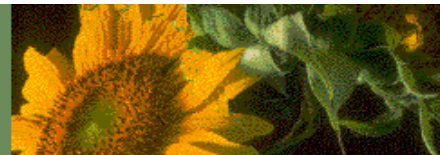




UNIVERSITY OF TORONTO

SOCIAL ECONOMY CENTRE



**Project 33:** A Comparison of Policy Frameworks for Social Enterprises and Non-Profits in Ontario and Quebec

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**Product:** Report of the Month

*In November, 2008 the Quebec Government released a five-year action plan in support of collective entrepreneurship. This translation of the summary of the plan has been completed with the purpose of bringing this important document to the attention to social enterprises and nonprofits in Ontario. This the first Report of the Month for this research project.*

### **Social Economy For more supportive communities: Government Action Plan for Collective Entrepreneurship – Government of Quebec – November, 2008**

Complete text of the Action Plan (in French): <http://www.chantier.qc.ca/>

Research Project profile: [http://sec.oise.utoronto.ca/english/project\\_pages/project\\_33.php](http://sec.oise.utoronto.ca/english/project_pages/project_33.php)

Translation prepared by Peter R. Elson, PhD

*Special thanks to Nancy Neamtan, CEO of the Chantier de l'économie sociale, for her comments on an earlier draft of this translation. Any errors or omissions are the responsibility of the principle investigator.*

# **Social Economy For more supportive communities: Government Action Plan for Collective Entrepreneurship – Government of Quebec – November, 2008**

## **Summary**

The government action plan for collective entrepreneurship aims to maximize the impact of this economic sector which includes cooperatives and non-profit organizations (NPO). The government wants to give these stakeholders concrete means, adapted to their reality, to enhance the dynamism of regions, and to meet the needs of communities within each region, in a perspective of sustainable development.

The action plan is based on a five-year period. However, the application of the plan will be spread over periods that vary in relation to each other, and will be tailored to the availability of resources of groups involved in the development the social economy.

It comprises seven distinct parts.

### **1. An overview of development of the social economy in Quebec**

- The first Quebec social economy enterprises date from the eighteenth century. They were first developed in the form of mutual benefit societies and insurance mutuels.
- At the beginning of the twentieth century, these enterprises took on a new impetus in the form of cooperatives providing goods and services.
- For over thirty years from 1930, encouraged by the Quebec government, the cooperative movement continued to grow in the consumer sectors of fisheries, forestry, education, housing, and hydropower.
- Since 1940, the Conseil québécois de la coopération et la mutualité (Quebec Council of Cooperatives and Mutuels) has been the spokesperson mandated by Quebec cooperatives to represent and promote the development of cooperatives and mutuels in all sectors of activity, and in all regions of Quebec. The responsibility for consolidating cooperative development is under the auspices of the Ministry of Economic Development, Innovation and Export (MDEIE).
- In the early 1960s, the social economy began to be integrated into the community –based movement.
- In 1985, a network of Regional Development Cooperatives (CDR) was created. Those organizations have provided technical services in the start up period to the vast majority of cooperatives created during the last twenty years in Quebec.
- To alleviate the effects of the economic crisis of the late 1980s, the various actors within the social economy worked together to promote community economic development and create jobs.

- In the mid-1990s, the Women's March against poverty "Bread and Roses" led the Quebec government to set up a Steering Committee on the social economy. In 1996 it convened all the civil society partners to a summit on the economy and employment, which led to the creation of the Chantier de l'économie sociale, (the centre for the social economy) which, as of 1999, became a new spokesperson with the government. A year later, the government presented a policy to permit the implementation of local development (CLD) centres.

In recent years, several financial tools have been developed for NPOs and cooperatives, including Réseau d'investissement social du Québec (RISQ), the Chantier de l'économie sociale Trust, and the Program for investment in social economy enterprises by Investissement Québec.

