



**BALTA WORKING PAPER SERIES**

**MAPPING THE SOCIAL ECONOMY  
IN BC AND ALBERTA  
TOWARDS A STRATEGIC APPROACH**

by Mike Lewis

BC-Alberta Social Economy Research Alliance

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For further information, contact the B.C.-Alberta Social Economy Research Alliance,  
PO Box 1161, Port Alberni, B.C. V9Y 7M1 (tel) 250-723-2296 (fax) 250-248-1957.

Website: [www.socialeconomy-bcalberta.ca](http://www.socialeconomy-bcalberta.ca)

e-mail: [balta@xplornet.com](mailto:balta@xplornet.com)

### **Author Information**

Mike Lewis is the Director and Lead Investigator for the BC-Alberta Social Economy Research Alliance. Mike has a long history in community economic development and social economy practice, policy development, and research—both in Canada and internationally. He is the Executive Director of the British Columbia (Canada)-based Centre for Community Enterprise (CCE) and Managing Director of the Canadian Centre for Community Renewal (CCCR). Mike also serves as editor of *Making Waves*, a quarterly magazine on community economic development.

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# MAPPING THE SOCIAL ECONOMY IN BC AND ALBERTA: TOWARDS A STRATEGIC APPROACH

## Introduction

In mid-March of this year, verbal approval was given to proceed with the BC-Alberta node within the Social Science and Humanities Research Council (SSHRC) social economy suite.<sup>1</sup> All but the northern node had been approved and started operations seven or eight months earlier. Virtually all nodes had some approach to mapping that was underway, and the national hub was trying to advance a coordinated approach in order to yield comparative data and enable a national map of the social economy to evolve. If such a goal could be reached, it is argued, it would be a truly useful contribution to advancing policy, research, and practice in the field.

In spite of having entered late into this discussion, and given the apparent difficulties in reaching a consensus to date, I agree with the BALTA management committee's decision to try and articulate an approach to mapping that would be relevant to policy, research, and practitioner interests. Perhaps in doing so, we can contribute to a national approach.

Given the life of the research node (March 2006-February 2011), the management committee wants to ensure our mapping work addresses priorities that are developmentally relevant to the field while at the same time recognises the limited resources we have.

Thus this paper, which is a synthesis of two papers I wrote earlier, for the management committee to consider.<sup>2</sup> At their request, I have built on my earlier work with the intention that it be available to the social economy research clusters (SERCs)<sup>3</sup> within BALTA, all BALTA partners and collaborators, the national hub, and any regional nodes elsewhere in the country that are interested in considering the relevance of our approach to their work.

This paper seeks to do two things. First it defines the boundaries within which BALTA will concentrate its initial mapping work. Following a wide-ranging debate, the management committee decided to outline a general taxonomy within which we could define a sub-set to focus our initial investments in mapping. This constitutes the initial part of this paper.

I then set out to elaborate the next level of definition. What are the dimensions of the social economy that we might want to capture? What are the arenas of work that characterise the bulk of the work undertaken by social economy organisations? Setting out some thinking around these questions provides a base from which to undertake more detailed research design work in September and October of this year.

As already noted, underlying the approach to mapping being advocated is a desire to strategically facilitate a convergence of policy, practitioner, and research interests consistent with the overall goal of BALTA: **to strengthen the foundations of the social economy in BC and Alberta.**

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<sup>1</sup> There are six regional nodes under the Social Science and Humanities Research Council social economy suite research program. There is also a national hub that facilitates a range of activities on a national basis. The BC/Alberta node and the northern nodes were approved some 9 or 10 months after the four other regional nodes were started and six months after the national hub was approved.

<sup>2</sup> Lewis, M. July 2006, *Taxonomy of the Social Economy and Next Stage of Mapping Definition*.

<sup>3</sup> There are three research clusters at present. SERC 1 focuses on Human Services and Affordable Housing. SERC 2 focuses on Natural Resources, Local Development, and Social Enterprise. SERC 3 focuses on Building the Social Economy Infrastructure and Tracking Progress.

Thus, we are interested in achieving more than merely setting out a baseline of actors in the social economy. For example, can mapping help us capture the characteristics of the social economy that are often rendered invisible quantitatively but are of crucial importance to achieving durable results? How do we capture data useful to policy makers? What kinds of questions are important to practitioners that, if answered, could lead to improvements in the development of a new generation of practitioners? How can the research relevance of the mapping be maximized by producing a comparative base of accessible data from which more effectively honed research questions might be posed?

## Defining the BALTA Mapping Boundaries

### The Point of Departure

The initial point of departure suggested by the management committee for defining the boundaries of the social economy is a paper that John Restakis wrote.<sup>4</sup>

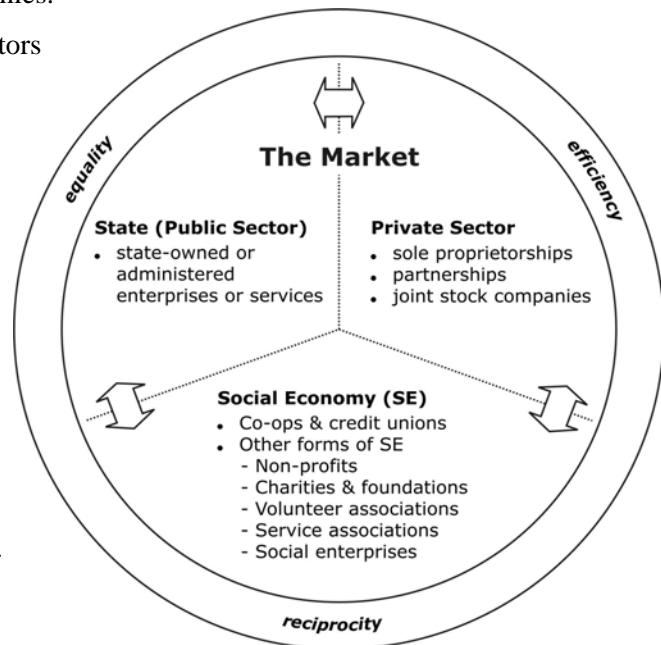
John characterises the overall economy as being made up of three sectors: the social economy, the private sector, and the public sector. He defines social economy organisations as follows:

*Social economy organisations are those organisations whose members are animated by the principle of reciprocity for the pursuit of mutual economic or social goals, often through the social control of capital.*

This definition would include all co-operatives and credit unions, non-profit and volunteer organisations, charities and foundations, service associations, community enterprises, and social enterprises *that use market mechanisms to pursue explicit social objectives* [emphasis added].

For-profit enterprises would be included if surpluses are mutually shared by members in a collectively owned structure, as in co-operatives or collectives. What would not be included are state institutions or programs, and conventional capitalist firms such as sole proprietorships, partnerships, and investor-owned or publicly traded companies.

It is important to note that while the three sectors of the market identified are certainly distinct (state, private, and social economy sectors—see graphic) and the institutions within them operate on different economic principles, they are not hermetically sealed off from each other. There are innumerable transfers and borrowings from one to the other, and certain organisations operate at the boundaries of these distinctions. For example, Restakis suggests that universities might be placed at the borders of the public and private sectors. So might public/private partnerships. And some non-profit/private partnerships could be placed at the borders of the social economy and the private sector.



<sup>4</sup> Restakis, John. January 2006. *Defining the Social Economy: The BC Context*; prepared for the BC Round Table on the Social Economy. This paper can be found at the BC Round Table on the Social Economy website.

While there is little disagreement that reciprocity is a key animating principle of social economy organisations, the representation of the three sectors and their related components, while a beginning, does not reveal the level of nuance within the field quite as well as work done recently in Britain. I find the graphic representation presented by John Pearce in his book, *Social Enterprise in Anytown*, more useful given the task: to define a taxonomy within which we can better define the focus of our mapping and case study work within BALTA (see “Three Systems” graphic on p. 4). While generally consistent with the Restakis depiction, it provides a more detailed and nuanced visualisation. There are several features of this representation that I believe are directly relevant to defining BALTA’s mapping strategy.

