers’ markets, Community Supported Agriculture arrangements, local food marketing co-operatives, community gardens, Fair Trade organizations, food security networks, and municipal food policy councils. A research scan of Canadian Social Economy Research Partnerships’ (CSERP) projects reveals food security to be a significant theme. This research has revealed how Social Economy organizations and communities are addressing community food security in the short and long-term. Some of these projects include a ‘Community Supported Agriculture (CSA) manual’ developed as an educational tool by members of the Northern Ontario Node, the ‘Harvest Moon Society Local Food Initiative’ in Manitoba. The manual integrates co-operative local marketing and the exploration of ‘Fair Trade procurement policies’ in Canada by the Southern Ontario node.

The role of the Social Economy in producing sustainable energy is also significant. Community-based Social Economy organizations stabilize long-term energy price, contribute to the creation of jobs and encourage a culture of energy conservation. One example is the Ontario Sustainability Energy Association (OSEA), representing 75 community non-profit organizations involved in developing green power. Community-based power is locally owned, generates renewable energy that optimizes local benefits (economic, social, environmental), is accessible, democratically controlled, and economically viable. The Green Energy and Economy Act in that province supports the development of community-owned, renewable energy projects through a Feed-In Tariff program that provides resources, creates an ‘obligation to connect’ and provides small scale producers with a guaranteed rate of return on the energy produced. According to Kristopher Stephens of the OSEA, the Act has amounted to a complete “re-vamp” of the energy sector. Because it unites the dual focuses of environmental protection and economic development the Act has significant widespread appeal. In Stephens’ words, it is effective because “everyone can play” and because of its potential to create new jobs. There are successful social and economic development models for sustainable energy production around the world (particularly in Brazil, US, Germany and China) employing over 2.3 million people (OSEA, n.d.).

Community-based water management, wherein the people who live and work in coastal areas and depend on the resources it provides are enabled to take

an active role in the management of water resources and increasingly share planning and decision-making responsibilities with government are also building around the world. Place-based approaches, such as Integrated Water Resource Management, are widely recognized as a preferred way to deal with water challenges and local economic development (Morin & Cantin, 2009). As of 2009, there were at least 115 decentralized governance arrangements at the provincial or territorial level in Canada that play important roles in making water management governance structures more integrated and place-based (Morin & Cantin, 2009). One successful model is the Atlantic Coastal Action Program (ACAP), a unique, community-based program initiated by Environment Canada in 1991 to help Atlantic Canadians restore and sustain watersheds and adjacent coastal areas (McNeil et al., 2006). The main objective of the program was to get communities involved with governments in developing restoration and maintenance plans and actions for harbors and estuaries in Atlantic Canada. The ACAP is made up of 14 non-profit ecosystem-based organizations in the four Atlantic provinces. Although initially focused on water quality issues the program has subsequently evolved to focus on wider sustainability issues, including economic and social issues. This program demonstrates the value of a community-based approach and produces results on an ecosystem basis.

The Social Economy has played an important role in waste management in Canada and around the world. Co-operatives and social enterprises are extremely valuable in providing opportunities for economic development, social inclusion and conservation (Tremblay et al., 2010). In many cities throughout the world, informal recycling has become the main activity of the impoverished and excluded population (Gutberlet, 2009). Organised resource-recovery and recycling through co-operatives and social enterprise offers a unique opportunity to generate income and to empower those involved. In addition, this activity produces environmental and resource-conservation benefits. In countries such as Brazil, the federal government is supportive of recycling co-operatives and has invested in capacity building. One significant commitment, announced in 2007, was the release of 14.6 million Reais (approximately US\$ 7.5 million) as a new credit line with the National Economic and Social Development Bank, targeted at recycling co-operatives. At the municipal level, the government of Sao Paulo has signed a decree that guarantees recycling co-operatives priority in the city's tender for the collection of recyclables. A successful example in Canada is the United We Can bottle depot, a social enterprise in Vancouver's Downtown Eastside, playing a vital role in generating employment to the homeless and unemployed, while contributing to resource recovery and recycling (Tremblay et al., 2010).

Ecosystem based planning and the role of the Social Economy in sustainability is a key issue, producing local sustainable economies in response to environmental

challenges including climate change and environmental degradation. The Great Bear rainforest initiative in British Columbia is an example of the role of the Social Economy in conservation-based economic development. The Great Bear Rainforest Sustainable Development Initiative is a \$116 million fund overseen by Coast Opportunity Funds. Initial funding was made available by the Province of British Columbia, the Government of Canada, and six private foundations. Sixty million dollars of this remains in a perpetual endowment that contributes \$2-2.5 million/yr toward to conservation efforts, the other \$60 million is made available through the Economic Development Fund that supports projects compatible with this ecosystem-based management regime. According to Scott Rhemus of the Coast Opportunities Fund, this initiative represents a significant rethinking of how economic development is undertaken in resource dependent communities; the initiative is trying to undermine the “the split in many communities of conservation versus development. We think there is a way forward here that is building an economy based on a healthy environment.”

Next Steps: Environmental Sustainability

Provide tax incentives, program support and procurement advantages to social enterprises that contribute to reducing carbon emissions, enhancing waste management and water safety. Expand legislation (as in the Ontario Green Energy and Economy Act) that advantages social and community enterprises in the production of renewable energy to other jurisdictions. Adapt the US Green Jobs Initiative to the Canadian environment to invest in social enterprises that work in niche opportunities to create jobs in new environmentally sustainable technologies, products and services. Support “Transition Towns” initiatives that mobilize community ingenuity in reducing carbon impacts and climate change. Expand models like the Coast Opportunity Funds and Eco-Trust Canada’s program in BC that marry private and government investment in integrated models of conservation, eco-system based resource management and planning, and sustainable community economic development.

Poverty reduction, employment creation and social inclusion: Despite its wealth and a sizeable resource base, poverty and social exclusion remain significant issues in Canada. According to the OECD, these issues are often found ‘clustered together’ “effectively interacting in such ways as to exacerbate and compound each other” (Noya & OECD, 2008, p. 5). As these issues become more entrenched governments throughout the world are increasingly interested in finding solutions to the dual problems of poverty and social exclusion. However, there are no simple solutions. As a recent CCEDNet report

notes “the evidence base shows that poverty alleviation requires comprehensive, holistic strategies, flexible enough to be tailored to address unique challenges faced by individuals and their communities at the local level” (Chamberlain, 2008, p. 23). Similarly MacKinnon (2008) notes that effective poverty reduction and social inclusion strategies address a range of issues, including “income... health, education, access to services, housing, debt, quality of life, dignity and autonomy” (p. 1). These calls for a holistic approach are supported by the OECD, who has singled out Canada and Australia as two countries “with relatively low levels of unemployment but significant levels of poverty persistence (at the 60 percent median) demonstrat[ing] the need for active social policies ... accompanied by schemes to ensure adequate income” (2008, p. 6). Toye and Infanti (2004) reviewed the literature on social exclusion and poverty and note that policies to combat social exclusion range from “*weak* models, which focus on excluded individuals and their reintegration into dominant society, to *strong* models, which emphasize the role of exclusionary forces and advocates for structural reforms to diminish their impacts” (Barata cited in Toye and Infanti, 2004, p.12). They further suggest that strategies at both the individual and community level are necessary to combat poverty and social exclusion (ibid.)

The Social Economy has been recognized as a tool to overcome poverty, economic marginalization and social exclusion. In 2004, the Government of Canada recognized the Social Economy as part of the government’s “social policy tool kit,” at the same time noting there is much more to learn about “the power and potential” of the Social Economy (HRSDC, 2004). In the UK the government has argued that social enterprises “help reduce social exclusion not only by meeting social needs, but also by improving the design and delivery of public services and by ‘pioneering new approaches’” (UK Office of the Third Sector cited in Noya & OECD, 2008, p. 10) and has developed new legal forms to support the development of the sector. Further, the OECD argues that Social Economy organisations make an “important contribution” to social inclusion and goes on to state that

the potential comparative advantage of the Social Economy in combating social exclusion ... lies in two distinct areas. Firstly, many Social Economy organisations have local roots which enable them both to recognise and address local needs, and, crucially, to engage with ‘hard-to-reach’ people who may be otherwise unwilling to involve themselves with government agencies. Secondly, the Social Economy organisations have the potential to be conduits for greater participation, acting as advocacy and empowerment organisations for users. By simultaneously addressing the tangible needs of people, as well as less tangible issues, Social Economy organisations are able to enhance the development of social inclusion (Noya & OECD 2008 p. 8).

