

The Social Economy in Alberta and BC: Preliminary Patterns Mike Gismondi & Lynda Ross, Athabasca University

*Working in the Social Economy Symposia 2010,
WLN/BALTA Partnership, Edmonton AB, April 27*

Access the Survey at

<http://www.socialeconomy-bcalberta.ca/mapping.html>

*The BC-Alberta Social Economy Research Alliance (BALTA) is collecting information on the scope and scale of the social economy in British Columbia and Alberta. As part of this research endeavor, the BALTA Mapping project conducted an online survey in 2008, and has kept the survey running into 2010. This paper sets out some preliminary patterns of the social economy in British Columbia and Alberta, with an emphasis on mission, employment, target groups, gender and governance, revenue and engagement with market practices. Data collected so far illustrates the diversity of the sector and underlines its importance for individuals, communities and the economy.*¹

Method

Many organizations do not recognize themselves as part of social economy, as the concept or descriptor is not often used by practitioners. We adopted a broad definition of SE “as the realm of economic activity – formal and informal, market and non-market – that supports social and environmental justice.” (McMurty 2010)

Examples of activity include “co-operatives and credit unions, non-profit and volunteer organizations, charities and foundations, service associations, community enterprises, and social enterprises that use market mechanisms to pursue explicit social (and increasingly socio-

¹ BALTA is a five-year project (2006-2011) funded by the Social Sciences and Humanities Research Council of Canada. It is led by the Canadian Centre for Community Renewal. Academic partners include Athabasca University, Royal Roads University, Simon Fraser University, University of Alberta and University of Victoria. Community partners are the Alberta Community and Cooperative Association, ASPECT, BC Co-operative Association, Canadian Community Economic Development Network, City of Edmonton Community Services, Edmonton Community Foundation, Enterprising Nonprofits Program, Mennonite Central Committee of B.C., Native Brotherhood of B.C. and Rural and Co-operatives Secretariats, Agriculture and Agri-Food Canada. Other academic institutions and community organizations are involved through participating BALTA researchers and members.

environmental) objectives.” (Lewis, Leadbetter, cited in Lee)

In planning for the survey, we chose an opportunistic approach to compile the database of organizations. We used the BALTA member/practitioner membership lists (farmers markets, arts associations, enterprising non profits, faith based organizations, foundations, etc.) , as well as information from sector leaders, and sector meetings to identify organizations within the social economy. From this list of lists, we compiled a master list of some 1690 potential respondents/participants (**AB=32%; BC=68%**).

Online survey

We used an online survey and emailed requests to complete. The BALTA mapping questionnaire was designed around several theme areas including basic contact information, geographic range, stated mission and objectives, organizational and legal structure, employment, financial information, support functions and networking resulting in 26 questions.

Responses to date

By the spring of 2010, **259 organizations** operating in BC and Alberta had filled out the BALTA social economy online survey (corresponding to a **16% response rate** of the identified target population). The total included 171 (66%) BC organizations and 88 (34%) organizations in Alberta. **Alberta about 16.5 percent response rate; BC about 15 percent. To date.**

The response rate allows us to make some generalizations from the sample to the population. However because of the diverse focus of the organizations in the defined SE population as well as variability in their size, activities, reach and financial status, it is important that the sample size be increased. A larger sample allow us to generalize descriptive analyses with more confidence to the population and it should enable comparative analysis between sectors.

Working in the Social Economy

We present here data from both provinces combined and separate; and discuss how the patterns illustrate the population, and place pattern in context of more mature studies from others parts

Establishment and geographic area served (see Figure 1)

The geographic distribution of social economy organizations roughly reflects population density patterns in BC and Alberta with four clusters around the urban agglomerations of Vancouver, Victoria, Edmonton and Calgary and a sparse but somewhat even distribution over the rural regions of the two provinces of Canada.

Work Sectors (see Table 1)

Respondents were asked to identify all of the sector(s) that their establishment worked in. Table 1 provides a summary of the proportion of organizations, by province, working in the various work sectors listed.

Legal Form (see Table 2)

About half of all respondents identified themselves as not-for-profit organizations, just over one third as a society, 16% as not-for-profit corporations, and 8% as co-operatives.

