

Exploring Applications of the Nova Scotia Co-op Development System in B.C. and Alberta

A proposal to Rural Secretariat

July 11, 2008

by

Carol Murray
B.C. Co-operative Association (BCCA)

Michele Aasgard
Alberta Community & Co-operative Association (ACCA)

Mike Lewis, Michelle Colussi & Paul Cabaj
Centre for Community Enterprise (CCE)

**A project of the BC- Alberta
Research Alliance on the
Social Economy (BALTA)**



BALTA

BC-Alberta Research Alliance on the Social Economy

BALTA PROPOSAL TO RURAL SECRETARIAT

Exploring Applications of the Nova Scotia Co-op Development System in B.C. and Alberta

Background

In March 2007, a case study on the Nova Scotia Co-operative Council completed by Lena Soots of the BC-Alberta Research Alliance on the Social Economy (BALTA) identified some key elements related to development finance, government policy, staffing and leadership that appear to hold some important lessons for strengthening co-op development systems in other provinces. However, it was pointed out very clearly and comprehensively in the case study that understanding the particularity of the context within which the Nova Scotia lessons and tools might be effectively adapted is fundamentally important.

In addition, recent discussions between the Canadian Co-operative Association and key stakeholder organizations in Quebec have identified development tools and models in Quebec that hold important lessons for both co-op and social economy development strategies across Canada.

This proposal sets out some key contextual factors that will affect the adaptation of lessons and tools for B.C. and Alberta and outlines the basic process and outcomes to be achieved through the proposed action research project.

Methodology

Project management and administration will be carried out by the British Columbia Co-operative Association, the umbrella organization that works on behalf of co-ops and credit unions in British Columbia. The organization promotes co-ops as powerful tools for community control over local economies and as key strategies for economic and social reform. BCCA is a member-driven organization that is a registered "second-tier" co-operative of other co-ops, credit unions and supportive organizations drawn from across the spectrum of our economy.

BCCA has sound expertise in the management of projects and grants: our co-op development program is funded solely through grant funding; in addition, BCCA has co-ordinates and manages several co-op development projects each year, along with special projects such as partnering on an M.A. program in social economy and co-operatives at the University of Victoria, a Co-op Eldercare Task Force, a social co-ops research project, arts co-op development, a co-op business succession project and Regional Co-op Council research. We have been an active member of and researcher for the BC/Alberta Social Economy Research consortium. BCCA will be partnering

with our Alberta counterpart, the Alberta Community & Co-operative Association for project management and administration. BCCA will be responsible for delivering the outputs listed on pages seven to eight.

The research component of the project will be subcontracted to the Centre for Community Enterprise. CCE is a pre-eminent source of expertise and resources in starting and strengthening CED organizations, revitalizing communities, developing community-minded businesses, CED curriculum design and delivery, and publishing - including the quarterly CED magazine *Making Waves*.

Together, representatives from BCCA, ACCA and CCE will form a Working Group for the purpose of ensuring project synergies and cohesion.

Current Context

The co-operative development system in B.C. and Alberta is shaped by a number of significant factors, not the least of which is that there are few strategies or initiatives that are designed specifically for co-operatives and co-op development. Outlined below, in addition to co-op-specific activities, are key activities from the social enterprise and community economic development arenas that the co-op sector relies on and is the orbit in which its activities take place.

1. Several initiatives relevant to co-operative and social enterprise development are already underway in B.C. and Alberta. These initiatives demonstrate a growing awareness of social enterprise and co-ops as a means of strengthening community economic and social issues not currently being addressed by private or public organizations. The activities also support dialogue and collaboration among key stakeholders with an interest in advancing the social economy. There is a new readiness to advance the co-op system and a growing understanding of its role in strengthening urban and rural communities.
 - a. The Development Wheel project (CCCR and CCE) drew together key players in the social enterprise field to improve the accessibility and quality of technical assistance for social enterprise in rural B.C. This effort resulted in a beginning network of technical assistance providers, (including co-op developers), convened around strengthening results from Enterprising Non-Profits (ENP) grants and giving leadership to a Social Enterprise Summit for the Fall of 2008. This event has targeted existing leadership in social enterprise and co-op development related to finance, training and research and in sectors such as food, health care, environment and employment/training.