### **Three Perspectives on Managing our Economic Life<sup>5</sup>**

There are three main ways of thinking about how to manage our economic life, according to Pearce. Broadly speaking, they parallel almost exactly the Restakis conception. However, Pearce calls them systems rather than sectors, for reasons I find pertinent. The word “system” is preferred over sector because each system is “essentially about a different way of managing the economy, about a different mode of production.” The word “sector” implies a homogeneous economy that can “like Gaul and for convenience, be divided into three parts.” While remaining a pluralist and recognizing different systems can play different functions, Pearce’s overall orientation is to elevate the third system to a much more strategic and dominant position as a way of organising our economic life.

The private sector, what John Pearce calls the “first system,” is profit-driven. It seeks to maximise financial returns to individual owners called shareholders, also known as investors. One dollar equals one vote; those who own the most shares exercise the most control. The protection of shareholders is the primary focus of legislation that sets out the framework for the operation of private companies. This “first system” embraces everything from locally owned small businesses to large multi-and transnational companies that have come to dominate commerce across the globe over the last 40-50 years. It is the dominant system in much of the world today, facilitating the commercial exchange of goods and services on the basis of agreed-upon value—**the exchange of equivalents**. In the most general terms then, it is based on competition, defines success in terms of individual gain, and makes financial return the first priority. The economic principle that is central to this system is *efficiency*.<sup>6</sup>

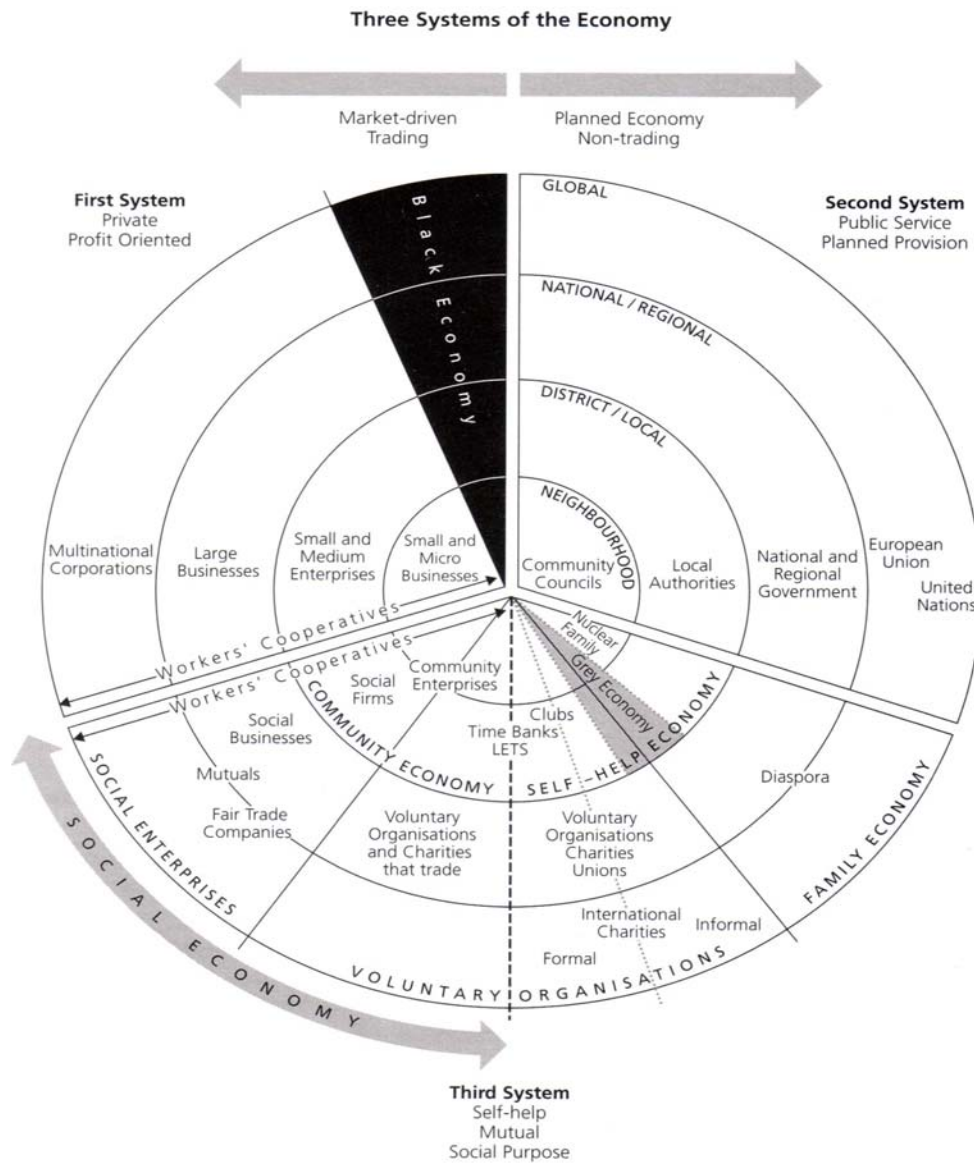
The “second system” is about **redistribution and planning**. It is the domain of governments—local, regional, national, and such as bodies as the European Union and the United Nations. Its major focus is the provision of public goods and services. It is a common part of political debate as to whether the state should play a larger or smaller role in managing the economy. In the last 30 years, the pendulum has swung to the state playing an ever-smaller role. Economists such as Milton Friedman and think tanks such as the Fraser Institute in Canada, which are heavily funded by corporations from the “first system,” have been successfully arguing for the state to retreat, “freeing the marketplace” to be the prime determinant of what is valued. Indeed, the central economic goal of the “second system”—greater *equality*—is attacked as being counterproductive to economic “*efficiency*.” This argument has found fertile ground, in part because the “second system” has come to be viewed by many as “bureaucratic, paternalistic, centralised, and inefficient.” Ironically, many of the services we value most highly: health, education, care of children and the elderly, to name a few, have come into place through the state, often with fierce opposition from those who ascribe to the dominant values within the first system.

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<sup>5</sup> Pearce, John. 2003. *Social Enterprise in Anytown*, published by the Calouste Gulbenkian Foundation [www.centralbooks.co.uk](http://www.centralbooks.co.uk)

<sup>6</sup> Ibid. In this paragraph and the subsequent two dealing with the second and third systems, I have integrated features of the Restakis definition into the “system” framework presented by Pearce.

“The third system is about citizens taking action to meet and satisfy needs themselves and working together in some collaborative way to do this.” It includes what we can think of as the family or household economy, and extends into the range of ways people exchange with each other in local areas on a volunteer basis (barter, recreation, clubs, self-help groups, etc.). It also extends to a wide range of more formally structured organisations, some of which organise their affairs as charities (e.g., faith-based organisations, Oxfam) or member-based associations (e.g., trade unions, service clubs), and others that explicitly pursue social goals using business means. The values of mutuality, self-help, caring for people and the environment, are given higher priority than maximizing profits. The economic principle that animates organisations in the third system is **reciprocity**. Organisations in this realm emphasize mutual and collective benefit; their aim: to foster a greater measure of solidarity among human beings, their communities, and society as a whole.



\*\* For a definition of terms that may be unfamiliar in the Canadian context, for example, the Grey Economy, social firms, social business, etc., see Attachment One (p. 19).

As Pearce points out, the third system has rarely been given much recognition in the modern period. The social enterprise “wedge” in the diagram is often argued to be no more than a subset of the first system, leaving the family economy and much of the voluntary and member-based organisations as an economically irrelevant part of society. Indeed, the first system has the view that maximizing profits is the most “*efficient*” way of creating the wealth necessary to support social services and programs. It totally ignores the strategic importance of the daily transactions within the third system. Without the economic value of what Pearce calls the self-help economy (the two wedges on the right within the third system), the smooth functioning of the other systems is severely compromised.<sup>7</sup>

### A Closer Look at the Social Economy and Social Enterprise

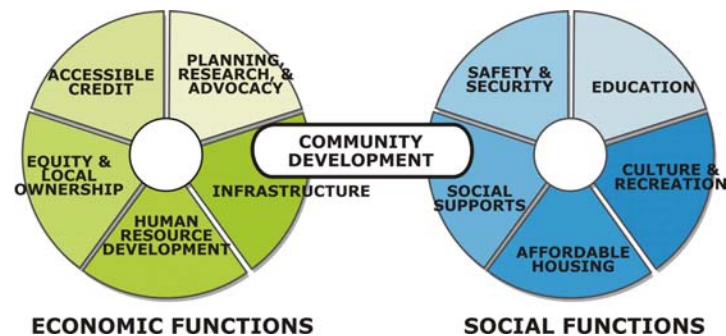
What I find most useful in the Pearce graphic is his more finely segmented depiction of the components parts that make up the “third system.” It represents many of the dimensions of what BALTA has been debating about what constitutes a taxonomy within which we can usefully locate the social economy. There are several aspects to note.

