

.C.- Alberta Social Economy Research Alliance (BALTA)

BALTA Project Proposal /Plan – FY 2008/09

A. Title of Project:

Leveraging Social Ownership of Proprietary Trademarks related to the Golden Mussel as a Base for Expansion of Social Enterprise in Coastal B.C. Aboriginal Communities.

FY 2008/09 focus under Project Title: Grounding the Institutional Design for Golden Mussel Social Enterprises in Coastal B.C. Aboriginal Communities.

B. Brief Description of Project and Project Objectives, Outputs and Proposed Outcomes:

A brief context is necessary to facilitate understanding of the project as it currently stands. The Golden Mussel is a specialty product that has been developed over the last decade and a half by Blue Frontier *Adventures* Inc. (BFI). Based upon a mussel brood stock which is selectively bred for color, trademarked and currently positioned in the market, BFI is motivated to facilitate the establishment of a First Nation owned and operated Coast-wide Pacific Golden Mussel (GM) aquaculture industry. This First Nation controlled business will be focused on a coastal community based system to produce, harvest, and market mussels utilizing the best available shared knowledge, cooperation and management that support community social and economic values. Current growth in all world mussel market demand exceeds production. The GM product in particular is highly sought after in the local market at premium prices. Given currently growing demand and declining supply world wide, and proven industry growth patterns in PEI and New Zealand, an industry the size of 10,000 tonnes in 10 to 15 years is achievable.

To help set the Aboriginal framework for this new business, BFI has established a relationship with the Native Brotherhood of British Columbia (NBBC). The intent of this relationship is to facilitate working in direct cooperation with coastal First Nations in the development of the GM industry. The BFI business plan currently reflects this First Nation relationship. BFI, however, can be open to other forms of mutually beneficial partnerships. How a viable business based structural relationship between BFI and First Nation communities could work is currently funded and being researched with respect to the proposed business plan. BFI is motivated to transfer the BFI assets, knowledge and experience to First Nations, and is willing to work with participating First Nations during the transfer of ownership period.

Given this context, in 2007 the BALTA Steering Committee (SC) approved a two-year research project, and funded Year 1. This proposal is being submitted to meet the requirements for securing Year 2 funding support. The Project was viewed as: a unique opportunity to accompany the development of the GM industry within a First Nation context; integrate social enterprise principles into all key elements of the planning and implementation strategy; and document and assess the evolution of the development system required to support a new First Nation owned and controlled industry. The BALTA Steering Committee viewed this project to be 'cross cutting' across the SERC's, and it was funded by the SC directly – the first such project under the BALTA initiative.

A graduate student, Nadine Pinnell, was hired to start work on the project based upon the Terms of Reference identified in the approved March 6, 2007 proposal. To date, she has completed a literature review on supports to the development of mussel culture industries in the Maritimes, New Zealand, Spain and Washington State and on lessons learned from the systematic replication of social enterprise. A third literature review on franchising and the social economy, a

process report detailing the evolution of the project and an overview of institutional design issues and questions are in process and will be completed by the end of June 2008.

However, several aspects of the project's context have changed over the past year. This revised project proposal reflects these changes. Most significantly, two First Nations communities have expressed strong interest in participating in the GM project as pilot project communities. Hartley Bay, which is home to the Gitga'at Nation, is a small, remote community on the north coast of BC, located approximately 150 km southeast of Prince Rupert. They currently have two shellfish rafts in the water, one of which is being used for oyster culture, and are very interested in becoming involved with the pilot stages of the GM Initiative. The Quatsino Nation, based in Coal Harbour (located 35 km west of Port Hardy) at the north end of Vancouver Island, also has expressed a strong interest in such involvement. They also have some existing shellfish rafts that could be used as a starting point for a pilot project growing Golden Mussels. Both communities are willing to take part in interviews and research as a means of supported the pilot development of GM enterprises in their communities.