- b. ENP has increased the amount of money annually available for technical assistance grants to over \$300,000 (an increase of 50% in the last year). These grants are now available to both non-profits and co-ops, and there is an MOU between ENP and the BC Co-op Association. Also through the Development Wheel project, a working group of ten CFDC's participated in research that explored opportunities to use worker co-ops and other forms of social enterprise for the purpose of business retention and succession in their regions. While there is recognition among CFDCs of the value-added from co-op forms of business, they readily admit to not having the knowledge base needed to apply or support co-ops in their regions. The Alberta Community & Co-operative Association is actively seeking a partnership with CFDCs in Alberta to explore ways to address this gap, which potentially includes a video project. The BC Co-op Association is currently funded to provide specific training related to co-ops as a business retention and succession tool in one or two regions of BC.
- c. A group of key volunteers in the B.C. CED Network is coordinating an effort to determine what financing instruments could be most effective in supporting social enterprise. There is no tax credit based financing program or loan guarantee programs available in B.C. and Alberta that is applicable to co-ops in the same way or to the extent there is in Nova Scotia. The B.C.-Alberta Research Alliance on the Social Economy (BALTA) is undertaking a number of research projects looking at various aspects of finance as it relates to strengthening the social economy.
- d. BC and Alberta representatives are participating in a translation and training project with Chantier from Quebec that will see two social economy finance tools/training programs adapted for use outside of Quebec. One targets social enterprise operators and the other targets lenders into this field.
- e. In Alberta, the recently formed Social Enterprise Fund (SEF), a joint project of the City of Edmonton and the Edmonton Community Foundation, is a sustainable \$10.5 million endowment fund that will provide needed financing and technical assistance to social enterprises and affordable housing projects. This new source of financing will enable the community to develop small businesses that have a significant social impact, create housing developments for low-income people and employ otherwise unemployed or underemployed individuals. The SEF will offer loans, grants, investments and other forms of financing. Administered by the Edmonton Community Foundation, the SEF is the financing tool needed to ensure that social enterprises succeed and affordable housing projects are built.

2. National initiatives:

a The Canadian Co-operative Association (CCA) has a Task Force on Co-operative Financing that is completing an overall review of co-op development funding and financing, which includes the Nova Scotia and Quebec experience. The results of this work will shape some components of the more detailed design of this project.

b The Federal Co-operative Development Initiative (CDI) has completed the final year of its five-year program and was extended for an additional year on April 1, 2008. Through this program, B.C. and Alberta have had additional capacity to deliver promotion and awareness campaigns, provide co-op development support and resources to newly developing co-operative businesses and to provide small development grants to fledging and existing co-ops. The sector has requested a four-year expansion of the program, but the longevity of the program is uncertain beyond March 31, 2009. In particular, Alberta has no resource capacity to deliver co-op development activities beyond the life of the program.

3. There is no developmental staff funded by the provincial governments in B.C. or Alberta such as exists in Nova Scotia and Quebec where the provincial government has delegated substantial resources to the Nova Scotia Co-operative Council and the Quebec co-op sector respectively.

While these activities in the social enterprise and co-operative arena attest to the growing awareness of the benefits of these aspects of the social economy in B.C. and Alberta, the co-op development systems in each province have not yet achieved the impacts demonstrated in the Nova Scotia case study. While there is co-operation between several players relevant to social enterprise, and while progress is being made, there is as yet no common vision or strategy to deal with key issues that are fundamental to strengthening the social economy in the province. This second phase of the project could be a significant catalyst toward the design and development of a common strategy based on a clearer understanding of and commitment to the systems and supports required to advance the co-op development system in each province to this higher level.

Objectives

The goal of the project is to provide the regional co-operative associations, practitioners and key stakeholders in B.C. and Alberta with tools and strategies, based on the model provided in the

Nova Scotia and Quebec case studies, that can translate into action plans for improvement in the co-op development system in the two provinces.

Two primary research questions address this goal:

1. To what extent are the success factors in the 6 main areas of Nova Scotia's cooperative development system either present, easily replicated or desired in BC & Alberta?
2. Where do gaps & opportunities exist for co-op development in each of the two provinces?

In order to achieve this goal, the following objectives are proposed for the project:

1. To describe the current co-op development system and development environment in each province.
2. To examine the co-op and social economy development and financial systems currently in place in Quebec.
3. To engage a cross-section of the co-operative development and social enterprise development stakeholders in each province in a strategic discussion of the Nova Scotia development system lessons and tools.
4. To identify gaps, opportunities and constraints in each province's co-op development system and to map differences in scale, scope or nature from the 6 main areas of the Nova Scotia system for each province.
5. To determine whether gaps are due to deviation from Nova Scotia model or due to other factors.
6. To analyze the current context and engage stakeholders in identifying the extent to which lessons and tools emanating from Nova Scotia and Quebec are relevant in BC and Alberta.
7. To determine strategic options for strengthening the B.C. and Alberta development system that builds on the strengths and addresses key gaps/weaknesses.

Outputs

All outputs and deliverables will be completed by the March 31, 2009. Specific outputs that are part of realizing this work are:

Output	Who	Activities
1. Defined strategies and action steps for strengthening the co-operative development system in each province.	Provincial Associations	<ol style="list-style-type: none"> 1. Communicate findings via website and newsletters. 2. Hold mini-conference during Co-op Week or AGM event. 3. Prepare report on strategies & action steps for Board input. 4. Integrate strategies and actions into formal strategic plan for each Provincial Association.
2. A summary "digest" form of the Nova Scotia case study that would include a discussion guide for interviews and focus groups. This digest would also be useful for subsequent workshops and/or conferences that result from this project.	BCCA to develop	<ol style="list-style-type: none"> 1. Build on digest developed for AGM 2008. 2. Working Group to review. 3. BCCA to finalize. 4. Researchers to distribute.
3. A report on the results of the engagement process including the extent to which new relationships and strategies are initiated.	Researchers	<ol style="list-style-type: none"> 1. Researchers report on data gathering process. 2. Working Group and external stakeholders to review.
4. Preparatory work completed for a mini-conference drawing together the key players in both provinces to consider the	Provincial Associations	<ol style="list-style-type: none"> 1. Combine with AGM or Co-op Week events.

Output	Who	Activities
results, strategic options and next steps.		2. Ensure wide range of stakeholders is invited.
5. A Report that documents the strategies that can be advanced by the players in each province, to be published on the CoopZone website – a resource hub for co-op development practitioners and developing co-operative enterprises.	Provincial Associations	Working Group to review
5. An article in <i>Making Waves</i> , Canada's CED magazine, on what has been learned	Researchers; Working Group	Working Group to review.
6. Dissemination Plan prepared including defining the target audience for the Report, how the report will be distributed and the use of the Report for the mini-conference.	BCCA	Consult with Working Group
7. A Final Report that addresses how the project has addressed the primary Research Questions and Objectives and achieved the Outputs.	Working Group	

Outcomes

1. A greater understanding on the part of practitioners and decision makers on ways to strengthen the social enterprise/co-operative development systems in B.C. and Alberta.
2. A more advanced understanding of which areas of the development system are most relevant to the co-operative sector per se, and which need to be shared across organizations, decision-makers and practitioners working to strengthen the social economy as a whole in each province.
3. Increased dialogue among key co-op sector stakeholders in each of the two provinces.

Approach and Tasks

The project, carried out under the auspices of BALTA, will be implemented by two contracted researchers from the Centre for Community Enterprise. The researchers are seasoned, highly skilled and knowledgeable about the social economy and co-op context in B.C. and Alberta – essential requirements for the facilitation and interview activities with key stakeholders in each province.

The project will be managed by a Working Group, a collaborative team consisting of representation from BCCA, ACCA, and CCE. The Working Group will be responsible for developing deliverables and/or for their review and synthesis at each stage of the project. The Working Group approach is the key mechanism for achieving synergies on the project between the two provinces: project design, development of research implements, development of informational materials, and the final reporting process will all be carried out as joint activities of the Working Group.

The roles of the various members of the Group are as follows:

B.C. Co-operative Association - lead applicant; provides financial/project management and reporting role; resource to B.C. researcher; reviews deliverables at each stage of the project

Alberta Community & Co-operative Association - resource to Alberta researcher; reviews deliverables at each stage of the project; supporting project management role

Centre for Community Enterprise - supplies contracted researchers (one in each province responsible for project design and implementation); reviews deliverables at each stage of the project; provides high-level oversight/input;

The following high-level Work Plan outlines the tasks and time frame as well as the project activities.

Item	Activities	Deadline
1. "Digest" or executive summary of NS report	Consultant to prepare based on Phase I report.	July 31
2. Instruments necessary to conduct research	a) consultant to prepare open-ended interview tool b) consultant to prepare	August 31
2. Describe co-op development system and development environment in each province.	10 key informants interviews will be held in each province including EDs of provincial co-op associations, co-op developers, government staff	October 31
3. Identify "map" of gaps, opportunities and constraints and map differences from NS system.	3 - 5 focus groups sessions will be held in each province with key players in the co-op sector	November 30

Item	Activities	Deadline
4. Determine reasons for gaps.	Consultant to analyse data from key informants & focus groups	January 15
5. Explore application of NS model to BC & AB opportunities.	Consultant analysis, based on data from key informants & focus groups	January 31
6. Next steps...	Consultant with input from EDs & project leaders	February 15
7. Draft project report		Draft - February 28; final - March 20

Project Budget and Detailed Activity

Activity and Budget Detail is found in Appendix 1 (Excel spreadsheet in separate file). The total request to Rural Secretariat is \$25,000.