Employment creation: There is an increasing recognition that the Social Economy plays a major role in creating the means of sustainable livelihoods for people and communities. In terms of job creation alone the Social Economy is an important force. Salamon (2007) estimates that the non-profit sector contributes over \$1.9 trillion annually to the global economy, creating over 48.4 million full-time jobs. In Canada alone, this sector represents \$79.1 billion or 7.8 percent of the GDP (larger than the automotive or manufacturing industries) and employing over two million people (or over 11.1 percent of the economically active population (Imagine Canada). In fact, Canada's non-profit and voluntary sector is the second largest in the world.

Furthermore, the Social Economy is creating stable employment, generating money that stays in a local economies, providing socially valuable goods and services, all while fostering social inclusion and reducing poverty. For example, Prentice and McCracken (2004, 2007a-c) estimate that in Manitoba, where over 99 percent of group childcare spaces are provided on a not-for-profit, community-run basis, every dollar invested in childcare generates between \$1.38-\$1.54 in local economic activity. Another recent report points out that co-operative businesses are more resilient than traditional ones. Co-operative businesses typically have a longer lifespan and lower insolvency rate than their non-co-operative counterparts (Birchall and Ketilson, 2009). Further, membership and employment in co-operatives has actually increased during the current economic crisis, further pointing the potential of this sector.

Job Training: In a recent study of employment development initiatives Loewen et al. (2005) argue that job-readiness training alone is largely unsuccessful in moving people into good jobs and sustained employment. They cite research by Prairie Research Associates that concluded "the likelihood of coming off welfare [is] not ... reduced" by employment development initiatives focused only on immediate employment (cited in Loewen et al. p.16). The report's authors conclude that a more comprehensive approach to employment creation is needed and recommend the development of workforce intermediary to facilitate this. They also note the potentially important role that social enterprise may play in employment development, noting that social enterprises often already encompass many of the best practices they identify.

Training businesses or *entreprises d'insertion* are another important job creation and poverty reduction tool within the Social Economy. These businesses combine social and economic activities through job training in a socially supported environment. In a forthcoming study of training businesses in Québec, Dolbel notes that the impact of this model is "greater than simply providing work; it address[es] issues of self-esteem, training and capacity building, social integration and indeed, job creation in specific sectors" (forthcoming, p. 9). In short, she concludes training businesses are an "effective tool to facilitate the

social and economic integration of people who would otherwise be receiving public assistance” (p. 9).

There are currently forty- nine training business across Québec, organised in the *Collectif des entreprises d'insertion du Québec* (CEIG or Collective for Québec Training Businesses). CEIG has developed a definition and set of principles for training business that was adopted by the provincial government in 1998. Training businesses accredited under this framework are eligible to receive funding from the provincial government. Training businesses operate in six key sectors in Québec: light manufacturing, restaurant and catering service, industrial sewing and recycling of clothing, recovery, recycling and retail businesses, small-scale agriculture and, services (document management, printing, car washes, cleaning, etc.). In doing so they: provide training and support to over 2 700 people per year, produce approximately 300 products and services across diverse sectors, and generate more than \$25 million in revenue annually through the sale of their goods and services.

However, poverty and exclusion also occur along lines of geography and other markers of difference. In these areas too, the Social Economy has proven to be a remarkably effective means of addresses these issues.

Place-based strategies: According to the OECD the “spatial poverty trap’... continue[s] to pose additional challenges to job creation and entrepreneurship development (Noya & OECD, p. 5). In *Placed-based poverty reduction: Chamberlain (2008)* tracked the impact of CED organisations working to reduce poverty to see how CED is reducing poverty in Canada and how it could be doing more. The report finds that CED organisations provide a significant social return on investment, reduce the need for government expenditures in other areas, improve participants’ attachment to the labour force, succeed in moving a number of participants above the LICO, and improved financial, personal, social, human, and physical outcomes for participants. According to CCEDNet, place-based CED strategies “are effective due to their connections within the local community, and their ability to tailor services and supports to the needs of the individuals and the local labour market, while often solving issues of access and fragmented support systems” (2008, p. 39).

However, the report also finds that despite these positive outcomes, CED organisations face a number of barriers to reducing poverty, including: personal barriers faced by individuals (e.g. self-esteem, ageism), policy related barriers faced by individuals (e.g. access to programs, lack of childcare), policy related barriers faced by the organization in service delivery (program silos, core funding, cookie cutter programming) and community wide barriers (high unemployment, poor housing) (p. 38). Lastly, the report notes that, despite evidence to support community or place-based solutions to poverty, most government policies are targeted only at the level of the individual and provide

only 'single-issue supports'. The result, they argue, is to

transform people in need of services into a commodity used to measure outcomes against narrowly defined program targets, rather than partners with firsthand knowledge and valuable input into the challenges they face within their neighbourhoods. This 'commodity effect' of single-issue policies also acts as a disincentive for interagency cooperation, and the development of innovative strategies tailored to take advantage of local assets and address local challenges...[and]...discourages horizontal integration of policies, which makes it difficult for organizations to effectively engage a diverse range of local stakeholders and combine the various program options needed to offer and sustain the comprehensive strategies and range of services (CCEDNet, p. 40).

Working with people with disabilities: Research conducted by CCEDNet on the role of social enterprise in integrating persons with disabilities into the workforce further demonstrates the potential of this model to support social inclusion and poverty reduction (Broad and Saunders, 2008). Like the training businesses discussed above, social enterprises are an important tool for the integration of people with disabilities because they focus on providing social as well as economic returns to participants. Broad and Saunders note that "social enterprises have, by their nature, made a commitment to their social missions, and have placed an emphasis on meeting the needs and capacities of the employees. Such enterprises therefore create workplaces which accommodate employees' needs in their governance, management, type of work and ongoing employee support" (p. 10). The report profiles a number of social enterprises working with people with disabilities and concludes that "social enterprises ... combine their extensive knowledge of the disability, its impact and its required accommodation, with business knowledge to effectively provide supportive employment opportunities" (ibid, p. 10).

In spite of the utility of this approach, the authors found a number of barriers to social enterprises working with people with disabilities who are receiving Ontario Disability Support Program (ODSP) payments (Broad and Saunders, 2008). Notably there is a 'culture of fear' among ODSP recipients about losing access to support payments should they pursue paid employment. The report recommends favouring social enterprises as preferred workplaces in the integration of peoples with disabilities and recommends removing existing policy barriers that prevent employment support service providers to act as employers. Further, the report calls attention to the need for provincial leadership in creating and supporting the further development of social enterprises and co-operatives.

Working with women: Women are another group that can benefit from a Social Economy approach. Women in Canada continue to earn less than their male

counterparts and are more likely than men to live in poverty. This stark reality is compounded by factors of race, immigrant and family status, sexuality, and ability – making Aboriginal women, immigrant women, women of colour and women with disabilities among the poorest people in Canada (WECb, n.d.). Beyond the systemic discrimination women continue to face in the labour force, women's poverty is aggravated by lack of access in a number of areas including: "quality child and elder care, information and resources, transportation alternative, networking and support, funding or credit, training and education, safe and secure housing" (WEC, n.d.). Women's CED initiatives are an effective tool for poverty reduction because they "challenge deeper and more systemic elements of economic and social equality" than traditional approaches (ibid.). In a paper prepared on Financing and Investment for the Social Economy, Jessica Notwell (2010) of the Women's Economic Council argues that women-centred CED programs help "thousands of Canadian women to break the cycle of poverty each year" (p. 23). Women's CED initiatives include a range of activities such as: peer lending, social enterprise, skills training and co-operative development, as well as foundational activities to help address women's basic needs, such as access to food, shelter and clothing.