The development and subsequent implementation of these two Pilot Projects will be guided by principles including:

1. They will be based upon a 'franchise' model. Of direct relevance to the Year 2 BALTA GM project, a key objective will be to clarify and establish the basis of the 'franchisor' and 'franchisee' relationship between the Parties;
2. Benefits will be shared on a realistic and business based agreement;
3. A key focus will be to facilitate learning and capacity building with respect to involved First Nations in particular and Aboriginal people in general and their participation in the shellfish aquaculture industry;
4. Reinvestment in the growth of the GM industry on an Aboriginal benefit basis is essential;
5. BFI assets, knowledge and experience will be transferred to First Nations when trust and capacity is evidenced by Aboriginal owners. Securing the funding and other resources required Pilot Projects and subsequent growth of the GM industry is a joint responsibility; and
6. The Parties involved will support and facilitate the B.C.-Alberta Research Alliance On The Social Economy (BALTA) project '*Leveraging Social Ownership of Proprietary Trademarks related to the Golden Mussel as a Base for Expansion of Social Enterprise in Coastal B.C. Aboriginal Communities*'.

In light of these factors, the Project Team has chosen to divide the project into two phases. Phase I which began in July 2007 and will run through June 2008, has been focused on the completion of several literature reviews and the identification of major institutional design issues in the development of the Golden Mussel industry. Phase II, which will run from July 2008 through September 2009, will focus on grounding the institutional design for the industry in the community and Aboriginal context through field research to be carried out in the two pilot communities. Phase II will also include consideration of how an interim trust or other body to hold the Golden Mussel trademarks could be structured to condition long-term industry development.

Within the scope of the SC approved Project Terms of Reference, Year 2 project objectives, outputs and outcomes listed below have been revised to reflect a refined focus of the project based upon the experience gained during Year 1. Where an objective is only applicable to a single phase of the project, this has been specified.

Overall Objectives

1. To contribute directly to the planning and implementation of the GM initiative through two initial pilot operations, and to track and report on the progress of all the elements of the project that either support or obstruct the application of various social enterprise models to securing Aboriginal ownership in the expansion of the GM industry in coastal B.C.
2. To undertake research and conduct ongoing analysis of project research results relevant to the design and implementation of the overall development system required to expand the new GM industry:
 - How trademarks and other proprietary rights are transferred to Aboriginal ownership;
 - How ownership of these rights is exercised to condition the promotion and development of social enterprise models as central to industry development, and
 - How findings inform the design of infrastructure and associated requirements that must be taken into consideration to move from the two pilot projects to a coast-wide First Nation owned and controlled GM industry operated by Aboriginal people and communities using social enterprise models.

Phase I and II Objectives

1. To determine options for structuring of BFI succession to Aboriginal collective ownership of the GM trademark and proprietary rights in order to optimize the social and economic position of coastal Aboriginal people within the expansion of this industry;
2. Within the continuum of social enterprise models that exist, to determine the relative advantages and disadvantages of each in relation to their application to mussel production, with particular emphasis on possibilities within the franchise model;
3. Given the turnkey features the GM production technologies developed, within a cost effective capacity structure, to determine and elaborate the key supports needed to systematically package, transfer, train, and qualify Aboriginal producers to become part of the industry (this is particularly relevant to Phase I of the project); and
4. To identify and elaborate the key components of an industry development system relevant to systematic expansion of Aboriginal participation in the industry using appropriate Aboriginal models.

Phase I and II outputs

1. An operational framework to leverage social ownership of proprietary rights to ensure the promotion and establishment of appropriate social enterprise models relevant to the key functions integral to expanding the Golden Mussel industry;
2. Two reports that document the evolution of discussions, decisions and progress (or lack thereof) related to establishing the infrastructure/development system necessary for successfully securing effective Aboriginal ownership of the industry using social enterprise models, with one to be produced at the end of each project phase (June 2008 and September 2009);
3. Eight tele-learning seminars or structured dialogues targeting all project participants, including First Nations economic developers, CED practitioners, social economy organizations, government policy makers and program managers in the Federal and provincial governments; and

4. A paper summarizing attitudes towards different enterprise models in two pilot communities based on the results and analysis of fieldwork undertaken in these communities.

Phase I and II Outcomes

1. A significant knowledge base from which to better understand the application of various social enterprise models for shellfish aquaculture in a rural and remote Aboriginal setting;
2. A significant knowledge base from which to better understand the application of various social enterprise models in the shellfish aquaculture industry in general, and to the Aboriginal context in particular; and
3. Significantly increased understanding of the challenges, tasks and factors that affect the evolution of development systems necessary for shellfish aquaculture industry and social enterprise development.

