

From Jenna Allard, Carl Davidson, and Julie Matthaei, eds., SOLIDARITY ECONOMY: BUILDING ALTERNATIVES FOR PEOPLE AND PLANET. Papers and Reports from the U.S. Social Forum 2007. Available April 1, 2008 at www.lulu.com/changemaker

15. The Solidarity Economy as a Strategy for Changing the Economy

By Ethel Cote, Nancy Neantam, Nedda Angulo Villareal

Editors' Introduction: Activists and academics in the U.S. have much to learn from the practices of other countries, many of whom have long histories of social/solidarity economy organizing. In this exciting session, Ethel Cote and Nancy Neamtam of Canada, and Nedda Angulo Villareal of Peru, shared lessons from their experiences in this area.

The Canadian Community Economic Development Network: Focusing on a marginalized community in Ontario through the building of a Solidarity Economy Movement

By Ethel Cote

Éthel Côté has been involved in the economic, social, cooperative and cultural fields for 30 years. She holds a certificate in Agricultural Leadership and a Masters Degree in Community Economic Development, and teaches Community Economic Development at Boreal College and Concordia University. She took part in several fact-finding missions in Europe and Latin America to investigate the cooperative movements, the mobilization and socio-economic consensus-building processes, and the impact of globalization on the socio-economic development of rural communities in

these countries. Through Uniterra, she participated in skill-strengthening missions in Mali, Niger and Senegal for the social and solidarity economy networks of these countries. She was also part of the organizing committee for the 3rd World Conference on Globalization and Solidarity held in Dakar in 2005, and is the Canadian representative on the Board of the International Network for Promotion of Social Solidarity Economy (RIPESS). Since the year 2000, she has mentored hundreds of communities and promoters of social enterprises, and during the last three years, she has been actively involved with the Center for Community Enterprise, training the trainers in social enterprise development. She has been involved with the Canadian Community Economic Development Network (CCEDNET) for several years and sits on both the National Policy Council and the International Committee. She currently chairs the Ontario Solidarity Economy Network. She is also the CEO of L'Art du développement, a small business involved in Social Enterprise, CED & co-op development.

Definition of CED Community Economic Development

Action by people locally to create economic opportunities and enhance the social and environmental conditions of their communities, particularly with those most marginalized, on a sustainable and inclusive basis.

I will take a few minutes to present the Canadian Community Economic Development network (CCEDNET) and also one of its newest members, a very young provincial network: *Economie solidaire de l'Ontario* (ESO). For the last seven years, I have been a volunteer on the Board of CCEDNET and this year, I have taken on the duties of Co-Chair of the Policy Council. I am also a Community Economic Development (CED) practitioner, so on a daily basis, I provide technical assistance to support local development strategies, co-op development, social enterprise development, leadership and governance training, strategic planning, etc. As a Francophone who lives outside of Quebec, I am very actively involved with a minority community which has been marginalized in many ways.

Today, I will talk about the Canadian network and also about a new and emerging network inspired by *Le Chantier de l'économie sociale* in Québec. These networks are part of a vibrant solidarity economy movement being built in different regions of Canada, as well as on the national scene. We use strategic planning to mobilize and to develop the national movement. In Ontario, mobilization for the ESO has been mainly organic until now, but the steps we took in the last five years are quite impressive, and we have learned by listening to others and by sharing our experience.

The Canadian Community Economic Development Network

Let's begin with the Canadian Community Economic Development Network. CCEDNET is a national, nonprofit association of community organizations working to enhance social and economic conditions of communities based everywhere in Canada. CCEDNET has 650 members, and that represents between 4,000 and 5,000 network organizations throughout the country. In that membership base, there are community-based organizations, aboriginal organizations, youth groups, women's groups, co-operative organizations in all sectors, immigrant associations creating their own social enterprises as well as urban and rural initiatives. CCEDNET also mobilizes actors from the public and private sectors, universities, social enterprises and financial institutions. Before I continue, I will invite my colleague Mike Lewis, one of CCEDNET's founders, to share information about the history and the progress of this movement.

Mike Lewis on the origins of CCEDNET

Some of the inspiration from our early work came from the United States. In 1981, when I was in northern Alberta, I came across the newsletter of the *National Economic Development Law Center* in Berkley. They work with legal service corporations across the United States. They were talking about a bunch of pieces that I was beginning to become aware of, and I started working with the *National Economic Development Law Center* on projects.

Through my work with them, I became aware of the 25-year anniversary conference on the War on Poverty that was held by the Center in Chicago in 1988. I thought that this was a good opportunity to convene some Canadians in Chicago and show what we were doing in Canada in the area of community economic development. Twenty-five Canadians went to Chicago, and met in our own parallel sessions.

CED: a multi-faceted approach, conceived and directed locally, for revitalizing and renewing community economies by managing and strengthening community resources for community benefit.

CED: an alternative to conventional approaches to economic development, founded on the belief that problems facing communities – unemployment, poverty, job loss, environmental degradation and loss of community control – can best be addressed by community-led, grass roots, holistic approach.

