A Watershed in the Evolution of a Partnership

Exciting, substantive, and verging on the strategic were among the comments capturing participants’ experience at BALTA’s first symposium in November. After the hard slogging of setting priorities and planning, building a new research platform infrastructure and getting projects underway, practitioners, researchers and students demonstrated how their efforts are creating a tapestry of innovative research relevant to the times. BALTA has turned a corner!

Patrick Conaty, one of BALTA’s collaborators from Britain, challenged participants to think deeply about both the roots and the future of the social economy. A senior fellow in the New Economics Foundation, a consummate practitioner, researcher and thinker in the field, helped us grasp the compelling relevance of our work and the importance of learning from what is going on in other settings.

(Continued on page 5)

BC Social Enterprise Summit

By David LePage

Social enterprise is a rapidly growing sector in British Columbia and across the country. Eleven organizations from across the province, including BALTA, co-hosted the first BC Social Enterprise Summit from November 17 to 19 in Vancouver. Over 140 persons - representing a broad stakeholder group of practitioners, funders, private sector, consultants and intermediaries – discussed, debated and prioritized. Beginning with identification of what already exists, the summit then proceeded to focus on identifying gaps in support for the sector and strategies/priorities for addressing those gaps.

As a foundation for the summit the participants worked with the following definition for social enterprise:

“Social enterprises are businesses that sell goods or provide services in the market for the purpose of creating a blended return on investment, both financial and social. Their profits are returned to the business or to a social purpose, rather than maximizing profits to shareholders.

The summit concluded that the creation of a supportive environment requires an integrative system of public policy, multi-sector engagement and innovative market behavior. The summit began the process of creating a shared action plan to build a supportive public policy environment for social enterprise. The plan addresses four key components:

(Continued on page 6)
The government is supporting the economic sector. It summarizes existing involvement with social economy developments with BALTA researchers and other audiences, most recently in November 2008.

On November 12 about 30 people gathered in Edmonton to listen to Pat deliver two sessions on distinctly different topics. The first session surveyed the history of social enterprise, particularly the British and some European experience. The second session focused on land trusts and their usefulness in developing affordable housing. Many participants stayed for both sessions while some chose the one of most interest. The audience was a diverse group comprising social enterprisers, staff from the non-profit sector, government people, several leaders of the non-profit sector, land trust administrators and directors, and consultants.

Two important messages came through in both presentations:

1. Access to non-traditional/alternative capital is available provided the social enterprise is structured properly; and

2. Non-profits need to tear down the competitive barriers among them and need to think and act horizontally.

Pat also spoke at the BC Social Enterprise Summit in November and at several public events and workshops in Vancouver in April and November. Powerpoint presentations from Pat’s presentations will soon be available on the BALTA website.

On November 2, 2008, the Chantier de l’Economie Sociale (Chantier) in Quebec arranged a press conference for the Deputy Premier and Minister of Municipal Affairs and Regions, Nathalie Normandeau, her colleagues Raymond Bachand, Minister of Economic Development, Innovations and Export, and Benoit Pelletier, Minister responsible for Canadian Intergovernmental Affairs and Business, to present the government action plan: Social Economy for Community Solidarity.

This plan represents the culmination of a process begun in 2006 at the Social and Solidarity Economy Summit and is the beginning of a concerted government effort to help grow and enrich this economic sector. It summarizes existing government measures to support the social economy and outlines how the government is supporting the Chantier and Regional networks including continuation of funding support and funding agreements for specific services and projects ($5 million over 5 years).

The action plan acknowledges the actual and potential contribution the social economy makes towards development. Strategic actions to support economic development are focused in six areas:

- Statistical portrait of the social economy in Quebec;
- Research to help share innovation from each region;
- Developing a social economy labour force;
- Revising the legal status of non-profit organizations;
- Continuing the social economy portal; and
- Supporting international actions in the social economy.

