

Strengthening Public Policy Supports for the Social Economy in Canada

**ASSOCIATION FOR NON-PROFIT AND SOCIAL
ECONOMY RESEARCH (ANSER)**

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Presentation agenda

- **Introduction**
- **Defining the Social Economy Internationally**
- **Components of the Social Economy**
- **Public Policy supporting the Social Economy**
- **Conclusion**



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Introduction

- **Global movement of Social Economy as an alternative strategy for sustainable development**
- **Civil society spearheading this movement**
- **Local, regional, national and international networks growing globally**
- **Providing evidence to government that SE can tackle poverty, social exclusion, ecological justice and equality.**

“construction of a radical alternative that would do away with the capitalist system and patriarchal domination’....and work towards ‘a society that meets social needs and respects nature’s rights as well as supporting democratic participation in a context of full political freedom”.

- World Social Forum Declaration 2009



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Defining the Social Economy Internationally

Social Economy (EU, Canada)

Solidarity Economy (South America)

Associative Movements (Senegal, Turkey)

Civil Society (South Africa)

CED (Australia, NZ, USA)

Sufficiency Economy (Thailand)



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International Networks

Networks around the world are strengthening the SE

Social Economy Europe (SEE)

Economia Solidaria Brazil, Peru, Bolivia

Inter-Continental Network for the Social and Solidarity Economy (RIPESS)

Canadian Community Economic Development Network (CCEDNet)

North American Network for the Social Economy (NANSE)

International Centre of Research and Information on the Public, Social and Cooperative Society (CIRIEC)

Research is being undertaken to strengthen the Social Economy in Canada through the Social Economy Research hub of Canada and the National Social Economy Research Program, developed by CCEDNet and the Chantier de L'économie Sociale Quebec - with six regional centres involving practitioners and universities.