Years in operation

Social economy is not new. Overall, organizations across BC and AB indicated an average length of operation of 23.6 years (SD=19; Range = 3 to 116 years). (Note no differences between provinces: AB – M=23.3, SD=19.7; BC – M=23.8, SD=19.2). While about 10% have been around for over 50 years, the average age of 23.6 years indicates that most organizations are relatively young. The majority of organizations (75%) were founded after 1980; and many (23%) were founded in the last 10 years. Bouchard et al. (2008) report a comparable average age of 19 years in their profile of the social economy in the Montréal region.

Membership base

In Alberta (N = 88), 69.3% indicated a membership base with numbers of members ranging from 6 to 2,800,000 (Median = 100); in British Columbia (N = 171), 67.8% indicated a membership base with numbers ranging from 4 to 392,000 (Median = 107). The total membership for those organizations in our sample reporting memberships was 3,535,138 (AB = 2,933,295; BC = 601,843).

Paid and Unpaid Employment (see Table 3)

Table 3 provides a summary of the those involved in paid and unpaid employment (medians and ranges) for those SE organizations who provided this information. Unlike other economic sectors, the social economy is characterized by a significant proportion of unpaid staff. More than two thirds of organizations reported volunteers. Of the total number (N = 194) of organizations providing both employment and volunteer information, 11.9% (N=23) reported no paid employees (including FT, PT, seasonal and/or contract workers) and/or volunteers (excluding board members). Of this group 10 relied only on board members and 13 reported relying on volunteers and board members only. Of the 88.1% (N = 171) organizations who reported paid employees, 52 operated without volunteers (beyond those on the board); the remaining 119 operated with both volunteers and paid employees. Just under 7% percent of respondents reported relying solely on volunteers (compared to 54% of the NSNVO sample), while 40% reported more volunteers than paid staff working for their organization.

In terms of the sectors that volunteers work in, by far the majority of volunteers provide social services, followed by arts and culture, and teaching and education..

Employment Patterns. While the work of volunteers is a defining characteristic of the social economy, the sector also creates employment, often targeting marginalized and disadvantaged groups (e.g., people with disabilities, homeless). Responding organizations reported a total of 11,726 employees including 7223 full time and 2559 part time employees. In terms of employment size, small organizations² by far dominate the survey population. Sixty percent of

² Statistics Canada categorizes business enterprises with less than 100 paid employees as small, with 200-499 as medium-sized and those with 500 and more as large enterprises.

organizations have less than 20 employees. The social economy organizations were asked whether they employ specific target groups (or intended beneficiaries). Across both provinces, 24% (N = 61) indicated that they employed between 1 to 187 target employees with a median number of 5 employees. There were 1,048 target employees, roughly 73% women. The numbers suggest that women are privileged target employees: more than half of the organizations hired more women than men and only 17% hired fewer women than men.

Networking and Linkages (see Table 4)

Across both provinces, 76% (N = 197) of the social economy organizations indicated that they offered/provided support to other organizations. The proportion of AB and BC organizations providing support was identical. N = 130). Many provide support to other organizations in the form of networking, capacity building, training, advocacy and promotion as well as technical (27%) and financial support (24%).

Market-based activity (see Table 5 for Revenues; see Table 6 for Distribution of Profits)

(Table 5) Across both provinces, 66% (N = 170) of the social economy organizations responding to the survey indicated they were involved in some form of a market-based business activity. The proportion of AB social economy organizations involved in market-based activity was significantly lower (54.5%; N = 48) compared to organizations in BC (71.3%; N = 122).

85% (N = 220) of the social economy organizations surveyed were able to respond to the question “What was your actual operating budget for the last full accounting year?” Across the two provinces, organizations reported a **median operating budget just over \$360,000** (range = \$0 to \$48.5 million). AB organizations providing operating budget figures (82%; N = 72) reported a median operating budget of **just over \$375,000 (range = \$0 to \$48.5 million)**; BC organizations (87%; N = 148) reported a median operating budget of \$278,000 (range = \$2 to \$21.7 million). AB organizations providing **capital budget figures** (58%; N = 51) reported a median capital budget of just under \$42,000 (range = \$0 to \$128 million).