The action plan also proposes regional economic development measures targeting youth, indigenous communities, immigrants and enterprises with cultural and community media missions. The government wants to boost participation of the social economy to fight poverty and social exclusion.

“We welcome the adoption of this plan of action that opens a new era of collaboration between the Quebec and social economy actors. The recognition of the contribution of collective enterprises, cooperatives and non-profits encourages us to continue the development of more just and lasting services to communities. It is also important to note the emphasis on regional clusters of the social economy which embodies 10 years of mobilization and consultation with the local and regional economies,” said Patrick Duguay, Chantier’s Chairman of the Board and General Manager of the Regional Cooperative Development of Outaouais-Laurentides.

According to Nancy Neamtan, Chantier’s President and CEO, “This Action Plan is a new stage in recognition of a plural economy in Quebec, an innovative vision, beyond the State and private sector, placing the social economy at the heart of socio-economic development of Quebec. This period of great economic turbulence demonstrates how the social economy is a way to replace societies’ over focus around the human machine and economic development, and can provide a guarantee of stability and durability.

We are pleased that the Government of Quebec has adopted an action plan that recognizes the diversity and breadth of collective enterprises, thus providing a new impetus to our development. This announcement can only increase the mobilization of collective entrepreneurs to better meet the needs and aspirations of communities and regions of Quebec.”
Researchers of project B5 Farmers’ Markets as Social and Economic Drivers of Local Food Systems presented at BALTA’s inaugural symposium in November. This project’s relevance to not just the social economy but also mainstream society is evident given the role that the local food movement and farmers’ markets are playing for the majority of the population. The farmers’ market sector continues to grow as localizing of food maintains its presence in daily discourse.

Three project leads: Mary Beckie, University of Alberta; Hannah Wittman, Simon Fraser University and, Paul Cabaj, Centre for Community Enterprise; and two students, Emily Huddart-Kennedy and Chris Hergesheimer are involved in this project. The main focus of the research is to examine and compare the current and potential role of farmers’ markets (FM) in BC and Alberta as social economy (SE) drivers for local food systems. The role that these markets are playing insofar as their example of social enterprise, their rapid growth, their role as an incubator, innovator and providing an urban-rural interface needs to be enhanced.

There are three phases to this research:
- A literature review - looking at FM through a SE lens;
- A Delphi inquiry; and
- Case profiles clustered regionally.

A significant challenge to the research has been the paucity of academic studies available on FM. Economic analyses are also challenged since traditional data sources underreport FM income. In general, it is known, across the country, that FM generate revenues in the millions of dollars. Themes appearing in existing research show the re-emergence of FM as alternative food markets compared to historically being a necessity, and how social, community and cultural values are embraced.

However, FM are presented with a number of challenges that can impede success including:
- Politics and the ability of participants to cooperate;
- Difficulty of building up infrastructure because many are run on a year by year basis;
- Issues around resale; and
- The ability to grow.

In order to suggest solutions, the research is exploring factors that would cause a municipality or social enterprise to invest in FM infrastructure including physical capital, human resources, administrative capability and social culture. As well, when investigating public/private partnerships, it will be important to determine the players and who ultimately run the market. Some of the best information can be garnered from market failures: why they happen and when overcome, what mechanisms were in place.

Studies are underway to examine how to move the industry forward. Cluster modeling and its relationship to FM are being considered. Since there has not been agreement in the quantitative size of a cluster, qualitative analyses will be applied where appropriate. Then, the Delphi Inquiry gathers experts in the field and taps into their knowledge to help create a baseline of that particular topic/area. It will be used to explore what the industry needs to be successful.

Also being considered is the Actor Network Theory. This theoretical application looks at the physical location of a market as the actor, using the material-semiotic method, where materials are things and semiotic elements represent ideas. In this way it explores the FM beyond the products it sells but also at more ethereal elements.