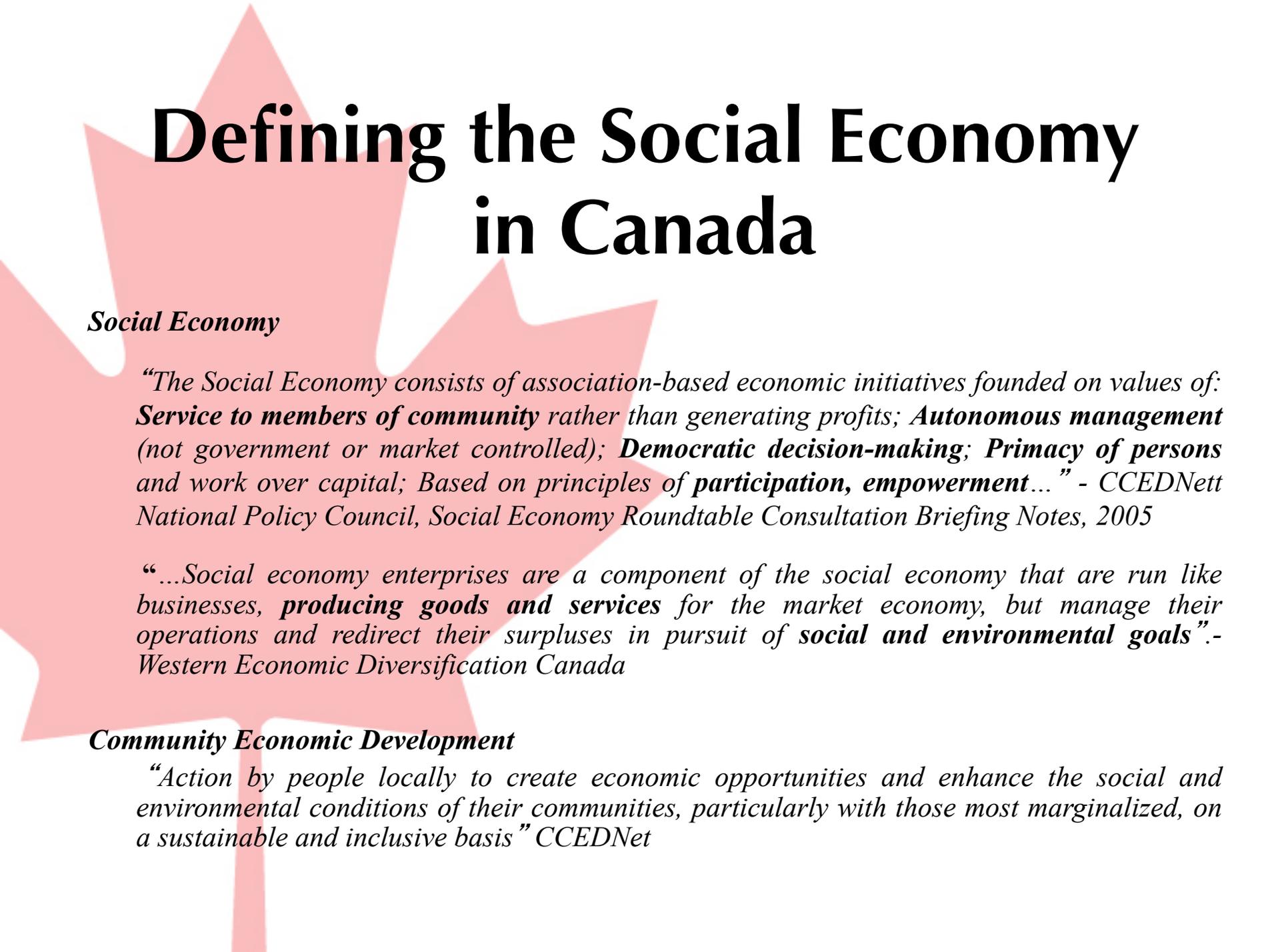


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Defining the Social Economy in Canada

Social Economy

*“The Social Economy consists of association-based economic initiatives founded on values of: **Service to members of community** rather than generating profits; **Autonomous management** (not government or market controlled); **Democratic decision-making**; **Primacy of persons and work over capital**; Based on principles of **participation, empowerment...**” - CCEDNett National Policy Council, Social Economy Roundtable Consultation Briefing Notes, 2005*

*“...Social economy enterprises are a component of the social economy that are run like businesses, **producing goods and services** for the market economy, but manage their operations and redirect their surpluses in pursuit of **social and environmental goals**”.- Western Economic Diversification Canada*

Community Economic Development

“Action by people locally to create economic opportunities and enhance the social and environmental conditions of their communities, particularly with those most marginalized, on a sustainable and inclusive basis” CCEDNet

Components of the Social Economy

- **Cooperatives**

Operate in all sectors, employ over 100 M people, more than 800 M members (International Cooperative Alliance)

- **Mutual associations**

Report of 96 countries revealed that 49,134 credit unions serve an estimated 177 M members in those countries (World Council of Credit Unions, 2007).

- **Non-profit organizations**

- Enormous growth in number and variety in recent years, culminating in what Salamon *et al.* (2003) are calling a “global associational revolution” - a massive upsurge of organized private, voluntary activity in virtually every region of the world.
- Enable effective social change, “*stimulate citizen activism; awaken gender, environmental, and ethnic consciousness; and prompt heightened interest in human rights*”.

- Including any “private or public sector enterprise that possesses the characteristics of the cooperative model” (Ninacs 2002)



Scope and significance of the Social Economy

Global

In a study of 40 countries, this sector contributes to **\$1.9 trillion in operating expenditures**, **48.4 million full-time jobs**, and serves 4.6% of the economically active population in these countries (Salamon, 2007) .

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In Quebec, the Social Economy (including credit unions, day care centres and home care cooperatives) amounts to **7151 enterprises**, 124,300 jobs, and **\$17.2 billion** in annual sales of goods and services (Downing, 2004). According to a 2004 study, there are 9,271 co-ops employing over 160,000 Canadians (Cooperatives Secretariat).

UK

In the UK, there is an estimated **870 000 civil society organizations**, **assets of £210 billion**

and total inc



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Public Policy Supporting the Social Economy

Four main categories of Public Policies

- Territorial
- Tools for development
- Sector
- Those in favor of target populations

Research building on *Social Economy and Community Economic Development in Canada: Next Steps for Public Policy*; (Mandell, Neamtan and Downing, September 2005).



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Co-production/construction of policy

Co-production

Participation by stakeholders from civil society and the market in the *implementation of public policy*

Co-construction

Participation by those very stakeholders in the *design of public policy*

“democratization and enhancement of public policy requires participation by collective and individual stakeholders from the market and civil society” (Vaillancourt, 2008)

Highlights cases globally of successful co-production/creation of policy



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Territorial policies

Some International examples:

“Territorial policies provide a geographic community with support for networking, strategic planning, and collective projects”... “requires the engagements of a variety of stakeholders and sectors as well as multi-year funding that recognizes the long-term stages of development”.