Many of the initial relationships and discussions that emerged out of this meeting were the seeds for a ten-year organizing process of trying to bring people together across the country, creating the basis for the formation of the Canadian CED Network. Nancy Neamtan, in her previous incarnation, was managing a community development organization in the poorest neighborhoods of Montreal - an area that is now really managing growth rather than dealing with depletion and disinvestment. That was going on in Quebec, while other CED organizations were emerging in different parts of Canada, partly inspired by what had happened in the United States. So we worked to put together a research project to explain the innovations which were occurring in the urban context. We wrote a couple of books on this topic, and out of that process, began to think about how we could organize the CED movement, how we could bring people together. We began to think about the practices of the work we had been doing, and began to try to learn from them. Out of that process, we were able to weave things together and form the Canadian CED Network, which was finally incorporated in 1999.

Social Economy

Community nonprofit organizations and co-operatives are the engines of the social economy, creating economic and social outcomes for their communities.

We refer to these organizations and the strategies they use in much of English Canada as “Community Economic Development,” by which we mean integrated approaches to creating social and economic opportunities through local action by people to reduce disadvantage and generate greater self sufficiency.

Building a Social Economy

Building assets and enterprises collectively owned by communities to generate both social and economic benefits

Social Assets (housing, child care, cultural facilities)

Social and community enterprises including co-operatives

Equity and debt capital for community investment

Ethel Cote on CCEDNET today

So CCEDNET is a **member-led, democratically governed network that:**

- Supports practitioner development and peer learning amongst community-based organizations.
- Advocates policy to all levels of government and key sectors to strengthen support to citizen-led efforts to reverse social and economic disadvantage.
- Promotes community economic development and the social economy as an alternative model: citizen-led; community-based; integrating social, economic, cultural and environmental objectives.

CCEDNET is a very active network that is implementing various initiatives. However, I think that at the same time, the network is at a crossroads in its development. Being a member-led organization means that members have always given direction as to the organization. They do this through broad consultations during CCEDNET's national conference and through committees and board discussions from which a strong strategic plan is established, one that was just recently updated. In the last two years, CCEDNET has faced financial issues for which social and financial solutions have been identified. Very interesting projects were developed, and CCEDNET turned to the government to fund them. Some funding was confirmed and now the network has a lot of work to deliver. More than ever, CCEDNET needs to continue to implement projects that are important for its members, but at the same time, I think that, more than ever, it is necessary to explore ways to be financially independent and thus not become an organization that is driven by projects and funders. CCEDNET needs to continue to be driven by its mission, its core business, and I am convinced that we will get there.

One of CCEDNET's key initiatives is the research and development component. CCEDNET is Co-chair of the National Social Economy Research Hub and many of its members are involved in Regional Research Centers which received five year Social Sciences and Humanities Research Council funding. There is one hub in Quebec, two in Ontario and a few more throughout Canada. Through this research, CCEDNET is working actively on:

- CED & Social Economy Mapping (Solidarity Economy Mapping)
- Immigrant-led CED
- CED and Social Inclusion
- Place-based Poverty Reduction
- And CED Funding Models: solidarity finance

In regards to Social Inclusion and Poverty Reduction, CCEDNET truly thinks that crime prevention and the involvement of offenders in activities that build social responsibility should be a major focus for CED organizations in many communities. CCEDNET believes there are major opportunities to use the social economy as a means to reduce crime and enhance public safety. Another example is child care offered by non-profit and co-operative groups which are being developed alongside other assets and opportunities for families such as skills and training, self-employment, English or French as a second language, culture, recreation, and self-help programs. These models of providing child care as part of a continuum of supports and opportunities for families have great potential for scaling up. Immigrant and refugee settlement and economic integration through the development of co-operative and social enterprises is a focus for an increasing number of immigrant serving and ethno-cultural groups. CCEDNET currently has a pilot project that is testing new approaches to using co-operatives and community economic development by immigrants to enhance their economic self-sufficiency. The network's objective is to see public policies and programs become more informed about CED as a component of immigrant integration and settlement in Canada.

In Quebec, they have ten years of experience in documenting their story and it is very impressive to observe the movement-building, the mapping, the various stakeholders involved in the field, and the results.

In regards to Solidarity Funding, CCEDNET was involved in a roundtable on community investment and thus had an opportunity to learn about and share different and sustainable funding mechanisms and models.

As Co-Chair of CCEDNET's Policy Council, I can confirm that the network is actively involved in policy-building. A very active Policy Council is in place that is working on a National CED Policy Framework, Funding, and Labor Market Development. In some parts of Canada, provincial governments and municipalities are looking at ways that they could efficiently support CED. In Nunavut, they have elaborated a CED policy, and in Manitoba there is a lot of support. In Ontario, there is momentum now, after ten years of very conservative governments. We have a great opportunity with the current government to move things forward and involve them at different levels, such as policy, and funding incentives.

CCEDNET's Learning Activities

Where action learning activities are concerned, a National Conference is organized every year. The 2007 conference was held in Newfoundland, and the 2008 national conference will be in the middle of Canada in Saskatchewan. Those events provide good networking opportunities for members and partners, learning experiences through workshops, and also a democratic experience by participating in the Annual General Meeting of the Network. Regional peer learning events are also organized because the proximity and the similarities provide a whole different and efficient dimension for sharing, learning and regional networking. We need to regroup more closely with organizations that share the same reality. So in Alberta, British Columbia, and Ontario, groups are establishing Regional platforms, sometimes as a chapter of CCEDNET, or as in Alberta, as an independently incorporated co-op. We mobilize nationally to be a strong national voice, but we also support regional mobilization.