For further information on this project contact Mary Beckie @ mary.beckie@ualberta.ca, Paul Cabaj @ paul.cabaj@gmail.com, or Hannah Wittman @ hwittman@sfu.ca.
Affordable housing has become a critical component of the social economy across Canada due to escalating housing prices and diminished supply. This BALTA research project investigated the potential for leveraging fully amortized housing co-operative assets (most due to mature between 2017 and 2023) to provide capital for the creation of new cooperative housing to help alleviate the affordability crisis in urban centres.

Upon investigation, however, we found that the main barrier to building new affordable co-operative housing is not access to financing. Access to these assets would not address the high costs of land, labour, and building materials, the main cost drivers of new housing construction. Therefore, the newly constructed housing would be very expensive to build and unaffordable with no offsetting government subsidies.

Also, co-ops will face other challenges: the end of their mortgage also spells the end of their federal government subsidy for low-income members. Up to one-third of co-ops are dealing with deferred maintenance issues and/or repairs related to the leaky co-op crisis that co-op members are reluctant to take on the high financial risk of development and had concerns about the impact of such a large project on the culture of their co-op due to the increased complexity of governance and management issues and the stress of the demands of a development project on volunteers. Also, some were concerned that new construction would create “two classes” of members – the old and the new.

While re-mortgaging assets may not be a panacea for the affordable housing crisis, our research revealed the following options for using housing co-op assets that could sustain or enhance the affordability of existing co-op housing or address some of the main cost drivers of new co-op housing construction:

- Fund a subsidy pool and/or maintenance needs
- Fill in or replace low-density housing with high-density housing on land that is already owned by a housing cooperative.
- Transition single members living in large units to new smaller units while making existing larger units available to families
- Use redirected housing charge funds to invest in cost-effective “green” infrastructure.
- Establish a national or regional co-op housing development fund through voluntary contributions from individual housing cooperatives (e.g., at 1% of mortgage assets).

The final report for this project can be accessed at: http://auspace.athabascau.ca:8080/dspace/bitstream/2149/1808/1/BALTA%20A1%20-%20Co-op%20Housing%20Report%20-%20F.pdf

By Sara-Jane Brocklehurst

George Penfold from Selkirk College, is the lead researcher on project A5 - Affordable Housing Assessment and Strategic Planning, Kootenay Region, supported by student researcher Andy Dhillon from Simon Fraser University. This project compliments well the co-op housing research discussed above.

Project activities done to date included collecting available census, assessment and background data, as well as developing an inventory of social housing assets, and then analyzing this data to help construct a better picture of the state of affordable housing in the Kootenay Region.

A number of factors are influencing this sector. A large baby boomer population is nearing retirement age, creating a demand for housing. The labour market, at the time of the data, was set to grow remarkably also requiring housing, although this point may change in the current economic crisis. However regardless of the global turmoil, housing prices, despite having come down are still much higher compared to how much the minimum wage has risen. Add to that the fact that housing stock is still short of housing demand, and there is a clear need for more affordable housing.

Early results from the data shows that the one-person non-family household (46.4% of total population) represents the largest group who have housing affordability issues (30% or more of income spent on housing), 32.9% of households are of this type.

From looking at the research it appears that some of the housing categories of need may include:

- basic shelter (emergency, homeless)
- transition/care
- subsidized rental housing
- market rental housing
- non-market housing
- market housing

For further information on this project, contact George Penfold at gpenfold@selkirk.ca.
The Golden Mussel (GM) project is made up of a team of four individuals: Mike Lewis, BALTA’s lead investigator, collaborator Dr. Doug Gordon from the Native Brotherhood of BC, Kenn Renaud, owner of Blue Frontier Inc. (BFI) and Nadine Pinnell, student research assistant from Simon Fraser University.

BFI developed the GM and has been exploring how it might realize a coast-wide First Nations owned and operated GM industry using a franchise model. The company broke new ground by trade marking the GM themselves. In order to position BFI with First Nations they developed a relationship with the Native Brotherhood, which they felt could potentially be the franchiser.