Total Budgets

Even though not representative for the sector, the information collected with the BALTA mapping survey gives a rough idea of the economic characteristics and significance of the sample. The total actual **operating budget** reported by 220 respondents accounts for \$378 million (AB = \$132 million; BC= \$244 million); And, the total actual **capital budget** reported by 141 respondents was in excess of 1 billion dollars (AB = \$166 million; BC = \$947 million). Approximately 30% of respondents who specified an operating budget reported an annual budget over \$1 million.

Total Revenues

The total revenues earned account for \$630 million. With respect to sources of revenues, a few points are worth noting. Two thirds of our sample engage in market-based activities and sales of goods and services (\$277 million) as well as service contracts (\$60 million) account for more than half of total revenues. High revenues are also derived from donations (20%) and government grants (12%).

(Table 6) With respect to the distribution of their financial surplus, the majority of organizations (70%) invest their profits back into the organization. Less common were donations to other community organizations and community trusts and reserves. Only in 4% of cases do members receive a parts of the organizations profits.

Democracy, Gender, and the Social Economy

Social economy organizations in BC and Alberta are characterized by a stronger representation of women in their organizations (measured by the percentage of women on boards of directors).

With respect to the gender composition of board members, almost half of all board directors in our sample are women (46.6%) and 93.8% of all organizations have at least one female board director. More than half of the organizations stated that their board of directors consisted of at least as many women as men. Five percent of organizations have boards that consist solely of

women.

According to a 2007 census of women board directors of Canada's 500 largest companies, only 13% of corporate board seats were held by women (constituting a one percent increase from 2005, Catalyst 2006) and 56.8 percent of companies had at least one woman board director (Jenner et al. 2008). A provincial level 2005 report shows that Alberta and BC lay below the national average of 12% of board seats held by women with 11.7 and 11.5% respectively (Catalyst 2006). Even compared to the three sectors with highest percentages of women directors in the census [insurance services (30.8%), real estate and credit unions (both 25%)], the survey sample shows considerably higher representation of women board directors. This suggests that women in general play a stronger role in the social economy than they do in the public and private sectors, and are essential to the functioning of the sector.

Conclusion

Ultimately, the goal of the mapping project is to provide information that can be used to scale up from smaller success models to larger ones, and to influence policy and strengthen the foundations of the social economy in the BC and Alberta.

We are particularly interested in the employment numbers and financial contributions of the sector, types of earned income and percentage or revenue by classification. This should, for example, allow the sector activists to argue that any organization with above a certain percentage of income generated in the market, would qualify as a social enterprise and hopefully be subject to a different set of enabling policy support.

Also interested in how other political jurisdictions in Canada are developing policy to strengthen these local/place based responses to shortcomings of current neoliberal economy, and globalized marketplace.

While the local examples that we are discussing are modest, the scope and scale of the sector is in fact global, and recognized as an alternative to capitalist provision of social and environmental services and goods; providing for social equity and social employment, and democratic control by member/workers, and based on principles of social and increasingly ecological justice.