Working with immigrants and refugees: Immigrants and refugees make up 18 percent of Canada's population. Many of these people are highly educated with significant skill sets. In spite of this, immigrants and refugees in Canada are more likely to be unemployed or in low-paying, part-time or temporary jobs. This can be attributed to a number of factors including low levels of proficiency in one of the official languages, lack of recognition of educational or professional accreditations, systemic discrimination and bias, and a discounting of skills in the marketplace (CCEDNet, n.d.). The labour market and public social services play major roles in the successful integration of immigrants into society; however, restructuring has weakened the ability of these key institutions to integrate newcomers (Richmond and Shields, 2003). Funding cuts beginning in the 1980s have weakened the ability of non-profit organizations to provide adequate settlement programs for immigrants and refugees integrating into the workforce. In spite of these cutbacks however, co-operatives are emerging as a unique model for reducing poverty and fostering social inclusion among immigrant communities.

Research by CCEDNet found that the co-operative enterprise model is an effective tool to combat poverty and exclusion among immigrants because of its ability to create social capital and triple-bottom line returns. Further, because co-operatives are governed by their members, they are better positioned to be responsive cultural needs (CCEDNet, n.d.). Their research profiles a number of co-operatives working with immigrants and refugees and notes the following successes and challenges. Co-operatives promote intercultural awareness and bridge-building to other communities through working together; they

support the development of strong connections within cultural communities, which can help to reduce isolation and to help newcomers build up networks; they provide opportunities for learning and sharing skills in a supportive environment, exposure to other people that have had similar experiences that can support integration (e.g. negotiating settlement); and teach small business skills (list adapted from CCEDNet, n.d.).

However, co-operatives working with immigrant and refugees populations face the same issues of limited funding and lack of access to capital that other co-operatives in Canada experience limiting their ability to do this work. Further, Conn and Habib (2007) note that the “co-operative development process needs to be adapted to ensure the it is culturally appropriate for immigrant and refugee co-ops, and [to ensure] that women with low-literacy and English skills can fully participate and benefit from the process.” In *Francophone Immigrants in Ontario: Challenges of Inclusion and the Co-operative Movement* (2009) Lafreniere et al. make a similar observation, noting that the leadership of the Francophone co-operative movement needs to reach out and actively create spaces for new immigrants within the movement. Consultations conducted by CCEDNet with immigrant and ethno-cultural communities in Winnipeg revealed a number of additional barriers to CED business development with these groups. These include: a lack of exposure and educational opportunities to learn about CED; limited networking opportunities for information exchange and partnership development; lack of policy and program support for a successful integration of newcomers; lack of resources in the areas of technical assistance, training, development of marketing skills and opportunities for new and existing small businesses to develop strong local CED models in ethno-cultural, immigrant and refugee communities; and few solid local examples of CED within ethno-cultural, immigrant and refugee communities (CCEDNet, 2006, pp. 22 – 23).

Next Steps: Poverty reduction, employment creation and social inclusion

Develop a Canadian Anti-Poverty Plan with targets, timetables and resources to reduce poverty that includes the use of Social Economy organizations in applying innovative models to create sustainable livelihoods. Reform welfare systems to remove barriers to income retention from social enterprises and welfare to work transitions. Scale up successful practices in employment development such as *Enterprises d'insertion* and other human capital development programs of Social Economy organizations through targeted program supports at the provincial and federal level. Reform immigrant settlement programming to be more inclusive of supports to social enterprise initiatives of immigrant and refugee communities. Support the development of sustainable economic, environmental, cultural, and social development

initiatives of indigenous peoples that are defined by them to further their self-determination. Re-establish gender analysis in government policies and programs and strengthen supports through the Social Economy to women-led socio-economic development initiatives.

Coupled with participatory mechanisms and the principle of ‘active subsidiarity,’ the Social Economy is a tool to help communities re-take control of governance.

Lastly, the Social Economy has been acknowledged as an effective tool to address a range of other entrenched and emerging social needs including: health, elder, and home care (see: Vaillancourt and Tremblay, 2002); housing (Isett, 2008; McCracken, 2004), child care. In these and in other areas the Social Economy is emerging as an important partner in the provision of social supports in Canada and as an effective tool for social innovation to meet emerging trends.

1.2.4. Social capital and democratization

The Social Economy has been recognised for its ability to generate social capital by fostering links between people and communities. Social capital provides a social safety net in times of insecurity and gives people a sense of community, family, and social networks (Gutberlet et al., 2009). It refers to the “connections that [people] can draw upon to achieve their goals” and helps build an important foundation that makes the development of other assets easier (Murray and Ferguson, 2001, p. 18). Social capital is further distinguished between ‘bonding’ social capital, as something that develops within a group and binds individuals, groups and organizations together; ‘bridging’ social capital, which allows a group to reach out, involve and network with others, and; ‘linking’ social capital or connections between different levels of power and status (see for example: Gittel and Vidal, 1998). Kay (2005) draws on research findings from the CONCISE project that examined the relationship between the Social Economy and social capital across eight European sites and argues that Social Economy organisations both use social capital to achieve their goals and, in the process, generate social capital.

Further, Vaillancourt (2009) argues that as long as the Social Economy is involved in both, the co-production and the co-construction of public policy, it can contribute to the democratization of the state, noting “we suggest that the democratization of such policy would gain from this...if the state worked to co-construct it by partnering with stakeholders from the market and civil society, not to mention the from the Social Economy” (p. 289; see also: Levesque and Mendell, 2005). Arruda (2008) also argues that the social and solidarity economy’s focus on relocalizing economies and governance contributes to democratization of society. Coupled with participatory mechanisms and the principle of ‘active subsidiarity’, the Social Economy is a tool to help communities re-take control of governance (ibid.).

These themes are supported by a number of our interview respondents, who point to knowledge creation and education as an important component of the policy development and implementation process. In Nova Scotia for example, the CEDIF program has provided an opportunity for organizations to use the financing and tax credit opportunity involved to build public engagement in and a ‘vision’ of sustainable futures for their communities. This is an example of the ways that targeted policy instruments supporting the Social Economy can also contribute to community-level social capital. Policy initiatives are also seen as a unique opportunity to “make concrete” public understanding of the Social Economy and its potential.

2.0 Policy Instruments to Support the Social Economy

Across the six regional research centres and the national hub of the Canadian Social Economy Research Partnerships, researchers have undertaken a number of projects on public policy and the Social Economy. Practitioner organizations working in the Social Economy have also produced a series of issue papers in preparation for the 2010 Summit on a People-Centred Economy. Other research and policy proposals have been developed by organizations in the Social Economy. Further, we have looked in more detail at a number of ‘good practice’ examples of policies supporting the Social Economy in Canada. Drawing on this considerable body of work, and a number of Canadian and international examples, we now consider some key elements to creating supportive policy for the Social Economy. We conclude that supportive public policy in this area must target several key issues (policy instruments) while at the same time paying close attention to the policy process. On this latter point we also reflect on several key conditions for success of public policy initiatives.

Examples of public policies that address some of these issues within Canada have been considered. These include:

- The federal government’s Co-operative Development Initiative that funds, with partners in the co-operative sector, advisory services, innovative co-operative projects, research and knowledge development.
- The Québec Action Plan for Collective Entrepreneurship that is a cross-government framework for strengthening the Social Economy and its regional actors.
- The Manitoba CED Policy Framework that provides a cross-government policy and lens, overseen by a Cabinet Committee, to support CED principles and goals.
- The Nova Scotia Community Economic Development Investment Funds

that leverage private investment for community and social enterprises at the local level regulated by government with a tax credit incentive.

- The Manitoba Sustainable Development Act that mandates the integration of sustainable development into the operations of provincial public sector agencies.
- The Ontario Green Energy and Green Economy Act that supports the development of renewable energy projects by community and co-operative organizations.
- The Ontario Social Venture Fund (not yet implemented) to provide \$20 million in capital investment to social enterprises and social purpose businesses.
- The BC Coast Opportunity Funds that supports ecosystem-based management and community economic development amongst First Nations in the Great Bear Rainforest of BC's central and northern coast.
- The Montreal Social Economy Plan that created a partnership between the City of Montreal and Social Economy organizations in contributing to quality of life and sustainable development.
- The Edmonton Social Enterprise Fund that created a partnership between the City of Edmonton, the United Way and the Edmonton Community Foundation in providing patient capital to non-profit organizations for social enterprises and social or affordable housing projects.
- The proposed development in Manitoba of legislation enabling the creation of solidarity co-operatives.

