



The BC-Alberta Social Economy Research Alliance

**Natural Resources, Local Development
and Social Enterprise**

***Examining the Connection Between Sustainable
Rural Development and the Social Economy in
British Columbia and Alberta***

**A Literature Review for
BALTA Social Economy Research Cluster 2**

Andre Vallillee
University of British Columbia
2007

Copyright © 2008, Canadian Centre for Community Renewal (CCCR) on behalf of the B.C.-Alberta Social Economy Research Alliance

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
e-mail: balta@xplornet.com

Author Information

At the time of completing this literature review, Andre Vallillee was a Master's student in the School of Community & Regional Planning at the University of British Columbia.

This paper/report has been produced as part of the research program of the B.C.-Alberta Social Economy Research Alliance (BALTA). Financial support from the Social Sciences and Humanities Research Council of Canada (SSHRC) is gratefully acknowledged.



Social Sciences and Humanities
Research Council of Canada

Conseil de recherches en
sciences humaines du Canada

Canada

TABLE OF CONTENTS

Table of Contents	1
1.0 Introduction	2
1.1 The Social Economy in Canada and Beyond.....	2
1.2 The Social Economy in Relation to SERC 2.....	2
2.0 Sector-Based Examples.....	3
2.1 Non-Timber Forest Products.....	3
2.2 Local and Organic Agriculture	7
2.3 Fisheries and Shellfish	10
2.4 Renewable Energy.....	12
2.5 Ecotourism	15
3.0 Cross-Cutting Issues Among Sectors in SERC 2.....	18
3.1 Success and Failure Factors	18
3.2 Institutional and Policy Constraints.....	18
3.3 Opportunities for Co-operation and Networking	19
4.0 Potential Role and Contribution of BALTA	20
4.1 Gaps in Social Economy Literature Regarding Sustainable Rural Development.....	20
4.2 Opportunities and Barriers for BALTA.....	20
5.0 Bibliography.....	20
Appendix I	
Annotated Bibliography	23

1.0 Introduction

1.1 The Social Economy in Canada and Beyond.

Canada's non-profit and voluntary sector is one of the most advanced in the world. This is the conclusion that John Restakis arrives at based on statistics detailing the breadth and scale of Canada's non-profit and voluntary sector. Yet these organizations represent only a segment of Canada's social economy, "organizations 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." (Restakis, 2006:12) To understand where they fit in requires a more detailed analysis of the scope and characteristics of Canada's social economy as a whole. Given the advanced status of Canadian non-profits and voluntary organizations we must ask what makes them successful and attractive? Where and how are they achieving innovative, demonstrable social, economic and environmental results? Moreover, what are some of the key issues both challenging and strengthening Canada's social economy organizations?

1.2 The Social Economy in Relation to SERC 2.

The purpose of SERC 2's literature review is to examine the connection between sustainable rural development and the social economy. The goal is to explore and understand the social economy in relation to natural resources and local development in order to increase awareness, build capacity and effect policy to scale up the social economy. We begin with a section outlining the role of social enterprises in key natural resource sectors, including non-timber forest products, local and organic agriculture, fisheries and shellfish, renewable energy, and ecotourism. The paper then looks at cross-cutting issues among each sector and delineates a list of common success and failure factors and institutional and policy constraints that influence the development of social enterprises in BC and Alberta. From here we suggest a number of opportunities for co-operation and networking among social economy actors in the hope of overcoming identified barriers. An examination of existing literature regarding sustainable rural development and the social economy reveals a number of gaps that demand further investigation. The paper

concludes by identifying opportunities for research for BALTA team members to consider as part of their contribution to this 5-year research project.

2.0 Sector-Based Examples

This section examines the role of social enterprises in key natural resource sectors, including non-timber forest products, local and organic agriculture, fisheries and shellfish, renewable energy, and ecotourism. Each sector is considered separately with a focus on key issues, institutional and policy constraints, and opportunities for future research. Taken together, these sectors demonstrate the broad base of support for and interest in the role of social enterprises in pursuit of sustainable rural development.

2.1 Non-Timber Forest Products.

Introduction.

Over the past decade, non-timber forest products (NTFPs) ranging from salal greens to wild mushrooms, and herbal health products to arts and crafts, have together emerged as economic drivers in rural communities throughout British Columbia and across Canada. According to Wendy Cocksedge (2001) there are over 200 different varieties of NTFPs harvested in BC, together generating an estimated \$80 million in revenue each year. The industry is composed primarily of small and micro-sized business operations, with the co-op business model a popular choice among rural communities interested in re-organizing their resource-based economies to take advantage of multiple uses of forest ecosystems.

Key Issues.

First Nations Control and Ownership.

A number of First Nations communities throughout BC have expressed an interest and desire to lead the development of the NTFP industry using the co-op model and principles as a guiding business framework. Chambers (2001) suggests First Nations traditional botanical knowledge is a strategic resource for building sustainable economic initiatives in

the NTFP sector while maintaining land based livelihoods. However, there are accompanying concerns regarding the ethical commercialization of traditional plant knowledge and the important role of First Nations ownership in prospective NTFP business ventures. Lantz (2001) believes the co-operative business model can support First Nations' communities interested in maintaining and strengthening control of traditionally important medicinal resources threatened by rampant commercialization and help protect First Nations' intellectual property rights.

Nancy Turner (2001), a noted ethnobotanist based at the University of Victoria, identifies social control of resource use through land tenure and related cultural institutions as highly relevant components of traditional ecological knowledge for developing more sustainable extraction of NTFPs. For example, "apprentice-style" learning and other community-based modes of communication and teaching for responsible resource use are seen as potentially valuable components of First Nations' traditional knowledge when developing contemporary harvesting practices for NTFPs. In addition, a combination of land-based educational opportunities, ecotourism, and other land use practices rooted in the local community can play a complimentary role in growing and sustaining the NTFP industry in the face of ongoing organizational and political challenges.

Organizational Capacity and Community Resources.

Beyond ethical concerns are questions regarding organizational capacity and the human resources in First Nations communities necessary to develop and maintain a successful co-operative-based NTFP business venture. Chambers (2001) points out that the significant financial and human resources required of First Nations like the Xaxl'ep People in pursuit of land claims and self-government limit the time and energy available within the community to develop a co-operatively run native plant nursery. In an attempt to address and overcome such limitations, the creation of basic information packages for community members that describe the co-operative model and its potential application and benefits in the community could be used as a strategic asset for building understanding and support for co-operative economic development over the long-term.

Institutional and Policy Constraints:

Enabling Funds and the Role of Supportive Institutional Resources.

The case of *Wilp Sa Maa'y* Wild Harvesting Co-op, based in Northwestern BC, offers important insights into the challenges and opportunities for developing a NTFP co-op business (Lantz, 2001). Composed of both First Nations and non-First Nations people and operating at a regional level, *Wilp Sa Maa'y* Wild Harvesting Co-op is an inspiring example of a community-based response to rural economic restructuring. This berry processing co-operative grew out of a co-operative research partnership between Forest Renewal BC, the Gitksan Treaty Office, and Symbiosis Research. Bringing together the traditional knowledge of local First Nations with some of the business skills and technical expertise in Smithers and Hazelton enabled a community in transition to make use of its' existing resources.

Reflecting on her experience as a founding director in the early stages of the co-op's development, Carla Burton of Symbiosis Research, suggests a few important ways in which government support and assistance can enable the development of co-operative business ventures:

- Seed funding to reach a self-sustaining level of production and marketing
- Grants available at any time throughout the year are much more helpful than those having deadlines for application
- Free workshops or seminars on co-op and corporate management principles.

(Source: Burton, 1999)

Burton's remarks are echoed by commercial harvesters and producers of NTFPs in the Cariboo-Chilcotin region of BC. Here, the NTFP sectors include a diverse mix of herbal health and cosmetic products, arts and crafts, wild foods, and floral greenery businesses, each attempting to develop a product and get it into the market. A lack of support for product development and marketing is a key factor limiting the expansion of the NTFP market in the Cariboo-Chilcotin region (Powell, 2005).

Opportunities for Future Research.

Faced with the challenges of state withdrawal from traditional forestry-based rural economies, communities are organizing themselves in an attempt to pressure governments to allow for multiple uses of forest ecosystems. The co-operative model is a popular business model for engaging and organizing community members and their common interests. In both First Nations and non-First Nations communities throughout BC, co-ops are seen as a means by which communities can demonstrate their ability to provide effective resource stewardship. Ideally, this could build confidence within government to support community-based resource management models.

Researchers could partner with interested communities to produce and distribute basic information packages that describe the co-op business model along with other CED ventures. This information could then be used for training and education among community members to increase capacity and support for social enterprise development. Ongoing concerns regarding the ethical commercialization of NTFPs suggests a role for universities in searching out examples of successful community-based programs that foster NTFP development while respecting First Nations rights and ownership. The lack of support for NTFP development and marketing as noted by Burton (1999) and other commercial harvesters and producers means there is a need for peer-reviewed research into the economic benefits of NTFPs in order to secure government understanding, support, and assistance for struggling small business owners and operators.

2.2 Local and Organic Agriculture

Introduction.