CCEDNET also has a partnership with Le Chantier de l'économie sociale: the two groups operate under a memorandum of understanding to engage the strengths of both networks, mainly around policy-building at the national level. Learning, strategic thinking and sharing are very important between networks of networks.

Regarding Social Enterprises, two national conferences have already been organized, bringing practitioners, funders, partners and technical assistance providers together to support social enterprise development, as well as many other key players involved in the field. CCEDNET sees this interest growing and will facilitate a roundtable to maintain the relationship between the key

players and to continue to support the movement that is building, or in other words, “connect the dots.” Good debates on themes such as: “Should we all be involved under the same umbrella organization or network, or should we build various sector networks have been initiated?” Practitioners, partners and funders will continue to have those debates and I truly hope we will find the best strategy to continue to grow as a movement representing Solidarity Economy in Canada.

Over the last few years, at the national meetings, the room was filled with a majority of gray-haired people and not that many young people. However, we all know that there are a lot of young people involved in social, economic, and green initiatives, but they were not actively involved in the CED movement. Some young people who were involved in co-ops came a few years ago to the National Conference and decided to do something to mobilize and to get a voice. CCEDNET agreed to support the young people through the creation of an Emerging Leaders Committee. During the last year, this committee was made permanent, thus confirming a seat for their Chair on CCEDNET’s Board of Directors. So far, having the opportunity for them to meet has given CCEDNET the opportunity to see who really needs to be engaged with, and hopefully to bring this new blood to network. So CCEDNET has organized four different initiatives:

- ⇒ The Emerging Leaders initiative with 50 young activists across Canada, because in order to know and acknowledge youth’s experience, it is necessary to identify what’s out there.
- ⇒ Profiles of youth engagement in CED were documented and posted on the website.
- ⇒ The CreateAction Program funded 60 paid interns who were involved in CED all over Canada over a three-year period.
- ⇒ And finally, with both intern and volunteer youth supervised by the youth committee, a National Report on the Effectiveness of Youth Inclusion was produced.

All of this research is very recent, thus representing the reality of our movement today.

CCEDNET’s Policy Framework

To create its Policy Framework, CCEDNET mobilized with other national networks to strategize. The group agrees that the most advantageous model

would be an integrated community-led model that builds and mobilizes community and individual assets to:

- Strengthen social capital
- Strengthen human capital
- Strengthen financial capital

For years, all of those networks were working side by side to negotiate a Social Economy Initiative with the federal government that would have provided the community \$132 million. Some funds were also included for research and patient capital – loans that are paid back slowly at lower interest rates. The only province that managed to negotiate the transfer of some of these funds was Québec, and those funds were invested in a major trust fund.

Unfortunately, because of a change in federal government, most of the Social Economy Initiative was cancelled. However, after an initial period of shock and incredulity, the networks have decided to go ahead and pursue their strategy of working together in Ontario and elsewhere in order to establish a Community Trust Fund involving the provincial government as well as the private and social sectors.

I have been involved in CCEDNET in different capacities from the beginning, and I can confirm that the need for connecting with each other, and for connecting the dots between the stories and practices, not only in one province, but throughout Canada. This was a need long before CCEDNET was created, and it is only now that we are slowly but surely succeeding.

The Solidarity Economy in Ontario

The Francophone community has a history that is similar to what Nancy Neamtam has shared with us, so I won't go over that again. However, I would like to remark that there are 7 million Francophones in Canada: there are 6 million in Quebec, and thus 1 million outside of Quebec. In Ontario, we are 550,000, and we think that in fact we would be more numerous if we were to include the immigrants from French-speaking nations. For example, if an immigrant enters their first language as Swahili in the census, the census will automatically count this person as having English as their first official language. All the immigrants from French-speaking African countries are thus probably being counted as having English as their first official language.

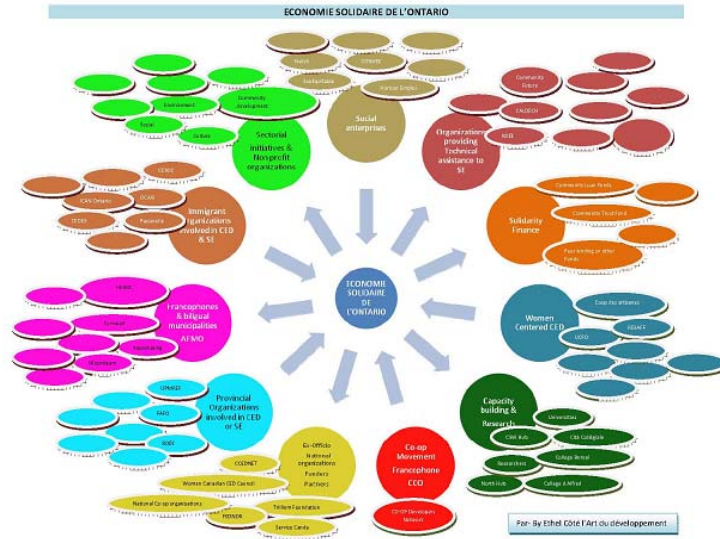
The reality is that living in French in Ontario is a real fight every day for services, education, etc. You breathe and fight every day. 10 years ago we