These policy examples demonstrate enabling measures by governments at all levels (federal, provincial, municipal, and First Nations) to strengthen aspects of the Social Economy in order to address contemporary social, economic and environmental conditions within Canada. Some are targeted directly to Social Economy organizations while others include Social Economy organizations alongside other community economic development actors (e.g. social purpose businesses and locally owned small and medium sized enterprises).

2.1 Key Issues and Targeted Instruments

Several studies at the international level have pointed to the importance of the Social Economy to overall socio-economic development. Research commissioned by the Government of Canada in the lead in to the Social Economy Initiative (HRSDC, 2005) pointed to the growing recognition by national governments of the Social Economy as an engine for social and

economic development. It also pointed to a growing number of initiatives by ‘supranational’ organizations, such as the World Bank, the IMF, the United Nations and the Organization for Economic Development and Cooperation, to promote policy and program frameworks in support of community-driven development and social entrepreneurship. A further research report commissioned in 2005 by the federal government at the time recommended policy development, including: the development of a cross government structure to define and carry out an integrated approach to co-constructing public policy and build government-Social Economy relations; education and engagement on a new paradigm of integrated social and economic development; opening up market opportunities for Social Economy organizations, including preferential procurement policies; investment in research and development for social innovation; fiscal measures to encourage public and private investment in the Social Economy, and; resources for components of the sector to grow the Social Economy (Downing and Neamtan, 2005). More recently, Tremblay’s work (2009, 2010) examined the discourse and public policy instruments in play around the world. She also finds the increasing development of policy that supports the contribution of the Social Economy to social and economic development and that these trends are particularly pronounced in Europe and Latin America.

The importance of access to financing, technical support for enterprise development, and enhanced access to markets in government procurement are themes across several research reports addressing barriers to the growth of the Social Economy and its socio-economic outcomes.

2.1.1 Market Access and Procurement

In *Organizing the SE Marketplace*, Lepage (2010) analyses the trend towards ‘intentional demand.’ He argues that individual consumers and corporate, institutional and governmental purchasers seek a blending of financial, environmental and social value. The paper cites the growing research and literature on ‘sustainability purchasing’ where exchanges of goods and services are driven by “economic value, product value, and social, environmental and cultural values” (p. 2). It goes on to suggest that Social Economy enterprises have an opportunity to maximize their share of buying by sustainable-conscious purchasers and influence traditional purchasing (or procurement) by private and public organisations. Lepage suggests that “using the market place...is a key factor in the creation of a people-centred economy” as using “procurement policies and purchasing decisions directed to Social Economy business products and services will produce a blended ripple effect that creates both a sound economy and sustainable communities” (p. 5). He cites a number of examples from B.C. and Ontario where local and provincial governments

have moved away from ‘single return on investment’ (i.e. using the lowest price as the purchasing criterion) models in purchasing to new purchasing practices that favour multiple returns by purchasing from social enterprises contributing to employment for people with disabilities, poverty reduction, local food sustainability, and carbon emission reductions. Reimer, Simpson, Hajer and Loxley (2009) provide an example from the Aboriginal Procurement Initiative in Manitoba that directs government departments to increase purchasing from Aboriginal businesses and to support community economic development. The Initiative involves four main mechanisms: sourcing, by which Aboriginal businesses register to receive opportunities for bidding on contracts; content requirements that set specific percentages for Aboriginal participation as subcontractors in bids on contracts; ‘set-asides’, where procurement is only open to Aboriginal bidding, and; ‘scoping’ whereby contracts are broken down to make them more attainable by Aboriginal businesses.

Next Steps: Access to markets

Governments at all levels (and other sectors) should build on procurement models that advantage social enterprises by using social value weighting in bid criteria and evaluation, targeted purchasing, set asides for enterprises that provide opportunities to disadvantaged groups, and unbundling contracts to make them more accessible to local social enterprises.

2.1.2. Access to Finance

Access to finance capital is a major issue underlying the ability of the Social Economy to leverage investment for its growth. In the issue paper on Finance and Investment, Notwell (2010) identifies ‘social finance’ as an internationally successful way to leverage private capital to generate public benefits from social enterprises and invest in their capacity to innovate and expand their impact. The paper outlines the barriers for social enterprises to access capital in Canada, and the need for policy, regulatory and institutional changes to enable growth in an “effective capital marketplace that is attractive to institutional and private investors and connects them efficiently to social enterprise investment opportunities.” The paper discusses national legislation in the US and UK that has enabled new hybrid structures to allow not-for-profit and for-profit entities to invest in ventures together. These jurisdictions have also seen the introduction of regulations for Community Interest Companies (in the UK) and Low Profit Limited Liability Companies or L3Cs (in the US) that conduct business for community benefit, combining social and charitable objectives

with wealth creation. The paper goes on to identify two forms of social finance: venture philanthropy and social venture capital. Venture philanthropy refers to foundations making program-related mission-based investments in social enterprises. These are made from their endowments and at varying rates of risk and return. Social venture capital refers to debt and equity investments in social enterprises based on their ability to generate profits. Citing research from ARUC-ES (the Québec Community University Research Alliance on the Social Economy), Notwell examines the Québec experience (*ibid.*). In Québec, the Chantier de l'économie sociale created a \$53.8 million patient capital fund for social enterprises with contributions from federal (\$22.8 million), provincial (\$10 million), and private (\$20 million) sources. The Québec government has also introduced policies to facilitate investment in the Social Economy through tax credits, incentives for co-operative members to invest in their organizations, and extension of loan guarantee to co-operative and non-profit enterprises. Our research considered three social financing vehicles: the Edmonton Social Enterprise Fund, a \$5 million social enterprise/social housing patient capital fund jointly created by the City of Edmonton and the Edmonton Community Foundation; the proposed \$20 million Social Venture Fund in Ontario, and; the CEDIF program in Nova Scotia. Research by Karaphillis, Asimakos, and Moore (2010) on financing for the Social Economy in Atlantic Canada also underlines the “finance gap” facing organizations in that region. The loan officers with whom they spoke cited “low profitability, lack of security, reliance on grants, low financial expertise and incomplete business plans made it difficult for them to approve financing for Social Economy organizations” (p. 12). The authors note, however, that relatively little has been written on the demand for social financing and its proposed uses. This is an important knowledge gap to address because as our respondents noted there can be a gap between proposed and actual demand, as was the case with the Edmonton Social Enterprise Fund. This demand gap can be attributed to the need for capacity building among non-profits hoping to develop a social enterprise.

Next Steps: Access to capital

A patient capital fund should be capitalized by the federal government for co-operatives and social enterprises with mechanisms for leveraging private capital including tax credits. An RRSP tax credit should be made available for investors in financing mechanisms approved by provinces and territories for community and social enterprise such as the CEDIF program in Nova Scotia. Provinces and territories should adapt the CEDIF program to their own jurisdictions and work with municipalities and philanthropic interests to provide matching funds and tax advantages for similar funds at the local level, as in the case of Edmonton. Tax credits should be provided to co-operatives and their

members, and social enterprises that invest in the development of their sector (as are currently in place in Québec and being implemented in Manitoba). Regulatory reform should be examined by the Federal Departments of Finance and the Canada Revenue Agency to ease barriers facing social enterprises and adapt the best of new regulatory measures in the US and UK to Canadian circumstances.

2.1.3. Enterprise Development

Policy support for social enterprise development is seen as a key factor in growing the Social Economy, both for non-profit organizations and co-operatives. In an Issues Paper on Enterprise Development Neamtan and Anderson (2010) underline the importance of the non-profit and co-operative sectors as contributors to the economy. The authors argue for greater use of social enterprises to: achieve social and economic development, grow sectors that have been neglected by the market and state, assist with poverty reduction and foster social inclusion, and revitalize local economies through community-driven and owned enterprises that build local assets. They argue that too often social enterprises are denied access to programs and policies, such as the Federal Development Bank's loan guarantee program, that support small and medium sized private enterprises. They also point out the potential but underutilized role of social enterprises in government economic revitalization strategies stemming from the recent economic downturn.