First, the two “wedges” that the social economy occupies is defined as “all that part of the third system that is on the trading side,” or put another way, that sells products and services into the marketplace. Those in the social enterprise wedge conduct all or most of their operations using enterprise as a means to achieve social purpose(s). This is consistent with the Restakis definition.

Second, the voluntary organisation wedge within the social economy wedge (on the right) engages in some market-based activities. However, they do not view their mission and goals as being primarily met through social enterprise. For instance, a social service organisation or church that receives funds from donations and/or grants but also rents its facilities, such as to a daycare, would not be seen as a social enterprise. However, the daycare, if organised as a co-operative or non-profit using a mix of user, government, and volunteer resources, would be considered a social enterprise.

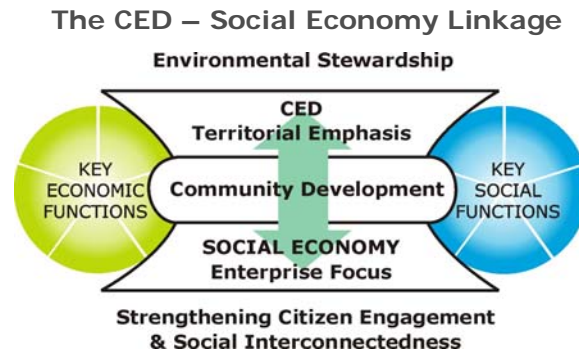
Third, it distinguishes between different spatial levels: neighbourhood, local/regional, national, and international. This is helpful to the discussion of mapping. Some organisations are focused on the economic and social development of a particular locality; they foster social enterprise as one strategy, among others. (Pearce refers to locally focused social enterprises as community enterprise.) Referred to in Canada as CED organisations, they have proven themselves to be complementary and supportive of sector- or interest-based priorities that extend well beyond the local arena.

For example, RESO, a CED organisation focused on five southwest Montreal neighbourhoods, has helped over 40 social enterprises (500 jobs) get started between 1998 and 2004. Some of these social enterprises were also supported in their evolution through other networks and associations that are function- or interest-based, for example the training business association in Quebec, or the provincial association of recycling social enterprises, or housing co-ops. This territorial-, sector-, and interest-based approach is illustrated in part by the graphic outlining the key economic and social functions that CED organisations need to pay attention to in their formulation of strategies for local revitalization.

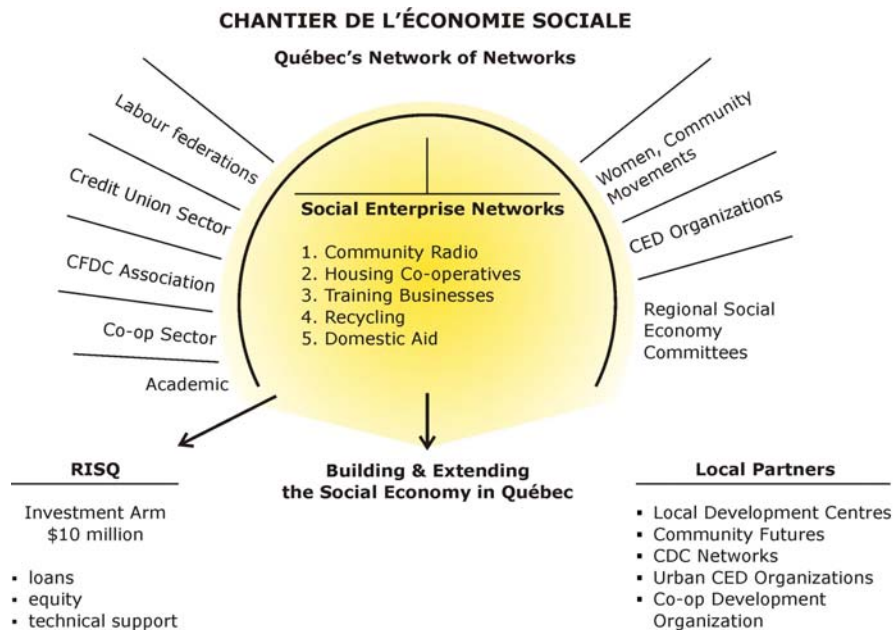


<sup>7</sup> For a fuller explanation of the family economy and voluntary organisations that make up the self-help economy on the graphic, see pages 26 to 28 in Pearce; *Ibid.*

RESO centers its efforts on three of the five main economic functions: retaining local ownership and building equity for re-investment; human resource development; and planning, research, and advocacy. Through their broad-based organising, partnership, and governance strategies, they have significant influence on many of the other economic and social functions in their neighbourhoods. Social enterprise is one of the tools—many of which address social goals directly related to one or more of the five social functions depicted in the graphic above—they employ for strengthening their locale. These linkages are further amplified by the graphic below.<sup>8</sup>



Over the last decade in Quebec, the social economy has expanded massively, partly because of the way social economy actors have been able to integrate territorial-, sector- and interest-based approaches, and partly because of their ability to organise on a provincial and regional basis to press for policy change and resources and programs relevant to advancing their goals. This complex of relationships, functions, and organisational types at work in Quebec is represented by the graphic below.



<sup>8</sup>. Lewis, Mike. May 2004. "CED and the Social Economy: Sorting out Basics" in *Making Waves*, Canada's CED quarterly magazine. French and English [www.cedworks.com](http://www.cedworks.com)



These Quebec-based examples illustrate well the spatial and functional range of the social economy, at least from the local to the provincial level. One could add additional linkages that extend the Quebec social economy infrastructure onto the national stage, as well as into a variety of relationships evolving at the international level.

Based on the foregoing discussion, several key features of social enterprise can be summarized:<sup>9</sup>

1. Social enterprise elevates social goals as an explicit priority in the business. A social and economic return on investment is consciously pursued, whether or not there is any public investment.
2. Building the means by which people can organise on the basis of mutual support and solidarity is a preoccupation of social enterprise. One way this is pursued is through engagement of members and/or beneficiaries in the governance of the enterprise.
3. Selling into the marketplace is always a central feature.
4. Collective ownership is an important means of achieving an integration of social and economic objectives and accountability to a defined constituency and the wider community.
5. Profits, assets, and wealth are not distributed to individuals; they are held and invested for community benefit.

In Quebec, “social economy enterprises” have a similar but somewhat different articulation of principles and structural features, notably the following:<sup>10</sup> They

- aim to serve their members or the community as a whole, instead of striving for financial profit alone;
- are neither private businesses nor public agencies;
- establish a democratic decision-making process that involves the participation of users and workers;
- give priority to people and work rather than to capital in the distribution of revenue and surplus;
- are based on principles of participation, empowerment, and individual and collective responsibility.

One other useful contribution the Pearce graphic makes to the BALTA discussion is that while organisations across the “third system” are more likely than not to engage in behaviours governed by the principle of reciprocity, confining the social economy to the “trading” side is simple and clear. It helps BALTA avoid getting caught up in boundary confusion that can emerge from related but distinct concepts, for example social capital. Members of the BALTA management committee will recall the confusion that emerged for a time in our discussion when the economic principle of reciprocity became equated with activities that increase social capital; to wit, the debate on whether the chess club would be included in the mapping of the social economy. I believe we have now reached agreement that, for BALTA purposes, the chess club is of little consequence, although, as is clearly depicted by Pearce, clubs are part of the “third system” and thus part of the taxonomy BALTA wishes to articulate being related to in a strategic but delimited way.

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<sup>9</sup> Lewis, Mike. September 2006. *Building Community Wealth: A Resource for Social Enterprise Development* available free from [www.cedworks.com](http://www.cedworks.com) – social enterprise bar. This summary is based on a continuum of social enterprise types introduced in the first chapter of this book.