In recent years the local and organic agriculture sectors have seen their markets expand in response to the growing demand for pesticide-free produce and support for local food culture and farming systems. This societal response to the negative ecological consequences of modern industrial agriculture, ranging from soil erosion to high chemical inputs, leads Chatterton (2002) to conclude that local farmers markets, community-supported agriculture and food co-operatives have arisen to promote alternative farming practices that revitalize local food economies while striving to protect the environment.

Key Issues.

The Role of Government.

The role of federal and provincial government officials must be considered in attempts to grow and strengthen the local and organic agriculture sector. Chatterton (2002) suggests a greater role for regional policy makers and government funding bodies in supporting and subsidizing co-operatively based economic activity in the organic agriculture sector. In the UK, community finance initiatives provide the foundation for a growing social economy and serve an estimated half a million people with a total value of 400 million pounds. They have grown fourfold over the last decade (Chatterton, 2002).

Limits to Growth?

But is continued growth and expansion of the local and organic agriculture sector a priority without precautions? Well-established, seasoned organic farmers have expressed skepticism about scaling-up to large-scale, specialized organic farms due to the tendency for such operations to have major environmental impacts on pests, soil fertility and crop yields. Similar concerns regarding biophysical constraints in organic farming are echoed in academic literature, for example the limits for expansion and the specialization capacity of organic farming (Hall and Mogyorody, 2001). Do examples exist where the balance

between growth demands and ecological and social constraints have been optimized? Stewart Perry's article "Yogurt on a Mission" tells the story of Stonyfield Farm, a largely organic dairy products corporation based in New Hampshire. A private enterprise with a social justice bend, from its inception Stonyfield Farm has striven to balance its commitment to social and economic investments. As a business case, Stonyfield Farm provides an inspiring example of how a private enterprise can remain competitive in the market system without skirting its social and economic responsibilities (Perry, 2002). For example, employees of Stonyfield Farm were offered an opportunity to become stockholders in the company but played no major role in the business' actual governance. This represents a common tendency among founding owners/business managers with a social activist bend who are hesitant to later share significant control of the company with the employees. There is a tension, as evidenced in the case of Stonyfield Farm, between the level of worker participation and control of business operations and the managers desire to make quick decisions in the context of a competitive free market system.

Institutional and Policy Constraints.

Supply, Demand and Investment.

The growing emphasis on localized production and distribution in the organic food sector has led to challenges in purchasing and sales, especially in the processing, transportation and distribution stages. For example, access problems are largely related to inadequate supply (Macrae *et al*, 1993). Challenges related to food supply, purchasing and sales, and transportation are evidence of the larger institutional and policy barriers to expanding the local and organic agriculture sectors in British Columbia and other regions of Canada. Take Ontario for example, where investments in processing and distribution systems for organic agriculture remain under-developed. Hall and Mogyorody (2001) argue that the Ontario experience demonstrates there has not been the necessary capital to encourage the kinds of farm sizes, specialization, and mechanization which are critical to growing and sustaining strong organic agriculture markets like those in California and New Zealand. While others, including Macrae *et al* (1993), believe co-ops have not achieved their full potential in the agricultural sector due to their inability to address the structural causes of

corporate power; these authors believe co-ops should work on developing a comprehensive program to create a co-op economy. Community land trusts are proposed as one element of this larger program to grow a co-operative food economy. As an alternative business form, the benefit of the community land trust model is that it separates the use value of the land from its speculative value. The trust controls the land in perpetuity and can facilitate land improvements such as green manuring and compost additions (Macrae *et al*, 1993).

Opportunities for Future Research.

A review of the literature regarding local and organic agriculture in relation to the social economy suggests there is a need for greater understanding of how government and policy makers can support the growth and development of this sector. There exists an opportunity to conduct a more comprehensive listing and analysis of examples of government acting proactively, whether through regulatory measures or funding mechanisms, to support co-operatively based economic activity in the local and organic agriculture sector.

As noted earlier there are growing concerns regarding the scale and pace of development of the local and organic agriculture sector in recent years, leading critics to argue for limits to growth. In this context, peer-reviewed research into examples (possibly best practices) of how certain individuals, organizations, and governments have striven to balance growth demands with ecological and social considerations would provide important substance to this ongoing debate.

2.3 Fisheries and Shellfish

Introduction

There is a history of both conflict and co-operation in the fisheries and shellfish industries along the west coast of North America. Issues of access, competition, and over exploitation are common factors affecting the state of fisheries and shellfish populations. In both past and present times fishery co-ops have allowed fishermen to decide how to share fish in a limited access system, thereby overcoming the 'race-to-fish' competitive approach.

Key Issues.

Overcoming the “Tragedy of the Commons”.

In the hake industry in the Pacific Northwest the formation of co-operatives has led to a reduction in the number of fishing vessels and increases in quality and price of hake. Some of the most successful fishery co-ops are located along the US west coast and primarily involve small fishing groups (i.e. less than a dozen companies) (Hilborn *et al*, 2005). Feeny *et al* (1990) present fishery co-ops in Japan as successful examples of communal-property systems that hold legally guaranteed exclusive fishing rights in coastal areas. In doing so, these authors reject the simple one-to-one relationship between property-rights regime and outcome suggested by Hardin.

Reducing Costs.

The co-operative business model has been used successfully by fishermen to provide individual members with the opportunity to reduce overhead costs and improve the marketing conditions for their products. Feeny *et al* (1990) report the story of a New Jersey fishermen's marketing co-op that was formed to enhance their bargaining power when selling through New York's fresh fish markets. This same co-op agreed on total catch levels for the fleet and then shared revenues among members regardless of the catch levels of individual boats. A similar case located on the opposite side of the planet involves a group of fishermen in Alanya, Turkey who developed a system of fisheries regulation under the

auspices of a marketing co-op to resolve growing disputes between users. Even those fishermen who did not belong to the co-op participated in this system where fishing sites were divided up and fishermen agreed to rotate through each site so as to ensure equitable access to both the good and bad fishing spots (Feeny *et al*, 1990). These examples suggest a positive role for co-ops and other community-based social enterprises in overcoming resource conflicts and bringing products to market.

Shared Services.

BC fishermen could potentially benefit from a similar type of approach as practiced in the examples mentioned above. Welch (2001) believes a shared service fishery co-op, where fishermen join a co-op to purchase fishing gear or other supplies at reduced bulk rates, could potentially form the basis in BC from which to promote and grow the co-operative approach to commercial fishing. However this same author cautions that a lack of commonly agreed upon goals and the absence of an adequate feasibility study or business plan are common pitfalls among fishery co-ops in BC.

Institutional and Policy Constraints.

Access to Capital.

Difficulty obtaining financing from banks and credit unions is a common disadvantage of working co-operatively; this drawback is often attributed to a general unfamiliarity of the co-op business model. In response, the presence of both outside and inside advisors, good board-management relations, and linking with other co-operatives are identified as key success factors. Harnessing community skills and resources, reduced risk, more flexibility, and greater local control are also identified as advantages of working within a co-op model (Welch, 2001).

2.4 Renewable Energy

Introduction.

One of the most promising trends in sustainable rural development and the expansion of the social economy is the leading role of co-ops and other social enterprises in growing the renewable energy sector. Recent deregulation of energy markets, for example in the US, presents an opportunity for new competitors in emerging energy sectors to enter into the energy field. Farmers and co-operatives are considered two of the key new entrants in deregulated energy markets (Jacobsson and Johnson, 2000). The presence of an organized membership base, established industry partners and business credibility, help co-ops to overcome the higher up-front costs of renewable energy technology. Rhoads-Weaver and Grove (2004) believe the benefits of aggregation and collaboration within the co-op model has helped members pool their expertise and technical skills and build the necessary critical mass to access government and private foundation funding for capital costs.

Key Issues.

Studies suggest that co-ops are adopting the role of “prime mover” (Jacobsson and Johnson, 2000); that is “actors who are technically, financially and/or politically so powerful that they can initiate or strongly contribute to the development and diffusion of a new technology”. In this capacity co-ops can contribute four important factors to promote renewable technology: raise awareness, undertake investments, provide legitimacy, and diffuse the new technology (Jacobsson and Johnson, 2000). Established co-ops with significant financial and organizational resources, for example in the farming sector, could play the role of prime mover in developing wind farms and other sustainable rural energy sources.

Co-operation Among Co-operatives.

Co-ops in a range of different sectors are also strategically positioned to take advantage of their established inter-sectoral networks, putting the principle of *co-operation among co-operatives* so often espoused by the International Co-operative Alliance, into practice. For example, a new energy co-op could enter into a mutually-beneficial partnership with an established housing co-operative to deliver co-operatively produced renewable energy at an affordable price. A co-op based consumer-producer partnership built on trust and commitment could prove vital in the early stages of development for an energy co-op (Jacobsson and Johnson, 2000). There is also an opportunity for networking between farmer-owned co-ops and emerging energy co-ops to share information and resources. In fact, it is often the case that the same individuals hold membership in both organizations (Fink, 2001). Evidence suggests this idea is beginning to take root, especially in the US. A recent national survey of US farmers sponsored by the American Corn Growers Foundation found that more than half of respondents would invest their own money in wind power projects; 31% of the respondents favour farmer-owned winds co-ops as the business model of choice (Rhoads-Weaver and Grove, 2004).