Resources

- Affolderbach, J., & Gismondi, M. (2009). Mapping the Social Economy in British Columbia and Alberta: Trends, Patterns, New Directions.
- Affolderbach, J., Gismondi, M. & Soots, L. (2008). *Research Decisions in Mapping the Social Economy in Alberta and British Columbia* BALTA Mapping Working Paper No. 2 (BC and Alberta Research Alliance on the Social Economy: Port Alberni).
- Donmoyer, R. (2009). Theories about the role of theory in nonprofit and philanthropic studies. *Nonprofit and Voluntary Sector Quarterly*, 38(4), 701-713.
- Eikenberry, A. (2009). Refusing the market: A democratic discourse for voluntary and nonprofit organizations. *Nonprofit and Voluntary Sector Quarterly*, 38(4), 582-596.
- Haugh, H., & Kitson, M. (2007). The Third Way and the third sector: New Labour's economic policy and the social economy. *Cambridge Journal of Economics*, 31, 973-994.
- Hudson, R. (2009). Life on the edge: Navigating the competitive tensions between the 'social' and the 'economic' in the social economy and in its relations to the mainstream. *Journal of Economic Geography*, 9, 493-510.
- McMurty, J.J. (2010). Introducing the social economy in theory and practice. In J.J. McMurty (Ed.), *Living Economics: Canadian Perspectives on the Social Economy, Co-operatives, and Community Development* (pp. 1-34). Toronto: Edmond Montgomery Publications Ltd.
- Moulaert, F., & Ailenei, O. (2005). Social economy, third sector and solidarity relations: A conceptual synthesis from history to present. *Urban Studies*, 42(11), 2-37-2053.
- Moulaert, F., & Nussbaumer, J. (2005). Defining the social economy and its governance at the neighbourhood level: Methodological reflection. *Urban Studies*, 42(11), 2071-2088.
- Muukkonen, M. (2009). Framing the field: Civil society and related concepts. *Nonprofit and Voluntary Sector Quarterly*, 38(4), 684-700.
- Quarter, J., & Richmond, B. (2001). Accounting for social value in nonprofits and for-profits. *Nonprofit Management & Leadership*, 12(1), 75-85.
- Quarter, J., Sousa, J., Richmond, B., & Carmichael, I. (2001). Comparing member-based organizations within a social economy framework. *Nonprofit and Voluntary Sector Quarterly*, 20(2), 351-375.
- Themudo, N. (2009). Gender and the nonprofit sector. *Nonprofit and Voluntary Sector Quarterly*, 38(4), 663-683.

Appendix I

Case Studies Resulting from the BALTA Survey Mapping Project

Mountain Equipment Coop
The Fraser Valley Centre for Social Enterprise
Alberta Environmental Network Society
Edmonton Community Foundation
Busy B Bargains
City Green Solutions Victoria
Edmonton Bike Commuters
Growing Food Security in Alberta
Good Life Bike
Lite House Vancouver
Vastu Chair
CATCO Calgary's Car Sharing Coop
Alberta Wilderness Association
Sunnyside Market
Dairylane
Community Natural Foods
Babes in Arms
PlanNet Calgary
Serenity Funeral Service
Westlock Terminals

Appendix II

BALTA Social Economy Survey Questions (Abbreviated Format)

- Q1 – Q5: Organization name and contact information.
- Q6: Incorporation/Constitution year
- Q7: Web address
- Q8(a): Does your organization have more than one establishment in Alberta and/or BC?
- Q8(b): What geographic area does your establishment serve?
- Q9: Does your establishment have a membership base?
- Q10: How many persons are on your organization's board of directors?
- Q11: What is the legal form of your establishment/organization?
- Q12(a): Please identify the sector(s) that your establishment works in.
- Q12(b): Please specify the primary sector of your establishment.
- Q13(a): Does your establishment have an explicitly stated social/purpose/mission?
- Q13(b): Please identify the categories that apply best to your establishment's social mission or scope of activities.
- Q13(c): Please specify the primary category.
- Q14(a) : Does your establishment have an explicitly stated environmental purpose/mission?
- Q14(b): Please identify the categories that apply best to your establishment's environmental purpose/mission.
- Q14(c): Please specify the primary category.
- Q15: Please indicated the number of employees within your establishment during the last financial year.[full-time, part-time, seasonal, freelance and contract, volunteers]
- Q16: Does your establishment employ specific target groups (or intended beneficiaries such as persons with disabilities, homeless people, women, persons with mental illness, ethnic communities)?
- Q17: Does your organization earn some of its income through a market-based or business activity (i.e., through the provision of goods and/or services)?
- Q18: Does your organization offer/provide support to other organizations?
- Q19: Typically, if your organization generates a financial surplus or profit, how does it distribute most of the surplus earned?
- Q20: What was your actual operating budget and actual capital budget for the last full accounting year?
- Q21: For the last fiscal year, please indicate your organization's total revenues from the following areas [government grants, loans, service contracts, sale of goods/ services, etc.].
- Q22: Are you a member of any networks, associations or umbrella groups?
- Q23: Please list other social economy organizations that you interact with (if you interact with multiple organizations please name the three most frequent).
- Q24-Q26: Follow-up questions and comments.