<sup>10</sup> Neamtan, Nancy. “The Political Imperative: Civil Society and the Politics of Empowerment”, *Making Waves: Canada’s community economic development magazine*, Spring 04, vol15, #1.

## Are All Co-operatives, by Definition, Part of the Social Economy?

With respect to co-operatives, Pearce suggests some may be considered (or will prefer to consider themselves) “as part of the first system.” He suggests the determining factor is the co-operative’s purpose and practice:

*If the main purpose of the co-operative is to maximize profit for the working members, it can easily be seen as part of the first system, albeit with a commitment to operating to internal democratic standards. However, if the main purpose is understood more as social, for example the retention of jobs in a local community for present and future generations, or the allocation of some profits for community benefit, then the co-operative may be recognized as a social enterprise within the third system.”*

To reflect this distinction—the explicitness of social purpose—Pearce’s graphic shows workers co-operatives sitting on both sides of the boundary between the first and third systems.

Herein is an interesting debate for the BALTA node. Restakis seems to agree with Pearce in that he includes all parts of the co-op sector with the qualifier being they utilize market mechanisms to pursue explicit social objectives. For BALTA’s mapping program, does this mean then that member or worker ownership and “democratic” governance are not, in and of themselves, sufficient conditions to be considered part of the social economy? For example, VanCity’s values, mission, goals, lending products, and a variety of practices, including its annual social audit, place it firmly in the social economy. On the other hand, should Capital City Credit Union in Edmonton, which in my experience is more conservative in its policy and practices than a bank, be recognized as part of the social economy?

How we answer this question poses some interesting tensions. On the one hand, in order to demonstrate the importance of the social economy to policy makers, one can be tempted to get the numbers up to reflect the robust contribution of a sector worthy of much more policy attention. On the other hand, if one has a primary interest in social change, to wit, the incarnation of distinguishing values of the social economy—“co-operation, decentralisation, inclusiveness, good work, sustainability, people-centred”—then why would one want to render the landscape murky with ambiguity? To use the term Zamagni<sup>11</sup> suggested was among the benefits of the social economy—that is, its role in “contaminating” the private and public systems with the redeeming benefits of integrating social goals more fully into economic life—is it strategic, or not, to include an errant credit union that acts more like a bank than the banks? Alternatively, should the explicitness of the values and practices of the kind of economy we are trying to build be set out in sharp relief, transparent and capable of being perceived, whether the viewer is sympathetic to the values and goals, or not? Would such a tack not act as a potential prod to recalcitrant credit unions and co-ops to “get with the program?” The same could be asked about other organisations where great variation exists, for example, Community Futures Development Corporations (CFDCs) in rural Canada.

It is obviously important to resolve this question as we move forward in our mapping work. It may also be that such questions will lead us to some specialised survey work, for example in the co-operative sector, so we can become more precise about the values, policies, and practices that constitute, or not, a co-operative being qualitatively included in the social economy. Similarly, there may be some fruitful comparative case study work that could be undertaken that might provoke a deeper understanding.

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<sup>11</sup> Professor Zamagni, a well known economist from Bologna, Italy was a guest in a BALTA tele-seminar in July 2006.

## **Implications for BALTA Mapping**

There are four implications for the mapping work of BALTA that I draw from this first section of the paper.

1. At least initially, utilize Pearce's "third system" as the basis for the taxonomy.
2. Within this taxonomy, focus our efforts on what Pearce defines as the social economy.
3. Within this focused area, mapping of non-government organisations, networks, and private sector organisations—for example, the Vancouver-based venture capital group investing in social enterprise—would be included wherever mandates and functions relevant to strengthening the social economy are found. In the public sector, the policies and programs that either support or thwart the expansion of the social economy will be a focus of inquiry, as well.
4. I would further suggest, albeit later in the life of the node, that we identify the key questions related to what constitutes the interactions and cross-fertilisation (contamination) Restakis refers to as the permeability between the three sectors or systems and the areas in which they are interdependent.

I suggest this provides BALTA with a way of beginning that is relevant to practitioners, to the training of students, to the analysis and formulation of policy, and to the goals of better understanding the sector and the factors that support or thwart its scaling-up in BC and Alberta. Where there are boundary debates, I suggest we convert them into research questions and park them for debate, bringing them forward as they become relevant to the evolution of the node or until resources can be found for their specific pursuit. Thus we would take a tack of staying open to the boundaries within the third system and in relation to the first and second systems as well, using the tensions to prompt continuous clarification and possibly some specific research projects.

## **Framing the BALTA Mapping Strategy**

Within the framework outlined in the preceding section, there are several dimensions within which one can begin to characterise various continuums along which most social enterprises (SEs) can be mapped. Pearce identifies nine dimensions, all of which are framed by the key features of social enterprise, set out below. They are very similar to my summary earlier in the paper and to the Quebec definition also cited (see pages 5 through 7).

1. SEs have a social purpose or purposes.
2. SEs achieve the social purposes, at least in part, by engaging in trade in the marketplace.
3. SEs do not distribute profits to individuals.
4. SEs hold assets and wealth in trust for community benefit.
5. SEs democratically involve members of its constituency in the governance of the organisation.
6. SEs are independent organisations accountable to a defined constituency and to the wider community.

Pearce elaborates each of these further, something that I recommend returning to when we consider the more detailed research design of our mapping methodology in September.

Within the social economy framework, even as delimited by Pearce, there are many types of organisations having different structures and using different terms. Indeed, there are many organisations that manifest some or all of the characteristics of social enterprise organisations that have never heard of, or that do not yet identify themselves as being part of the social economy.

Given the BALTA purpose of strengthening the social economy in BC and Alberta, it would seem self-evident that the mapping work we do has the potential for consciousness-raising among the many organisations that share the features of the social economy but that are not aware of being related to a broader movement. If we are to build the political muscle to advance policy and practices that strengthen the social economy, consciousness-raising is a pre-requisite to more effective organisation of the social economy actors. BALTA must consider this aspect of its work carefully. In this sense, mapping has within it an element of action research.

### **Nine Dimensions of Social Enterprise**

Pearce tries to begin describing this disparate social economy family by defining nine dimensions. He suggests that each social enterprise sits somewhere on a continuum within each dimension, although he is clear that, over time, its position may shift in response to changing circumstances, challenges, or opportunities.

#### **Nine dimensions of Social Enterprise**

1. from very small to very large
2. from voluntary enterprise to social or community business
3. from dependence on grants and subsidies to financial independence
4. from people orientation to profit maximisation
5. from informal to formal economic activity
6. from mono- to multi-functional
7. from voluntary organisation to social enterprise
8. from radical to reformist
9. from individual to collective initiative

The table on the following pages summarizes the continuum within each of these nine dimensions.