fought to have our own school system, and 15 years ago to have our first community college put into place. The community continually needs to fight to be recognized, to have all the services that are provided elsewhere in Canada. We are a pacifist people, we like to work with all the key stakeholders, but when due processes do not work, the community has learned that it is necessary to engage in a power struggle. The Francophone community has thus sued the government more than once in order to defend or obtain our rights, and we have won every time. In the field of CED, the Ontario Francophone community is the only community in Canada who is bringing the government to court. We do this not only to have our rights recognized and thus have access to CED and Social Economy funding, but also in the hope that this process will force the government to officially recognize CED and the Social Economy and thus open doors to all other government departments for additional funding in the field of CED for both Francophone and Anglophone communities. We are fighting for ourselves, but hope that it opens doors for other communities.

So, inspired by CCEDNET, by Le Chantier de l'économie sociale, and by RIPESS (The Intercontinental Network for the Promotion of the Social Solidarity Economy), a group of practitioners created an Ontario network in 2004: Économie solidaire de l'Ontario (ÉSO) which is a member of CCEDNET. We have been strategic, we have learned from our experience, and we have tried to bring all the key organizations involved in CED and the Social Economy to the table. Because we are a small community, we always relate to the private businesses in our community and the educational system because we know that we are stronger if we are connected together.

Économie Solidaire de l'Ontario is still a young network, but it has succeeded in sharing a lot of knowledge, and it has created a website. Not having the capacity to physically gather people from all over Ontario, we find that technology is a good way to connect. In collaboration with partners, two tele-learning sessions have been organized and both were successes. We decided to share information because we know that that is a good way to connect with each other. A newsletter named "Vision DEC" was created where key organizations and initiatives are highlighted. The 21st edition has now been published. 300 organizations were on the mailing list after two years and now there are over 1,000. Practitioners, researchers, organizations, and members of the non-profit sector from different components of the community receive the newsletters. Politicians have requested the newsletter and many Francophone media have asked for it in order to be able to promote this kind of development. A partnership with the Francophone municipalities has been

concluded and ÉSO is helping them to organize their next Provincial Congress under the theme of Solidarity and Community Economic Development. We need to tell the world what is going on in our own part of the world and in Canada.



Five years ago, the solidarity economy map included co-ops and the non-profit sector. Today, our organic mapping shows all of these different elements.

Économie solidaire's website, www.economiesolidaire.ca (only in French), has much useful information and includes the 21 editions of our newsletter. We knew that we did not have the capacity to put forward major initiatives like building a major trust fund alone, so we joined in a strategic alliance with Anglophone and First Nation groups in Ontario. A consortium has been created and there is an emerging CED Network in Ontario that is growing and that is also connected to CCEDNET.

During the last month and a half, a group has been working on what many were trying to do at the federal level for a year – to put together and find funding for a social economy initiative. We have met with five or six ministers and a few key bureaucrats, and have received a warm welcome for our trust fund concept. A critical element for us is to anchor this trust fund through the credit union movement, because, unlike the Quebec movement,

we do not have the experience necessary to create an independent structure to manage this funding mechanism. We have momentum and doors are beginning to open to the idea of investing in this kind of work right now. We are documenting our experience and our practice to show how we can mobilize and manage our development as a community and link very strategically with all the components of the solidarity economy.

To sum up, we are hoping to establish a community trust fund very soon in Ontario to maintain the pace of the Ontario and Canadian movements, to continue building with municipalities, and continue to support them in the organization of a provincial and efficient Congress that will be involved more actively in CED and the Solidarity Economy.

The number of social and solidarity economy activities being implemented at all levels in Canada is increasing. As our movement grows and develops, we are resolving issues which we encounter along the way, and planning for the present and the future. We need to maintain the networking and continue to grow as a movement, and the key to this is to learn from each other, to share practices and lessons learned from different kinds of strategies to make things happen, and also to learn from the experiences of Quebec, Canada, USA, Europe, Africa, Latin America, and others. I think that, with our strength to fight and energy to mobilize, we will succeed together.

Chantier de l'Économie Sociale: **Building the Solidarity** **Economy in Quebec**

By Nancy Neamtan

Nancy Neamtan is President and Executive Director of the Chantier de l'économie sociale, a non-profit organization administered by 28 representatives of various networks of social enterprises (cooperatives and non-profits), local development organisations and social movements. Since 1999 Ms. Neamtan has been Co-Director of ARUC-ÉS (Community University Research Alliance on the Social Economy). She was the founder and President of the Board of Directors of RISQ (Réseau d'investissement social du Québec), a \$10 million investment fund dedicated to the non-profit and cooperative sector between from 1997 to 2006. Since November 2006, she has been President of the Fiducie du Chantier de l'économie sociale, a new \$53 million investment fund for collective enterprise. Ms. Neamtan is actively involved in civil society organisations in Quebec. She was named by the Quebec government to represent the community sector at the Commission des partenaires du marché de travail (Labour Force Partnership Commission). She is a board member of CECI, an NGO involved in international cooperation and of CIRIEC Canada.