C. Purpose and Significance of the Study, Including Congruence of the Proposed Research with the Over-all Strategic Research Objectives Identified for the SERC and BALTA. Why Should this Project be Approved, Given BALTA's Limited Resources?

This project directly speaks to several of the key research interests of BALTA.

1. ***Re-inserting social goals into economic life:*** to better understand and *critically analyze* the impact of inserting such social processes of reciprocity, and sustainability into economic life, in practice and in theory.

The issues related to transferring proprietary rights from private to social ownership and then leveraging it to condition the design and evolution of an entire industry is a unique opportunity to critically assessing the impacts of deliberately elevating social goals into every aspect of the GM industry development.

The design of a social enterprise development strategy in this specific sector is also directly relevant to exploring how reciprocity and co-operation/solidarity can be concretely and pragmatically advanced at the enterprise level and at the development system level.

2. ***Relationship between territorial and enterprise approaches:*** to better understand and *critically analyze* how territorial (CED) and social enterprise approaches can interact to enhance the overall potency of the social economy.

As the industry develops, the interplay between the Aboriginal GM industry development focus and the use of social enterprise models to structure ownership will inevitably come into play with Aboriginal communities and Tribal Councils that have specific territorial interests. It will also come into play as well as existing development capacity mandated to address economic developments within their territory is engaged. While the BALTA research project does not focus on this directly, it is anticipated that the tensions, opportunities and methods of managing these relationships will be very important, especially given the ownership of all proprietary rights by NBBC.

3. ***Understand the social economy as it currently exists:*** to better understand and *critically analyze* the social economy as it exists.

Again, this is not a priority focus within the research. However, it is anticipated that there will be opportunities to map the enterprises that currently exist within the two pilot communities of Hartley Bay and Coal Harbour as part of the GM field research. In this way, the project will contribute to the BALTA mapping project.

4. ***What supports or thwarts adaptation & scaling up:*** to understand and *critically*

analyze key issues, opportunities, and constraints for adapting and scaling up what is working into the B.C. and Alberta contexts.

The dual focus on systematically expanding sector based social enterprise and the infrastructure development to support it forces exploration of the key issues, opportunities and constraints for scaling up social enterprise in coastal B.C. Aboriginal communities, albeit not in terms of a currently successful model. However, as noted earlier, evaluation of the continuum of social enterprise models will be necessary in order to design options relevant to the populations being targeted and the industry sector being developed.

Aside from this convergence with research goals of BALTA, this project represents the only Aboriginal project in the BALTA portfolio at the moment. Second, it is being advanced by a BALTA partner (NBBC) that joined the alliance with this project as one of two they wanted to see engaged. Third, there is potential for securing additional funding through this project. Fourth, there is presently no other projects in BALTA that will advance social economy alliance building with the Aboriginal sector.

D. Lead Researcher, Organization Name and Contact Information:

At this point Doug Gordon and Mike Lewis will co-lead this project. Interest in direct involvement of an academic researcher will also be explored, in particular, with SFU. The NBBC currently has a letter of understanding with COO and VP Academic, Dr. John Waterhouse, which provides a potential enabling vehicle for accessing university resources for projects of mutual interest and benefit. The NBBC is currently negotiating a Letter of Expectation with Vancouver Island University (Malaspina) through Dr. Ralph Nilson, President & CEO. Shellfish aquaculture will be central to implementation of this LOE.

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E. Names of Other Researchers and Organizations Involved:

Doug Gordon will act as the link between the Native Brotherhood of B.C. and the student, Nadine Pinnell, as needed.

Kenn Renaud is the President of Blue Frontier *Adventures* Inc (BFI) and owner of the Golden Mussel proprietary rights. He will act as an advisor for the project as he views this initiative as central to structuring one part of his legacy and to transitioning his ownership position on a progressive and systematic basis.

Dr. Evelyn Pinkerton is a professor in the School of Resource and Environmental Management at Simon Fraser University. She is Nadine Pinnell's academic supervisor for her Masters research project and will continue to be an advisor for the remainder of the GM project.

Dr. Sandy Lockhart, an associate of the Centre for Community Enterprise, will act as an advisor for the field research portion of the project.