The Nine Dimensions of Social Enterprise

<p>From Very Small Includes the smallest of neighborhood &amp; local endeavours that generate or save income. ( local craft fairs, a village hall run by a community association, voluntary food co-op, local thrift shop)</p>	<p>To Very Large VanCity Savings, a Vancouver-based credit union, started very small over 60 years ago as a means for a few people to get access to credit. Today it has \$10 billion in assets and explicit social goals it integrates throughout its business, including an annual social audit. Others in this category include Kitsaki Development Corp and the St. Albert Cheese factory cited in Chapter 1, larger non-profit and co-op housing organisations, The Co-operators (a national insurance co-operative), Mountain Equipment Co-op (now across Canada). And in between Olds Bottling Depot, fair trade companies such as Siembra, the health services co-op in Saint Étienne-des-Grès, Quebec.</p>	<p>Comments Part of the benefit to be derived from a solid approach to mapping is that over time, and given effective dissemination strategies, the consciousness of different sectors that they are part of the social economy will grow. This is of fundamental importance to our goals of strengthening the social economy in BC and Alta</p>
<p>From Voluntary Enterprise This includes enterprises that depend entirely on volunteers, for example a small thrift store, to enterprises that have a small staff while still using volunteers for parts of the operation.</p>	<p>To Social or Community Enterprise Mainly paid staff with, most of the volunteers being board directors. Examples include a multi-stakeholder health co-op, non-profit day cares, a community owned grocery, a funeral co-op.</p>	<p>Comments Almost all social enterprises make use of volunteers at one level or another. It should not be assumed that all should move to staff run organisations (e.g. a low-income thrift store where low price is key)</p>
<p>From Dependence on Subsidies where part of the income stream remains dependent of grants and fund raising One example is Le Boulot vers, a training businesses that receive government grants to cover the development of the social capacity of high risk populations through working in a structured business that sells into the market place The province of Quebec, where this model is most prominent, receives a return on taxpayers investment within 12 months.</p>	<p>To Full Financial Independence At this end of the continuum are social enterprises that are fully self-sufficient through income generation in the marketplace. They reinvest profits in expanding their enterprise(s) and/or use portions of it for generating community benefits. Most of the examples in Chapter one fit this category.</p>	<p>Comment Most social enterprises will shift their positioning on this continuum over time. One implication for BALTA is in the work it is committed to undertake in tracking and evaluation. Shifting the perception from subsidies to investments with social and taxpayer returns in training businesses is one example.</p> <p>Related but distinct is SE contracting with government for service delivery. Often this is defined as a subsidy but in reality it is no different than the private sector contracting with government.</p> <p>We need to be clear in our mapping the distinction between contracting and grants. Additionally, we may want to explore what value added is brought by contracting with the social economy sector versus private sector.</p>
<p>From People Orientation All facets of the enterprise are focused on social goals being met. For example, the Olds Bottle Depot in Alberta integrates all of its employment and its profit re-investment policy to meeting the needs of the differently abled as well as providing a needed community service. The financial goals are focused on sustainability of the enterprise to ensure social goals related to their defined constituency continue to be met over time. Habitat for Humanity resale stores is an interesting example of where the goal is profit maximisation but it is all run by volunteers.</p>	<p>To Profit Maximisation On this end of the continuum are enterprises that emphasize profitability. The commercial focus is not directly related to meeting social goals, but generating profits for re-investment in social goals. Kitsaki seen as the economic arm of the La Ronge First Nation. Profits feed enterprise re-investment, pay the core costs of the community development corporation and become a source of revenue for the First Nation, thus moving the overall community towards greater self-reliance. Employment and training members is important but KDC puts profits first seeing the resulting equity as central to their goal of building a more self sufficient community.</p>	<p>Comment For enterprises where the commercial activity is not itself directly part of the social purpose it does not imply they must not respect other social economy values, for example, fairness in the work place.</p> <p>Other boundary issues may emerge. For example, gaming has become a feature of several First Nations owned businesses. Even where profits are used for community benefit, there is a legitimate debate as to whether the social costs of gaming would exclude such an enterprise as being seen as part of the social economy. Similarly, there are issues that emerge around ecologically questionable enterprises that may be community owned.</p>

<p>From Informal Economic Activity Activities such as Time Banks and Local Economy Trading systems (LETS) that facilitate barter are economic activities that expand participation in local economic life without the use of money as a means of exchange.</p>	<p>To Formal Economic Activity For example, Van City or Olds Bottle Depot. It should be noted that social and community enterprise can emerge for LETS activities. It is also conceivable that barter could emerge as part of formal social enterprise activities, for example, where one or more market based social enterprises barter goods and services.</p>	<p>Comment LETS occupies a grey zone where exchange meet community business. BALTA will have to decide whether to include this in the scope of the mapping</p>
<p>From Focus on a Single Enterprise Enterprises such as Olds Bottle Depot, non-profit or cooperative day cares and many others are focused on a single enterprise. In the case of Olds profits are also linked to a strategy of re-investment in specialized housing and transportation services to their specific constituency.</p>	<p>To a Multi-Functional Focus Typically, CED organisations focused on a particular locale or region have several tasks they undertake to strengthen the social economy, of which social enterprise development may be one.</p> <p>There are also examples, such as Kitsaki Development Corporation which focus only on enterprise development. They have 11 different enterprises, generate \$50 million in revenues and employ over 500 people. The Human Resource Development Association in Halifax acquired or built several enterprises that aimed to employ single employable people on welfare, integrating enterprise development with training and supports necessary for the constituency they were targeting.</p>	<p>Comment Some interesting questions emerge for BALTA in relation to mapping in this continuum. For example, CFDCs in some areas engage in lending, small enterprise development targeting individual entrepreneurs, and little more. Are they part of the social economy if there are not social goals embedded in their strategic orientation? Others are very explicit about building co-operative and social enterprises as part of what they do, which also typically includes an overall commitment to building co-operative links between the private sector, the social economy, and the public sector. They would clearly be seen as part of the social economy</p>
<p>From Voluntary Organisation Increasingly voluntary organisations are engaged in some type of commercial activity. Those voluntary organisations which engage in commercial activities as a sideline, primarily to raise funds for their operations (e.g. a gift shop in a museum), essentially remain voluntary organisations</p>	<p>To Social Enterprise This is where the trading or commercial activity is the primary means of meeting social goals.</p>	<p>Comment Again, contracting services from government is an important area that BALTA mapping needs to clarify. There is a grey zone where some voluntary organisations becoming contractors becomes a step towards redefining the way they achieve their social purpose to a social enterprise. How we distinguish this is a boundary exploration relevant to our mapping and case study work. It may well be that many organisations in the voluntary side of the “third system” may be in transit somewhere along this continuum.</p>
<p>From Radical Where social enterprise is seen as a contribution to expanding economic life based on “third system” values and goals wherever feasible. These people and organisations will take every opportunity to publicise social enterprise as a way of working. They often describe themselves as being the harbinger of a paradigm shift necessary to bringing our society and the planet onto a more just and sustainable path.</p>	<p>To Reformist Social enterprise is seen as an extension of the private and public systems, largely engaged in activities from which the public system has withdrawn and the private system cannot make sufficient profit. It is more about keeping the system going and often downplaying being a social enterprise in favour of being “just a business like any other” Some parts of the co-op and credit union movement are criticised for having lost touch with their radical roots, becoming little different than private business.</p>	<p>Comment These perspectives plus many shades in between exist in the Canadian context already. Elevating the debate and resolving it will be important, because ultimately, the enduring impact of the social economy as an agent for real and lasting change cannot likely be realised through a reformist orientation.</p>
<p>From Individual Initiative describes how a social enterprise comes into being. Individual initiative refers to a social entrepreneur who establishes roots in the community, builds legitimacy of a community constituency, gets a collective undertaking going. There are now support organisations (Ashoka) that are oriented to supporting social entrepreneurs to advance social change around the world.</p>	<p>To Collective Initiative is where the originating point is a group or organisation, no doubt with leaders that provide the initial drive and energy. An example of this is the Olds Bottle Depot that was initiated by a group of parents acquired control of a charity which they transformed into the base from which to build a social enterprise.</p>	<p>Comment In this dimension we can expect initiatives emerging from both ends of the continuum, converging in various ways in social enterprise initiatives.</p>

Social enterprises occupying various parts of the continuum within these nine dimensions are not static. They will often shift their position among one or more over time. Understanding where they are along the continuum and within each of these dimensions is an element of the mapping that can make a strategic contribution to crafting policy and other supports that are sensitive to the clusters of social enterprises. With carefully detailed design work and solid analysis, the result of mapping these dimensions could be one of the significant contributions of BALTA's mapping work.

## **Four Spheres of Work**

While not by any means exclusive—social enterprises cut across many sectors of the economy—there are four spheres or arenas that characterise a lot of social enterprise-related activity. The categories are not necessarily mutually exclusive, and many social enterprises would identify with more than one. They are:

- a) Local development and regeneration
- b) Working for the state
- c) Providing services to the community
- d) Market-driven business

### Local development and regeneration

In the Canadian context, we think of the work of local development being the primary purview of community economic development organisations that engage in a variety of tasks to strengthen, renew, or revitalise a particular geographic area.

In Britain, Pearce categorises groups that provide services and facilities that support local economic activity as types of social enterprise known, among other things, as community trusts. Descriptions of these may include such phrases as “the provision of managed workspace,” or “new-start incubator workshops,” “enterprise training programs,” “advice and support to local micro-enterprises.”