## **2. A summary of governmental support for the development of the social economy**

- In recent years, with a view to harmonizing and integrating economic development tools, the government of Quebec has extended to the social economy sector several financial measures and programs which until then were only for the private sector.
- From 2003 to 2008, the Quebec government has invested 8.4 billion dollars in the social economy, when all ministries, agencies and sectors are taken into account.
- A significant portion of this amount was allocated for the purpose of community services, including the Department of Family and Elders (MFA) which invested 6.1 billion dollars in early childhood centers and coordinating offices for family child care.
- During this same period, substantial amounts were also allocated to social economy enterprises by the various ministries and government agencies concerned with economic development, environmental protection and facilitating public transit, and encouraging the promotion of arts and culture.

## **3. Support for networking activities for social economy enterprises**

- The government intends to facilitate collaboration between organizations by enhancing its support for the Chantier de l'économie sociale and by supporting regional social economy hubs.
- The annual support given by the Government to the Chantier de l'économie sociale is now 650,000 dollars, which represents an increase of nearly 45% over the amount previously allocated to the Chantier.
- Support for regional social economy hubs will take the form of *specific agreements* for five years with the Conférences régionales des élus (Conference of elected officials). Each CRÉ will thus receive a maximum annual sum of 50,000 dollars from the Ministry of Municipal Affairs and Regions.
- A social economy initiatives fund will be created, with an annual budget of 100,000 dollars. This fund will support studies, research or other types of activities aimed at supporting the development of knowledge related to the social economy sector and to better coordinate government programs and increase the coherence and positive impact on communities.

- To support initiatives within the Montreal metropolitan region, in addition to funding three specific agreements with the CRÉ in Montreal, Laval and Longueuil, the Ministry of Municipal Affairs and Regions has set aside a sum of 850,000 dollars annually, under the Development Fund of the metropolis (MDF), to support some comprehensive actions in the field of social economy in the Montreal metropolitan region. This amount will be distributed as follows:
  - 150 000 \$ per year for four years, will be reserved to support the development of specialized services aimed at social economy enterprises within the Montreal metropolitan region; the Ministry will invite its partners, including the City of Montreal, to collaborate on this project.
  - The balance of the funds will be allocated to development projects in the social economy that will help improve the quality of life and quality of services and infrastructure throughout the metropolitan region and enhance the quality of the region.
- As part of the specific agreements to be established with the CRÉ, a portrait of the situation of homecare enterprises in the region will be prepared and presented to government.

#### **4. Strategic actions in support for the development of social economy**

The government intends to put forward a set of strategic actions to make instruments available to support the development of social economy. These tools allow concerned public and private institutions to make informed decisions and achieve common goals.

##### **These actions are based on six basic elements.**

- The establishment of a statistical portrait of the social economy in Quebec

A working group composed of representatives of key ministries, partners, agencies and researchers will be set up to compile a statistical portrait of the social economy in Quebec. This working group will establish a mandate, objectives, survey priorities, required resources and a work schedule. The working group will rely on detailed statistics on cooperatives already available within government.

- The development of research on the social economy

The government supports the value of knowledge transfer and, to this end research projects on the social economy are eligible for a major program within the Quebec strategy for research and innovation 2006-2010. This means that 500,000 dollars are available annually for development projects to transfer knowledge in the social sciences and humanities, arts and letters. Regional social economy hubs will also be able to benefit from this program to generate and transfer knowledge.

- Labour force development within social economy enterprises

Measures will be taken to facilitate access to training measures for people who are working for social economy enterprises. In the short term, the need for improving management skills, which has been identified as a priority by the Comité sectorial de main d'oeuvre en économie sociale et action communautaire (Sectoral Council for workforce development for the Social Economy and Community Action (CSMO-ÉSAC)) will be addressed. In addition, actions will be taken to sensitize stakeholders whose scope of action might prove very important for the development of the social economy.

- The revision of the legal status of non-profit organizations

The Ministry of Municipal Affairs and Regions considers it appropriate, as the ministry responsible for coordinating government intervention in the social economy sector, to invite participation in discussions on the revision of Part III of the Quebec Companies Act and, if necessary, propose some strategies for non-profit associations. The MAMR will confer, in this context, with those with expertise in this area. Moreover, it may proceed with consultations with other key players who are interested in the same issue.

- The updating and development of the portal of the social economy

The government intends to promote the use of a social economy portal as a vehicle for information by relevant departments and agencies.

