

Canadian Public Policy and the Social Economy

Edited by Rupert Downing

Victoria, BC: University of Victoria; 2012

ISBN 978-1-5505-8453-0

Noel Keough

THIS VOLUME ELUCIDATES KEY THEMES OF A UNIQUE FIVE-YEAR NATIONAL social economic research collaboration engaging 350 Canadian researchers – both academics and practitioners. One of the strengths of the collaboration, in my experience as one of the 350, is that the line between practitioner and academic was not always clear cut. This volume represents the work of what one might call practitioner/academics or, somewhat more cheekily, “pracademics.” The book responds to the question, “What significance does the social economy have as a concept and vehicle for addressing social, economic, and environmental policy issues in Canada?”

It is generally accepted that, with the exception of Quebec, social economy activity in Canada tends to lag behind that in Europe and Latin America. Chapters 1 and 2 provide quite a useful starting point for those who might want to delve into social economy policy work in other countries (despite the curious inclusion of Israel in the section on European experiences), but there is too much territory to cover for it to be really insightful.

Latin American examples are explored elsewhere in the book and are particularly interesting given the region’s relatively recent emergence from struggle against dictatorship and extreme inequality. Its social economy took shape in large measure out of the social movements that emerged throughout the second half of the twentieth century to confront oppression. There is no better example of this than the Workers’ Party that arose during of the era of resistance and that now holds power in Brazil. It provides state support for innovative social economy initiatives like the national waste-pickers’ union.

Chapter 3 is an overview of policy and the social economy in Canada. It begins with the inevitable attempt to define the social economy. For someone new to the field, the pages spent on the issue of definition might be a bit off-putting, but most people would concur that the social economy includes cooperatives, credit unions, community economic development organizations and social movements. Others describe it as a third sector of activity that is neither government nor private sector but that differs from traditional charity in being structured with the expectation of a return to members or outside investors.

Another phrase used throughout the book to describe the mission of the social economy is the creation of a “people-centred economy” wherein “human life, well-being, and social development are put above the interests of capital accumulation and greed.” The authors argue that, unlike the capitalist economy, the social economy intentionally

DR. NOEL KEOUGH has worked in and with social economy organizations in his neighbourhood and internationally for over 20 years. He is co-founder of Sustainable Calgary Society, currently teaches in the Faculty of Environmental Design at the University of Calgary, and is a co-lead for the SSHRC-funded Partnership Development Grant project Scaling Innovation for Sustainability.
Email: nkeough@ucalgary.ca.

produces important public goods including social capital, sustainable livelihoods, democratization of the economy, and governance and social innovation.

Though it is small compared to the conventional capitalist economy, most casual observers underestimate the size of the social economy sector. In fact, accounting for almost \$2 trillion in economic activity and 50 million jobs worldwide, and \$80 billion of activity and over 2 million jobs in Canada alone, the sector is far from marginal.

The authors argue that the social economy is uniquely situated to provide much-needed input into public policy that is attentive to economic, social, and ecological concerns. Chapter 3 highlights social economy innovation and contributions in fields as varied as community food security, sustainable energy, community-based water management, and poverty reduction. It surveys a wide range of successful policy initiatives including the Federal Cooperative Development Initiative, the Nova Scotia Community Economic Development Investment Fund, the Ontario Green Energy and Green Economy Act, and the Edmonton Social Enterprise Fund.

One of the things that I found most inspiring was the idea of the social economy as a “big tent” movement. Though it is not marginal in its current form, the authors recognize that to make a real impact on policy the sector has some serious scaling up to do. They suggest that a key scaling up strategy is to move beyond narrowly sectoral work. This might entail cooperation to link more initiatives within the social economy or, indeed, social economy groups collaborating with one or more government departments or levels of government. The authors cite examples such as City Charters in places like Winnipeg and Vancouver and the short-lived Federal Roundtable on the Social Economy as examples of big tent initiatives.

I found discussion of the *Chantier de l'économie sociale* in Quebec and the *Ontario Green Energy and Green Economy Act, 2009*, among the most promising examples of social economy-initiated big tent public policy making. Both experienced success reaching out to and engaging both the government and private sectors.