They also can play a role in taking the lead in the physical redevelopment of an area, often in partnership with organisations in other systems. Where this role is played, the benefits spread across the community and influence the entire local economic system. A Canadian example would be the Railway Heritage Museum in Revelstoke. Here, the local community-controlled enterprise centre took the lead role, thus facilitating a growth in benefits for local government, existing local private businesses, and citizens at large.

Pearce also includes what he calls “intermediary social enterprise organisations, such as co-operative development agencies....community development finance initiatives” as being important in strengthening the local infrastructure and supporting the growth of social and community enterprises. They are part of the social economy. However, he would not include private consultancies or sections of governments providing supports.

For BALTA purposes, my initial thinking is that we break out this area in the following way to facilitate our mapping work.

1. **Community Economic Development Organisations** are organisations that focus on development issues in particular territories. Typically, they will serve both the private and social economy sectors and, more broadly, animate multi-sector partnerships that cut across all systems. In terms of mapping, we will likely have an interest in the extent to which social enterprise is an explicit area of engagement and what place it occupies, or not, in the strategy of the organisation. For example, there will be many aboriginal organisations and many CFDCs that fit this category very well, blending a range of tools for use in their work, including community and social enterprise. There are also examples in the aboriginal setting of CED organisations where they are

both owners of social enterprises as well as supporters of other enterprise development activity. Even in the CFDC setting, we are seeing direct ownership emerging as an option, for example, with the Queen Charlottes CFDC.

2. **Social Enterprise Development Intermediaries** are not specifically focused on development within a specific geographic area. Organisations such as Enterprising Non-Profits in BC, the BC Co-op Development Council, and the Fraser Valley Centre for Social Enterprise focus specifically are various aspects of social enterprise development. While they understand there is a linkage between their focus on social enterprise and community economic development, their focus is narrower, although the range of enterprise cuts across a wide swath of the economy.

There is another type of intermediary to be mapped, those that attach strategic importance to social enterprise development but where it is only one dimension of their activity, for example, the Family and Community Services network across Alberta.

3. **Social Enterprise Financing vehicles** would include such organisations such as VanCity Capital Corporation and Coast Capital Credit Union that explicitly deliver financing products geared to social enterprise. One could include CFDCs in this area, given their financing role in rural areas.
4. **Social Economy and CED Promotion Networks and Facilitation Organisations** would include such networks as CCEDNet, their regional affiliates in the two provinces, CEDTAP, the Canadian Association for the Advancement of Native Development officers, etc.
5. **Research and Educational Organisations** that include CED and the Social Economy as an explicit arena within which they work would be included, for example the SFU Sustainable Community Development Institute, the Nicola Valley Institute of Technology, the Post-Carbon Institute, etc.

There may be some organisations that cross more than one of the cluster of functions identified in the five main categories.

### Working for the State

This is a complex theme, one that is relevant to the radical vs reform dimension identified earlier.

Social enterprises can be regarded as vehicles through which services may be delivered; services that were previously provided by the public sector. In Canada, a good example of this is the contracting activity that HRSDC and many provincial governments do with non-profits to provide a range of employment supports to people marginalised from the labour market.

In Britain, a number of sectors—daycare, leisure and recreational services, home care and housing estates—have been transferred to social enterprises under a clear government policy that sets out the potential for social enterprise to play a much greater role in the delivery of public services. “There is a sense of government beginning to see social enterprises as a mechanism through which some of its policy commitments can be delivered.”

Tackling social exclusion, poverty, and disadvantage is another area where social enterprises are viewed as relevant by governments (Quebec, Britain, Belgium, and the European Union).

There are some real challenges that emerge, however, if social enterprise is seen as a mere extension of the state. “Third system” organisations can become controlled by the agencies that contract them. There is a related concern that social enterprises will become viewed as the lowest-cost option, with pressures for lower wages, for example, accompanying the contracting out.



On the other hand, what the New Economics Foundation calls the “Mutual State” could be an exciting process of reinvigorating civil society. Under this model, assets move from public to common ownership, are controlled by the community, and have the efficient delivery of quality services as their driving force. It might be called a community-interest alternative to the privatisation of public services, one where alliances with labour may be forged. However, for this to be possible in English Canada, there are several key requirements that would need to be in play to shape it into a strategy that avoids the conceivable pitfalls. Pearce suggest four factors that need to be taken into account:

1. The model must be part of a wider political commitment to grow and strengthen the “third system” in general, and the social economy in particular. In short, it is about developing a “genuinely different way of organising the wider economy.”
2. Transfer of services need to be backed up by mechanisms to encourage and facilitate social enterprise to take on service provision, including appropriate design of contracts that enable all sizes of social and community enterprises to go for them.
3. The reinvestment of surplus in the community interest, and for community benefit, must be a criterion included in contracts, monitored for performance, and reported to all key stakeholders.
4. Securing support from existing workforces should be part of the process, and resulting contracts should specify both level and quality of services and minimum standards of employment.

For BALTA, with its goal of strengthening the social economy in the two provinces, these points raise substantive issues, and possible projects, both within the mapping stream and the case study stream. Can we map, perhaps using perceptual indicators, the extent to which various sectors define themselves as being part of a “genuinely different way of organising the wider economy”? Or do we need to think about some specialised surveys or case studies? How might the results be used to create a consciousness and momentum that could animate further organising of the infrastructure necessary to press for policy change?

Are there particular sectors we might want to probe more deeply, for example, the Community Futures Development Corporations in each province? They have a peculiar and important relationship with the state where contractual commitments leave **some** feeling their primary accountability is to Western Economic Diversification Canada, almost as if they are a retail agent for delivery of government programs. Yet there are also **some** that push the boundaries and have managed to establish a primary accountability focus rooted in the communities they serve. Why the differences? What factors are critically important to creating CFDCs that have begun to see themselves as change agents within a larger context?

Are First Nations development corporations another possible sector? What about the voluntary sector where often the drive is to diversify their financial base because of government cutbacks, not necessarily form a stance of promoting common ownership? Or consider daycares, a key human service that in the Quebec context is consciously part of a much broader social economy movement that has been able to secure and then protect public investment in what is now the best daycare system in Canada, much of it owned by social enterprises? All of these seem to me to be possible graduate student-level projects that could contribute to BALTA research questions and the overall goal of the node. We must look carefully at what we want to learn here about the how to position the discussion with the state around these issues, and more generally, the potential and the hazard involved in “working for the state.”

### Providing Services to the Community

Quite different than providing services that were once part of the public sector, social enterprises are often driven by a desire to respond to local needs. Sometimes, these enterprises are ones where the private sector has withdrawn because of insufficient profits. There are many examples in the

Canadian context where this is apparent, for example, co-ops that have taken over grocery/gas bars in declining rural villages, or the solidarity co-op that builds a health clinic to better retain and recruit medical professionals in a rural area, or a non-profit dental health clinic in a marginalised neighbourhood. The list goes on.

In Edmonton, we have seen the closure of the once-celebrated Edmonton Recycling Society (ERS), a social enterprise focused on employment of people with disabilities. It provides a good example of how important public policy support can be. ERS, incubated by the Mennonites, had evolved into a multi-million dollar innovator in the industry, was highly profitable, returned \$300,000 per year to the city for once un-used facilities, and became a promoter of new product development based on using re-usable segments of the waste stream. A changing municipal political environment and the lack of a clear way of evaluating bids based on the social goals and results led to the loss of the contract to a foreign multi-national. Herein is a story that reflects the crucial role public policy and procurement practices can play.

Aside from the fact that there are many sectors of community service within which social enterprise exists and/or could be expanded, part of what we need to capture in BALTA mapping is the policy context that either supports or thwarts the expansion of the social economy.

#### Market-driven business

These are social enterprises that, like any other business, are out there in the marketplace producing goods and services, and competing with businesses in the private system. Indeed, they can sometimes be indistinguishable from their first-system competitors until one examines their structure, their social purpose, their values, the level of integration of social goals into their business practices, and their reinvestment decisions.

Some social enterprises in this category actually play down their social enterprise character for fear it may disadvantage them in the marketplace. This perspective seems to suggest that social enterprise is just one form of doing business within the dominant private and/or public systems. Capital Credit Union in Edmonton may be an example of this, although my experience with them is now dated. Others, more radical, ensure that the values by which they do business are widely known; this public definition being understood as part of their contribution to the strengthening the social economy. An example of this would be a fair trade company that, through its certification and its overt promotion of fair trade purchasing, is part of changing the social, economic, and ecological ethics of the marketplace.