This project is investigating the best way to design a franchise model that would successfully achieve Blue Frontier’s goal. From a social economy perspective, when considering the transfer to an Aboriginal group, the community revitalization necessary will require putting social and economic development on the same track.

The research being done in this project is to provide insights into the GM franchise model in the following three areas:

1. Experience in mussel production, including social enterprise & other financial support in shellfish aquaculture
2. Extent to which social enterprise has had systematic replication in any sector; and documentation of lessons learned
3. Best practices in Social Enterprise Franchising, key lessons & analysis of relevance to GM Franchise

Phase 1 of the project included 3 literature reviews, the first of which looked at mussel aquaculture in New Zealand, Spain, Washington, BC and Atlantic Canada. The second literature review investigated the replication of social enterprises and successful examples. The third literature review focussed on franchising. It became clear in the literature reviews that a social enterprise franchise model would work well to realize BFI’s goal. Recommendations were developed from the literature reviews and put towards the development of Phase 2.

Phase 2 of the project is starting with two demonstration projects in two Vancouver Island First Nation communities, Quatsino First Nation in Coal Harbour and the Huu-ay-aht Band in Bamfield. The mussel industry fits well into First Nations lifestyle since there are seasonal bursts of activity, which is in their culture.

A transfer package is being developed to ensure success by addressing some of the inherent challenges that come with working with First Nations communities. The company will be put in trust with conditions and slowly BFI will ease itself out. A basis for mutual support will be built by linking community economic development with social economic development,

BALTA has been key in helping this large project move forward by providing resources to Nadine to carry out the research. Nadine has been key to grounding this project where community support has been realized. In addition, she is hoping to have this project contribute to her Master’s thesis. Along with Kenn’s and Doug’s significant experience in shellfish aquaculture, their experience with BALTA is providing them a foundation in social economy that they had not had before. As well, Mike has been available to help them find focus in the franchise model. From all the investigation that has been done, it appears that this is the first project of its kind globally.

For more information on this project contact Doug Gordon at armcssi@uniserve.com.

Pat Conaty from NEF gave an insightful and thought provoking presentation focusing on Fair-Trade Banking and drawing links to the current global crisis and the relevance and opportunities for BALTA’s work.

Some of the lasting impressions left by the symposium included how much BALTA has matured in the last year and how the practitioners, academics and students have really come together to make things work despite often being faced with administrative and logistical challenges. A common vision and drive to see the social economy take its rightful place globally is shared by all.

Discussions regarding the current global economic challenges and the opportunity this presents for BALTA were compelling. This may be the chance to demonstrate potential solutions or new paths for society and business to follow.

It is often a challenge to be on the fringe of acceptable and embraced practices but if the work and results achieved to-date, represented by BALTA’s projects are any indication, the social economy may very well have a relevant and bright future.
CED AND SE POLICY INVENTORY

Jorge Sousa, from the University of Alberta, is the lead researcher on project C9 – Community Economic Development (CED) and Social Economy (SE) Policy Inventory in BC and Alberta - Phase One. Jorge presented the outcomes of this project at the BALTA symposium in November.

This project was borne from earlier work done in the 1990s. At that time 20 case studies across Canada derived from CED practice were investigated and analyzed with particular attention paid to how it might be possible to scale up the SE and CED using those elements that seem to be working. They reviewed 10 years of history and used that framework to begin to understand the broad policy and practice foundation. The reinvention of the local economy came out of this work.

Given the foundation of this work, with the advent of BALTA, it appeared advantageous to undertake research with the purpose to:
- Conduct an inventory of federal and provincial legislation, policies, programs and initiatives in BC and ALTA that are directly relevant to CED and the social economy;
- Design a classification framework

(Continued on page 7)

POVERTY REPORT EXPLORSES RELATIONSHIP BETWEEN POVERTY, PEOPLE AND PLACE

A new report by the Federal Reserve System and the Brookings Institution entitled The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S. examines the challenges facing a diverse range of high-poverty communities, from immigrant gateways to older industrial cities to rural communities and Native American reservations.