F. Will the Project Involve Student Researchers in a Paid or Unpaid Capacity? If Yes, Will They Need to be Recruited or Have They Already Been Identified? Briefly Describe the Roles and Responsibilities of Students Involved in the Research Project, the Skills/Experience They Will Acquire, and How This Will Complement Their Academic Training.

In July 2007, Nadine Pinnell, a Masters student at the School for Resource and Environmental Management at Simon Fraser University began working on the GM project. During her first year with the project, she has undertaken several literature reviews. When the first phase of the project ends in June 2008, she will have completed a process report on the evolution of GM enterprise development efforts to date and an overview of the institutional design factors and questions related to the development of the GM enterprises as well as three literature reviews.

Phase II of the project, which will also involve Ms. Pinnell, will run from July 2008 to September 2009. During this time, Ms. Pinnell will conduct field work in the two pilot communities that have been identified. She will conduct key informant interviews in each community to determine local experience with and attitudes towards different enterprise ownership models. Focus groups or structured dialogues may also be used to familiarize community members with the franchise model that may form the basic structure for the GM enterprises. This research will provide an opportunity to ground the institutional design for the GM industry in terms of the community and Aboriginal contexts in which it will be developed. This fieldwork will also form the basis for Ms. Pinnell's Masters research project.

Over the course of the second phase of this research project, Ms. Pinnell will interact with a wide range of professionals from a variety of disciplines. She will be required to undertake a range of research tasks and employ a variety of methodologies. Given the ongoing analytical services the broader team will want from the student with respect to integrating her findings in the overall project, the opportunity for presentations and participation in a variety of meetings, large and small is anticipated, including Conventions of the NBBC.

G. Plan of work and timetable:

Mike Lewis and Doug Gordon will co-lead both phases of this project. They will work with the student, Nadine Pinnell, and the advisors listed above to outline specific details of the work to be undertaken for the project as needed.

During Phase I (July 2007 – June 2008), the following research work will occur:

1. A search of the literature and the production of a report on the development of mussel culture industries in the Maritimes, New Zealand, Spain and Washington State, to determine key supports and functions relevant to their expansion and to determine the extent and form of social enterprise as an ownership format in the shellfish aquaculture industry (completed);
2. A search of the literature to determine the extent to which social enterprise has been subject to systematic replication in any sector and to determine lessons learned. Priority would be for sectors in a resource related enterprise – marine or agriculture based (completed);
3. A search of the literature for best practices in franchising to determine key lessons and analysis of relevance to GM franchise package (in process);
4. The production of a process report documenting the evolution of discussions, decisions and progress (or lack thereof) related to establishing the infrastructure/development system necessary for successfully securing effective Aboriginal ownership of the industry using social enterprise models (to be completed for the end of June 2008); and
5. The development of an overview document identifying and detailing key institutional design issues and questions related to the development of the GM industry (to be completed for the end of June 2008).

During Phase II (July 2008 – September 2009), the following research work will occur:

6. A detailed research design outlining components of the field research to occur in the two pilot communities;
7. Key informant interviews and focus groups to be held in Hartley Bay and Coal Harbour, focused on exploring previous experiences with and attitudes towards different ownership models for enterprises and on capturing community input and feedback towards the franchise model that will potentially be used to structure the GM industry;
8. Results of this fieldwork, including analysis and summary, to be presented and communicated back to each community;
9. A report analyzing and summarizing the results of this fieldwork and drawing out its larger implications for the development of the GM industry; and
10. The production of a process report documenting the evolution of discussions, decisions and progress (or lack thereof) related to establishing the infrastructure/development system necessary for successfully securing effective Aboriginal ownership of the industry using social enterprise models.

H. Describe Plans for Communicating Research Results *Within* the Academic Community. Indicate Audience and Specific Output(s) i.e., Refereed Journal Articles or Other Appropriate Channels.

Evelyn Pinkerton will help identify priority targets for journals to communicate the results of this research. Several audiences and disciplines will have a direct interest in the results including Native economic developers (there is a Canadian Journal), business schools, geography, shellfish journals and institutes, and public administration.