BALTA will have to explore how important to the work we do this arena will be. At the mapping level, it would require some carefully crafted questions linked to proxy indicators that could provide a picture at the level of the enterprise and, as the database grows, the profile of the social economy itself. There may also be some case study work that could be potentially useful in this wedge of the social economy. Clearly, the Emilia-Romagna work on which John Restakis is producing a book will facilitate some aspects of this exploration.

#### Inclusion of the Ecological and Gender Dimensions in Mapping

There are two other dimensions BALTA should discuss for inclusion in the mapping strategy: the greening of the social economy and gender in the social economy.

To better understand the extent to which the social economy in the region is engaged directly in environmental restoration and protection through social enterprise is, in my view, a strategic design issue. Given the cross-cutting issues nature of climate change, peak oil, and local and regional environmental degradation, the extent to which social enterprise is conscious of and practically engaged in activities that promote solutions is of real value.

Given that poverty continues to be disproportionately represented by women, and given the leadership of women in many parts of the social economy, the extent to which women are explicitly targeted within the mission, goals, and practices of social economy organisations should be considered in the research design. This would likely include examination of the extent to which women are explicitly targeted as beneficiaries, and the extent of their participation in the work and governance of social enterprise organisations.

### **Implications for our Mapping**

Set out here are some points for discussion of the implications of the second section of this paper on how BALTA might proceed.

1. Mapping should capture several levels and functions: the enterprise, support intermediary, development finance, promotion, research and education, and policy and program areas relevant to the social economy.
2. Priorities for mapping should be approached on a strategic basis over the life of the node.
  - a) Mapping of sectors directly relevant to the BALTA social economy research clusters would hold priority. For example, SERC 1, with its focus on human services and affordable housing, would be among the initial priorities.
  - b) Within each SERC, collaboration with existing networks would be sought to maximize the value of mapping, not only to the node but also to the targeted networks, for example Volunteer BC. In this way, the research can play a role in building relationships between and among various actors, and contribute to consciousness-raising by using a partnership approach where multiple objectives might be advanced. In addition, securing collaboration with key networks will improve the efficiency and quality of the research results.
  - c) The same strategy might be extended to other sectors of the social economy. In some cases, there will be overlap; for example, one might expect that if aboriginal participation in the social economy were to become a priority, there is little doubt that the interests of all three SERCs would be served. Therefore, there may be some cases where building collaboration with a cross-cutting constituency, such as aboriginal interests, may be more effective than taking a subject-based approach; for example, social enterprise in human services. This approach may also provide opportunities for accessing additional resources.
3. Research design is critical to quality. Questionnaires must be well designed and tested. This is a key task that will be facilitated this fall by having Lena Soots, a doctoral student, affiliated with the project. It will be an early-stage task of the SERCs to help facilitate the quality of the questions, the identification of networks and securing their cooperation, and recruiting of students. The management committee and staff will ensure that there is consistency in the approach across sectors of mapping to ensure data comparability is maximized.
4. There will be opportunities to advance the mapping where immediate priorities may not be served but where the interest of a student in a particular sector of the social economy may drive the allocation of resources. For example, consider a student that is vitally interested in social enterprise as a strategy for increasing the quality of life for people with mental disabilities. It would seem smart to maintain the flexibility to take full advantage of such synergies wherever possible.
5. The node will have to make early decisions on the database framework and management systems for dealing with data entry, storage, and retrieval. It seems to me that we will want to build an integrated database if we are to have maximum capacity to provide a research repository that can maximize the value of the mapping and related analysis. We have no budget for this at this point.

## **The Relationship between Mapping and Case Study Work**

By September 2006, a discussion paper on the approach to case work will be prepared to set out a framework to guide students and others, thus ensuring a high comparative analytical value of cases.

Over the life of the node, the mapping work will provide an expanding universe of BC-Alberta case studies for selection. Criteria for selection remain to be designed, but they will be constructed to help evaluate the potential any particular candidate might have for helping BALTA address the major research questions and the analytical domains at the heart of BALTA's SSHRC submission.

### Three Major Questions

1. What are the scope and characteristics of the social economy in the Alberta/BC region?
2. What are the scope and characteristics of social economy innovations that are achieving demonstrable social and economic results in the region or elsewhere?
3. What are the key issues, opportunities, and constraints for adapting and scaling-up whatever is working all across BC and Alberta (and outside the region)?

### Three Analytical Domains

1. contribution of social economy to the reinsertion of the social processes of reciprocity, solidarity, and sustainability into economic life
2. adapting, replicating, and scaling-up the successful social economy innovations for use in different contexts and at a larger scale throughout the region
3. relationships between the territorial approach emphasised in CED and the social enterprise sector-focused approach (How can they interact to increase the potency of the overall social economy?)

By linking the ongoing results of mapping investments to a well-designed screen of criteria for case study selection, BALTA will consistently be confronted with our core research questions. Moreover, it should be noted that the design of the mapping will also need to be cognisant of these key research arenas. The sorts of data to be collected for mapping purposes will feed into the case studies designed for more intensive research.<sup>12</sup>

This is not to say that the only universe from which case studies can be selected is those social economy actors that will be captured by the mapping. As Stewart Perry points out in a paper he wrote for the management committee, the geographical focus of the mapping in BC and Alberta cannot be allowed to confine the range of our inquiry. The BALTA submission also noted that cases from outside the region could be very important and may emerge as a result of what is learned about gaps, limitations, etc. that become visible as a result of mapping work in the region (see Attachment 2).

## **Closing Comments**

Mapping is a strategic arena for BALTA. More than counting and describing, the approach contemplated should aim to yield a rich database for practitioner, research, and policy interests. As important, the approach must be undertaken in a way that recognises that through the research process and the subsequent dissemination of results, we can contribute to bringing a fuller degree of self-consciousness and organisation to the sector. In this sense, we can view the mapping as an organising opportunity with which research and practitioner interests can creatively collaborate to strengthen the foundations for the growth of the social economy.

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<sup>12</sup> Perry, Stewart. June 2006 *A Memo on the Framework for BALTA Case Studies* This piece of work is found in Attachment 2 and should be considered in the detailed research design work targeted to begin in September. Stewart Perry is a collaborator with the BALTA alliance and a senior associate with the Centre for Community Enterprise.

## Attachment One

### Definition of selected terms from the Three Systems of the Economy graphic

**Black Economy** Commercial transactions that take place outside of the law, for example, stolen goods, drug trafficking, illegal gambling etc.

**Community Councils and Local Authorities** British terms referring to different levels of local, municipal type government.

**Grey Economy** Refers to the exchange of goods and services between individuals and groups where the value is not declared for tax or benefit purposes. Is, strictly speaking illegal, but there are few **people** who have not from time taken advantage of work done 'on the side' or traded services

**Diaspora** Refers to the remittance of sums from money earned in one country by immigrants or refugees to members of family who live in the country of origin

**Time Banks** A system through which people can do voluntary work to assist others and thereby 'bank' hours which they may later cash in to be helped themselves or which they may donate so that some other person or organisations receives the benefit.

**Local Exchange Trading Scheme (LETS)** A system which allows members to trade using a local, non-official currency, for the exchange of goods and services.

**Community Enterprises** A social enterprise which is linked to a particular locality from which it draws its members and which it seeks to benefit

**Social Firms** A social enterprise which specialises in the employment of people with some form of disability (at least 25% of the workforce) and which earns at least 50% of its income from trade. This is a British designation which does not have a precise counterpart in the Canadian context.

**Social Business** A social enterprise which tends to emphasise its business aspect and plays down any distinction from private business; often established without a democratic constitution to involve the beneficiaries. This precise term is not used in the Canadian context, although there are social enterprises that may resemble the stated characteristics.

**Mutuals** are referring here to memberships with a common interest and where each member has one vote regardless of the size of any shareholding they may have, otherwise known as co-operative societies.

## Attachment Two: A Memo on the Framework for BALTA Case Studies

Stewart Perry, June 06

These notes are intended as to serve as a starting point for discussion and decision by the BALTA Management Committee.