My name is Nancy Neamtan and I work with an organization called the *Chantier de l'Économie Sociale*. The name of our organization is hard to translate because it has a double meaning in French. The word “chantier” refers to a working group but it also is the word for construction site. Despite the fact that our organization has existed for over ten years, we have kept this term because the image of the construction site is a good image for what we are trying to do: build a more democratic and equitable economy.

The Context of Building the Solidarity Economy in Quebec

Before I start talking about the solidarity economy experience in Quebec, it is important to understand the context. Quebec is a French-speaking nation

within Canada. Its population is around 7.5 million, and as a small French-speaking society within North America, it has historically had to struggle to survive as a nation. This has created a context for social dialogue and cohesion that have been favorable conditions for the development of the Social/Solidarity Economy movement. Another element of context that has favorably influenced the development of the solidarity economy is the history of economic development in Quebec. Until 1960 the Quebec economy was controlled totally by outside interests: American, British, or English-Canadian fortunes. There was no French-Canadian bourgeoisie; there was in fact no modern state, and the clergy had a major influence in Quebec society, including in political and economic spheres. In the sixties, what we call the “Quiet Revolution” took place. The Quiet Revolution began through the electoral process, with the election in 1960 of a new government whose slogan was ‘Maitre chez nous’ (masters in our own house) and whose program was the building of a modern welfare state. In a very short period of time, Quebec went from being a very Catholic society to a very secular society. The welfare state was built in the 1960s. At the same time there was a very strong process of unionization that has sustained itself up until today. At the moment, the labor movement in Quebec represents over 40% of the labor force. This is a very important part of the context for the development of the social/solidarity economy.

Over the past decades, our welfare state has “adapted” to globalization, but, despite this, there is still a certain culture, a certain reality of government intervention, not only in the area of social development, but also within the economy. It is important to understand that one of the first roles that was played by the Quebec government in the 1960s during the “Quiet Revolution” was to create economic institutions that allowed the development of a Francophone bourgeoisie. This is important because this context has been very favorable for the development of government support for the solidarity economy. Of course, I do not want to minimize the great work that has been done by people in communities across Quebec, but it is important to appreciate its context.

**Beginning with a Happy Ending:
The Summit on the Social and Solidarity Economy**

I am now going to move on to tell the story of *le Chantier*. I thought I would start with a happy ending, which is not really an ending but at least the end of a really nice chapter. It is about a summit that was held in November 2007 in Quebec, called The Summit on the Social and Solidarity Economy. It brought together 700 people, and since it was not a conference but a summit, people

who attended were delegates for their networks or organizations. They represented a wide range of networks of cooperative and nonprofit solidarity/social economy enterprises, economic development organizations in local communities, networks for the different regions of Quebec, social movements, the union movement, the environmental movement, the women's movement, and the community movement. We also had international visitors from twenty-three countries.

The Summit was organized to celebrate the tenth year of the beginning of an organized social/solidarity economy movement in Quebec. A declaration was adopted at the end of the Summit. The first paragraph of the declaration explains the context well:

On the occasion of the Social and Solidarity Economy Summit, we actors of the social economy from the community, cooperative and mutual benefit movement and associations, cultural, environmental and social movements, unions, international corporations and local and regional development organizations, affirm with pride and determination our commitment to build a Social/ Solidarity Economy locally, regionally, nationally and internationally. For decades now across Quebec and even abroad, we have been constructing a social and economic project rooted in the notion that there should be no losers. It is a project based on the values of social justice, fairness, solidarity and democracy. Today we are very proud of the results and achievements of social economy actors and partners. Our continued efforts, especially during the past decade, have enabled us to create new instruments and reinforce existing ones. It has facilitated the emergence of new sectors and strengthened others. Our efforts have also contributed to this important creation of thousand of jobs and the improvement or formation of new spaces of social inclusion, mobilization and governance. And in doing so, they have enhanced citizen participation, and also enabled women to play a leading role in this values-added economy. (When we refer to values-added, we mean values like solidarity, democracy, equity etc.)¹

The Summit on the Social and Solidarity Economy was a turning point for us. It was a manifestation that today, in Quebec, one of the strongest social movements is the movement for a social/solidarity economy. This movement

has been built up over the years and, very importantly, from the bottom up: from local practices, from debates within social movements, and particularly from within the community and union movements. This movement has been based on the premise that, if we say that we want to transform the world and we want to transform our society, then we cannot just protest and ask the government to do things differently. We cannot just protest against the way neoliberal economics are destroying our planet, our social fabric. We have to start building alternatives; otherwise we are not credible; we are not responding to community needs. So this whole issue of taking economic development head-on, without losing our value system, has been the driving force for the creation of this movement. The initial debate took place within the labor movement in the 1980s in Quebec. The labor movement made a conscious choice of saying, “Our job is not just to negotiate collective agreements; our job is also to become actors in creating economic opportunities, and creating jobs, and becoming a major force in the development of our communities and our regions.” The two major labor unions now control and manage labor pension funds, or solidarity funds, that are investing in economic activity across Quebec. Since the 1980s, community organizations and social movements have also become involved in community economic development in responding to the needs of rural and urban communities. There has been a learning process about what economics is, how economic development takes place, and how it could be done differently. There has been a process of re-appropriation, the taking back of certain economic concepts that, in the current ideological context, have been “privatized” by neoliberal ideology. This learning and demystification process has been an important part of building this movement.