Europe

Spain: Community Strategic Guidelines (CSG)

UK: Community Interest Company (CIC) - a model of social enterprise

Italy: Social Co-operative

Belgium: Social Purpose Company

France: Collective Interest Co-operative Society



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Territorial policies

Some International examples:

Americas

United States: Low-profit Limited Liability Company (L3C)

Canada: Rural Networking Initiative (rural development)

Brazil: Forum Brasileiro de la Economia Solidaria (2003), São Paulo's 'Oportunidade Solidária' (urban development), National Plan for Sustainable Rural Development (PNDRS)

Mexico: Production Development

Asia/Pacific

Asian Forum for Solidarity Economy (2007)

Australia: Regional Partnerships Program

New Zealand: Community Economic Development Action Research Project (CEDAR)

Thailand: Sufficiency Economy



Tools for Development

Tools that specifically recognize and support the social, environmental and cultural objectives of SE organizations, enable a level playing field on which they can compete with conventional for-profit businesses.



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Tools for Development

Some international examples - Policy domains

- *Financial cooperatives*
- *Community-based savings programs*
- *Taxation policies*
- *Social money*
- *Local currency*
- *Training*
- *Regulatory frameworks*
- *Investment funds*
- *Enterprise funds and venture philanthropy*
- *Loan guarantees*
- *Subsidized financing*
- *Micro-credit*



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Sectoral Policies

Social Economy Enterprises/organizations have been successful in their capacity to identify “*emerging needs, propose innovative solutions and structure or occupy sectors that are not considered sufficiently profitable for private for-profit initiatives*” (Neamtan & Downing, 2005)

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- particularly prominent in the fields of *health, education, and social services*
- The *Cooperative Development Initiative (CDI)* is a joint federal government/coop sector partnership program involving 17 regional and sectoral organizations across Canada

EU

- Some examples include employment policies involving *workers cooperatives and integration enterprises, social services policies, agriculture and rural development policies.*
- Commission launched a project '*Promoting Social Entrepreneurship in Europe*' in 2004



Sectoral Policies

Some international examples - Policy domains

- *Healthcare*
- *Agriculture*
- *Education*
- *Housing*
- *Fair trade*
- *Ethical consumption*
- *Recycling and waste management*



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Supporting Target Populations

The inclusion of marginalized and disadvantaged populations in the economy is a *major priority of Social Economy* policies around the world.

Davister et al. (2004) highlight main characteristics of the target groups as; *people with a mental, physical or sensory handicap, people with social problems, “hard to place” and/or long term unemployed, young low-qualified people, disadvantaged minorities (of foreign origin e.g), and vulnerable female target groups.*

Finland - *Social Firms*

Mexico - *Priority Groups Assistance Fund*

Senegal - *Economic Interest Groups (EIG)*

South Africa - *Broad Based Black Economic Empowerment*



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Social Procurement

Jadoun (2008) describes *Socially Responsible Public Procurement* (SRPP) as the promotion of: employment opportunities, decent work, social inclusion and Social Economy, accessibility and design for all, and fair and ethical trade.

Some international examples

UK: *National Procurement Strategy, BEST Procurement*

France: *Plan pour l'Insertion et l'Emploi – PLIE*

Germany: *Bavarian SME Act*

Holland: *Act on Tender Procedures for Public Works*

USA: *Small Business Administration's Small Disadvantaged Business (SDB)*

Canada: *Aboriginal Procurement Initiative (Manitoba); Procurement Strategy for Aboriginal Business (Federal)*



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Aboriginal Communities and the SE

There are a number of social programs, policies and partnerships developing internationally that specifically target the strengthening of Indigenous communities, promoting local well-being and inclusion.

Some international examples

Australia: *Indigenous Economic Development Strategy*

New Zealand: *Te Puni Kokiri*

Canada: *Aboriginal Skills and Employment Partnership (ASEP) - Federal level*

Alberta: Alberta Indian Investment Corporation (AIIC)

B.C./Alberta: *First Nations Economic Partnerships Initiative (FNEPI)*

Manitoba: *Northern Development Strategy*

United States: *Administration for Native Americans supports the Social and Economic Development Strategies (SEDS); Native American Community Development Training Program*

Mexico: *Indigenous Regional Funds*



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Conclusion - Policy Outcomes

Some Key Themes

- Social Economy is a *major economic force*, accounting for a significant share of global expenditures and employment.
- Widespread recognition that matters concerning *social, economic, environmental* and cultural well-being are inextricably intertwined/interdependent.

Policy Instruments

Government legislation and regulation advantaging the Social Economy

Access to funding programs, subsidies, tax credits across various sectors

Indigenous Development

Legislation of state requirements and structures to support the SE (*Brazil*)

Legislation of legal forms for SE organizations (*e.g. Mexico, Brazil, UK, Italy*)

Political responsibility and structure across government (*e.g. UK, Brazil*)

Procurement policies advantaging SE organizations (*e.g. Italy, France*)



Thank you

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Questions?



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