I. Describe Plans for Communicating Research Results *Outside* the Academic Community to Practitioners, Policy Makers, and Other People for Whom the Research Results Could be Significant. Indicate Audience and Specific Output(s).

The NBBC with the provincial government and potentially the Federal government will conduct an Aboriginal Shellfish Aquaculture Forum in Fall 2008, which will provide a venue for communicating results of the GM project to date.

The NBBC Annual Conventions (an average of 50-60 aboriginal communities are represented as well as government, private sector and aboriginal organizations) will profile progress on the GM initiative every year.

BCCA, CCEDNet, Making Waves, and aquaculture newsletters will be given consideration as possible venues for articles and updates on the GM initiative.

J. Describe Your Plans for Monitoring and Evaluating the Impacts of Your Research Project. Feel Free to Consult With BALTA's Project Coordinator or the Academic Coordinator on Designing Possible Approaches. Note that Monitoring and Evaluation Are Extremely Important Both for Ensuring the Success of the Project as Well as Satisfying the Significant Reporting Requirements of SSHRC.

Monitoring and evaluation will address both evaluation of the research project and project results as well as evaluation of the student's performance, student learning and potential impact on the

student and her future career. This will include a mix of written and other reporting, as suggested in BALTA's emerging approach to monitoring and evaluation.

Given that the project will consist of two phases, monitoring and evaluation activities will take place at the end of each phase. Thus a structured feedback process will occur at the end of June 2008 and in September 2009.

K. What are the Research Tools You Propose to Use in Your Project?

NOTE: If your research involves human subjects, you **MUST** provide copies of your proposed research tools (as well as your research plan) prior to commencing any research. Please see the document *“Project Development and Management Guidelines”* for information about ethical research requirements.

The research tools to be used in this project include semi-structured interviews and focus groups. The specific details of the research design for the project will be defined during June 2008, and the required approval processes and ethical reviews will be undertaken then.

L. Budget and Contributions

As Phase I is currently underway, this revised budget only details expenses for Phase II of the project. As Phase II spans two fiscal years, costs have been broken down by fiscal year wherever possible.

2008-2009 Budget Category	Requested of BALTA	Other Contributions
Student salary & benefits for April-June 2008	\$3,913	
Student salary & benefits (July 2008 – March 31, 2009)	\$1,422 (56 hours X \$23/hr) (To be paid in lump sum at end of contract period)	\$12,600 from a SSHRC Canada Graduate Scholarship held by Nadine Pinnell
Researcher Release Time	5 days will come from Lewis release time for this project	\$5,000 In-Kind from NBBC
Research Support Costs	\$250 for phone & supplies	
Knowledge Dissemination	4 tele-learning seminars at average \$150 each = \$600	
SERC Travel	\$3,500	\$5,800 hosting
Student Travel	\$3,375	
TOTALS	\$13,060	\$23,400

2009-2010 Budget Category	Requested of BALTA	Other Contributions
Student salaries & benefits (April – September 2009)	\$14,480	\$1,400 from a SSHRC Canada Graduate Scholarship held by Nadine Pinnell
Researcher Release Time	5 days will come from Lewis release time for this project	\$5,000 In-Kind from NBBC
Research Support Costs	\$250 for phone & supplies	
Knowledge Dissemination	4 tele-learning seminars at average \$150 each = \$600	
SERC Travel	\$3,500	\$5,800 hosting
Student Travel	\$3,300	
TOTALS	\$22,130	\$12,200

Budget explanation

Travel includes expenses for two trips to each pilot community by the student and a member of the project team in each fiscal year contained within Phase II, for an overall total of four trips to each community. This category also includes travel expenses associated with four meetings of the project team during Phase II of the project and for a meeting between the student and Sandy Lockhart in Victoria.

Other contributions to travel expenses include accommodation and board during the community visits, which will be provided by each community as an in kind contribution to the project. Another contribution is accommodation provided by Doug Gordon and Kenn Renaud for project team meetings on Saltspring Island.

The supplies are for phone and copying costs.

The NBBC in kind contribution is for the time of Doug Gordon. This is what Doug would get if he was being paid on a consulting basis for his work as Senior Policy Advisor. Doug has agreed to do this work on behalf of the NBBC at no cost, should no other source of funding be secured to support his participation. Thus, the amount cited represents 24 days.