History of the Movement in Quebec

In 1996, an important event took place in Quebec which created a context for the coming together of the social/solidarity economy movement. The event is a good illustration of this fairly unique Quebec political culture of working together among the business sector, unions, community organizations and government. *The Quebec Summit on the Economy and Employment* was convened by the Quebec government in 1996 in the context of a 12% unemployment rate and huge pressure to reduce government deficit. In fact, the Quebec government was being pushed by Standard and Poor’s in New York to eliminate the deficit by cutting back government spending, to avoid seeing its credit rating decline. In this context of cutbacks and high unemployment, the Quebec government convened representatives from all spheres of socio-economic activities.

The Premier confronted the business sector, saying, “Government doesn't create jobs, you do. So why don't you present strategies and projects to create employment and the government will support and accompany you?” The social movements that were invited to the Summit, including the women's movement that had just organized a major women's march against poverty and violence against women, and other social movements, asked themselves what they could do. Because of the context, we were able to come together around a new concept, the social economy, a term that was very new for us in Quebec. The social economy term, widely used in Europe to refer to cooperatives, associations and mutuals, had been taken up in Quebec following the 1995 Women's March against poverty. The women's movement had demanded public investment in social infrastructure and in the social economy, referring specifically to the numerous women's and community organizations that exist across Quebec. Within the context of the summit, a working group on the social economy was created, providing an opportunity for us to use this new vocabulary to express both the realities of the cooperative and non-profit sector, and its aspirations.

Through this common vocabulary we were able to pull together and put forward a wide range of ideas, projects, sectoral strategies, and activities we could develop, and identify the kind of tools we needed to be able to develop them. We also understood (and this was our first recommendation in the plan we presented at *the Summit on the Economy and Employment*) the need to gain recognition of the importance of the collective sector – what we call the social economy – within the Quebec economy. In fact, the major battle that we have waged over the past ten years, and have not totally but almost won, is that if you want to understand and support economic development in Quebec, it is essential to recognize the plurality of our economy. It is essential to recognize that there is a public economy and a private economy, but there is also a collective economy based on cooperative and nonprofit organizations, based on collective control of economic tools that have social or environmental missions, where people have primacy over capital, and where there is democratic control.

This social economy has always been a part of the socioeconomic infrastructure of Quebec. Our premise, which we presented at the Summit and continue to defend today, is that the social economy has tremendous potential for development if we provide the appropriate development tools, if we recognize its existence and its specificities, and (as we have often said though we are far from having won this) if we give it a level-playing field with the private sector. In other words, we demand the same kind of support for our collective enterprises as the government has given to the private for-profit

sector. The 1996 Summit was the birthplace of this coalition in favor of the social economy, of this coming together within an organization that I have had the privilege to head up since its foundation.

A Network of Networks: the *Chantier de l'Économie Sociale*

The Chantier de l'Économie Sociale is today a network of networks. It has a Board of Directors made up of 32 people representing a wide range of networks. One segment of our Board is made up of representatives of networks of cooperative and nonprofit enterprises organized by sectors, such as co-op housing, worker coops, nonprofit recycling businesses, parent-controlled non-profit day care, and non-profit manufacturing businesses whose mission is to create employment for the handicapped – all kinds of networks of social/solidarity economy enterprises. Another segment of our Board is made up of representatives of networks of community economic development organizations working on revitalizing local communities, both in rural and urban areas. These organizations work with different strategies and tools but have as their mission, or at least part of their mission, the development of collective or social economy enterprises. Another segment of our Board is made up of regional networks, because the social economy movement is now organized on a regional basis in every region in Quebec. A very key and strategic component of our Board's membership are representatives of social movements: the two major union movements have been part of the *Chantier's* Board since the beginning, as have been the environmental movement, the women's movement, the community movement, and so on. The reason we have included social movements in our membership is to never forget that, if our goal is to develop more and more collective enterprises, and more and more tools to support a democratic form of economic development, the fundamental goal is to contribute to a process of social transformation. Therefore we have integrated social movements into the very structures of what we do, in order to assure that we don't fall into the historical trap of just being concerned with our enterprises and not with what is going on in the rest of the world - the trap of forgetting how all this fits into a broader vision of social and economic justice in the world. That, in brief, is the structure of our organization.

What has the *Chantier* allowed us to do since we came together as a network of networks? The first major accomplishment is the building of a structured movement. This is very important to understand. For in fact, much of what is called the social economy in Quebec today existed before 1996; we didn't create it. But it had no common identity. It was identified primarily on a

sectoral basis, as part of community media, or as parent controlled non-profit day care or co-op housing. We had no common vocabulary; we didn't have a way to come together and understand to what extent we were an essential part of the Quebec economy. We already had sufficient evidence that the social economy worked. We had expertise within our own networks. There was a lot we could do but we didn't have the political clout to get the support and recognition we needed. By coming together under a common banner and vocabulary, we were able to create a political force. So the first major accomplishment has been the creation of a movement made up of organizations and people who see themselves as part of this Social/Solidarity Economy.