How is the concept of the social economy defined in this project and how is its reality to be grasped?

Suggestion:

The social economy is a human interaction process in which the social relationship of reciprocity includes an exchange of goods and/or services.<sup>13</sup>

The concrete expression of the social economy can be found in a wide variety of organisational or institutional formats, and it is those organisations or institutions that are the *cases in the social economy* that the BALTA project has chosen to focus on.

Each case of a community expression of the social economy (whether in the format of an individual social enterprise, co-operative, or CEDO [or other]) needs to be, in the first instance, described/analyzed by the three organising questions highlighted in the proposal:

1. How does the social economy organisation/institution express and reinforce community impulses toward *reciprocity* (and its elements of solidarity and sustainability)?

In the most powerful sense, BALTA would track influence of the organisation/institution to its environment such that reciprocity etc. is increased in that environment—tracked by changes in public policy, e.g. And at a lesser but highly significant level, BALTA case studies would describe the reciprocity expressed within the social economy organisation/institution itself—in terms of governance, client and employee relations, community outreach/relations, etc. What, if any, quantifiable indicators can track any of its contributions to reciprocity? In what sense and to what extent does the social economy organisations/institutions actually protect and strengthen the over-all local (or regional) economy in the face of changes generated from both inside and outside the community (region)? How, specifically, does it do this?

2. What levers/opportunities are posed/exemplified in a case of a social economy organisation or institution for *replication/adaptation* on a significantly greater scale and in different contexts?

As above, if there is evidence in the case study of a spreading influence from the social economy organisation or institution to its environment (including other social economy organisations/institutions), has this extended to replication/adaptation? If so, to what social mechanisms and interaction patterns and/or to what economic mechanisms and relationships can this be attributed? Are explicit partnerships used for replication activities, and how? Is it reasonable to judge that opportunities for replication have been overlooked and, if so, to what may this be attributed? What is the evidence for expansion of the social economy from the activities and example of any particular SE organisation?

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<sup>13</sup> The viewpoint presented here starts from but also departs from John Restakis, “Defining the Social Economy.” Reciprocity is a social relationship in which individual contributions to a common activity are made in an organisational and/or communal context that is designed by the participants for mutual collective benefit. The benefits may not necessarily be immediately realized by each individual contributor but may be mediated through any improvements in the communal and/or organisational context that are valued by the individual. When the activity includes the process of exchange of goods/services the activity can be considered to have an economic dimension (hence “the social economy” and the operation of a market). When the exchange generates surplus value, then that too is distributed as a shared, collective benefit. To the extent that the common activity requires capital or other nonhuman resources, control of the resources is also common/collective. Solidarity (the requirement of mutual identification) and sustainability (the requirement that the activities can be maintained over time) are essential elements of reciprocity.

3. Where are instances in communities in which the more focused and independent social enterprises and co-ops, etc., co-exist with the more comprehensive strategy represented in a CEDO, and what relationships between the two sorts of organisations can be described?

A case study would document to what extent the distinct organisations engage in any explicit collaborative or mutually supportive activities, or do seem to exist in separate realities. Do the different types of organisations/aims get visible strength from each other, and/or do they participate in common efforts to improve/strengthen the social economy—for instance, by joint efforts to influence outside policies?

### **Choosing Cases for BALTA Attention**

To recap, BALTA cases are organisations/institutions operating within the social economy. How do we locate the cases we want to study (aside from those already fingered in the proposal)? What are the universes from which they would be selected? And what criteria would govern their selection?

Geographical Universe: The project aims to “map” or locate all (or virtually all) cases of social economy organisations or institutions in the BC/AB area that requires recognizing the full range of key tasks<sup>14</sup> that the various social economy organisations or institutions engage in. (The criterion for selection here is merely identification of the case by a project participant as being such a case.) These cases will not, of course, be studied intensively, but comparable information on all of them would be sought that is relevant to the three analytical domains highlighted in the proposal: (1) The presence of some substantial degree of reciprocity must be identified; for example, by such proxies as democratic governance structure, broad eligibility for participation in governance, mission statements that seek broadly spread benefits, etc. (2) Relevance to issues of adaptation or replication might be identified by some assessment of performance—that is, high performance organisations would at least suggest opportunities for increase in the scale of social economy organisations. (3) Relevance to relationships between territorial and limited-function organisations might be recognized by identification of co-location of such organisations—in the same census district(s)—or by other proxies.

A review of extant surveys (such as CCEDNet’s) of social economy organisations might determine that their data are not sufficiently relevant to BALTA concerns, and a supplementary survey might need to be launched. Given a manageable spread of social economy organisations to survey, examples of some of the necessary comparison data in a mapping operation would include the following:

#### **I. Data to be collected re the organisations**

- \* Board selection procedures & board structure to describe the scope and nature of democratic control and the basic constituency of the org (e.g., whether it is a constituency of the social agency/sponsor)
- \* Formal mission statement (if any; otherwise what exists in the corporate certificate as to org goals)
- \* Number of full-time staff [proxy for size and potential impact] – perhaps part-time too
- \* Target area [i.e., proxy for scope of operations, not as territorial community, just locale]
- \* Respondent’s view of most important achievement in last 12 months (or longer period?), and why so considered – with some indications as to how much consensus there is on this, within the organisation (and outside?)

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<sup>14</sup> In addition to basic self-governance, key tasks may be enumerated as human resource development, planning/advocacy/research/technical assistance, credit provision, equity capital provision, social infrastructure (including services for health, etc.), physical infrastructure (including housing, commercial structures, business incubation sites, etc.), and enterprise development. Each social economy case will document which of the key tasks are addressed.

- \* Respondent's view of most important partner organisations (if any) – and why so considered.
- \* Respondent's view of most important external lack/gap – i.e., in resources, support, partnership (not to be answered as merely the need for more dollars)
- \* Respondent's view of most important internal lack/gap – as in technical skills, scope of consensus, clarity of changing goals, etc.

## II. Data to be collected re the environment for the social economy

- \* Respondents' views on government (fed, prov, mun) programs or policies that are most salient for the org and its goals/operations, and what changes (if any) are most to be desired [respondents may include not only social economy orgs but co-located private & public sector reps]
- \* Respondent's views as to most needed policy changes in private sector (e.g., by banks, by churches, by social service agencies, etc.)
- \* A measure of local (census district[s]) economic health (from StatsCan)

The sorts of data to be collected for mapping purposes would also be obtained for any of the cases that will be given more intensive attention.

The proposal notes that some cases outside of the two provinces will be selected for intensive review, in order to see what outside experience can offer for strengthening the regional social economy. Criteria for selection of such outside cases are not likely to be strict, but rather to depend upon the researchers' impressions of gaps, limitations, informal performance assessments, etc., which are visible in the BC/AB region.

Sectoral Universe: The cases selected for more intensive study cannot be restricted to those sectors highlighted or implied in the proposal—i.e., human services, affordable housing, and natural resource development-management-conservation, for that would limit the potential of the cases to address the other research issues featured in the proposal.

No Readily Defined Universe: Without reference to any well-defined universe, some cases must be selected (a) to illustrate models that could address any gaps discovered in the overall BC/AB social economy infrastructure—“infrastructure” importantly including policy environment; (b) to document high performance practices (so-called best practices) and to contribute to an understanding of progress and well-being and how they can be described and measured;<sup>15</sup> and (c) to explore the potential for replication and for an increase in the scale of successful social economy activity.

Beyond these three criteria for case selection, it will be important to be prepared for the eventuality that the cases already chosen in the proposal for using the adaptive management approach for research purposes may not be deemed sufficient for project purposes. That is, one or more additional cases may have to be selected to seek the advantages of feedback of research data on them, for documenting the potential and results in higher performance.

*Management task*: Any allocation of funds/effort for any case study would depend upon the management committee's determination that it met specified criteria for contributing to overall aims.

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<sup>15</sup> Among key characteristics of success for CEDOs are that they are engaged in a multi-functional comprehensive development strategy or system (not just one or two development activities); integrate social and economic goals; operate with principles that empower residents for governance of their development organisations as well as the community as a whole; use strategic planning and analysis in contrast to opportunistic tactics; and maintain a businesslike financial management approach.