The report examines 16 case studies two of which include Cleveland’s Central neighbourhood and Kentucky’s Martin County. Although these two locations bear little resemblance to each other geographically and demographically, one urban and one rural, they both share high poverty rates, low educational attainment and low labour-force participation.

Residents and stakeholders in Central cite education, employment and job readiness, affordable housing, and health among the key issues that need to be addressed in helping residents overcome poverty. Due to the area's strong network of community development organizations there are educational and job opportunities nearby.

The key issues facing Martin County include the scarcity of good full-time jobs, job readiness training, isolation, and asset development. Some efforts have been initiated to spur local economic development in the wake of the once-dominant coal industry’s decline. Still, lack of local capacity and the area’s physical, social, and economic isolation has hampered most such efforts.

Issues being faced by the communities in this report are not unique. Themes common across all of the case study communities include isolation, struggles with human capital development, high rates of unemployment, inadequate housing, and limitations in capacity to address the complex and interwoven issues. However, each community possesses unique assets that can be employed in creating policy and program frameworks that provide greater opportunity for neighbourhood residents and for the regions in which those neighbourhoods are situated.

Recognition that many diverse types of communities struggle with concentrated poverty led the Federal Reserve System to join with the Brookings Institution’s Metropolitan Policy Program in 2006 to develop a research project to explore the relationship between poverty, people and place. The report breaks new ground by exploring how pockets of extreme poverty manifest across a variety of communities. The Federal Reserve System’s Community Affairs offices undertook case studies across the United States.

The report’s findings will contribute to the Federal Reserve’s understanding of low-income communities and their needs in carrying out ongoing community development partnerships in these areas, and will inform other efforts to foster comprehensive solutions to community and economic development challenges. These include lowering the barriers to developing quality affordable housing and community facilities such as schools and health care centres, helping to support small businesses, and improving access to tools that build financial stability.

For more information about the Central case study, contact Lisa Nelson at lisa.a.nelson@clef.frb.org. For information on the Martin County case study, contact Jeff Gatica at jeffrey.a.gatica@clef.frb.org.

For reference to case studies and the final report: http://www.clevelandfed.org/Our_Region/Community_Development/publications/concentrated_poverty

(Continued from page 1)

- Encourage Awareness and Demonstrate the Value of Social Enterprise
- Enhance Enterprise Skills
- Ensure Access to Capital and Investment
- Expand Market Opportunities

For background materials and summit documentation, go to: www.enterprisingnonprofits.ca/summit.
Taking place in the midst of what may be one of the most significant global financial meltdowns in history, in an era when energy descent and climate change compellingly challenge so many of our assumptions, one could discern among the 40+ participants that the research we are pursuing is in the right ball park. We may not be hitting home runs yet but the questions we are posing are relevant; we have made it to first base.

How do different models that ensure affordability of housing over the long term without removing land from the market work? What avenues might be open to levels of government to move on such an agenda? What capacity needs to be in place within the social economy to succeed?

How can farmers' markets be scaled up as one component of reorganizing the market place to favour local food at fair prices?

What is the potential for franchising as a method for replicating and expanding social enterprise models that are already achieving good results?

What are the options for housing co-ops whose mortgages are going to be paid off to reinvest in ways that add economic, social and environmental value to their members and the community?

What are the boundaries of the social economy? Is the traditional definition a potential constraint given the challenges we face? Are there not “high road” and “low road” practices in the private, public and “third” sector? If so, what are the implications for the strategic alliances we choose to build?

These are among many of the substantive questions the symposium engaged.

Some important decisions will need to be made in the next quarter with respect to how BALTA focuses its remaining resources over the next two years.

- Should we be reducing the range of projects and concentrating our resources to go deeper into those areas with the most potential impact?
- How do we focus our knowledge mobilization efforts going forward? The workshop organized by Dr. Peter Hall helped us to begin to think about this more systematically.
- And in the mapping area, how do we become more successful in leveraging our networks to enlarge the data set to ensure a higher level of reliability?