The second major accomplishment is to have been able to give ourselves common tools. For example, one of the things we realized was that, in order for our enterprises to develop, we needed access to capital. There is no enterprise that can develop without access to capital. But the first obstacle to accessing capital was the fact that the available capital was oriented toward investment in enterprises whose first priority was to maximize financial return on investment. This obviously is not our goal with a social/solidarity economy. Our goals are to maximize social or environmental return on investment, and to assure positive impact on people and communities. The second obstacle was the fact that investors, and particularly venture capitalists, are only willing to invest if the money allows them control over the enterprise. By definition, outside control is impossible in the social economy; both nonprofits and cooperatives are based on worker control, community control or membership control, so we couldn't give traditional investors any form of control in return for financial investment. Another obstacle was the perception that a social economy enterprise, because of its social mission, is doomed to failure. Therefore investors considered the risk so high that they either refused to invest or demanded very high interest rates to compensate potential losses, or loan guarantees that communities and organizations were not able to offer. So, in order to support the development of collective enterprises, we started to create our own investment tools.

Solidarity Economy Investment: The *Chantier de l'Économie Sociale* Trust

In 1997 we were able to create our first \$10 million investment fund that was exclusively for solidarity economy enterprises (non-profits and cooperatives). Over the years we have been able to prove that investing in collective enterprise is a good investment. We have been able to get other investors

interested, and generate modest investment funds for collective enterprises across Quebec.

Based on this success, ten years later, in 2007, we were able to create a new fund, *The Chantier de l'Économie Sociale Trust*, which is a \$54 million investment fund of what we call 'patient capital'. This trust is based a partnership with the Labor Movement (the two major labor pension funds, the Quebec Solidarity Fund and Fondation) and with the provincial and federal governments. It allows us to invest real equity, and support a stronger development of our enterprises. This new fund has allowed us to scale up a lot of our work and allow our social entrepreneurs to be much more ambitious because of this new access to patient capital.

Another example of the kind of tools we have created is in the field of labor force development and vocational training. We have a sectoral council (*Comité sectoriel en économie sociale et action communautaire*) that works exclusively on issues related to labor force development and training in the social/solidarity economy. It has allowed us to analyze all the different skills and professions within the social and solidarity economy and to create training tools adapted to our realities and needs. It has even allowed us to identify new professions. For example, in the numerous nonprofit recycling businesses that were created by the environmental movement, we now have a new apprenticeship program that trains workers whose job is to sort used clothing and other recyclable objects, to realize the value of each textile or matter, and to work with all the material and make sure nothing is wasted. This skill has now been recognized as a profession, as we recognize plumbers, nurses' aides, or carpenters. This is an example of what we have been able to do by coming together under the banner of the social economy.

Another example is the research alliance that has developed over the past seven years. The Community-University Research Alliance on the Social Economy has become a vast network of researchers and practitioners in universities and regions across Quebec, whose mission is to develop new and useful knowledge for practitioners on the social economy and to support knowledge transfer and training with the expressed goal of improving practice. The partnership involves working together to define the subjects of research, to supervise the processes and to assure the dissemination of results.

No doubt the most important accomplishment that this vast coalition has allowed us to achieve is the negotiation of public policies to support the development of different sectors of the social/solidarity economy. We are far

from a level playing field with the private for-profit sector but we certainly have made important gains.

Remaining Challenges

There is no question that many challenges remain. I don't want to create the illusion that we have taken over the Quebec economy and that it is now a Solidarity Economy. As we continue to develop, the private sector has begun to push back. Initially, they were not concerned about us; we were under the radar screen, and intervening in economic sectors or regions that were not financially profitable enough for private sector investment. Some even supported us, and allowed us to pick up the pieces they didn't want to deal with. But over time, we have become ambitious. We are taking on sectors where the private sector is present, and it doesn't appreciate us trying to move into these more lucrative markets. I see this as one of our major challenges: increasing our capacity to play an even more important role in the Quebec economy. When we do take on these new challenges, we have to get them right. In the current context there is no room for failure in the social/solidarity economy.

I want to end by mentioning two fundamental challenges for us at the *Chantier*. Firstly, in the current ideological context, there is the need to assure that the development of the social/solidarity economy is an integral part of a process of social transformation. For example, from an environmental perspective, we must make sure that we are integrating environmental concerns into the very way we are creating, producing, and doing business. The second fundamental challenge, and one of the reasons why we are here, is to make sure that when we build the social/solidarity economy, we are not trying to create some little utopia up in Quebec, but that we are part of an international movement for a Solidarity Economy. This is not only a desire; it is the only way to go. We will never be able to build a more democratic and equitable economy in isolation, on our own. Fundamentally, our economy is now global, and working together across borders is essential.

Resources

www.economiesocialequebec.ca

www.socialeconomyhub.ca

www.chantier.qc.ca

www.aruc-es.uqam.ca

Building the Solidarity Economy in Peru

By Nedda Angulo

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To introduce the process of construction of the Solidarity Economy in Peru, I would like to start with a few characteristics of the Peruvian context. Peru is a country with a population of 28 million people. According to official statistics, 54 % of the people are poor and 24 % are extremely poor. We are talking about a country where the majority of the population is indigenous or racially mixed.