Chapter 3 also explores involving policy research institutions like the Canadian Centre for Policy Alternatives and the Caledon Institute as potential partners in the big tent. These non-partisan policy research institutes are already a force in national debates on topics ranging from affordable housing and childcare to poverty reduction and equitable tax reform.

Chapter 4 deals with governance and movement building. The authors offer up a four-part typology of social economy governance: formal and structured, informal coalitions, emerging coordinating spaces, and fragmented. Unfortunately, they find the national landscape fragmented, with many provincial movements having dispersed and uncoordinated leadership or, at best, with a systematic structure that is only emerging. The *Chantier* in Quebec, now almost 10 years old, is described as formal and structured and the most mature movement in Canada. Though not as coherent as that in Quebec, the social economy in Manitoba is described as “an intricate web of structured and unstructured relationships between a wide range of stakeholders.” The authors find the community economic development movement in Manitoba more akin to an informal

coalition – a movement with relative strength but, to some, an uneasy dependence on the social economy agenda-setting NDP government.

In Chapter 5, on financing the social economy, the authors raise alarms over the gap between supply and demand. The overarching problem is that the sector is “severely undercapitalized” with “limited access to external financing” and “without access to capital the social economy cannot invest, innovate and grow.” They warn that without effective responses to the funding gap, the social economy’s “very sustainability is threatened.” The sector’s weaknesses include internal capacity, low returns on investment, and heavy reliance on government grants. The answer to the problem, it seems, is not more grants but a greater measure of economic independence. The road to independence traverses legislative and tax changes to better support start-ups, financing for expansion, and capacity building through a mosaic of mechanisms like patient capital, investment funds, access to union pension funds, and tax incentives.

One of the best-written chapters is “Procurement and a People-Centred Economy,” with its strategic focus on the substantial purchasing power of municipal governments, school boards and universities. Authors J.J. McMurtry and Darryl Reed make an intriguing argument for advocating a value-centred procurement policy. They draw parallels between people’s resistance to transgression of accepted community norms around pricing of basic food commodities by the emerging capitalist class in the early years of the industrial revolution; historic rights protests of abolitionists, civil rights activists, women’s rights activists, and environmental activists; and world-wide anti-colonialist struggles. They advocate for a procurement policy based on the values of social justice and fairness and the development of measurement tools to enable organizations to shape coherent values-based procurement.

In Chapter 7, the authors reflect on Quebec’s rich experience through the lens of the social economy policy theory that has emerged in Latin America. The authors propose what they call the triple democratization of practices, policy development (co-construction), and policy operationalization (co-production). They provide a lengthy examination of the case of social housing to illustrate their findings. This chapter is rich in nuanced material to support strategizing for social economy inclusion in the public policy process.

The final chapter analyzes the opportunities for the convergence of the social economy and environmental sustainability agendas. This chapter also struggles with questions of definition, and includes a discussion of sustainable development added to the mix from the earlier analysis of what constitutes the social economy. This is an important chapter for those interested in the future of both movements, but more so than in earlier chapters, the analysis here is a work in progress. That likely reflects the status of the conversation between these two movements and the continued struggle for each side to define itself – much like two individuals coming to terms with a relationship while simultaneously trying to define themselves as individuals. But for this reader, the exploration of the dilemma as told in this chapter adds another dimension to the debate and to the broader project of further enlarging the social economy tent.

This is by no means a relaxing read. The style ranges from dryly academic to reference-book-like and is only occasionally engaging, but the text is always thought-provoking. The lack of an index detracts from its ease of use as a reference volume. There is a lot packed into this book, however, and it is a valuable addition to the literature on policy and the social economy in Canada.

What's in this for the philanthropist? Well, the book challenges the notion of charity that has been so much a part of the culture of philanthropy. It also invites some reflection with respect to the dominant economic model that philanthropy rarely confronts and, in fact, allies itself with to raise the capital that supports many charitable organizations. That said, it offers the promise of a big tent with lots of food for thought and room for dialogue and debate toward a more just, inclusive, and prosperous world.