Several respondents from our interviews support the need for policy supports for enterprise development, commenting in particular on the importance of skills development and capacity building associated with new forms of enterprise that blend social and environmental goals with business development. A number of the initiatives we profiled have incorporated these services. The Advisory Services component of the Co-operative Development Initiative, for example, provides technical advice to those interested in developing a co-operative; its goal is both to strengthen the capacity of provincial and sectoral co-op organisations, and to directly provide advice to those developing co-ops. Operating at a different organisational level, the Coast Opportunities Fund in B.C. supports social and economic development activities among coastal First Nations communities. According to Scott Rhemus of Coast Opportunities capacity building is the biggest issue facing the project and an important focus for their work. He states, "we work with nations to help them achieve their conservation and economic development goals... the Nations are taking the time they need to actually develop that internal capacity and infrastructure to be able to effectively use the funds."

Technical assistance to accompany capital investment initiatives is an ongoing need that occurs pre and post financing. This is particularly important in the risk-averse culture and regulation of non-profit organizations. Support for this type of investment is important for both social enterprises and social enterprise capital funds themselves that, because of their generally smaller size, experience relatively high overhead costs. Several respondents spoke of the importance of developing partnerships between social enterprise capital funds to maintain and scale up the Funds. In Québec and Edmonton too, social enterprise funds have pursued local partnerships with community-based organisations to their (and the community's) benefit.

Next steps: Enterprise Development

Include social enterprises to a greater degree in economic revitalization strategies and ensure that they have equitable access to programs designed to support small and medium sized enterprises. Support the development of networks and collaborations amongst SE organizations to provide sector-owned technical assistance and business development supports.

2.1.4. Local Development

In many English-speaking regions of Canada, the terms Social Economy and Community Economic Development (CED) are used interchangeably. CCEDNet defines CED as “action by people locally to enhance social, economic and environmental conditions on a sustainable and inclusive basis” (n.d.). In the paper on Local Revitalization (Toye, 2010) prepared for the Summit, CED is characterized as “a holistic approach to economic development...committed to both business development and employability; job creation and the social integration of excluded people; economic activity as well as housing and local services” (p.1). CED is characterised by “holistic interventions that build on local assets and address multiple root causes” to respond to “complex and interconnected problems...beyond the reach of any single actor to solve” (p. 3). CED has also played an important role in the development of the Canadian Social Economy. Toye suggests that many social enterprises have emerged from local CED initiatives to tackle interrelated social and economic issues. In Québec for example, community economic development corporations were one of the foundations of the Social Economy movement. Similar entities have been established in other communities and regions, fostering a blend of social and economic development activity and enterprise.

The paper points to a growing body of research evidence on the importance of communities and place-based policy frameworks to social and economic

development (see for example: Canadian Social Policy in the 2000s: Bringing Place In, CPRN, 2008). Uneven development and lagging communities are recognised as having a major impact on overall prosperity and economic performance. The EU and OECD have acknowledged this in their policy objectives for local economic and employment development, for example. Similarly, Toye (2010) argues that local revitalization efforts are critical in responding to market failures and inadequate government response to local socio-economic challenges. Local efforts such as CED, he argues, have a major influence on overall socio-economic conditions of the nation.

Public policy to support these activities has been significant at all levels of government: at the federal level through support to the regional Community Futures Development Corporations and Human Resource Development Agreements; provincially, governments in Québec, Nova Scotia, PEI, and Manitoba have instituted CED policies and programs; at the municipal level Edmonton and Montreal have developed partnership initiatives with CED organizations; and through tripartite Urban Development Agreements in Vancouver and Winnipeg. However, Toye (2010) identifies the need for better place-based, community-driven policy frameworks that seek to overcome government siloes through horizontal and vertical collaboration and decision making focused on strategic outcomes. Urban Development Agreements (between all levels of government and in partnership with community organizations) in cities like Winnipeg demonstrate how these kinds of policy frameworks can both, harness government investment to address strategic priorities across mandates and departments and unleash the creativity and resourcefulness of community partners in addressing inter-related causes of socio-economic decline.

For the Social Economy to achieve its full potential, comprehensive, cross-government structures that purposefully direct government efforts across departments and mandates are needed.

Next steps: Local development

Renew and expand federal provincial urban development agreements that have contributed to long term community socio-economic development (as in Winnipeg), and increase the share of gas tax revenues to municipalities that commit to implementing sustainable development plans with community partners to reduce poverty and enhance social and environmental conditions. Renew and expand programs, such as the Social Development Partnerships Program of the federal government and the Neighbourhoods Alive! program of the Manitoba government, that invest in long term, multi-dimensional, place-based initiatives to contribute to community development and poverty reduction. Recognize the role of community economic development and community financing organizations (including micro-loan funds) in sustaining local economies with a program to invest in long-term community revitalization in both rural and urban areas, similar to those in the United States and the UK.

2.2. Scaling Up: the Need for Overarching Strategies

In addition to the identified need for policy development in key areas, we contend that for the Social Economy to achieve its full potential, comprehensive, cross-government structures that purposefully direct government efforts across departments and mandates are needed. The short-lived federal Roundtable on the Social Economy is an example of this type of structure. Cross-government structures are those that establish an inter-departmental committee or other mechanism with a Minister responsible and that have a clear policy and program mandate that allows the government to act in support of the Social Economy. The interdepartmental nature of these structures is an important recognition of the multi-sectoral and triple bottom line approach present in the Social Economy; they allow governments to harness the resources of many departments under the banner of the Social Economy. Brendan Reimer of CCEDNet-Mb, speaking about the Manitoba CED policy framework, notes its importance because “governments have become too departmentalized and too singularly focused on the economic bottom line to effectively support what is really needed in communities – that being holistic and multi-dimensional approaches to community renewal. What these types of policy initiatives do is remind us, as practitioners and decision-makers, that life is holistic and that we therefore need to deal with communities in a holistic way.” Further, Brock and Bulpitt (2007) note the importance of these structures as ‘one-stop shops’ for stakeholders and policy makers, while the absence of a formal overarching policy framework “may provide for flexibility in government relations with Social Economy organizations, those organizations must navigate through the bewildering array of government departments and services to locate relevant funding sources, programs and basic information” (p. 15).

To be effective, they should also support policy ‘co-construction’ by allowing for community/stakeholder input and networking, and should include a regular review mechanism. Vaillancourt (2009) also stresses the importance of structures that “establish open, inclusive forms of governance in which dialogue is favoured between elected official and the leaders of participatory democracy. This supposes the existence of interfaces, forums for mediation and deliberation, public spaces, encouraging gateways” (p. 294). Ongoing stakeholder involvement is a key difference between the Manitoba and Québec policy frameworks; the absence of a mechanism supporting stakeholder input is often cited as a shortcoming of the Manitoba model.

A comparable example is found in the growing adoption of poverty reduction plans that unite many poverty reduction and social inclusion initiatives under a common banner. Many European countries began developing poverty reduction plans in the mid-1990s, and the European Union developed a Social Inclusion Process in 2000, with the aim of eradicating poverty in ten years.

In Canada, Québec, Newfoundland and Labrador, Nova Scotia, Ontario and Manitoba have all adopted poverty reduction plans or legislation while PEI is in the process of developing a plan of their own. According to research undertaken by the Canadian Centre for Policy Alternatives, the most successful poverty reduction plans share the following characteristics, they: include clear timelines and targets, encourage ongoing citizen participation, foster cross-government (or inter-departmental) action, plan for the future rather than just reporting on what has already been done and create mechanisms to integrate poverty reduction and inclusion goals into all areas of policy and programme development (MacKinnon, 2008).

This approach is supported by international comparative research undertaken by the national Hub, which argues that drawing together many different elements under the Social Economy as the unifying concept and framework for policy elevates all the components (community and non-profit organizations, civil society associations, co-operatives, credit unions, social enterprises, indigenous self-governance organizations, mutuals, and other forms of co-operation for sustainable livelihoods) (Tremblay, 2009; Tremblay, 2010). Doing so can support organisations' capacity to meet their own objectives while contributing to a more cohesive, transformative movement for changing socio-economic conditions. However, without prominence in government policy, without the structures to integrate policies that support the Social Economy across government and, without high-level commitment to that effort, the SE is comparatively marginalized and fragmented in the jurisdictions analysed (*ibid.*). As Brock and Bulpitt (2007) note "one implication of the absence of a coordinated or overarching mandate to enable and engage the Social Economy is that the government will lack the internal pressure to help build a collective voice for Social Economy organizations in Ontario, a need identified by both scholars and sector leaders" (p. 12).

This is also supported by research conducted by Jorge Sousa on the policy and programme initiatives supporting the Social Economy in B.C. and Alberta. Sousa (forthcoming) concludes while there is "adequate" federal and provincial government support and investment for the Social Economy across a range of departments "there is a lack of coherence associated with the development of policies and programs that explicitly support CED and the Social Economy... Greater coherence can come in the form of efforts to converge the different policies or new legislation aimed at clarifying government's role in supporting future investment" (Sousa, personal communication). Guy and Heneberry (2010) also argue for the importance of a policy framework to 'house' the various tools that support the Social Economy. Without such a framework, they argue, the initiatives are just 'gap-filling' measures, not sustainable practices. Consequently, the sector is left in the position of having to take these well-defined tools and instruments to each new minister or government and of

trying to convince them that these policies meet the current priorities of that minister or government” (p. 37).

Cross-government policy frameworks with related program investments are most significant in the European Union and some of its member states, and in Latin American countries such as Brazil, Ecuador, Venezuela and Bolivia. These cross-government public policy frameworks to support the Social Economy have strengthened and multiplied since the Government of Canada’s review. From our review, we find that these cross-government structures take several forms and occur at both the legislative level (i.e. as law) and the policy or program level. In Brazil, a National Secretariat on the Solidarity Economy has been created in the federal Ministry of Labour and Employment and is supported by a legal framework to encourage the development of partnerships and public-interest civil society organizations. In Mexico, a General Law on the Social Solidarity Economy is under development. In Ecuador and Bolivia, constitutional changes to recognize the plurality of the economy inclusive of social and community organizations has led to the development of solidarity economy initiatives. Involving increased partnership and cooperation between state and Social Economy organizations in improving socio-economic conditions. Venezuela has adopted a Popular Economy Law and Department that encourages cooperative, social and community enterprises. In the European Union, a Social Economy Intergroup of the European Parliament has been created at the political level, alongside a Social Economy Unit of the European Commission. Several governments of member states have also created policy frameworks and central coordinating agencies for the Social Economy, including Belgium, Spain, and Ireland. In the United States, as part the economic stimulus package, the Obama administration has created a federal Office of Social Innovation with an emphasis on supporting social entrepreneurship and has doubled public investment in community development financing institutions.

In Canada, initiatives that support components of the Social Economy exist at all levels of government. At the local government level, there is substantial engagement by municipal and regional governments in support of Social Economy organizations. In many cases this involves the use of limited policy instruments at the disposal of local governments to provide support to non-profit organizations to achieve community benefits. In other cases (e.g. Edmonton) this has involved more substantial investment in financing of, and support to, social enterprises. In the case of Montréal, Québec, a substantial Social Economy Plan directs that city’s multi-faceted program and community service interests to partnering with Social Economy organizations to revitalize neighbourhoods and invest in social and economic development.

In Nunavut, the role of Inuit governments are recognized in the Territory’s Economic Development Plan, which promotes the contribution of community

economic development and Inuit organizations to local development needs and opportunities. In many Aboriginal, First Nations and Metis communities across Canada similar importance is placed by their governance organizations on community economic development structures and strategies that contribute to enhancing cultural, social, economic and environmental conditions, and the self-determination of their peoples. Broad and Ketilson (2007) note the importance of co-operatives to Inuit communities, pointing to potential developments of the Social Economy to help meet the aspirations of Indigenous peoples in Canada for sustainable self determination.

In many provinces and territories in Canada there exist initiatives that support components of the Social Economy, through: support to the voluntary sector (Newfoundland, BC, and New Brunswick), engagement of the Social Economy in poverty reduction strategies (Québec, Newfoundland, Ontario, Manitoba), financing programs for community economic development and social enterprise (Québec, Nova Scotia and PEI), legislation and support for the role of the Social Economy in sustainable development (Nova Scotia, Manitoba) and renewable energy (Ontario). A number of jurisdictions also support the role of community economic development and co-operatives in rural and northern revitalization (PEI, Québec, Manitoba, Ontario, Nunavut). However, only two provincial jurisdictions have adopted comprehensive, cross government structures supporting the Social Economy. In a comparative analysis of public policy for CED and the Social Economy in Manitoba and Québec, Loxley and Simpson (2007) point to the importance of cross-government policy frameworks in both provinces and the impact of the differing approaches to legislation, and institutional and financial support on the capacity of Social Economy organizations. They conclude that government support is stronger and more coherent in Québec, and with institutionalized long-term financing from government and non-government investors, has grown Social Economy enterprises. More recently, the Québec Government introduced the Québec Action Plan for Collective Entrepreneurship in 2008 that strengthens cross-government support to the Social Economy. The Plan is overseen by the Minister of Regional Development and has established monitoring and reporting mechanisms, notably creating an inter-ministerial committee responsible for overseeing its implementation. The policy commitment and structure in Manitoba, while focussed on CED, supports similar public policy objectives.

Internationally and in several jurisdictions in Canada, comprehensive cross-government public policy, in some cases coupled with constitutional and legislative measures, has strengthened the capacity of the Social Economy to support socio-economic development. However, the success of this approach in Canada at the federal level has been significantly more mixed. The federal Liberal government under Paul Martin announced the first national policy framework for the Social Economy in 2004. This announcement came after

representation was made by a coalition of organizations from the co-operative, community economic development, voluntary sectors, and le Chantier de l'économie sociale in Québec about the potential of the Social Economy to address increasing poverty, rural and urban decline, and the impacts of globalization, and government cuts to social programs. The announced federal Social Economy Initiative was based directly on the coalition's proposal and included several key components: the creation of a cross-government structure for the co-construction of public policy, capital funds to grow co-operatives and social enterprises, program dollars to support community economic development organizations and initiatives, improved access for social enterprises to programs for small and medium sized businesses, and research to strengthen learning and development of the Social Economy as a united movement. Further, the Initiative created a national Roundtable on the Social Economy made up of federal departments and stakeholders, chaired by the Minister of Social Development and supported by a Secretary of State for the Social Economy. In total, \$132 million was allocated for the initiative. However, most elements of the initiative were cancelled shortly thereafter (in 2006) after a federal election resulted in a change in government. Only the research program and some elements of capital financing and capacity building (in Québec) survived. Since that time, renewed funding and support for the co-operative sector has taken place through the Co-operative Development Initiative. The CDI addresses many of the same areas proposed in the Social Economy Initiative, only its resources are solely focused on the co-operative sector.

Next Steps: National, provincial and local government policy frameworks

Governments at all levels should be engaged in learning from successful policy frameworks already in place to create cross-government policy to utilize the Social Economy in achieving social, economic and environmental objectives.

3.0 Co-constructing public policy

In addition to the need for policy instruments supporting the Social Economy, attention to the policy process is important. In this section we draw on Vaillancourt's conception of co-construction as a lens through which we can reflect on policies supporting the Social Economy. We concur with Vaillancourt's more recent elaboration that co-construction is something more than lobbying, and that co-construction occurs both between the Social Economy, government and private sectors, and between actors in the Social

Economy themselves. Further, we are grateful for conversations at the recent Summit on a People-Centred Economy and Association for Non-Profit and Social Economy Research that remind us that the Social Economy itself is not the goal, but rather is but one tool among others to achieve a more democratic society.