- Support for international action concerning the social economy

In order to draw on the experiences of other jurisdictions and adapt those that are in line with the specific context of Quebec, the government is planning to support initiatives in international relations as it deems to be both valuable for the development of the social economy and for the quality of life of communities.

## 5. Measures for the development of social economy in the regions of Quebec

- Youth outreach

The government will better equip networks working with young people so that they will have a greater awareness of the social economy and the advantages of this economic sector. To do this, the Future Youth Action Strategy will specify the means which can be used to reinforce youth networks.

- The strengthening of relationships with First Nations communities

The government will introduce a series of measures relating to the social economy in order to strengthen ties with First Nations and Inuit communities.

- In the case of First Nations, the government will provide financial assistance of 300,000 dollars over three years for the implementation of training and technical support to strengthen social enterprises off reserve, in collaboration with the Network of Native Friendship Centers. Thus, the Ministry of Municipal Affairs and Regions will provide the Network of Native Friendship Centers financial assistance of about 200,000 dollars. The Aboriginal Affairs Secretariat will also provide an amount of 100,000 dollars.
  - The government will provide support to Inuit communities wishing to develop social economy enterprises which are likely to meet certain needs as prioritized by its members, especially elders.
- The integration of people of immigrant origin in Quebec regions

The Chantier de l'économie sociale can count on the participation of ministries and agencies involved in the Steering Committee – social economy and cultural communities which it has put in place. The Ministry of Immigration and Cultural Communities (MICC) will provide financial support of 150,000 dollars over three years for the implementation of the work plan proposed by the Steering Committee.

This work will be developed, in the short term, to gain concrete knowledge and to encourage the participation of immigrants in social economy enterprises. At the same time the committee will develop awareness and promotion best practices for managing diversity.

- Support for social economy enterprises in cultural organizations and community media

The government has put in place some measures to support social economy enterprises in cultural organizations and community media

- Social economy enterprises in culture and community media

The Ministry of Economic Development, Innovation and Export Trade will allocate 3 million dollars in start-up funds for social economy enterprises in Montreal in the field of Arts and Culture, allocating 1 million dollars per year, starting with this year (2008-09).

- Community Media

The government intends to reiterate the its stated government policy calling on its departments, agencies and public companies to allocate at least 4% of their annual advertising budgets to community media and will give these departments, agencies and companies the tools necessary to achieve the desired target. The Standing Committee on community media, coordinated by the Ministry of Culture, Communications and Status of Women (MCCCF) has made the achievement of 4% of advertising placement [in community media] its priority for 2008-2009.

## **6. New avenues to explore**

In the coming years, new initiatives will be implemented to further develop the social economy in Quebec. Among these new initiatives, we can already identify three main actions.

- In the preparation of the second plan to fight poverty and social exclusion, the Chantier de l'économie sociale has made the case for the need to conduct a study to define particular ways that the social economy could be used to address these (two) issues. The Ministry of Employment and Social Solidarity (MESS) and the Ministry of Municipal Affairs and Regions will provide financial support in the amount of 65,225 dollars for the study.

- The Ministry of Culture, Communications and Status of Women and the Ministry of Municipal Affairs and Regions will provide financial support of 100,675 dollars for a study by the Chantier de l'économie sociale on strengthening citizen participation in culture through the social economy.
- The Ministry of Municipal Affairs and Regions will establish a working group devoted to analyzing the potential areas for future development of the social economy in Quebec. It will be composed of key government players as well as key players and representatives of the sector.

## **7. Mechanisms for monitoring the action plan**

The support of regional and local bodies in their operationalization of the action plan will translated into three main measures, namely:

- The establishment of an interministerial committee to monitor the action plan

An interministerial committee will ensure that regional and local groups are equipped to effectively use the tools available to them under the action plan. The measures contained in the plan will be monitored in various ways, including through a progress chart.

- The establishment of a Social Economy Technical Committee comprised of representatives Ministries and agencies

The Ministry of Municipal Affairs and Regions has asked ministries and agencies to identify social economy representatives. A network will thus be established.

- The involvement of regional administrative Conferences

The Regional Administrative Conference (RAC) will take the necessary steps to implement the action plan at the regional level.