One thing we can be sure of is that we are in a much different place as a partnership of academics, researchers and practitioners than where we were even a year ago. The hard slogging has been worth it. I can hardly wait for the next chance we have to gather.

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- 166 policies and programs have been identified – 62 policies, 104 programs;
- The findings may not reflect the lived reality experienced by practitioners and academics; and
- There is a strong need for quality control.

Phase 2 of this project is to develop an analytic framework to make sense of the information collected. Continuums in both policy and program will be considered.

A number of research challenges that have been and are expected to be encountered include:
- A different set of activities and skills are expected from people working in CED and the Social Economy
- There is a lack of a standard approach to organizing and accounting for the information
- Need to develop a common language
- Determining the level of policy being explored
- Defining functions and determining focus
- Lack of an obvious/transparent policy infrastructure supporting CED and the Social Economy
- Merging Social Purpose with economic goals
- What is the supportive environment comprised of?
- Work with the field to determine the gaps

Ultimately, project C9 is geared to raise awareness of the problems and constraints in public policy and programs supporting SE and to elevate them in an effort to improve policy and programs to help the SE grow. BALTA has taken a leadership role to develop a classification system that has immediate utility.

Early research to date has resulted in the following highlights:

- Analyze the results based on the classification framework
- Use the framework to design the inventory; and
- Merging Social Purpose with economic goals
- Need to develop a common language
- Determining the level of policy being explored
- Defining functions and determining focus
- Lack of an obvious/transparent policy infrastructure supporting CED and the Social Economy
- Merging Social Purpose with economic goals
- What is the supportive environment comprised of?
- Work with the field to determine the gaps

For more information on this project contact Jorge Sousa at jorge.sousa@ualberta.ca.

BALTA Funding Continued till 2011

BALTA went through its “mid-term review” evaluation with its funder, the Social Sciences and Humanities Research Council of Canada (SSHRC) in mid-2008. In December, we learned that the SSHRC adjudication committee completed a positive assessment of BALTA and that SSHRC has committed to continued funding until February 2011.
Emily Huddart Kennedy

Emily Huddart Kennedy is in the second year of her doctoral program at the University of Alberta and is in the midst of a one-year qualitative methods fellowship. Her thesis will focus on the linkages between reduced material consumption and increased quality of life.

She is working on project B5 with BALTA with Mary Beckie on the SERC II project, focusing on farmers’ markets in the Alberta context, and how these markets fit in with and contribute to the social economy. Emily’s research interests include sustainable consumption, environmentally-supportive behaviour, qualitative methods, mixed methods, and social practice theory. Emily has a BSc in natural resources conservation from the University of British Columbia and completed her Master’s degree in environmental sociology at the University of New Brunswick. Her professional background includes working as an Environmental Management Specialist for a Federation of Municipalities in Costa Rica. In this capacity, Emily was involved in the preparation of a national waste law, the development of municipal offices of the environment, and an inter-urban riparian biological corridor.

The BALTA Mapping Team is looking for more organizations to participate in the BALTA Social Economy Survey. Go to https://secure.athabascau.ca/phpsurveyor/index.php?sid=50 to fill in the survey or visit the BALTA mapping website http://www.socialeconomy-bcalberta.ca/mapping.html to learn more about the project or to read our preliminary mapping survey results.

Chris Hergesheimer

Chris Hergesheimer is a Master’s candidate in the department of sociology and anthropology at Simon Fraser University. In addition to being a father of two beautiful children, he is currently writing his master’s thesis exploring the experiences of actors involved in small-scale grain, flour and bread chains in Southwestern B.C.

Broad research interests include bioregional theory, environmental sociology and the social and ecological dimensions of community food systems.

Chris is doing research on project B5 with Hannah Wittman. He is conducting a literature review and writing a report examining and comparing the role of Farmers Markets in the development of local food systems in different global contexts.

Chris lives with his family on the edge of forest in Roberts Creek, B.C.