In a study of the relationship between the Ontario government and Social Economy Organizations, Brock and Bulpitt (2007) conclude that a more enabling and partnership approach to public policy is needed; one that includes the traditional role of government in regulation and enforcement but also includes a focus on relationship building for common policy objectives. In this enabling environment “Social Economy organizations would have an equal part in the design and implementation of policy and government would provide monetary or other support to the sector where the sector leaders identified it was needed to enable them to participate fully with government. (p. 7). Vaillancourt (2008) takes a similar approach, arguing importance of civil society engagement in the creation (co-construction) and application (co-production) of public policy. He notes that while most efforts by government to work alongside civil society and/or the market have focused on the co-production of public policy, co-construction is an equally important process. Further, Vaillancourt narrows in on a specific form of co-construction referred to as ‘democratic, solidarity-based co-construction’ (ibid.). This form of co-construction has four elements that distinguish it from neoliberal and corporatist state formations: the state retains an important and unique role, it is “above and close to” stakeholders; democratic co-construction recognises the plurality of the economy through partnerships with civil society and the market economy; it incorporates elements of representative and deliberative democracy, and; fosters a “partnership-type relationship between the state and...stakeholders” (p. 294). In this model, the Social Economy is more than just an instrument to achieve policy objectives; instead it is an equal partner. More recently Vaillancourt (2010) has stressed that co-construction is “something else than efficient lobbying and something more than corporatist co-construction” (p. 6). The co-construction that was achieved in Québec during the 1990s was the result of many years of partnership building between the various social movements in Québec in the years prior to the 1996 Summits. Co-construction as it took place in Québec during this period was a process of negotiation and debate during which a broad range of (often divergent) viewpoints were expressed. However, because this was a process that emerged organically and over time, it has proved more enduring than the process that lead to the 2004 federal Social Economy Initiative. Elsewhere, Vaillancourt notes that it is important to remember that the “recognition of the Social Economy was first of all a demand expressed by social movements before it became a government initiative” (Vaillancourt and Theriault, 2008, p. 17).

Guy and Heneberry (2010) make a similar observation about the Ontario experience, noting that the failure to engage a broad range of social movements after the 2004 federal announcement presents an ongoing challenge to the development of a Social Economy movement in that province. They identify three lessons from their experience: the need to form an inclusive group that is representative of all segments of the Social Economy; the need for an overarching vision and strategy with adequate time allocated for this to develop; there are different cultures in the Social Economy and government that can create challenges, notably, government are often ‘not comfortable’ dealing with a multi-organisation consortium” but the imposition of one lead organisation on efforts can alienate many practitioners who feel excluded from the process.

Comparative international research by the national Hub also points to the importance of movement building for the Social Economy, speaking about the “positive relationship between policy development to enable the Social Economy and organizing by Social Economy stakeholders to unite within common national...structures to pursue mutual objectives based on their shared values of contributing to more equitable socio-economic development and environmental sustainability” (Downing and Charron, 2010, p. 4). In Latin America, Asia, and Europe where there have been significant advances in public policy to support the Social Economy, this has been co-constructed through unifying structures that build common agendas and strategies among stakeholders from diverse settings. In this regard Canada lags behind, both in terms of the level and depth of policy engagement by government and in terms of support for unifying structures, through which the Social Economy can bring together its component movements and organizations. Where policies have achieved a degree of prominence at the provincial level within Canada, they are often associated with strong Social Economy movements (as with the federated structure of le Chantier in Québec, and the coalition around CED in Manitoba).

This was reflected by several of our interview respondents who emphasised the importance of building a ‘big tent,’ in which stakeholders can come together to support significant policy advances. Kristopher Stephens of the Ontario Sustainable Energy Association reflects this in discussing efforts to secure the passage of the Green Energy and Economy Act, noting that it was a diverse group of farmers, First Nations communities, environmentalists, community and labour groups, united by a vision of a green economy that worked for the Act. Indeed because of its multi-perspective approach to development, the Social Economy is uniquely positioned to appeal to a broad group of stakeholders. However, it is because of this same breadth that dialogue and time to develop shared values and dialogue are fundamentally important. Often a diverse coalition needs to be united by effective movement building activities and strategies to influence and co-create policy.

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The process of partnership building in developing policy can have long-lasting benefits for the Social Economy and is an important outcome in itself. Speaking about the Montreal Social Economy Plan, Mendell notes that the “clear objective was to establish a partnership between the City and Social Economy actors and that partnership would be the policy measure adopted... the partnership would allow for on-going dialogue with concrete objectives in concrete areas” (Interview, Mendell) or, as Charles Guindon notes about the Action Plan for Collective Entrepreneurship “what we have achieved is [experience in] how to mobilize people and make a relationship with the government” (Interview, Guindon, translation from French).

The understanding of the need for multiple “returns on investment” in public policy and investment is growing, as is demand for “triple bottom line” approaches that cut across stakeholder’s narrow interests providing opportunities for partnership across traditional divided sectors (e.g. environmental, social, economic, governmental, private). In many cases (e.g. CEDIF, Green Energy) private investment is leveraged by public investment, and in some cases (e.g. Coast Opportunity Funds) private investment has leveraged public financing. Policy initiatives using the Social Economy have a particular capacity to leverage these partnerships to address multiple objectives for public benefit.

Related to the point above, a number of respondents talked about the appeal of Social Economy policies across all political orientations. The integration of social, economic and environmental goals in initiatives like the CEDIF and Green Energy and Economy Act have drawn support from a variety of stakeholders (farmers, community non profits, small businesses, co-operatives, environmental groups etc.) and in turn are seen as having a broad appeal across political interests. Many policy initiatives (e.g. Edmonton, Québec, CEDIF) have also won support across political parties. Several respondents commented on the need for policy champions outside and within government, at both the political and officials levels.

However, the partnerships that form in the process of co-constructing policy require ongoing work. In the example of Manitoba, the CED structure and supporting policy framework and lens were created shortly after the 1999 election of the NDP government. The creation of the CEDC was a reflection of a desire on the part of the new government to ‘broaden the focus’ of provincial economic development efforts. Additionally with the election, many prominent local community activists were recruited to key positions in government, among these was Shauna MacKinnon, a social worker and anti-poverty activist involved with CHO!CES: A Coalition for Social Justice. It was MacKinnon who drafted the original CED policy and lobbied for its support in government. Many of the other former members of CHO!ICES also continue to be involved in the Social Economy as activists, supportive government staff,

researchers and practitioners. However, a key shortcoming of the CED policy framework in Manitoba is that it lacks a built in mechanism to continue the process of co-constructing with stakeholders. As a result, among practitioners the original excitement and support of the policy has dimmed. As practitioners in the CED movement have left, newer practitioners are oftentimes not aware of the policy's existence. However, according to Reimer of CCEDNet when people are made aware of the policy they immediately see the significance of an overarching and holistic policy, such as this one, to their work. Thus, we argue for the importance of the continuous co-construction of policy – an ongoing process of partnership building between the sector, the state and the market and between actors in the sector itself.

In other settings the importance of communication and education within government and amongst community stakeholders was emphasized. Where policies are intended to influence decisions and policies across government departments, education of officials about intent and means is critical. Investing in stakeholder understanding of how to use new policy initiatives is also critical. Government respondents also emphasized the importance of working on cultural change and attitude shifts to secure effective implementation and the survival of policy initiatives. Several respondents commented that the communication and education needs and potential associated with new Social Economy policies are often neglected.

The experience with the federal Social Economy Initiative suggests some similar lessons. While a coalition formed to press the Paul Martin Liberal government to advance a federal initiative; outside of Québec there was not strong recognition or long-time support for the Social Economy concept. Nonetheless, a network of actors coalesced around the concept in response to a window of opportunity, presented by the Prime Minister's office and the policy committee of the Liberal party caucus to frame priorities for the new administration. In part, this opportunity arose because of Martin's experience as a former federal Minister responsible for regional development in Québec and Montreal MP during a time when community economic development movement and the subsequent Social Economy movement was growing in that region. The efforts of the coalition were, however, hampered by the short timeline during which relationships were being formed. Guy and Heneberry (2010) make a similar observation, noting that where groups are in the position of responding to government announcements rather than participating in their development, their ability to identify a "unified policy position that they could discuss with government" is hampered, and instead [the group of Ontario Social Economy actors] "spent time and effort designing only the programs and tools they wished to have and that they felt would look best to government from a funding perspective" (p. 31). Further, as Vaillancourt suggests before the Social Economy initiative, the Liberal Jean Chrétien Government had launched the

We argue for the importance of the continuous co-construction of policy - an ongoing process of partnership building between the sector, the state and the market and between actors in the sector itself.

Voluntary Sector Initiative (VSI), running from 1999-2004 (Vaillancourt, personal communication). While there is at least a partial overlap between the concepts of the Social Economy sector and voluntary (or non-profit) sector, there was not bridging between the VSI efforts of the Chrétien and the Social Economy initiative of Paul Martin. In practice, the federal Social Economy initiative was more focussed on those participants in the Social Economy whose work was “economic” in a traditional sense (e.g. social enterprises), thus many organisations and activists were excluded from the initiative. This focus was reflected in the definition of the Social Economy adopted by Industry Canada. While there were deliberate efforts to translate these experiences into a national policy framework relevant to community economic development and non-profit organization’s interests across the country, many stakeholders were not “in the tent” at the outset of the initiative and only partly engaged through the subsequent federal government roundtable process. As a consequence it can be argued that the resiliency of the federal initiative was limited by its lack of traction with stakeholders across the whole of the Social Economy and when a change of government to a mostly Western based Conservative administration under Stephen Harper occurred the initiative was quickly cancelled. These lessons suggest that while attention needs to be paid to specific policy instruments and needs in the Canadian context, attention also needs to be paid to the policy process, and structures and strategies for movement-building within the Social Economy itself.

Next Steps: Co-construction of policy and movement building

Our engagement efforts in the lead up to the 2010 Summit on a People Centred Economy suggest some key actions including:

- Social Economy stakeholders should work to create structured spaces for democratic engagement in policy development across the Social Economy. Engagement with broader civil society movements (social, environmental, economic reform) should be a key focus together with shared communications strategies to advance understanding of, and support to, the role of the Social Economy in socio-economic development and environmental sustainability.
- Create unifying structures for Social Economy stakeholders at the national and provincial/territorial level;
- Engage a broader range of civil society movements with common values and objectives for democratic participation in socio-economic development and change;
- Develop communications strategies and tools that engage the public and

stakeholders in understanding of the Social Economy and its outcomes, and promote its products, services and benefits;

- Engage government representatives at all levels in dialogue on removing barriers and developing a more enabling public policy environment for the Social Economy;
- Continue efforts to construct practitioner-led research, learning and knowledge mobilization programs at the national level that build on the legacy of the current Canadian Social Economy Research Partnerships programme;
- Continue to engage educational institutions and practitioner organizations on learning, curriculum, skills development and capacity building needs and opportunities.

4.0 Concluding Thoughts

The public policy environment for the Social Economy in Canada creates a number of barriers to the growth of Social Economy organizations and their efforts to contribute to social, economic and environmental conditions. Underlying specific issues such as access to capital for social enterprises is a more fundamental problem of the recognition of the Social Economy as a distinct and important socio-economic force in Canada. Despite advances at municipal, provincial/territorial and federal levels of government over time, Canada still lags behind many other jurisdictions, with which it competes in global labour and economic markets in recognizing and supporting the Social Economy. This presents a potential disadvantage in Canada now, and in the future, as evidence continues to mount about the need for policies to lessen socio-economic inequality and invest in social, economic and environmental sustainability to improve overall prosperity and social condition. While the Social Economy provides a unique infrastructure to deliver on these public policy goals, it remains largely ignored in government policies and public discourse.

Of course, the Social Economy does not exist in isolation. There are other policies that impact social and economic equality. Social Economy organizations are active in addressing the need for policy reform in these areas as well. Organizations such as the Canadian Centre for Policy Alternatives and the Caledon Institute have provided substantive analysis of some these issues and the imperative for reform. Issues raised in their research include the importance of progressive (redistributive) taxation policy, the need for increased welfare rates and minimum wage and to reduce the ‘claw back’ on income assistance to support recipients in laddering into employment. Other important measures

include: poverty reduction policies with targets and measurable policies and programs, national and provincial affordable housing strategies, and a national child care program. This speaks to the need for a unified peoples-movement; Social Economy organisations must work not only to build our own movement, but in tandem with other organisations and movements. In many settings it is precisely these organizations that are dealing with the consequences of the failure of existing policies to address with poverty, homelessness and social conditions. They are importantly located to suggest integrated solutions.

It is therefore important to address the goal of creating a ‘people-centred economy’ in ways that address the needs and objectives of both the Social Economy, and also broader socio-economic and environmental policy reform – the need for a “big tent” that key informants referred to is more pressing than ever.

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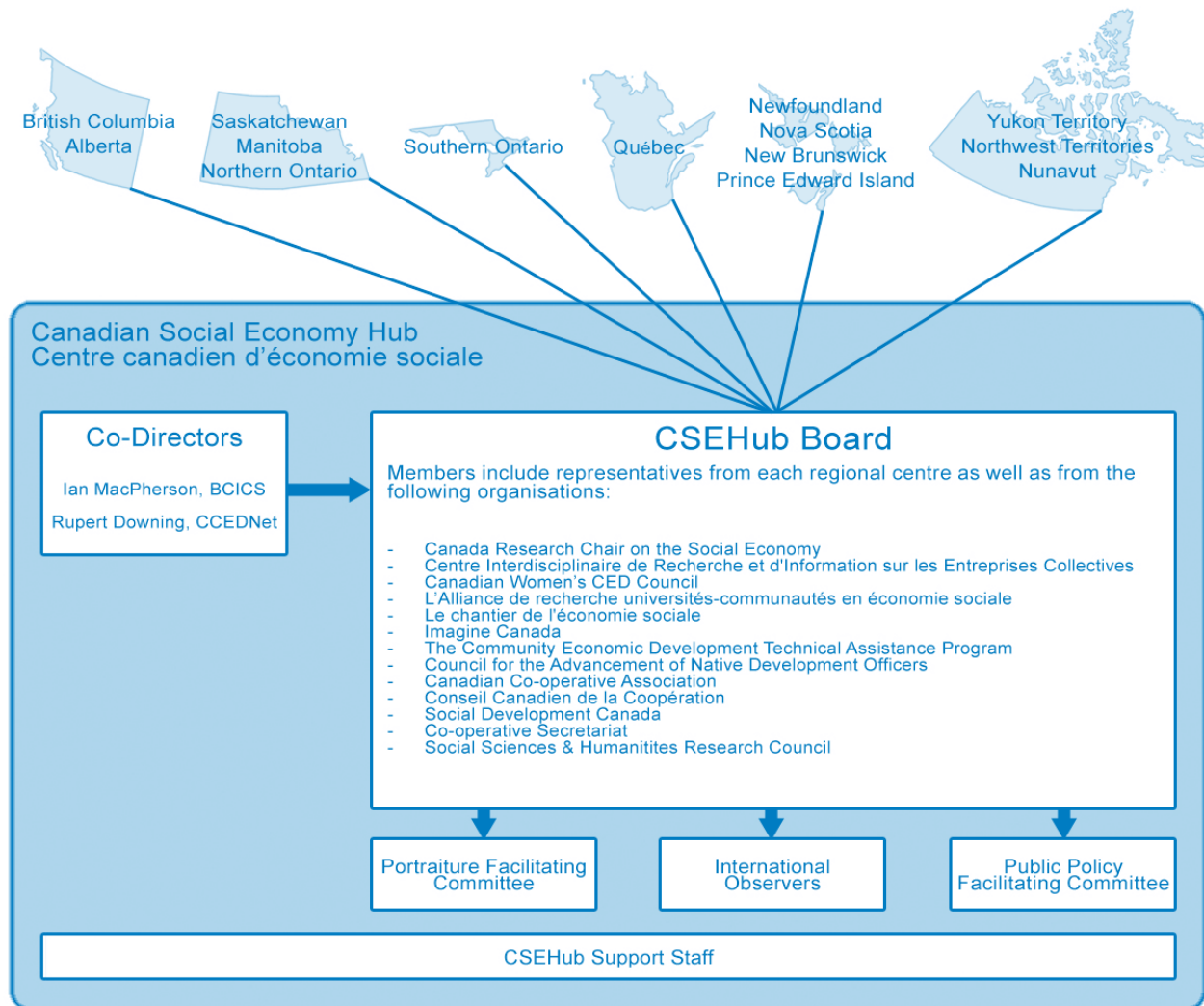
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