Institutional and Policy Constraints.

Externalities and Subsidies.

Expanding the role of co-ops and other social enterprises in the renewable energy sector is not without significant challenges experienced industry-wide. The lack of pricing for environmental and human health “externalities” is considered the most significant barrier to the implementation of Low-Impact Renewable Energy systems in Canada (Pape-Salmon *et al*, 2003). Similarly, without well-established markets for Greenhouse Gas emissions, there will not be the necessary price signals to demonstrate the negative environmental impacts of new coal or large hydro power plants. Such projects will also continue to be subsidized indirectly by public funds through rising healthcare and environmental clean-up costs (Pape-Salmon *et al*, 2003).

Organizational Capacity.

At a micro-level, renewable energy co-ops also face challenges, including a sometimes limited organizational capacity. Fink (2001) notes a common problem among energy co-operatives occurs in the initial design and construction phase when a general contractor with inadequate training and/or experience is selected to carry out the project. Local co-op members must be ready to hire outside professional support (often in a managerial role) to ensure the proper skills are in place for running the given operation.

If the appropriate steps are taken, at both a macro-policy level and a micro-organizational setting, there is an important role for the co-operative business model in reducing installation and financing barriers to developing small wind power systems. (Rhoads-Weaver and Grove, 2004).

Opportunities for Future Research

The growing trend in co-operation among co-operatives to build and develop successful renewable energy enterprises and other related business ventures raises questions regarding issues of transferability, replication, and modeling. Peer-reviewed case examples of co-op partnerships ranging from housing co-ops and energy co-ops, to farmer co-ops and energy co-ops could lead to important insights regarding the competitive advantage of co-operation in sustainable rural development.

While research data exists that details the growing support among US farmers for farm-based wind power projects, there is a lack of information regarding the opinions, experiences, and perspectives of Canadian farmers. There is an opportunity to conduct research surveys of farmers (especially established farm co-ops) in BC and Alberta, as well as the rest of Canada, regarding their interest and willingness to invest their money and resources into wind power projects.

2.5 Ecotourism

Introduction.

In an era of growing environmental concerns and economic downturns leading to rural restructuring, community-based ecotourism operations have emerged as a key economic driver of sustainable rural development. In rural BC and Alberta there exists a strong interest in the possibilities for conservation-based development through ecotourism. Levi (2003) suggests ecotourism co-ops can play a lead role in conserving the cultural and ecological heritage of the local community while acting as a business entity through which community members can pool scarce resources to build-up economic and social capital locally.

Key Issues.

Community Control.

There is a desire for greater local control of the BC ecotourism industry. How a community is marketed (i.e. branded) in tourism brochures and publications can have both positive and negative impacts on the local community. Ecotourism co-ops allow for local membership control and help keep what is quickly becoming a global tourism industry in BC in local hands as much as possible. Reimers (2002) believes ecotourism marketing co-ops are a means by which a group of local (often competing) tourism operators can pool their resources in advertising and/or packaging campaign. In doing so ecotourism co-ops can potentially counterbalance the cultural tendency for tourists and commercial tourist operators to commodify and control tourist destinations and support a tourist culture rooted in the local community and based on collaborative relations between tourists and local populations (Levi, 2003).

First Nations Control and Ownership.

First Nations owned and operated ecotourism co-ops may benefit most from this community-based approach to ecotourism. Control and ownership of cultural traditions

and local natural resources is fundamental to First Nations communities in both BC and Alberta. Yet within some First Nations communities a lack of experience, training and education required to establish local ecotourism operations remains a significant barrier to competing with external enterprises in the same market. Nepal (2004) suggests governmental, non-governmental, and the private sector can all play a supportive role for skill development among First Nations communities. In areas such as planning, management and training, as well as with the networking, marketing and promotion of indigenous tourism products there is strong potential for mutually-beneficial partnerships. Nepal (2004) believes that First Nations like the Tl'azt'en people of Northern BC have a comparative advantage within the regional ecotourism sector based on their remote location, traditional knowledge base, and visitor interests in indigenous tourism.

Institutional and Policy Constraints.

Organizational Capacity and Financial Support.

Providing the necessary organizational and financial support is key to getting rural, community-based ecotourism operations off the ground and into the market. In Alberta, ecotourism opportunities are located primarily in peripheral regions, yet with recent cuts to public-sector resources it has become difficult for potential business operators to undertake community-based ecotourism planning, marketing and consulting. Wight (2002) argues that provincial governments (in this case Alberta) can be most supportive of community-based ecotourism by providing resources, expertise, and findings in the area of research.

Lack of Information and Understanding.

Community-based ecotourism in Alberta and BC is challenged not only by a lack of adequate resources but a limited understanding within government regarding this sector's role in sustainable rural development. For example, there is a lack of peer-reviewed sources dealing with the link between community-based ecotourism and biodiversity conservation. Kiss (2004) notes that information is often anecdotal and subjective, lacks quantitative data

and analysis, and is primarily communicated through in-house reports and publications, workshop proceedings, and websites.

Opportunities for Future Research.

Both government and academia could play an important role here in compiling data and figures to support or refute the role of community-based ecotourism operations in sustainable rural development. More generally, there are institutional factors that limit our understanding of the relationship between ecotourism and the social economy. Reimers (2002) believes there may be a more significant co-operative dimension to the adventure and ecotourism sectors in BC since a number of businesses and organizations co-operatively market themselves but are not registered under the legal system as a co-operative society/association. The author presents *Nature's Best Pacific Wilderness Tours Ltd.* based in Port Hardy as a good example of this organizational dynamic. Despite these challenges the literature suggests worker-owned accommodations, ecotourism marketing co-ops, and artisan co-ops, all located in primary tourist destinations, are seen as promising opportunities for supporting the growth of BC's social economy (Reimers, 2002).

Cross-Cutting Issues Among Sectors in SERC 2

3.1 Success and failure factors

The presence of both outside and inside advisors, good board-management relations, and linking with other co-operatives are identified as key success factors among a range of different sectors, including NTFPs, renewable energy, and fisheries and aquaculture. Scale can also be an important factor in determining whether the business venture is a success. For example, successful fishery co-ops along the Pacific coast suggest co-ops with a limited membership can be at a strategic advantage while co-ops in the energy sector can use their organized membership base, established industry partners and business credibility, to overcome the higher up-front costs of renewable energy technology.

On the other hand, a lack of commonly agreed upon goals and the absence of an adequate feasibility study or business plan are common pitfalls among co-ops and social enterprises in all sectors. Moreover, absence of government and private foundation support for social enterprise ventures, often largely due to a lack of understanding or limited supporting data to encourage investment in the social economy is a hindrance experienced among sectors in SERC 2.

3.2 Institutional and policy constraints

Co-ops and other community-based social enterprises would benefit from seed funding (both public and/or private) in the early stages of business development. Workshops and training in co-op development and CED are important in a number of different sectors to build the necessary community capacity to establish a social enterprise. There exists a lack of support for product development and marketing among a range of co-ops and social enterprises in different sectors. For example, banks and credit unions often hesitate to fund co-ops due to a general unfamiliarity with the co-op model and co-operative development. Organizational and human resources are lacking in a number of rural First Nations communities who would benefit from a community-based social enterprise

approach to sustainable rural development. Sectors in which this is an issue include NTFPs, ecotourism, and fisheries.

3.3 Opportunity for co-operation and networking

Co-operative community-university-government research partnerships can provide important early stage data and analysis to support program and policy development (ex: *Wilp Sa Maa'y* Wild Harvesting Co-op grew from this type of arrangement). Likewise, co-operation among co-operatives can help build networks of support and provide the necessary organizational resources and financial capital to leverage the social enterprise component in a range of natural resource sectors. Examples include farming co-ops networking with energy co-ops, and energy co-ops networking with housing co-ops, both cases involving mutually beneficial partnerships of production and consumption. There is also an opportunity to connect and combine the business interests of ecotourism co-ops and NTFP co-ops around collaborative land-based activities rooted in the local community. Similarly, local and organic farms could develop an agritourism component into their business model in a way that combines ecotourism marketing with food-oriented education programs.

3.0 Potential Role and Contribution of BALTA

4.1 Gaps in social economy literature regarding sustainable rural development

There is a lack of peer-reviewed sources in each sector regarding the link between social enterprise development and sustainable rural development. The ideas, vision, and practices of renewable energy co-ops, First Nations owned and operated NTFP ventures, and community-based aquaculture initiatives would seem favourable to sustainable rural development, but lacking quantitative data detailing the impact of such activities on their ecosystems, let alone the social and economic fabric of the community, reveals a significant gap in social economy literature regarding sustainable rural development.

4.2 Opportunities and barriers for BALTA

There exist an opportunity for BALTA researchers to study social enterprises who appear to be successful in sustainable rural development and compile data and figures and publish peer-reviewed research to support these claims. Ideally in this capacity BALTA would lend credibility to the work of social entrepreneurs in BC and Alberta and help effect public policy change in favour of the social economy. But at the same time, BALTA researchers are faced with a difficult situation in which most of the data available regarding social entrepreneurs was produced in-house by the organizations and business themselves. This sets the basis and need for peer-reviewed research but also makes clear that the inquiry process will not be without significant challenges.

5.0 Bibliography

- Chambers, K. 2001. "Assessing the Feasibility of Applying the Co-operative Model to First Nations Community Based Development Initiatives: A Case Study of the Xaxl'ep and a Native Plant Nursery." Occasional Paper 1 - The BC Institute for Co-operative Studies Occasional Papers Series. University of Victoria, Canada.
- Chatterton, P. 2002. "Be Realistic: Demand the Impossible': Moving Towards 'Strong' Sustainable Development in an Old Industrial Region?" *Regional Studies*, 36/5, pp. 552-561.
- Cocksedge, W. 2001. "The Role of Co-operatives in the Non-Timber Forest Product Industry: Exploring Issues and Options Using the Case Study of Salal (*Gaultheria shallon*; *Ericaceae*)." Occasional Paper 2 - The BC Institute for Co-operative Studies Occasional Papers Series. University of Victoria, Canada.
- Feeny, D, F. Berkes, B.J. McCay, and J.M. Acheson. 1990. "The Tragedy of the Commons: Twenty-Two Years Later." *Human Ecology*, 18/1, pp. 1-19.
- Fink, R. J. 2001. "Sunrise Energy Cooperative." From the New Generation Cooperatives: Case Studies Series. Illinois Institute for Rural Affairs. Western Illinois University.
- Hall, A and V. Mogyorody. 2001. "Organic Farmers in Ontario: An Examination of the Conventionalization Argument." *Sociologia Ruralis*, 41/4, pp. 399-422.
- Hilborn, R, J.M. Orensanz, and A.M. Parma. 2005. "Institutions, Incentives and the Future of Fisheries." *Phil. Trans. R. Soc. B*, 360, pp. 47-57.
- Jacobsson, S, A. Johnson. 2000. "The Diffusion of Renewable Energy Technology: An Analytical Framework and Key Issues for Research." *Energy Policy*, 28, 625-640.
- Kiss, A. 2004. "Is Community-Based Ecotourism a Good Use of Biodiversity Conservation Funds?" *Trends in Ecology & Evolution*, 19/5, pp. 232-237.
- Lantz, T.Z. 2001. Examining the Potential Role of Co-operatives in the Ethical Commercialisation of Medicinal Plants: Plant Conservation, Intellectual Property Rights, Ethics, and Devil's Club (*Oplopanax horridus*)" Occasional Paper 3 - The BC Institute for Co-operative Studies Occasional Papers Series. University of Victoria, Canada.
- Leaney, V., D. Jenkins, A. Rowlands, R. Gwilliam and D. Smith. 2001. "Local and Community Ownership of Renewable Energy Production: Examples of Wind Turbine Projects." *Wind Engineering*, 25/4, pp. 215-226.
- Levi, Y. 2003. "Cooperatives and Ecotourism: Complementarities and Limitations." *Journal of Rural Cooperation*, 31/1, pp. 75-83.

Macrae, R.J., J. Henning, and S.B. Hill. 1993. "Strategies to Overcome Barriers to the Development of Sustainable Agriculture in Canada: The Role of Agribusiness." *Journal of Agricultural and Environmental Ethics*. pp. 21-51.

Mayer, R., E. Blank, R. Udall and J. Nielsen. 1997. "Promoting Renewable Energy in a Market Environment: A Community-Based Approach for Aggregating Green Demand." A Land and Water Fund of the Rockies/U.S. Department of Energy Report. Boulder, Colorado.

Nepal, S. 2004. "Indigenous Ecotourism in Central British Columbia: The Potential for Building Capacity in the Tl'azt'en Nations Territories." *Journal of Ecotourism*, 3/3.

Pape-Salmon, A., J. Dogterom, C. Wieler and M. Anielski. 2003. "Low-Impact Renewable Energy Policy in Canada: Strengths, Gaps and a Path Forward." Pembina Institute for Appropriate Development. Drayton Valley, Alberta.

Perry, S. 2002. "Yogurt on a Mission: Economic & Social Goals at Stonyfield Farm." *Making Waves*, 13/4, pp. 6-15.

Powell, G. W. 2005. "A Regional Profile of Non-Timber Forest Products Being Harvested from the Cariboo-Chilcotin, British Columbia Area." A Report Prepared for The Centre for Non-Timber Resources, Royal Roads University. Victoria, Canada.

Reimers, M. 2002. "Tourism and Adventure Travel Co-operatives in British Columbia." Occasional Paper 7 - The BC Institute for Co-operative Studies Occasional Papers Series. University of Victoria, Canada.

Restakis, J. 2006. "Defining the Social Economy: The BC Context". Prepared for the BC Social Economy Roundtable.

Rhoads-Weaver, H. and J. Grove. 2004. "Our Wind Co-op: Exploring Joint Green Tag Financing and Marketing Models for Energy Independence." Conference Proceedings of Global Windpower, March 28-31. Chicago, Illinois.

Tedder, S., D. Mitchell and R. Farran. 2000. "Seeing the Forest Beneath the Trees: The Social and Economic Potential of Non-Timber Forest Products and Services in the Queen Charlotte Islands/Haida Gwaii." Government of Canada and the Province of British Columbia.

Turner, N. J. 1999. "'Keeping it Living': Applications and Relevance of Traditional Plant Management in British Columbia to Sustainable Harvesting of Non-timber Forest Products." Paper presented at "Forest Communities in the Third Millennium: Linking Research, Business, and Policy Toward a Sustainable Non-Timber Forest Product Sector," Conference held October 1-4, 1999. Kenora, Canada.

Welch, A. 2001. "Organising Fishery Co-operatives in British Columbia: A Handbook." Produced by the UVic Environmental Law Centre with the Assistance of The BC Institute for Co-operative Studies. University of Victoria.

Wight, P. A. 2002. "Supporting the Principles of Sustainable Development in Tourism and Ecotourism: Government's Potential Role." *Current Issues in Tourism*, 5/3, pp. 222-244.

Appendix 1. Annotated Bibliography

1. Non-Timber Forest Products

Cocksedge, W. 2001. "The Role of Co-operatives in the Non-Timber Forest Product Industry: Exploring Issues and Options Using the Case Study of Salal (*Gaultheria shallon*; *Ericaceae*). Occasional Paper 2 - The BC Institute for Co-operative Studies Occasional Papers Series. University of Victoria, Canada.

Excerpt from Introduction: The development of both the non-timber forest product (NTFP) industry and co-operative organisations can allow communities in British Columbia to have an increased input into and control over their forest land-base and economies. Combining these activities could be an even more powerful tool: communities participating in co-operatives not only share valuable local knowledge of the forest resources, but also they can more effectively apply pressure on governments and industry to ensure true multiple use of forest ecosystems. Community co-operatives, as an integral part of the system around them, are much more likely to evoke change in resource-use practices than the remote entities of governments. The promotion of co-operative values of community concern and ecological stability further their position in the public eye, and increase the awareness of and demand for sustainable forestry practices, particularly in the area of NTFPs. Berkes, Kislaloglu, Folke and Gadgil (1998) stated, "movements combining values and beliefs with ecological concepts are more likely to succeed in making ecosystem a transforming concept, as compared to the use of the science of ecology alone" (p. 413). In this paper I raise some of the issues and opportunities, which exist for NTFP co-operatives in the Pacific Northwest. I look at how the concepts of NTFP harvesting and co-operatives can each help to enable the other. Although many of the concepts discussed here apply to the Pacific Northwest NTFP industry in general, I focus on salal, one of the leading commercial NTFPs.

Key Points:

- Approximately 200 NTFPs are harvested in BC generating an estimated \$80 million from products like salal greens, wild mushrooms, and forest medicinal and culinary plants.
- Communities are organizing themselves in an attempt to pressure governments to allow for multiple uses of forest ecosystems. The co-operative model is a popular business model for engaging and organizing community members and their common interests.
- Community members can enter the NTFP industry through an established co-op business and, with little personal input or risk (except for time), be assured a level of income.
- Co-ops are seen as a means by which communities can demonstrate their ability to provide effective resource stewardship. This could build confidence within government to support community-based resource management models.

Powell, G. W. 2005. "A Regional Profile of Non-Timber Forest Products Being Harvested from the Cariboo-Chilcotin, British Columbia Area." A Report Prepared for The Centre for Non-Timber Resources, Royal Roads University. Victoria, Canada.

Excerpt from Introduction: This report profiles the commercial and First Nations' use of non-timber forest products (NTFP) harvested from the Cariboo-Chilcotin. The primary economic activity in the region is from traditional forest industries. Reduced timber harvesting after the current mountain pine beetle infestation is expected to create a strong economic and social shift. The majority of the 8.3 million ha regional land base is Crown land under the management of the Ministry of Forests and Range. The Cariboo-Chilcotin Land Use Plan guides regional resource use and outlines specific targets for access to land and resources (including NTFPs). Traditional foods, medicines and crafts from NTFPs continue to be an important part of the culture of First Nations. None of the region's First Nations currently have band-owned NTFP-based businesses, however individuals from the First Nations are known to work in commercial arts and crafts production, wild mushroom harvesting and NTFP-based ecotourism.

Key Points:

- The NTFP sectors (including herbal health and cosmetic products, arts and crafts, wild foods, and floral greenery) in the Cariboo-Chilcotin region are composed of a limited number of small or micro-sized businesses operating primarily in local markets.
- Commercial harvesters and producers of NTFPs have identified a lack of support for product development and marketing as a key factor limiting the expansion of the NTFP market in the Cariboo-Chilcotin region.
- Access and resource conflicts regarding NTFP on Crown land is not presently an issue of concern among commercial NTFPs harvesters and producers.

Chambers, K. 2001. "Assessing the Feasibility of Applying the Co-operative Model to First Nations Community Based Development Initiatives: A Case Study of the Xaxl'ep and a Native Plant Nursery." Occasional Paper 1 - The BC Institute for Co-operative Studies Occasional Papers Series. University of Victoria, Canada.

Excerpt from Introduction: It is the purpose of this report to provide a case study of one method of applying ethnobotanical knowledge, combined with the co-operative model, for sustainable community economic development. Given current economic trends, in particular, the movement away from large-scale resource extraction based industry in British Columbia, it is becoming increasingly important to research alternative trades and development models to support communities. To begin, I will illustrate the trend towards gardening with native plants and the ecological value of this practice. Next, I will outline the reasons why the Xaxl'ep People are in a good position to develop a native plant nursery. Following, I will analyse the applicability of the co-operative model, the concerns with creating a native plant nursery, and issues relating to First Nations economic development initiatives. To conclude, I will provide and discuss a number of recommendations for Xaxl'ep development and for potential co-operative associations input as well as the steps for creating a native plant nursery.

Key Points:

- The significant financial and human resources required of First Nations like the Xaxl'ep People in pursuit of land claims and self-government limit the time and energy available within the community to develop a co-operatively run native plant nursery.
- Basic information packages for community members that describe the co-operative model and its potential application and benefits in the community was identified as a strategic asset for building understanding and support for co-operative economic development.
- First Nations traditional botanical knowledge is considered a strategic resource for building sustainable economic initiatives in the NTFP sector while maintaining land based livelihoods. However, there are accompanying concerns regarding the ethical commercialization of traditional plant knowledge and the important role of First Nations ownership in prospective NTFP business ventures.

Turner, N. J. 1999. “‘Keeping it Living’: Applications and Relevance of Traditional Plant Management in British Columbia to Sustainable Harvesting of Non-timber Forest Products.” Paper presented at “Forest Communities in the Third Millennium: Linking Research, Business, and Policy Toward a Sustainable Non-Timber Forest Product Sector,” Conference held October 1-4, 1999. Kenora, Canada.

Abstract: There has been increasing concern about sustainability in harvesting and marketing of non-timber forest products in North America. This paper examines traditional approaches and practices for use of plant resources by Aboriginal peoples and discusses their applications in a contemporary context. Philosophies and attitudes of caring and respect are embodied in many traditional resource use systems, and these can become models for developing a responsible land ethic as an essential component of any program of sustainable land use. Aboriginal peoples have also developed and used a variety of practices and techniques in resource management that maintain the capacity for growth and regeneration of species being harvested, including re-planting and transplanting, pruning and coppicing, and burning. These also have relevance in current harvesting and production systems. Traditional systems of tenure, too, have enabled Aboriginal peoples to control access and monitor impacts of use. Traditional modes of knowledge transmission, including experimental, site-based learning, use of specialized names and vocabulary, stories, discourse, and ceremonial reinforcement of values of respect and careful use, are also potentially valuable and applicable to contemporary harvesting practices for NTFPs. In such applications, however, the rights and interests of Aboriginal peoples must be recognized and incorporated in any relevant NTFP use.

Key Points:

- Social control of resource use through land tenure and related cultural institutions are identified as highly relevant components of traditional ecological knowledge for developing more sustainable extraction of NTFPs.
- “Apprentice-style” learning and other community-based modes of communication and teaching for responsible resource use are considered potentially valuable components of traditional ecological knowledge when developing contemporary harvesting practices for NTFPs.
- A combination of land-based educational opportunities, ecotourism, and other land use practices rooted in the local community can play a complimentary role in growing and sustaining the NTFP industry.

Lantz, T.Z. 2001. Examining the Potential Role of Co-operatives in the Ethical Commercialisation of Medicinal Plants: Plant Conservation, Intellectual Property Rights, Ethics, and Devil's Club (*Oplonax horridus*)” Occasional Paper 3 - The BC Institute for Co-operative Studies Occasional Papers Series. University of Victoria, Canada.

Excerpt from Introduction: In the last decade, the global consumption of medicinal plants by the herbal and nutraceutical industries has increased dramatically. Growing commercialisation of medicinal plants is paralleled by an increase in harvesting intensity, and consequently, a greater risk of population extirpation, reduced genetic variation and even species extinction. Since many of these medicinals have a long history of use by indigenous traditional peoples, their commercialisation raises concerns about the intellectual property rights of the original practitioners, as well as uncertainty about the cultural appropriateness of such harvesting. Although these issues are seldom tackled in commercial endeavors, there are a number of interesting and informative examples where they are successfully addressed. In this paper, I explore the ethical and conservation issues involved in the commercialisation of medicinal plants, and discuss the potential role of economic co-operatives in the medicinal plant industry, citing successful initiatives. A unifying characteristic of these initiatives is their collaborative and co-operative nature. This commonality demonstrates the potential that the economic co-operative movement can have in the ethical commercialisation of medicinal plants. Devil's club (*Oplonax horridus*), an intensely harvested medicinal plant of extreme cultural importance in western North America, is also explored as a case study of ethical medicinal plant commercialisation. In British Columbia there are more than 50 medicinal plant species that are harvested for the herbal, nutraceutical and pharmaceutical industries.

Key Points:

- The development of medicinal plant co-operatives within and between First Nations communities can help pool financial and technical resources to examine the social, ecological and economic impacts of NTFP harvesting, lead to a broad set of guidelines for resource extraction, and the collaborative marketing of ecologically sustainable products.
- The co-operative business model can support First Nations' communities interested in maintaining and strengthening control of traditionally important medicinal resources threatened by rampant commercialization and help protect First Nations' intellectual property rights.
- The case of *Wilp Sa Maa'y* Wild Harvesting Co-op, based in Smithers, is referenced as a successful example of a regional co-op made up of both First Nations and non-First Nations people.

Tedder, S., D. Mitchell and R. Farran. 2000. "Seeing the Forest Beneath the Trees: The Social and Economic Potential of Non-Timber Forest Products and Services in the Queen Charlotte Islands/Haida Gwaii." Government of Canada and the Province of British Columbia.

Excerpt from Executive Summary: The subject of non-timber forest products (NTFPs) in the Queen Charlotte Islands/Haida Gwaii (QCI/HG) is fraught with competing interests and uncertainty. Competing interests related to the variety of issues, concerns and attitudes voiced in the community, and uncertainty related to the commercial viability of any NTFP venture. The central question for the QCI/HG is how to resolve these issues amidst the ongoing, likely expanding, and virtually unregulated harvest of NTFPs. While this report examines the social and economic potential of NTFPs on the QCI/HG, there are a number of social and economic constraints that limit this potential... Regardless of these constraints, we believe that there are potential NTFP opportunities on the QCI/HG that can meet social objectives and overcome business limitations. The way to achieve this balance is to protect sensitive areas through land use planning processes, or for the community to actively take part in the development of these opportunities. If not, existing and any new NTFP ventures will create tensions within the community and benefit fewer Islanders.

Key Points:

- This report includes a very relevant (in the context of BALTA) section (pp. 49-51) of examples outlining the involvement of NTFP users in forest management. For example, the Trinity Bioregion NTFP Partnership, based in Northern California, is a good example of an evolving NTFP partnership between two wildcrafting co-ops, US Forest Service managers, members of a US Forest Service Research Station, a local NGO, and members of the Hupa tribe. The partnership involves marketing collaboration among co-ops, training workshops for NTFP harvesters, and the development of a Forest Service permit that will likely increase the price for these NTFPs because they are harvested in an area free of pesticides since 1984.
- In the Queen Charlotte Islands/Haida Gwaii there exists an opportunity to strengthen partnerships between Haida and non-Haida through a range of different community-based business models, ranging from economic development corporations and joint ventures, to co-operatives and local associations.

2. Local and Organic Agriculture

Macrae, R.J., J. Henning, and S.B. Hill. 1993. "Strategies to Overcome Barriers to the Development of Sustainable Agriculture in Canada: The Role of Agribusiness." *Journal of Agricultural and Environmental Ethics*. pp. 21-51.

Abstract: Strategies to involve agribusiness in the development of sustainable agricultural systems have been limited by the lack of a comprehensive conceptual framework for identifying the most critical supportive policies, programs and regulations. In this paper, we propose an efficiency~substitution~redesign framework to categorize strategies for modifying agribusiness practices. This framework is then used to identify a diverse range of short, medium, and long-term strategies to be pursued by governments, community groups, academics and agribusiness to support the transition. Strategies discussed include corporate greening, ethical investment, changing the legal status of the corporation, new business forms and the development of ecological economics.

Key Points:

- Co-ops have not achieved their full potential in the agricultural sector due to their inability to address the structural causes of corporate power. Macrae *et al* argue that co-ops should work on developing a comprehensive program to create a co-op economy.
- Grain and dairy co-ops have had more success in countering corporate power than those in meat and poultry processing.
- Community land trusts are proposed as an alternative business form. The benefit of the community land trust model is that it separates the use value of the land from its speculative value. The trust controls the land in perpetuity and can facilitate land improvements such as green manuring and compost additions.
- The emphasis on localized production and distribution in the organic food sector has led to challenges in purchasing and sales, especially in the processing, transportation and distribution stages. For example access problems are largely related to inadequate supply.

Chatterton, P. 2002. “‘Be Realistic: Demand the Impossible’: Moving Towards ‘Strong’ Sustainable Development in an Old Industrial Region?” *Regional Studies*, 36/5, pp. 552-561.

Abstract: The term sustainable development provides useful guidance on how economic development can be reconciled with protecting the natural environment and meeting social objectives. However, this rather tricky term is open to a number of interpretations ranging from strong/ecological to weak/technocratic. In the context of an old industrial region, evidence of movement towards strong sustainable development in four areas is discussed: radicalizing democracy; promoting the local social economy; meeting basic needs; and encouraging biodiversity. The article explores why, in the light of sustained evidence of multiple social and environment crises, these messages of strong, ecological sustainable development continue to be ignored and marginalized in formulating policy at the regional level.

Key Points:

- Regional policy makers should provide greater support and subsidies for co-operatively based economic activity in the organic agriculture sector.
- Co-op based organic farms can undertake parallel social and educational ventures as a means to support the growth and development of their business.
- In response to the negative ecological consequences of modern industrial agriculture, ranging from soil erosion to high chemical inputs, local farmers markets, community-supported agriculture and food co-operatives have arisen to promote alternative farming practices that revitalize local food economies while striving to protect the environment.
- In the UK community finance initiatives provide the foundation for a growing social economy and serve an estimated half a million people with a total value of 400 million pounds. They have grown fourfold over the last decade.

Hall, A and V. Mogyorody. 2001. "Organic Farmers in Ontario: An Examination of the Conventionalization Argument." *Sociologia Ruralis*, 41/4, pp. 399-422.

Abstract: Increasing concerns have been expressed about whether the alternative character of the organic farming movement is being maintained as it grows in size and popularity. This paper examines this question with respect to organic farming in Ontario, Canada. Using survey and case study data, a number of production, marketing, ideology, and farm size characteristics are assessed as indicators of overall conventionalization as well as the bifurcation of organic farming into two distinct groups. While signs of conventionalization and bifurcation are demonstrated, particularly in the area of field crop farming, the overall analysis suggests that most organic farms retain the central features of an alternative approach, including an emphasis on small, diverse, mixed operations, marketing directly and locally to consumers.

Key Points:

- The marketing co-op model is being used by organic field crop farmers as a means to build international wholesale marketing connections. Soybeans are the principal organic food being marketed and the target international markets include the US, Europe and Japan.
- There is a growing trend among organic food producers in Ontario to develop export-oriented marketing strategies, especially for soybeans and grains.
- Because investments in processing and distribution systems for organic agriculture remain under-developed in Ontario, there has not been the necessary capital to encourage the kinds of farm sizes, specialization, and mechanization which are critical to growing and sustaining strong organic agriculture markets like those in California and New Zealand.
- Well-established, seasoned organic farmers have expressed skepticism about scaling-up to large-scale, specialize organic farms due to the tendency for such operations to have major environmental impacts on pests, soil fertility and crop yields. Similar concerns regarding biophysical constraints in organic farming are echoed in academic literature, for example the limits for expansion and the specialization capacity of organic farming.

Perry, S. 2002. "Yogurt on a Mission: Economic & Social Goals at Stonyfield Farm." *Making Waves*, 13/4, pp. 6-15.

Excerpt from Article: One of the defining features of CED, indeed its original and central insight, is that economic and social goals must be integrated in a comprehensive strategy in order to make an effective impact for local revitalization. This merging of the social and the economic is required because the disadvantaged community is mired in a reverberating circuit of many mutually reinforcing and destructive influences – in the schools, the housing, the businesses, the level of government services, the accessibility of jobs, the skills levels of the residents, the degree of political influence, and so forth. All these contexts included both social and economic features that interact to hold the community in the devitalized pattern... Stonyfield Farm, a dairy products corporation based in New Hampshire, represents a remarkably successful integration of social and economic goals in a socially responsible and profitable company. Yet as a company that is not involved in community economic development, it can offer a simplified illustration of the challenges of merging social and economic goals in a single organization.

Key Points:

- There is a tension, as evidenced in this case of Stonyfield Farm, between the level of worker participation and control of business operations and the managers desire to make quick decisions in the context of a competitive free market system.
- The achievements of Stonyfield Farm suggest that private enterprise and community development corporations can survive in the competitive market system while maintaining a balance between social and economic investments.
- Employees of Stonyfield Farm were offered an opportunity to become stockholders in the company but played no major role in the business' actual governance. This represents a common tendency among original owners/business managers with a social activist bend who are hesitant to later share significant control of the company with the employees.

3. Fisheries and Shellfish

Hilborn, R, J.M. Orensanz, and A.M. Parma. 2005. "Institutions, Incentives and the Future of Fisheries." *Phil. Trans. R. Soc. B*, 360, pp. 47-57.

Abstract: Fisheries around the world are managed with a broad range of institutional structures. Some of these have been quite disastrous, whereas others have proven both biologically and economically successful. Unsuccessful systems have generally involved either open access, attempts at top-down control with poor ability to monitor and implement regulations, or reliance on consensus. Successful systems range from local cooperatives to strong governmental control, to various forms of property rights, but usually involve institutional systems that provide incentives to individual operators that lead to behaviour consistent with conservation.

Key Points:

- Fishery co-ops allow fishermen to decide how to share fish in a limited access system, thereby overcoming the 'race-to-fish' competitive (and often over exploitive) approach.
- Fishery co-ops provide individual members with the opportunity to reduce overhead costs and improve the marketing conditions for their products.
- In the hake industry in the Pacific Northwest the formation of co-operatives has led to a reduction in the number of fishing vessels and increases in quality and price of hake.
- Some of the most successful fishery co-ops are located along the US west coast and primarily involve small fishing groups (i.e. less than a dozen companies) which raises the possibility that scaling-up too much can put at risk the viability of the fishery co-op.

Feeny, D, F. Berkes, B.J. McCay, and J.M. Acheson. 1990. "The Tragedy of the Commons: Twenty-Two Years Later." *Human Ecology*, 18/1, pp. 1-19.

Abstract: Hardin's Tragedy of the Commons model predicts the eventual overexploitation or degradation of all resources used in common. Given this unambiguous prediction, a surprising number of cases exist in which users have been able to restrict access to the resource and establish rules among themselves for its sustainable use. To assess the evidence, we first define common-property resources and present a taxonomy of property-rights regimes in which such resources may be held. Evidence accumulated over the last twenty-two years indicates that private, state, and communal property are all potentially viable resource management options. A more complete theory than Hardin's should incorporate institutional arrangements and cultural factors to provide for better analysis and prediction.

Key Points:

- The authors reject the simple one-to-one relationship between property-rights regime and outcome suggested by Hardin.
- Fishery co-ops in Japan are presented as successful examples of communal-property systems that hold legally guaranteed exclusive fishing rights in coastal areas.
- A New Jersey fishermen's marketing co-op was formed to enhance their bargaining power when selling through New York's fresh fish markets. This same co-op agreed on total catch levels for the fleet and then shared revenues among members regardless of the catch levels of individual boats.
- A group of fishermen in Alanya, Turkey developed a system of fisheries regulation under the auspices of a marketing co-op to resolve growing disputes between users. Even those fishermen who did not belong to the co-op participated in this system where fishing sites were divided up and fishermen agreed to rotate through each site so as to ensure equitable access to both the good and bad fishing spots.

Welch, A. 2001. “Organising Fishery Co-operatives in British Columbia: A Handbook.” Produced by the Uvic Environmental Law Centre with the Assistance of The BC Institute for Co-operative Studies. University of Victoria.

Excerpt from Introduction: The [Uvic Environmental Law Centre] was interested in doing this project because it recognized the very real possibilities for the co-operative structure to foster a more locally controlled and sustainable fishery industry in BC. Three case studies of fishery co-ops in BC appear to bear this out. These case studies are used as examples throughout this handbook and are printed in their entirety in an appendix. This handbook provides a step-by-step guide to developing a fishery co-operative. Although the steps are numbered, it is not necessary, or even desirable, to follow the steps in order as many of them can be worked on concurrently. In addition, it must be remembered that there is no one recipe for developing a co-op and that the strategies you take will largely depend on the circumstances you face.

Key Points:

- A lack of commonly agreed upon goals and the absence of an adequate feasibility study or business plan are common pitfalls among fishery co-ops in BC.
- Both outside and inside advisors, good board-management relations, and linking with other co-operatives are identified as key success factors.
- A shared service fishery co-op for BC, where fishermen join a co-op to purchase fishing gear or other supplies at reduced bulk rates, is identified as a promising opportunity upon which to grow a new co-op.
- Harnessing community skills and resources, reduced risk, more flexibility, and greater local control are identified as advantages of working within a co-op model.
- Difficulty obtaining financing from banks and credit unions is a common disadvantage of working co-operatively; this drawback is often attributed to a general unfamiliarity of the co-op business model.

4. Renewable Energy

Jacobsson, S, A. Johnson. 2000. "The Diffusion of Renewable Energy Technology: An Analytical Framework and Key Issues for Research." *Energy Policy*, 28, 625-640.

During the last two decades there has been a great deal of research on renewable energy technologies. It is commonly thought that very little has come out of this research in terms of commercially interesting technologies. The first objective of this paper is to demonstrate that this perception is no longer entirely correct; in the 1990s there has been a double-digit growth rate in the market for some renewable energy technologies. The consequent alteration in the energy system, is, however, a slow, painful and highly uncertain process. This process, we argue, needs to be studied using an innovation system perspective where the focus is on networks, institutions and firms' perceptions, competencies and strategies. The second objective of the paper is therefore to present the bare bones of such an analytical framework. A third objective is to identify a set of key issues related to the speed and direction of that transformation process which needs to be studied further.

Key Points:

- Recent deregulation of energy markets, for example in the US, presents an opportunity for new competitors in emerging energy sectors (i.e. renewable energy) to enter into the energy field. Farmers and co-operatives are considered two of the key new entrants in deregulated energy markets.
- There is an identified potential for *co-operation among co-operatives*, one of the seven principles of co-operation espoused by the International Co-operative Alliance. For example, a new energy co-operative could enter into a mutually-beneficial partnership with an established housing co-operative to deliver co-operatively produced renewable energy at an affordable price. A co-op based consumer-producer partnership built on trust and commitment could prove vital in the early stages of development for an energy co-op.
- "Prime movers" which are described as "actors who are technically, financially and/or politically so powerful that they can initiate or strongly contribute to the development and diffusion of a new technology" can contribute four important factors to promote renewable technology: raise awareness, undertake investments, provide legitimacy, and diffuse the new technology. Established co-ops with significant financial and organizational resources, for example in the farming sector, could play the role of prime mover in developing wind farms and other sustainable rural energy sources.

Fink, R. J. 2001. "Sunrise Energy Cooperative." From the New Generation Cooperatives: Case Studies Series. Illinois Institute for Rural Affairs. Western Illinois University.

Abstract: Sunshine Energy Cooperative (SEC) is a farmer-owned co-op formed to add value to its members' commodities. The planned plant capacity is six million gallons of ethanol prepared from the purchase of approximately two million bushels of corn. Total by-products produced at maximum capacity are 40,000 tons of stillage and 5,000 tons of carbon dioxide (SEC 2000). The co-op was formed on May 30, 1995 (date of incorporation) and started operation on November 25, 1999. Operations through August 31, 1999, consisted primarily of raising capital, obtaining additional debt and grant financing, designing and constructing the ethanol grain processing facility, and performing administrative functions. The co-ops voting membership is 228, and approximately 600 producers have corn delivery rights to the plant.

Key Points:

- Promoters must be ready to hire outside professional support (often in a managerial role) to ensure the proper skills are in place for running the given operation.
- A common problem among energy co-operatives occurs in the initial design and construction phase when a general contractor with inadequate training and/or experience is selected to carry out the project.
- There is potential for networking between farmer-owned co-ops and emerging energy co-ops to share information and resources. In fact, it is often the case that the same individuals hold membership in both organizations.

Pape-Salmon, A., J. Dogterom, C. Wieler and M. Anielski. 2003. “Low-Impact Renewable Energy Policy in Canada: Strengths, Gaps and a Path Forward.” Pembina Institute for Appropriate Development. Drayton Valley, Alberta.

Excerpt from Executive Summary: Low-impact renewable energy (LIRE) is a category of reliable source of energy sources, including wind, sun, biomass and moving water, that can provide a large proportion of Canada’s energy needs. LIRE costs are predictable and stable because the renewable energy resources are available and non-depletable. The utilization of LIRE technologies does not negatively impact on human health and environmental integrity. In fact, the introduction of LIRE in the energy system can reduce existing environmental and health impacts by displacing polluting sources of energy such as fossil fuels. Canada has made some progress towards diversifying its energy supply through the use of LIRE sources, but this process would be significantly accelerated through a comprehensive set of new policies and programs. This policy discussion paper covers lessons learned in Canada regarding renewable energy policy. Canada has vast amounts of renewable energy resources yet it is falling behind most industrialized nations in the expansion of LIRE due to a lack of supporting market structures and the absence of appropriate government policies.

Key Points:

- The lack of pricing for environmental and human health “externalities” is considered the most significant barrier to the implementation of Low-Impact Renewable Energy systems in Canada.
- A low-interest financing mechanism for Low-Impact Renewable Energy developers is proposed as a means to improve access to funding to support projects including thermal LIRE technologies like solar water heaters.
- Net-metering for small-scale Low-Impact Renewable Energy suppliers can provide them with more equitable market access.
- Without well-established markets for Greenhouse Gas emissions, there will not be the necessary price signals to demonstrate the negative environmental impacts of new coal or large hydro power plants. Such project will also continue to be subsidized indirectly by public funds through rising healthcare and environmental clean-up costs.

Rhoads-Weaver, H. and J. Grove. 2004. "Our Wind Co-op: Exploring Joint Green Tag Financing and Marketing Models for Energy Independence." Conference Proceedings of Global Windpower, March 28-31. Chicago, Illinois.

Abstract: This paper highlights new strategies intended to expand markets for distributed generation projects, utilizing Green Tags, a cooperative business model, and leveraged funding for capital costs. Our Wind Co-op utilizes the cooperative business structure along with financing and Green Tags investments to reduce financial barriers and generate revenue streams for rural landowners who are often discouraged by the front-end costs of renewable energy systems. The Bonneville Environmental Foundation (BEF) provided a Green Tags down payment of \$600/kW, representing estimated production for 10 years at 3.5¢/kWh. The environmental attributes of the energy generated from Our Wind Co-op turbines are aggregated, marketed and sold as "value-added" Green Tags at 10¢/kWh, recouping the front-loaded BEF payment and providing an ongoing revenue stream to help cover O&M and financing costs. This paper concludes with lessons learned and recommended strategies for using cooperative models for financing and marketing Green Tags from small-scale wind projects.

Key Points:

- A recent national survey of US farmers sponsored by the American Corn Growers Foundation found that more than half of respondents would invest their own money in wind power projects; 31% of the respondents favour farmer-owned winds co-ops as the business model of choice.
- The Our Wind Co-op model suggests there is an important role for the co-operative business model in reducing installation and financing barriers to developing small wind power systems.
- The benefits of aggregation and collaboration within the co-op model has helped members pool their expertise and technical skills and build the necessary critical mass to access government and private foundation funding for capital costs.

Mayer, R., E. Blank, R. Udall and J. Nielsen. 1997. “Promoting Renewable Energy in a Market Environment: A Community-Based Approach for Aggregating Green Demand.” A Land and Water Fund of the Rockies/U.S. Department of Energy Report. Boulder, Colorado.

Excerpt from Preface and Introduction: This report is the result of a partnership between the Land and Water Fund of the Rockies (LAW Fund) and the Community Office for Resource Efficiency (CORE). It introduces, describes, and justifies a new community-based approach for selling clean power we have developed in Colorado. We believe this grassroots approach can play an important role in commercializing renewable resource technologies in an increasingly competitive electric utility industry... This report reviews the green marketing literature to learn how other, non-energy green products have been marketed. It next analyzes pre-existing utility efforts to provide a clean energy product – generally in the form of utility green pricing programs, which encourage customers to pay a little more to purchase clean energy. Based on this review, we introduce a new community-based approach for marketing clean, renewable energy. Finally, we describe our Colorado green pricing case study, now underway, in which the LAW Fund and CORE, working with Colorado utilities, attempt to test this new community-based approach.

Key Points:

- There are three important factors to consider when developing utility green pricing programs: (1) how to market the product in a well-defined manner, (2) the credibility of the message and who is marketing it, and (3) the ability to grow a sense of community ownership of the clean power program.
- The active participation and leadership of city governments is a critical component in the development of a successful green pricing program. Likewise, attracting institutional customers – businesses, churches, and other local NGOs and associations – can provide critical ‘buy-in’ and build community-wide support and recognition of the program.
- Municipality-based utilities green pricing programs are likely to garner more local participation and financial support as compared to investor-owned utilities which have experienced more difficulty in designing successful green pricing programs.

Leaney, V., D. Jenkins, A. Rowlands, R. Gwilliam and D. Smith. 2001. "Local and Community Ownership of Renewable Energy Production: Examples of Wind Turbine Projects." *Wind Engineering*, 25/4, pp. 215-226.

Abstract: Local and community ownership of renewable energy generation, e.g. grid connected wind turbines, can bring widespread benefits to the local community and economy. Ownership may range from 100% of small projects to minor participation in larger schemes, but the knowledge and experience of local participation is a significant factor. Barriers that have in the past hindered local and community participation have been identified as fair and easy access to information, specialist knowledge, markets and finance. This paper details major advances in community RE projects in the UK over the past two years that have addressed and overcome these barriers. These include the development of a wholly community-led, community-owned wind turbine project in Mid-Wales and the establishment of a Renewable Energy Investment Club to facilitate community investment.

Full Text Unavailable Online

Chantier De L'Économie Sociale. 2005. "Social Economy and Community Economic Development in Canada: Next Steps for Public Policy." Issues Paper prepared by Chantier De L'Économie Sociale in Collaboration with CCEDNet and ARUC-ÉS.

Excerpt from the Executive Summary: When the social economy was introduced to the Canadian policy agenda in 2004, it aroused great interest among community-based stakeholders and policy makers. It also raised many questions of definition, scope and appropriate public policy. The primary goals of this paper are to deepen the collective understanding of the social economy from the perspective of public policy and to support the development of a consensus among stakeholders on the appropriate next steps forward for the Government of Canada's social economy agenda.

Not Sure Where this Report Should Be Situated

5. Ecotourism

Levi, Y. 2003. "Cooperatives and Ecotourism: Complementarities and Limitations." *Journal of Rural Cooperation*, 31/1, pp. 75-83.

A distinction has to be made between mass tourism as part of a consumerist society, and tourism as a vehicle for the diffusion of cultural and environmental values in rural areas. Based on a number of case studies, we aim to analyze the interplay of the cooperative component and a type of ecotourism or "nature oriented" tourism that transcends the limits of conventional tourism centered on the mere supply of lodging, food, buying and entertainment services. Both cooperatives, in their not-for-profit orientation and ecotourism, in its quest for non-consuming resource use and policies of decommodification that subordinate economic ends to social and cultural considerations, depend on qualitative criteria to assess their performance. How do they interact? What are the potentials and the limitations of such an interaction?

Key Points:

- Ecotourism co-ops can play a lead role in conserving the cultural and ecological heritage of the local community while acting as a business entity through which community members can pool scarce resources to build-up economic and social capital locally.
- The case examples suggest co-ops operating primarily in the promotional as opposed to consumer realm of business activities are more likely to achieve ecologically-sustainable development objectives.
- Ecotourism co-ops can potentially counterbalance the cultural tendency for tourists and commercial tourist operators to commodify and control tourist destinations (especially in the Global South) and support a tourist culture rooted in the local community and based on collaborative relations between tourists and local populations.

Reimers, M. 2002. "Tourism and Adventure Travel Co-operatives in British Columbia." Occasional Paper 7 - The BC Institute for Co-operative Studies Occasional Papers Series. University of Victoria, Canada.

Excerpt from Introduction: This report examines a new phenomenon in British Columbia's tourism industry: tourism marketing co-operatives. In the last three years B.C. has seen the creation of several tourism co-operatives. Presently, more groups are moving towards forming co-operatives. With one exception, these co-operatives are all focused on ecotourism and adventure travel. In the future, other types of tourism co-operatives may develop in British Columbia, such as worker-owned accommodations or marketing co-ops for artisans. This report will put B.C.'s tourism co-operatives in the context of the burgeoning global ecotourism and adventure travel market. This report will contribute to the study of tourism and co-operatives in general, by providing information regarding the development and operation of British Columbia's tourism marketing co-operatives. More specifically, it endeavours to be useful to groups who wish to develop a co-operative model for collaborative tourism undertakings.

Key Points:

- Tourism marketing co-ops are emerging as a means by which a group of local (often competing) tourism operators can pool their resources in advertising and/or packaging campaign.
- Tourism co-ops allow for local membership control and help keep what is quickly becoming a global tourism industry in BC in local hands as much as possible.
- Worker-owned accommodations and marketing co-ops for artisans, located in primary tourist destinations, are seen as promising opportunities for supporting the growth of BC's social economy.
- There may be a more significant co-operative dimension to the adventure and ecotourism sectors in BC since a number of businesses and organizations co-operatively market themselves but are not registered under the legal system as a co-operative society/association. *Nature's Best Pacific Wilderness Tours Ltd.* based in Port Hardy is a good example of this organizational dynamic.

Nepal, S. 2004. "Indigenous Ecotourism in Central British Columbia: The Potential for Building Capacity in the Tl'azt'en Nations Territories." *Journal of Ecotourism*, 3/3.

Abstract: This article explores the potential for building capacity to plan and develop ecotourism in a traditionally forest-dependent indigenous community in central British Columbia (BC), Canada. It is based on fieldwork conducted in 2001 and 2002, consisting mainly of two community workshops, and a survey of 128 Tl'azt'en Nation households. Results show that there is significant potential for ecotourism development in the Tl'azt'en territory. The Tl'azt'en have a strong desire to be involved in ecotourism; however, they are incognisant of the challenges and opportunities that come with its development. There is a general lack of commitment to a shared responsibility in the planning and management of ecotourism. Four potential obstacles to fully realise the development of ecotourism include the speculation that most commercial 'niches' are already filled; lack of clearly identified target visitor markets; competing interests from other northern BC communities that have similar resources; and stereotypical images of First Nations in Canada. The article suggests several strategies, including the capitalisation of Tl'azt'enne knowledge of the resources, building networks with other aboriginal and non-aboriginal agencies and individuals, exploring opportunities for educating and training the youth in tourism and small enterprise development, and building partnerships with tour operators.

Key Points:

- A lack of experience, training and education among the Tl'azt'en people required to establish local ecotourism operations that can compete with external enterprises has eroded confidence among community members.
- The remote location, traditional knowledge base, and visitor interests in indigenous tourism provide the Tl'azt'en people with a comparative advantage within the regional ecotourism sector.
- Governmental, non-governmental, and the private sector can all play a supportive role for skill development among the Tl'azt'en. For example in areas such as planning, management and training, as well as with the networking, marketing and promotion of indigenous tourism products there is strong potential for mutually-beneficial partnerships.

Kiss, A. 2004. "Is Community-Based Ecotourism a Good Use of Biodiversity Conservation Funds?" *Trends in Ecology & Evolution*, 19/5, pp. 232-237.

Abstract: Community-based ecotourism (CBET) has become a popular tool for biodiversity conservation, based on the principle that biodiversity must pay for itself by generating economic benefits, particularly for local people. There are many examples of projects that produce revenues for local communities and improve local attitudes towards conservation, but the contribution of CBET to conservation and local economic development is limited by factors such as the small areas and few people involved, limited earnings, weak linkages between biodiversity gains and commercial success, and the competitive and specialized nature of the tourism industry. Many CBET projects cited as success stories actually involve little change in existing local land and resource-use practices, provide only a modest supplement to local livelihoods, and remain dependent on external support for long periods, if not indefinitely. Investment in CBET might be justified in cases where such small changes and benefits can yield significant conservation and social benefits, although it must still be recognized as requiring a long term funding commitment. Here, I aim to identify conditions under which CBET is, and is not, likely to be effective, efficient and sustainable compared with alternative approaches for conserving biodiversity. I also highlight the need for better data and more rigorous analysis of both conservation and economic impacts.

Key Points:

- There is a lack of peer-reviewed sources dealing with the link between community-based ecotourism and biodiversity conservation. Often the information is anecdotal and subjective, lacks quantitative data and analysis, and is primarily communicated through in-house reports and publications, workshop proceedings, and websites. The author references a few case study examples to demonstrate how community-based ecotourism projects are reported as successful conservation strategies, yet provide no supporting data and figures.
- Concrete conservation and socio-economic goals should be identified and site-specific market analysis and research should be undertaken in order to better understand the true impact and value of conservation funding for community-based ecotourism projects.
- Direct payment to landholders and resource users to manage and conserve the local habitat's biodiversity is presented as a viable alternative to community-based ecotourism.

Wight, P. A. 2002. "Supporting the Principles of Sustainable Development in Tourism and Ecotourism: Government's Potential Role." *Current Issues in Tourism*, 5/3, pp. 222-244.

Abstract: This paper articulates the principles of sustainable development, sustainable tourism, and ecotourism, and their interrelationship, and explains the critical difference between growth and development, which are commonly confused. It discusses numerous activities during the course of the early 1990s, which arguably moved the government into a 'strong sustainability' mode, through its support of the principles of sustainable development, tourism, and ecotourism. The paper also briefly describes the reduction of government activities to support principles of sustainable development over the latter part of the decade, which moved the government to a weak sustainability mode. Supportive activities include integrated planning; cooperation and partnerships; public consultation; proactive research and education; environment protection and conservation; management of resources, impact and visitors; and green standards activities. The benefits for government support of principles of sustainability are briefly described.

Key Points:

- There exists an important, proactive role for government to help communities overcome barriers and other issues arising from tension between landowner perspectives and parties interested in developing an ecotourism market.
- In Alberta, ecotourism opportunities are located primarily in peripheral regions, yet with recent cuts to public-sector resources it has become difficult for potential business operators to undertake community-based ecotourism planning, marketing and consulting.
- The author suggests that provincial governments (in this case Alberta) can be most supportive of community-based ecotourism by providing resources, expertise, and findings in the area of research.