Even today, there are still a lot of ancestral practices. The majority of the population of the rural areas is organized in rural communities, modern forms of the “Ayllus” of the Inca epoch, social organizations that link the families who live in a territory to decide on common good. These rural peasant communities are spread throughout my country. Oftentimes they form collectives to manage the land. Other ancestral practices are the “Minka,” a collective work group that does free work for the community or for the government, in public service and construction. Another ancestral practice is the “Ayni,” a reciprocal exchange of work between families of the community. If I need to cultivate my land, I will work together with you and your family. We will all cultivate the land together; if I need to build my house, I would do it the same way. With the process of migration from rural to urban areas, this way of living has expanded even into urban areas. These are some of our first expressions of Solidarity Economy in Perú.

In 1968, the military government introduced new forms of social management in my country: cooperatives, agricultural societies, and industrial communities. Very few of these survive, because they did not have the technology to sustain the means of production, much less to finance the maintenance of these units of production, many of which have actually been privatized.

At the end of the 1970s, an economic crisis began in my country, which still continues, and there was a deindustrialization of what had been built during the sixties. Then a new expression of the Solidarity Economy began, connected to the survival of the family. Families came together around the issues of food and health, which before could be covered at a family level, and started community kitchens and self-managed healthcare services. They formed community kitchens to purchase, prepare, and serve food, in order to reduce the costs of meals, and so to increase food security. These cost reductions were made possible due to the application of economies of scale in the purchase of food and materials, the collection of subsidies in food or in money on behalf of the State, and operation according to a logic of subsistence, oriented exclusively to cover costs. In the community kitchen, work is performed in shifts, usually weekly, that are covered by worker “associates,” whose numbers vary according to the size of the organization

and the quantity of rations to prepare. The associates receive, as their daily salary, from three to four free meals. Another positive consequence is that women get some time for themselves, and have better control of the nutrition of their families. The community kitchen movement started in December, 1979 in Lima, and has spread to most of my country. A national organization of women was started, and it has registered 10,000 community kitchens. They all have the characteristics that I have described: women leave the domestic sphere to join the community environment, and they start a dialogue with the state about creating a community kitchen. They receive official recognition and regular funding. They are a subsidiary of the state, but the major work is done by the women of the community which is being served.

There are other experiences which are similar. There is a classic municipal milk program, which came about during the leftist government of Lima. In 1983 this program was present only in Lima, and then started a mobilization throughout my country; by 1984, the program had been institutionalized in all city governments. The “Committees of the Glass of Milk” are groups of mothers organized in a pyramidal structure for the execution of municipal programs of the same name. Each district has a local committee, which articulates and represents the committees constituted in the settlements of the district, which in turn articulate and represent to the grassroots committees formed at the level of four contiguous blocks within the settlements. The local committee participates in the Committee of Administration of the Program of the Glass of Milk: first, by putting out to bid the food to acquire, and then collecting these rations and delivering them to the grassroots committees, which take charge of the respective preparation and distribution to the beneficiaries.

So that the importance of these experiences is understood I need to mention one more characteristic of Peru: we have never had a public sector that pursues the public welfare. Political scientists call the practice of our state “patrimonialista;” this means that public goods are controlled by the politicians for their own benefit, as if they were private goods. Things are decided upon not as if those were public goods which belong to the people, and when the peoples’ rights to these goods are recognized, they are seen as “concessions” rather than rights. That is why these solidarity economy experiences are also building civic actions and rights in my country. From the community kitchen and Glass of Milk organizations have come other expressions, such as the expansion of health care, and the fight against domestic violence. Together, these initiatives are working to bring welfare services to the people, and they are partially subsidized by the government.

I also want to talk about some of the cooperatives that survive, connected primarily to agricultural production. By confederating, they have achieved a better position in the market, and increased their exports; many of them are connected to fair trade. I am going to mention particularly two national organizations that are members of the board that guides the Solidarity Economy network which I am in: the National Council of Coffee in Peru, a group of 35,000 coffee producers; and the Central Artisan Organization in Peru, with 1,600 artisans. Each of these groups is diversifying their activities and creating their own financial entities, including their own exporting companies. They provide us with examples of sustainable development for my country. Because we believe that the wealth generated by these economic expressions is really what is sustaining our economy, in 1994 we started a process of linking all these groups, in order to develop a project of mutual support, and to engage the state in encouraging the Solidarity Economy. That is the origin of the Solidarity Economy Network Group of Peru (GRESPE), the organization which I represent here as its Vice President.

Up to this point, our Solidarity Economy Network has achieved official recognition of the community kitchens and government support for these programs, and the approval of a law for artisan programs to encourage the growth of this sector, including some tax cuts. We are

currently working on a number of other political initiatives on behalf of the agents of the solidarity economy in Peru, which we will plan to take up with the State.

In conclusion, the Solidarity Economy in Peru is a strategy that combines initiatives based on the individual or collective property of the means of production which facilitate access to welfare services and to the labor market, and which are fighting for the recognition of economic human rights and for the construction of the democracy in my country.

¹ Social and Solidarity Economy Summit (2006, November 17). 2006 Declaration. Montreal.
www.chantier.qc.ca/uploads/documents/pages_descriptor/affichedeclaration_ang_8fev07.pdf: