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EDITORIAL / ÉDITORIAL

J.J. McMurtry

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Hello *ANSERJ* readers,

Welcome to our 2017 spring edition! We have been working hard to solicit and review pieces for our Journal from new and established researchers and are happy to report that we now have a large number of submissions lined up for future issues. Especially exciting are the new voices that are coming forward from a range of communities. Thank you, authors, for your interest in our Journal, and we encourage readers to consider submissions for future editions in both English and French on a broad range of topics.

In other news, we will be publishing a special issue for the winter on grantmaking (curated by Peter Elson and Jean-Marc Fontan), which should be an important resource for researchers working in this area in Canada and internationally. We continue to work on securing a French-language book review editor, so if you are interested please contact us. Also we have been working hard—and will continue to do so—to make stronger connections with our Francophone research community, and so we particularly look forward to receiving submissions in French.

Finally, we are announcing that, after the Spring 2018

Chers lectrices, chers lecteurs,

Bienvenue à ce nouveau numéro du printemps 2017! Nous avons sollicité et évalué de nombreux travaux soumis tant par de nouveaux chercheur.es que par des chercheur.es chevronnés. Plusieurs articles provenant de disciplines et de communautés différentes sont déjà prêts à être publiés. Merci aux auteur.es, vos contributions ont été très appréciées. Et nous vous encourageons, chers lecteurs lectrices et lecteurs, à nous faire parvenir vos textes en français ou en anglais, sur les différents sujets d'intérêt pour notre Revue.

D'autre part, il nous fait grand plaisir d'annoncer que nous publierons à l'hiver prochain un numéro thématique sur les fondations donatrices privées. Les coéditeurs invités, Peter Elson et Jean-Marc Fontan, se sont affairés à produire pour nous une importante source de données et d'analyses.

En outre, nous sommes toujours à la recherche d'une personne pour prendre en charge les recensions de livres français. Veuillez nous en aviser si ce défi vous intéresse. Enfin, nous avons consolidé nos rapports avec la communauté de recherche francophone et nous continuerons à le faire dans les prochains mois. Nous



Éditorial / Editorial (Spring / Printemps 2018)

issue, we (Denyse and J.J.) will be stepping down as editors of the journal. We hope that you have enjoyed our work as much as we have enjoyed working with you. One of *ANSERJ*'s strengths is the range of voices that come forward and we look forward to seeing what voices step forward to lead the Journal in the years to come.

Enjoy the summer!

allons donc accueillir avec grand intérêt tout article rédigé en français.

Soulignons enfin que nous (J.J. et Denyse) terminerons notre mandat d'éditeurs de la Revue à la suite du numéro du printemps 2018. Nous avons apprécié votre présence, le travail à accomplir, ainsi que les liens créés. La Revue tire sa force de la variété des contributions qu'elle attire. Nous anticipons avec enthousiasme de céder le flambeau aux nouvelles voix qui dirigeront la Revue dans les années à venir.

Bon été!

Fringe Banking in Canada: A Study of Rotating Savings and Credit Associations (ROSCAs) in Toronto's Inner Suburbs

Caroline Shenaz Hossein

York University

ABSTRACT

Rotating savings and credit associations (ROSCAs) are regarded as a time-honoured tradition practiced by many people around the world. African Canadians value ROSCAs because of how they have helped people adjust to Canadian life. This study examines ROSCAs and the role that African Canadians have played in Canada's social economy. It includes interviews with 77 people, 46 of whom are "Banker Ladies"—African Canadian women who create community-driven financial cooperatives in Canada's largest financial centre, Toronto. ROSCAs have been incubating within the Canadian diaspora for the past 70 years as a way to counteract the business exclusion. For the social economy in Canada to be reflective of society, the research and theories that drive the sector must reflect a cultural awareness of the various cooperative forms led by racialized Canadians.

RÉSUMÉ

Plusieurs personnes dans le monde suivent la tradition vénérable des associations rotatives d'épargne et de crédit (AREC). Les Afro-Canadiens valorisent les AREC pour la manière dont celles-ci ont aidé les gens à s'adapter à la vie canadienne. Cette étude examine les AREC et le rôle joué par les Afro-Canadiens dans l'économie sociale du pays. Elle inclut des entretiens avec 77 personnes, y compris 46 femmes banquières—des Afro-Canadiennes créant des coopératives financières communautaires dans le plus grand centre financier du Canada, Toronto. Depuis 70 ans, les AREC persistent au sein de la diaspora canadienne afin de contrer les défaillances du système bancaire classique. Pour que l'économie sociale au Canada puisse refléter la société telle qu'elle est, la recherche et la théorie relatives au secteur doivent tenir compte des divers formats de coopératives menées par des Canadiens et Canadiennes racialisés.

KEYWORDS / MOTS CLÉS Money pools; Racialized Canadians; Social economy; Money; Collectives; Cooperatives; Gender; Toronto / Pools d'argent; Canadiens racialisés; Économie sociale; Argent; Collectifs; Coopératives; Genre; Toronto

INTRODUCTION

In December of 2014, Haitian-born Canadian Frantz St. Fleur was wrongfully arrested for allegedly depositing a fraudulent cheque of \$9,000CND in his account at a Toronto Scotia Bank location where he had been a customer for ten years (Alamenciak, 2014). It turns out that his realtor legitimately issued the cheque after the sale of St. Fleur's property. Scotia Bank profusely apologized for this humiliating experience (Alamenciak, 2014). Such a confrontation with commercial bankers is an experience that many racialized Canadians encounter when they carry out banking (Hossein, 2015) This case of bias in the bank is one example of the many forms of economic discrimination faced by racialized Canadians (Das Gupta, 2007; Galabuzi, 2006; Gilmore, 2015). It may explain partially why people organize rotating savings and credit associations (ROSCAs). The attitude of commercial bankers toward racialized and low-income people makes it understandable why some Canadians do not trust bankers and will make sure they have a variety of financial devices, including informal ones.

In the book *Fringe Banking*, Jerry Buckland (2012) examines the financial exclusion of Canadians in major cities, and how they turn to alternative financial service providers to meet their business and livelihood needs. Private cash-money places such as *Money Mart* dominate the news on what alternative financial providers are. Citizens and community organizations such as ACORN wage important campaigns fighting to regulate alternative providers. Non-bank institutions such as Calmeadow, Miziwe Biik, Access and the Black Creek Microfinance Program address business exclusion by making credit accessible to small business people; however, these services are limited in their outreach as they reach very small numbers (Foster, Berger, Ross, & Neglia, 2015; Hudson & Wehrell, 2005; Quarter, Ryan, & Chan, 2015; Spotton Visano, 2008). Whereas ROSCAs in Canada are meeting the needs of hundreds of people, they are seldom discussed as an alternative.

Ordinary people dismayed by the greed and elitism of commercial bankers after the 2007–2008 financial crisis have turned to people-run banks (van Staveren, 2015). In 2015, during the financial crisis and Grexit vote, Greeks were coming up with financial self-help groups to cope when the banks crashed (North, 2015). In the U.K., British citizens have created a network called “peer-to-peer lending,” and they are pushing for legislation to recognize non-bank lending (Jones, 2014). People who find themselves in a state where they cannot access monies from a bank, usually low-income women, have always had to rely on their peers through ROSCAs to do the main part of their banking because of the business of exclusion in their society.

ROSCAs are rotating savings and credit associations and they are also referred to as mutual aid groups, where the members make the rules and make regular contributions to a fund that is given in whole or in part to each member in turn.¹ These collectives, practiced for centuries by people in the global south (Bouman, 1977), have become part of the financial landscape in large cities and towns. ROSCAs—locally known as *susu*, *tontines*, *partner*, *meeting-turn*, *box-hand*, *sol*, and many other names—are long-standing traditions of pooling resources that have historically helped excluded groups engage in alternative financial services.

As people migrate they bring their version of ROSCA to their new countries, and these financial devices are embedded into a specific culture. Members use ROSCAs alongside the many devices they already use (Smets, 2000). The “Banker Ladies”—a term coined by participants themselves while I carried out research in the Caribbean region (Hossein 2016; 2013)—organize the ROSCAs in a voluntary manner in an effort to meet their own economic needs and to develop community projects. The ROSCAs have also become a common practice

among second-generation Canadians who also refer to themselves as Banker Ladies and who manage and participate in these institutions (Blackman & Brooks, 2002).

KNOWING THE CONTEXT: CANADA'S BANKER LADIES AND ROSCAs

In the United Nations International Decade for People of African Descent 2015–2024 (United Nations, 2011), it seems very fitting to examine one of the most well-known banking interventions, i.e., ROSCAs, and its effect on the Canadian diaspora. African Canadians make up one of the largest non-European ethnic groupings and the fastest growing racial groups in the country (James, Este, Bernard, Benjamin, Lloyd, & Turner, 2010). There are about one million African Canadians (Mensah, 2010; Statistics Canada, 2011). Ryerson University's Grace Galabuzi (2006) found that African Canadians are twice as likely as those in the overall population to have low incomes, to be unemployed, and to encounter systemic bias that interferes with equal access to goods and services. Media reports on gang violence reinforce stereotypes that African Canadians do not contribute to society (Galabuzi, 2006; James et al., 2010). However, behind these social problems, the data indicates that 50 percent of racialized Canadians feel discriminated against because of their cultural identity and the fact that they are excluded from many opportunities (Das Gupta, 2007; Galabuzi, 2006; Statistics Canada, 2011). Despite these challenges, African Canadians have social economy projects on the go, and they are often outside the purview of development practitioners and the state.

ROSCAs are embedded in the financial social lives of low-income people (Handa & Kirton, 1999; Hossein, 2016c; Rutherford, 2000). Defined as self-help and mutual aid groups in which people voluntarily come together to assist one another financially, ROSCAs are characterized as peer-to-peer lending (Arderner & Burman, 1996; Baradaran, 2015; Chiteji, 2002), and are a highly gendered phenomenon. To manage their exclusion from business, people who are unbanked and underbanked turn to “fringe” banking practices (Baradaran, 2015; Buckland, 2012; Spotton Visano, 2008). ROSCAs, although an alternative, are not seen by the mainstream financial community—or alternative finance providers—as a viable way to bank (Figart, 2014).

MAIN ARGUMENT

The “Banker Ladies” have been around since at least the 1500s, when slaves from the Dahomey (today the Republic of Benin) were taken to Haiti; in captivity Africans organized their economic cooperatives in secret (Hossein 2016a; 2013). In *Collective Courage*, Gordon Nembhard (2014) traced economic cooperatives by enslaved people to the seventeenth century, and argued that African-Americans created intentional communities to resist violence, yet their cooperation in business was viewed as subversive. This study examines rotating savings and credit associations (ROSCAs) and the role that African Canadians have played in Canada's social economy. Counting ROSCAs as part of the social economy allows us to pay attention to these women-led informal cooperatives in the Canadian context.

In Toronto's African diaspora, for example, Somalis use *hagbad*, Ghanians use *susus*, and Ethiopians use *equub*—which are all community banking collectives. The inner-workings of a ROSCA are so varied within cultural groups. Generally, members voluntarily organize a group with people they know well (or someone must “vouch” for a new person), and then they elect an executive with a main person in charge: “the Banker Lady.” The Banker Lady and the executive decide on the rules of the ROSCA, with the consent of the members. The ROSCA has a finite period and it can range from a few months to several years, but a one-year time period is most common. Members make a fixed deposit every cycle (e.g., weekly, monthly) and the Banker Lady (with the executive) create a lottery system of the order in which a member can access a lump sum of money from the

“pool.” The members decide the needs of individual members and allocate or distribute the “hand” (the sum of money to that member) accordingly. There is no set rule for ROSCAs and the members of the group are the ones to come up with its own particular style of disbursing and collecting money. Some will organize a social event (e.g., tea parties, dinners) and others will just “drop-off” the payment to the Banker Lady’s house. Some groups are professionalized and charge fees to administer the pool and others do not. For example, many Muslims do not charge a “service fee” whereas a number of Caribbean groups in a partner bank require a fee of \$20 to go to the person managing the fund.

Pooled banking systems are embedded in social relationships, and business is there to support people’s social lives. Most research on ROSCAs, including my research in the Caribbean (Hossein forthcoming; 2016a; 2013; 2012), has focused on the Global South (Bouman, 1977; Geertz, 1962; Rutherford, 2000). What is certain is that collective banks are not new, and this project can shed insights into ROSCAs in a developed country such as Canada. This research is an outgrowth of the Caribbean-based research I did examining professionalized microfinance institutions (Hossein 2016a). In my prior research, the women I interviewed in Jamaica, Guyana, Grenada, and Haiti revealed that they organize self-help groups to spur on local economic development (Hossein 2016a; 2014b; 2013). Important findings from the Caribbean revealed that the “Banker Ladies” had ties to and members in North American cities such as Miami, New York, Montreal, and Toronto (Hossein 2016c). The transnational aspect of ROSCAs questions the idea of the social economy rooted in one place (Amin, 2009; Blackman & Brooks, 2002; Hart, Laville, & Cattani, 2010;).

I carried out interviews in Toronto’s Jane/Finch community and learned that Canadians engage in ROSCAs to meet personal as well as community needs. African Canadian women entrepreneurs contend with exclusion when they try to access business services, both in terms of being Black and female (Knight, 2012; 2005; Mirchandani, 2002). Little is known about the phenomenon of ROSCAs in developed countries such as Canada. At the start of this project, key informants told me that such ROSCAs would be scarce and few; but the empirical work has shown the reverse: ROSCAs are very much vibrant in Toronto.

The Banker Ladies create community-driven financial systems in Canada’s financial centre of Toronto. ROSCAs cannot be viewed as a “foreign” activity, as they have been in practice for decades in Canada and have been moulded in ways that suit the Canadian diaspora. In the early 1800s, slaves from the Underground Railroad who fled to Canada organized “true bands” to help people build their lives (interview, 2016). Caribbean immigrants have participated in ROSCAs for 70 years to supplement their incomes. The *Montreal Community Contact* newspaper documented the work of an Antiguan-Canadian, Daisy Tonge known as the “Sou Sou Lady,” who ran a ROSCA for 47 years in Montreal (no author, December). In the last three decades, African immigrants from Somalia and Nigeria have also brought their own version of ROSCAs to Canada. Yet, no research explores the ways in which African Canadians, both immigrant and Canadian-born, organize money collectively. African Canadians using ROSCAs show that racialized people create business options for themselves as a way to adjust to their new countries and to deal with exclusion. This work also recognizes that ROSCAs are very much part of the alternative banking and cooperative sectors in Toronto.

SITUATING THE RESEARCH WITHIN RELEVANT SCHOLARLY LITERATURE

The social economy is defined as a sector in which organizations have both social and economic objectives at the core of their mission and mainstay activities (Amin, 2009; Hart et al., 2010; Quarter, Mook, & Armstrong, 2009; Southcott, 2015). Organizing alternative financial services is deeply grounded in the French Canadian tradition of the *economie sociale* (Fontan, Hammel, Morin, & Shragge, 2009). Alphonse Desjardins and his wife, Dorimene, first created the *caisses populaires* (credit unions) in North America to address financial exclusion of

Hossein (2017)

rural French and Catholic minorities in the 1900s (Mendell, 2009b; Shragge & Fontan, 2000). Yet the credit union movement in Toronto (possibly Canada) has not reached Black women in Toronto. The social economy literature is too focused on formal cooperatives and nonprofits (Amin, 2009; Bridge, Murtagh, & O'Neil, 2009; Laforest, 2009; Mowat Centre and the Ontario Non-profit Network, 2013; Quarter, Mook, & Armstrong, 2009; Thériault, 2012; Williams, 2007); it has not included ROSCAs.

ROSCAs form a part of the social economy because they are focused on the social and financial lives of excluded women (Hossein, 2016c). However, the social economy literature has often relegated the important work of such self-help banks in both developed and developing countries to the sidelines. The norm has been to discuss credit unions, which are European in orientation, without recognizing the work of ROSCAs in society. Shirley Ardener and Sandra Burman (1996) document the role of ROSCAs as grassroots collectives that evolve within communities to counteract social exclusion.

ROSCAs are part of an ancient tradition for people around the world. These collectives speak to the functionality of getting things done by a historically oppressed group through the group's own perseverance to push against racial and class exclusion. Yet the story of how the social economy came to be often begins in the nineteenth century with the German Raiffeissen cooperative banks or the Rochdale weavers in England (Fairbairn, 1994; Guinnane, 2001). While these stories are important in the timeline, it is important to also acknowledge the role of ROSCAs by people of the south. India has a history of self-help banking groups, and has laws to protect consumers (Datta, 2000; Sethi, 1996; Wilson, 2001). The African social economy also predates a European starting point because persons of African descent have relied on financial cooperatives to meet their livelihood needs (Du Bois, 1907; Gordon Nembhard, 2014). Around the world people engage in a dizzying array of ROSCAs. Canada's own social economy story points to the Desjardins *caisses populaires* movement in Quebec (Mendell, 2009a; 2009b; Shragge et al., 2000) and the Maritime Antigonish movement (Alexander, 1997), but missing from the literature are the vibrant ROSCAs of racialized Canadians.

CANADA'S SOCIAL ECONOMY

Many people who control the purse strings for the social economy share a European cultural heritage that does not consider the ways racialized people can be active participants in the social economy, and not simply as beneficiaries. It is most unfortunate in a worldly city such as Toronto—where fifty percent of the residents are foreign-born (Quarter et al., 2015)—that the leadership in the nonprofit and social economy sector is extremely white (Mowat Centre et al., 2013). To racialized Canadians, the third sector seems to be run by privileged white Canadians who are connected to each other, and the funding appears tied to personal relationships (a number of interviews with community leaders, names withheld on purpose). Ontario premier, Kathleen Wynne, launched the Social Enterprise Development Fund, valued at \$1.4 million, in 2015 (Brennan, 2015). It does not have one recipient organization that is led by an African Canadian. In fact a recipient organization that sells real-estate space (or office-sharing) to the nonprofit and social enterprise sector received significant funding, despite its location in trendy areas such as Toronto's Annex and Spadina neighbourhoods, and Chelsea in New York City. For the social economy to be truly reflective of a society, the research and ideas that drive the sector must be aware of organizations led by racialized people. Outing the exclusion within the social economy is one way of rethinking how this sector operates.

Making social change may mean starting with ideas that are rooted in culture. It is not a secret that the social economy literature has not considered ideas by Black thinkers. In Canada, the social economy story should start with recognizing the brave work of Harriet Tubman who helped hundreds of enslaved people escape from

the U.S. into southern Ontario in places such as Buxton through an intricate network of informal cooperatives. Yet Blacks engaging in the Canadian social economy are missing in the literature. Jessica Gordon Nembhard (2014) has argued that throughout history African-Americans created intentional communities through the use of informal cooperatives under extreme forms of oppression. Ancient African traditions such as ROSCAs have helped Black diaspora peoples to build strong communities in their new lands (Ardener et al., 1996; Hossein, 2013). Engagement of the diaspora in Canada's social economy may be possible if these communities' efforts are better understood. ROSCAs are a form of liberation—a concept that resonates with the very people who engage in them because of their commitment to ethical business practices.

Theorizing for racialized Canadians

Black people have created social economies for themselves in inhospitable environments for centuries. And they did this because they had to. Studies by Caroline Shenaz Hossein (2016), Gordon Nembhard (2014), Sidney Mintz (2010; 1955), Maurice St. Pierre (1999), and W.E.B. Du Bois (1907) show that African people in the Americas use cooperative businesses to uplift their racial group and have done so under hard times of slavery and colonization. Black theorizing in the social economy is crucial to understanding the social economy of racialized peoples. Community practitioners and residents are aware of these Black thinkers. In Toronto, African Canadian women who organize ROSCAs ensure that the dividends are shared by members, and practice a quiet form of resistance. The women who use ROSCAs as a form of banking are ultimately pointing out the exclusionary nature of commercialized banks.

In Patricia Hill Collins' (2000a; 2000b) classic, *Black Feminist Thought*, she argues that Black women need theorizing that comes from people who know the experience they speak about because this resonates with marginally racialized people. Hill Collins (2000a) also pushes the idea that the life experience of Black women can only be fully understood when one considers her "lived experience" as a poor, Black, and female. The concept of "lived experience" is therefore crucial in analyzing the impact of ROSCAs on Black women. Almost all of the women in this study have a household income of less than \$40,000 after-tax per annum, and they have always had to work. Understanding what the social economy means for Black lives means drawing on lived experience and drawing on theorizing that can speak directly to the systemic oppression that racialized people experience. This is the first work in the social economy literature that examines the ways in which African Canadian women and their use of ROSCAs contribute to the social economy. It is important to document the ways in which Black people are not only on the receiving end of aid but how they initiate self help solutions on their own terms.

Black political economy, produced by Black liberation scholars such as Booker T. Washington, Marcus Garvey, and W.E.B Du Bois, argued for self-reliance and group economics as resistance strategies for oppressed people everywhere. In *The Souls of Black Folks*, Du Bois (2007; 1907) describes communal forms of business among Bantu tribes in southern Africa, and this historical grounding has inspired the Black diaspora. The concept of "group economics" is a fundamental aspect of Black liberation theory, and one that can assist in the theoretical framing of the social economy. Booker T. Washington's (2013) *Up from Slavery*, gave meaning to Black business, and how persons of colour could create alternative businesses that mattered to Black communities.

The well-travelled Jamaican-born Marcus Mosiah Garvey, a Pan-Africanist social entrepreneur, put forward a philosophy of racial self-reliance in business to counteract mainstream business practices, and he brought this message to his conferences in Toronto, Halifax, and Montreal (Hossein, 2016a; 2016b; K'nife, Bernard, & Dixon, 2011; Martin, 1983). Garvey toured Toronto and Halifax to uplift African Canadians about their social

economic lives. His own upbringing in colonial Jamaica and lived experience as a migrant worker in Panama and Costa Rica no doubt had a mark on his teachings. Many of the Banker Ladies I met with are inspired by the racial pride and business ethics of Marcus Garvey, and find that the work they do is in honour of what he did for them.

Using Black liberation theorizing makes it clear that financing organized by local people can be a source of camaraderie and a way for excluded Black women to build strong economic lives. The study will shed light on the various ways Black people engage in business in a developed country as well as contribute to Canada’s social economy literature using Black liberation theories.

METHODS

It is important to use theories and methods that fundamentally take into account the lived reality of the oppressed. Drawing on Black liberation and feminist theories enabled there research to go beneath the surface to unearth practices that were hidden. Both liberation and feminist theorizing has politicized the need to consider the ways in which Black people collectively organize in the social economy (Hossein forthcoming).

Race, class, and gender mediate people’s experiences in how they access resources, and paying attention to these interrelations of power can create more inclusive research and public policy initiatives that promote dynamic social economies. My interview methods are driven by the overarching question for this project: how does the same racial group in the south use ROSCAs when they move to a different political and institutional environment? This study is of interest because it examines ROSCAs in a developed country (see Table 1). This study is a preliminary one and additional research will be carried out to expand this sample size.

Table 1: Interviews with the African-Canadian Banker Ladies in Toronto (2015)

Method	Scarborough (East end)	Downsview (West end)	Total
Number of women in focus group to speak about money pools	26	20	46
Individual interviews with Banker Ladies	3	4	7
Individual interviews with leaders in business, government, and community			24
Total	29	24	77

Source: Author’s own data collection in Toronto, ON, February to June 2015

I use qualitative methods, individual interviews, and focus groups to conduct the research with members of ROSCAs and individual stakeholders over a two-year period in Toronto. Toronto has been selected because Ontario has 59 percent of Canada’s Black population (Statistics Canada, 2007). This study draws its findings from two focus groups held with 46 women in Warden Woods in southeast Scarborough (Toronto’s east end), and Firgrove in the Jane/Finch community in Downsview (Toronto’s west end). It should be remembered that a

number of the women present in the focus group represent many members in their ROSCAs, which have between 5 to 70 members each. If the most common group size is about 30 members, the 46 women I met with represent about 1,380 women. I chose Jane and Finch and Warden Woods because of the high concentration of African Canadians. These two communities are quite dense inner-suburbs and are also low-income with household incomes of less than \$25,000 (Pagliaro, 2014). This research is limited in that it is concentrated in the Toronto area.

As shown in Table 1, I carried out a total of 77 interviews, of which 24 were with leaders in the private sector, and government and community organizations. It should be noted that in about 40 percent of the sample the women who participated were the ones in charge of their ROSCAs and they represented groups with memberships between 5–70 people. Some of the questions I asked to the women in the focus groups included: What financial services are available to women in your community to engage in business and meet other economic livelihood needs? How do you organize your specific money pool? Given all the banking options in Toronto, why do persons join ROSCAs (e.g., susus, partner, hagbad, ayuto)? How do you feel about ROSCAs? Why do you join ROSCAs? How do these collectives meet the needs of people better than the commercial banks? The women debated the issues. At times these turned out to be heated discussions between the participants on the ways in which they organize their groups and why. In addition to analyzing the data from the aforementioned interviews and focus groups, I also conducted an analysis of the secondary literature to understand ROSCAs.

FINDINGS

The findings in this study show the ways that ROSCAs help racialized women organize and meet their livelihood needs and that they are active participants in building vibrant social economies in Toronto. The findings also show the negativity and stigmas surrounding the work Banker Ladies do and this is unique from the practice in the Caribbean or Africa. And more importantly, the interviews with the 46 women suggest that business exclusion occurs in formal banks against people of colour. And the Banker Ladies are not waiting for conventional banks to figure out how to do banking with them; they are redefining cooperative banking in a financial centre such as Toronto.

How do ROSCAs contribute to the social and financial lives of Black women?

Who knows me here when I first come from Sudan ... [pause] ... No one. I cant [could not] even speak English back then. My children help me. My friends help me.... Sandoq (a ROSCA) give me friends and a chance in life. I was able to do much. I buy [bought] my airplane ticket back home and bring my children there [for vacation]. Sandoq helped me so much when I came to Canada. (“Natla,” 35-year-old married Sudanese-Canadian, focus group, Toronto, March 26, 2015)

The African Canadians in this study come from diverse countries in Africa and the Caribbean—many are also first- or second-generation Africans who were born in Canada. The countries represented include Jamaica, Trinidad & Tobago, Grenada, Barbados, Guyana, St. Kitts and Nevis, Antigua, Ethiopia, Ghana, Nigeria, Sierra Leone, Kenya, Tanzania, Somalia, Sudan, Egypt, and Liberia. Many of the women interviewed are comparable to “Natla” in the quote above—English is her second language and it was hard for her to adjust, but she used her knowledge of ROSCAs to meet other Sudanese women. This diversity is great as the women are divided along various identities such as class, language, and religion. Despite these cultural variations, the participants in the focus groups had lively internal debates and discussions about the mechanics of their own ROSCAs.

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ROSCAs have helped women settle and develop their own projects. The Banker Ladies interviewed in this project attest that ROSCAs have helped them when nobody else would. “Mabinty” in the quote below is involved in a Susu because she is able to invest in real estate in her homeland, and she is doing this for her children’s future. For her, susu can help improve their standard of living. These ROSCAs are made up of peers who give underbanked people a way to engage in small business activities and find support networks.

I make a house and I work hard all my life for my money. I am building [my] house for me and my kids. It’s my foundation. It is what I am doing here. Let’s play this and win, [economic collective, susu] and to make it a different [lifestyle] standard. (“Mabinty,” 42-year-old married Sierra-Leone-Canadian, focus group, March 20, 2015)

The misperception about ROSCAs

In the Caribbean and Africa, ROSCAs are regarded as a time-honoured tradition. African Canadians also respect and value these informal banking systems because of what they have done in assisting people to adjust to Canadian life. However, as I moved around talking to people, and elites and stakeholders in the private and public sectors in Canada, I noted a negative perception about ROSCAs. While some stakeholders (e.g., bankers, finance experts, policy-makers) admitted they knew very little, others held onto the opinion that these informal banking systems were a guise for illegal activity. Tying these systems to drug and trafficking activities, is what makes the Banker Ladies turn inward and move their groups from the public domain.

After conducting interviews on ROSCAs in Toronto, lenders, including alternative ones, do not recognize (or simply are not aware of) the role that ROSCAs play in Canadian society. In fact, there is a negative perception around ROSCAs as illicit or illegal, and they are typecast as “gambling,” “money laundering,” or “pyramid schemes.” New work in the Somali community suggests that some members feel that when they “throw” (participate in) *hagbad*, they are viewed as sponsoring terrorist groups such as Al-Shabaab. In the quote below, there is a dismissive attitude toward informal banking systems and the tendency is to make them look bad.

As far as I know these things are illegal. Aren’t they? The underground economy is thriving. Informal banks are part of the underground economy and these systems are not legitimate. Why would people do this? Toronto has many banks and unless these people are into other things then it makes no sense why they do this. Anyways there is plain risk involved in these systems. (Senior expert on debt, interview, February 15, 2015)

Most bankers make negative comments about ROSCAs, except for those who knew someone who it was involved with one. Banker Ladies resist any negative statements about these systems. People who use ROSCAs and those people who were raised in families who use them understand the power of peer-to-peer lending systems. As one person stated, “Susu is like a secret club, only those in it know about it and its value.” In Canada the knee-jerk reaction by bankers is to criticize these systems, and become defensive as to why racialized people may turn to these forms of banking instead of commercial banks. This is very different from research conducted in the Caribbean, including in the region’s financial capitals such as Port-of-Span and Kingston, where bankers understand the affinity local people (including their own family members) have for informal banks.

ROSCAs in Canada point to business exclusion in Toronto

Moving to a new place can be lonely and hard. Some people move from places where technology is not as valued or necessary. However, in Canada banks have made automated machines and internet banking the

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norm. And some Canadians, particularly the elderly and newcomers, prefer person-to-person contact, and do not do online banking. While most said they have used ATMs to withdraw money, a significant number will not do large transactions at ATMs and far less (30%) do internet banking. In this study only 14 of the 46 Banker Ladies interviewed ever did online banking. In Warden Woods, “Monica” stated:

Banks inna 'here [are] too much into technology and dem cyant see a person. Wit mi money I want to see you. I want to see a man to gaff ... not a computer. Mi Susu is all about face-to-face [banking]. It's like old time style. And mi a never give it up. [Translation: Banks in Canada are too much into technology and they cannot a person. With my own money in the banks I want to see a person. I want to see someone to talk to and not a computer (too impersonal). My susu is all about face-to-face banking. It is familiar “old time style” and I will not change this form of banking for anything.] (“Monica,” 60 year-old business woman/cleaner, focus group, Toronto, March 26, 2015)

Black people are ignored and denigrated. Black immigrants feel rejected and watched in a hostile way when they want to undertake day-to-day mundane activities such as banking. Black women feel that bankers make them feel unwanted. Buckland (2012) in his study on banking exclusion argued that there is a deep-seated elitism among the bankers that makes low-income people (and especially those of colour) feel unwelcome in formal banks. “Shondelle,” for example, a young woman who moved to Canada from Guyana when she was quite young has experienced racial prejudice in the bank. Most women felt that bad treatment at banks is a reason they rather take the “risks” of informal banks, because they know the people who run the ROSCAs and they feel respected.

I am very fired up about banks. I can't tell you how dem treat me. Bank man watch me when they are still in school. They minimize my credit card. They think I am laundering for drugs when I am not. Who do these people [bankers] think they are? (“Shondelle,” focus group, Warden Woods, March 26, 2015)

Both of the communities where the interviews and focus groups took place are located in Toronto and both are communities with high numbers of low-income racialized groups. “Gloria” has lived in Canada for more than 40 years and worked as a highly trained professional in the health field, and she endured bias in the banking system and this is why she managed a large-scale susu in her retirement.

You can't just go into a bank and say you want [your] money. These banks don't listen. But we know who will. The Banker Ladies can accommodate you. You can go to her and tell her what you need and she will listen to you. Tell me which bank man is doing this? (“Gloria,” 70-year-old Bajan-Canadian retiree who runs a susu with over 50 people, focus group, Toronto, March 26, 2015)

Over and over again in both focus groups, the members stated that commercial banks are unwelcoming. The banking staff persons are rude to them when they make deposits or withdraw money. For instance “Faye,” quoted below, explained that bank tellers are nervous and uneasy when people who come from certain communities want to do banking at their branch. There is a mistrust that exists on both sides. Bankers who are university-educated, and many come from a middle-class background, are not sure how to interact with women from low-income communities (Buckland, 2012). The Banker Ladies also notice the way the tellers behave toward them and will often exclude themselves from banking. Toronto's commercial banking culture is unwelcoming toward Black women as cited in “Faye's” comments below (and all of the women in the focus group agreed with her statement).

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What can I say to you. The major reason most people I know felt that there is a stigma against Black people is when live in certain communities here such as Jane and Finch, Lawrence Heights, Weston, Rexdale. Dem [the tellers] does watch you so. The g'yal [in the bank] comes all jumpy and scared when I pass in there. I am there to bank but I wonder what she thinking. I don't feel at ease when I go there. ("Faye," 40-year-old mother, focus group, Firgrove and Jane and Finch, March 20, 2015)

Most Banker Ladies identified their race as being the main reason they feel rejected by mainstream businesses and the reason they believe that are "watched" by tellers in a negative way when they go into a bank. In Toronto, the diversity of banking staff did not make a difference for the women, they felt that those in charge are not of the same cultural or class backgrounds, and there is an exclusionary behaviour present.

CONCLUSION

Commercial banks in Canada's major cities are used in a limited manner by a significant group of racialized people, and mostly women. The 46 women interviewed in this Toronto case study attest that the commercial banks are exclusionary and hostile to them when they try to carry out bank transactions. So they have figured out how to tap into their own cultural networks and friendships to do banking. Banking that thinks about people as human beings. These banking groups are peer-focused institutions and the women involved create their own rules, and it is democratic because all members decide on the rules.

Toronto's Banker Ladies are changing conventional banking through small incremental movements. The Banker Ladies self-help activities count as a major contribution to Canada's social economy. African Canadian women keep their ROSCAs under close guard because they know that activities that Black people do are often under scrutiny and may be criticized for being illegal. So very quietly these women move around their neighbourhoods and organize money groups to help each other. The ROSCAs they organize are legitimate and are a form of cooperative because of their focus on democracy, members, community, and education. There are so many lessons that the African-inspired ROSCAs can teach commercial banks—namely that banking can be done by ordinary women who collect and share funds among members in a way that is caring and supports individual and community projects.

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NOTE

1. This definition borrows from Shirley Ardener and Sandra Burman's (1996) definition of ROSCAs. Other names that Canadians use include informal banks, money pools, and self-help banks.

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Are Quebecers Really Stingier Than Other Canadians? An Empirical Analysis of Philanthropy in Canada and How Québec Compares to Other Provinces

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ABSTRACT

Residents of Québec typically give less money and volunteer less time compared to residents of all other provinces. This article employs the most recent General Social Survey: Giving, Volunteering and Participating (2013) data set and Tobit procedures and finds that Quebecers give less money largely because of smaller endowments of two important determinants, religiosity and household income. Once demographic and socioeconomic characteristics are controlled, Quebecers' financial donations are comparable to those of residents of Ontario and Atlantic Canada and exceed those of residents of British Columbia. Quebecers moreover are similar to others when it comes to volunteering for religious organizations, but they volunteer significantly less than others for secular organizations, which cannot be explained in this article.

RÉSUMÉ

Typiquement, les résidents du Québec donnent moins d'argent et consacrent moins de temps au bénévolat que les résidents des autres provinces. Cet article, en recourant aux données provenant de la dernière « Enquête sociale générale : dons, bénévolat et participation, 2013 » et au modèle Tobit, conclut que les Québécois donnent moins d'argent en grande partie parce qu'ils ont des lacunes dans deux domaines importants, à savoir la religiosité et le revenu du ménage. Cependant, après un contrôle des caractéristiques démographiques et socioéconomiques, on constate que les dons de la part des Québécois sont au fait comparables à ceux des résidents de l'Ontario et des provinces de l'Atlantique et supérieures à ceux des résidents de la Colombie-Britannique. D'autre part, les Québécois sont comparables aux résidents des autres provinces pour ce qui est du bénévolat dans les organismes religieux, mais ils font beaucoup moins de bénévolat dans les organismes séculaires, fait que cet article ne parvient pas à expliquer.

KEYWORDS / MOTS CLÉS: Charitable giving; Volunteering; Religious donations; Secular contributions; Québec / Dons de charité; Bénévolat; Dons religieux; Contributions séculaires; Québec

INTRODUCTION

Residents of Québec donate the least money to charity and volunteer the fewest hours when compared to residents of all other provinces and territories in Canada. This conclusion is reached when data from annual taxation returns are compiled (Gabler, Lammam, & Veldhuis, 2011; Gabler, Palacios, & Lammam, 2012; Gainer, Lammam, & Veldhuis, 2008, 2009, 2010; Harischandra, Palacios, & Veldhuis, 2007; Lasby, 2011; LeRoy & Palacios, 2006; MacIntyre & Lammam, 2013;), and when comparisons are made using self-reported data from Statistics Canada surveys spanning the last three decades or so (e.g., Kitchen & Dalton, 1990; Skinner & Rosenberg, 2011; Turcotte, 2015). And, Quebecers donate less even though the tax breaks associated with monetary donations are much higher in Québec than in the rest of Canada. Inevitably, the availability of new data on giving leads the popular media to highlight the lack of generosity of Quebecers—to wit, a piece in Montreal's *La Presse* published upon the release of Statistics Canada's General Social Survey data in 2015 (*La Presse Canadienne*, 2015). That Quebecers are less philanthropic than other Canadians has taken on the status of “well-known fact”; remarkably, no one has investigated empirically why this may be the case.

A number of empirical articles have focused on different aspects of philanthropic behaviour in Canada, most adding regional variables to their regression equations (e.g., Andreoni, Payne, Smith, & Karp, 2011; Hwang, Grabb, & Curtis, 2005; Perks & Haan, 2010); some of them even conduct estimations by province or region separately (Apinunmahakul, Barham, & Devlin, 2009; Apinunmahakul & Devlin, 2004, 2008; Hossain & Lamb, 2012, 2015; Kitchen, 1992; Kitchen & Dalton, 1990). The goal of this article is to examine the charitable behaviour of people residing in Québec with the view to improving understanding of why their average gifts are consistently lower than those in other regions of Canada.

The study uses the most recent cross-sectional survey data, the 2013 General Social Survey – Giving Volunteering and Participation (GSS GVP), released in 2015. Once the main determinants of gifts of time and money are taken into account, Quebecers are no different than Ontarians and those in the Atlantic Provinces when it comes to cash donations, but they persistently volunteer fewer hours than all other residents. Two of the main factors influencing philanthropy are religiosity and household income, with which Quebecers are poorly endowed. If residents of Québec were as religious as those residing in the most religious of all provinces and had the highest income of all provinces, it would increase their ranking of predicted cash donations from tenth to seventh place, but would not help to boost their ranking of volunteer hours. So, the answer to the question of why Quebecers give less than everyone else is partially because they tend to be less religious and in the bottom slice of the income distribution. But this does not explain it all.

DATA AND DESCRIPTIVE STATISTICS

The General Social Survey – Giving, Volunteering and Participation (GSS GVP, 2013) solicited responses from a representative sample of Canadian residents from September to December, 2013.¹ It replaces the Canadian Survey of Giving, Volunteering and Participation (CSGVP) and covers questions concerning volunteer activities, charitable donations, and participation in other activities during the last twelve months, as well as demographic and socioeconomic characteristics from 14,714 individuals, aged 15 years and older living in the ten provinces of Canada (residents of the three territories were eliminated because of lack of information). One big advantage of the GSS-GVP data set over its predecessor is that it links respondents to their Canada Revenue Agency income tax data, hence providing accurate information on incomes. After eliminating 15 respondents with negative gross household incomes, a usable sample of 14,699 remains.

First is a brief overview of giving patterns based on the earlier CSGVP (2004, 2007, 2010) surveys as well as the GSS (2013). A useful starting point is the recent Statistics Canada portrait of giving over the period from 2004 to 2013 (Turcotte, 2015). Two tables (Table 1 and Table 2) are reproduced from this report. The first four columns of Table 1 provide the percentage of the Canadian population that volunteered by year, followed by the average number of hours volunteered by year. Table 2 provides the percentage of individuals who gave money and the average value of their gifts. These two tables use all the information in the surveys, weighted according to the population weights provided by Statistics Canada; the averages are conditional on having given (time or money). From Table 1 it is clear that Quebecers are the least likely of all Canadian residents to volunteer: 32 percent of those residing in that province in 2013 volunteered, down from a high of 37 percent in both 2007 and 2010. By contrast, 44 percent of Ontarians volunteered in 2013, down from 50 percent in 2004. The highest rate of volunteering is found in Saskatchewan, at 56 percent. Aside from 2007, Quebecers also volunteer fewer hours than residents of all other provinces: 123 hours in 2013 in comparison to a high of 181 hours for those residing in Nova Scotia.

Table 1: The percentage of respondents (CSGVP and GSS surveys) who volunteered, and average hours volunteered (conditional on volunteering)

	2013	2010	2007	2004	2013	2010	2007	2004
	percentage				hours			
Canada	44	47	46	45	154	156	166	168†
Newfoundland & Labrador	46	52	46	42	151	155	176	188
Prince Edward Island	50	56	56	47	179	157	147	163
Nova Scotia	51	54	55	48	181	207	183	195
New Brunswick	41	49	48	44	180	154	175	185
Québec	32	37	37	34	123	128	162	146
Ontario	44	48	47	50	166	164	164	162
Manitoba	52	53	54	50	155	141	159	155
Saskatchewan	56	58	59	54	139	143	147	188
Alberta	50	55	52	48	161	140	172	175
British Columbia	49	50	47	45	145	178	172†	199

Source: Turcotte, 2015, p. 15

Table 2: The percentage of respondents (CSGVP and GSS surveys) who donated money, and average amounts donated (conditional on giving)

	2013	2010	2007	2004	2013	2010	2007	2004
	percentage				amount			
Canada	82	84	84	85	531	470	481	469
Newfoundland & Labrador	87	92	91	93	350	349	330	349
Prince Edward Island	84	91	89	93	497	504	494	459
Nova Scotia	84	88	87	90	396	389	452	444
New Brunswick	83	88	88	88	345	400	409	412
Québec	81	85	84	83	264	219	241	207
Ontario	83	84	86	90	532	554	551	573
Manitoba	84	86	87	84	699	547	572	533
Saskatchewan	85	84	84	82	680	573	564	506
Alberta	85	84	85	79	863	593	656	586
British Columbia	78	80	79	77	704	573	557	547

Source: Turcotte, 2015, p. 16

The pattern of giving money to charity is a bit different. From Table 2 it is apparent that Quebeckers are not at the bottom of the pile when it comes to participation in charitable giving, but are in last place when it comes to the average amount donated. Averaged over givers, Quebeckers donate substantially fewer dollars to charity when compared to residents of all other provinces. Indeed, the differences in these average amounts are remarkable: in 2013, Quebeckers gave \$264 on average, whereas the next lowest amount was given by New Brunswickers at \$345; residents of Alberta topped the charts with an average gift of \$863. Of course, looking at simple averages is not enough. Multivariable regression analyses reveals the extent to which such large disparities can be explained with reference to the characteristics of donors in each province.

The GSS-GVP (2013) data set provides a rich array of variables to include in an empirical model of giving. In order to keep the sample as large as possible, individuals who did not respond to questions of interest were coded as “missing” (the variable name is preceded by an “M”) and included in the analysis. Table 3 defines all of the variables used in the analysis. The means of these variables in each province are contained in Table 4 and weighted by the personal weights provided by Statistics Canada.

Table 3: Variable definitions

Dependent Variables	Description
cash	Total dollars donated in the past 12 months
Rel cash	Total dollars donated to religious organizations in the past 12 months
Sec cash	Total dollars donated to secular organizations in the past 12 months (total dollars donated minus total dollars donated to religious organizations)
hours	Total hours volunteered in the past 12 months (formal volunteering)
Rel hours	Total hours volunteered to religious organizations in the past 12 months
Sec hours	Total hours volunteered to secular organizations in the past 12 months
Independent Variables	
female	=1, female; =0, otherwise
age	Respondent’s age
married	=1, married or living common-law; =0, otherwise
single	=1, single, separated, divorce, or widowed; =0, otherwise (ref. group)
Mms	=1, missing (refusal or unknown); =0, otherwise
HighSchool	=1, high school diploma or below; =0, otherwise (ref. group)
diploma	=1, trade or non-university diploma, or university diploma below BA; =0, otherwise
BA	=1, Bachelor’s degree or above; =0, otherwise

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(Table 3, continued)

Medu	=1, missing (refusal, unknown or unstated); =0, otherwise
religious	=1, if attend place of worship at least once a week; =0, otherwise
Mrel	=1 missing (refusal, unknown or unstated); =0, otherwise
immig≤10	=1, immigrated within 10 years; =0, otherwise
immig10+	=1, immigrated more than 10 years ago; =0, otherwise (ref. group)
Mimm	=1, immigrant status missing
bornCA	=1, born in Canada; =0, otherwise
informal	=1, do informal volunteering in the past 12 months; =0, otherwise
Minformal	=1, informal volunteering not stated
commu3	=1, live in city/local community less than 3 years; =0, otherwise
commu35	=1, live in city/local community for 3 to less than 5 years; =0, otherwise
commu510	=1, live in city/local community for 5 to less than 10 years; =0, otherwise
commu10	=1, live in city/local community for 10 years and over; =0, otherwise (ref. group)
Mcommu	=1, missing (refusal, unknown, or unstated); =0, otherwise
rural	=1, live in rural areas; =0, otherwise
kid05	=1, household has children aged 0 to 5; =0, otherwise
kid612	=1, household has children aged 6 to 12; =0, otherwise
kid1317	=1, household has children aged 13 to 17; =0, otherwise
kid18	=1, household has children aged 18 or over; =0, otherwise
hhsz	Number of persons in the respondent's household
hhincome	Total before-tax household income
QC	=1, from Québec; =0, otherwise
ON	=1, from Ontario; =0, otherwise (ref. group)
BC	=1, from British Columbia; =0, otherwise
Prairies	=1, from Alberta, Saskatchewan, or Manitoba ; =0, otherwise
Atlantic	=1, from Newfoundland and Labrador, New Brunswick, Nova Scotia, or Prince Edward Island; =0, otherwise
Tax-price	One minus marginal tax (credit) rate. See Table 5

Table 4: Weighted averages of variables, by province and for Canada

Variable	Mean										
	QC	ON	BC	AB	SK	MB	NS	NB	NF	PEI	Canada
cash	213	443	549	734	576	588	332	287	306	416	437
Rel cash	73	186	232	277	258	266	156	147	154	209	179
Sec cash	140	257	318	456	318	322	176	140	152	207	258
hours	40	74	71	80	78	81	91	73	70	90	67
Rel hours	3	11	9	12	15	12	11	10	11	17	9
Sec hours	37	63	63	69	63	69	80	63	59	73	58
female	0.51	0.51	0.51	0.49	0.50	0.50	0.52	0.51	0.51	0.52	0.51
age	47	47	47	43	45	45	48	48	48	47	46
married	0.61	0.60	0.64	0.64	0.62	0.58	0.62	0.66	0.66	0.61	0.62
single	0.39	0.40	0.36	0.36	0.38	0.42	0.38	0.34	0.34	0.39	0.38
HighSchool	0.38	0.41	0.38	0.40	0.49	0.47	0.42	0.50	0.48	0.46	0.40
diploma	0.33	0.28	0.28	0.31	0.29	0.28	0.30	0.26	0.27	0.30	0.30
BA	0.23	0.26	0.27	0.22	0.19	0.20	0.22	0.20	0.17	0.19	0.24
Medu	0.05	0.06	0.08	0.07	0.04	0.05	0.06	0.04	0.08	0.04	0.06
religious	0.10	0.17	0.15	0.19	0.18	0.22	0.15	0.19	0.17	0.23	0.16
nonrel	0.83	0.77	0.77	0.73	0.77	0.73	0.80	0.76	0.75	0.72	0.78
Mrel	0.07	0.06	0.08	0.08	0.04	0.05	0.05	0.05	0.08	0.04	0.07
immig≤10	0.04	0.06	0.06	0.07	0.03	0.05	0.02	0.02	0.01	0.02	0.05
immig10+	0.06	0.16	0.19	0.11	0.03	0.08	0.02	0.02	0.01	0.03	0.12
bornCA	0.82	0.69	0.64	0.74	0.89	0.79	0.90	0.91	0.89	0.90	0.74
Mimm	0.08	0.09	0.11	0.09	0.06	0.08	0.07	0.05	0.09	0.05	0.09
informal	0.76	0.79	0.81	0.85	0.85	0.82	0.82	0.78	0.78	0.81	0.80
noinformal	0.22	0.19	0.16	0.12	0.13	0.15	0.15	0.20	0.19	0.16	0.18
Minformal	0.02	0.03	0.03	0.03	0.02	0.02	0.03	0.02	0.03	0.02	0.03
commu3	0.11	0.10	0.08	0.08	0.09	0.08	0.09	0.05	0.06	0.10	0.09
commu35	0.06	0.05	0.07	0.06	0.05	0.06	0.05	0.06	0.06	0.06	0.06
commu510	0.12	0.13	0.15	0.15	0.11	0.10	0.10	0.09	0.08	0.10	0.13
commu10	0.67	0.67	0.62	0.64	0.71	0.71	0.71	0.74	0.72	0.70	0.67
Mcommu	0.05	0.05	0.07	0.06	0.04	0.04	0.05	0.05	0.08	0.04	0.06
rural	0.18	0.13	0.14	0.14	0.30	0.23	0.43	0.49	0.43	0.56	0.17
kid05	0.12	0.11	0.11	0.16	0.12	0.10	0.10	0.12	0.09	0.11	0.12
kid612	0.11	0.12	0.13	0.14	0.13	0.11	0.11	0.10	0.11	0.11	0.12
kid1317	0.09	0.10	0.09	0.11	0.12	0.11	0.08	0.08	0.09	0.10	0.10
kid18	0.10	0.10	0.09	0.08	0.10	0.10	0.08	0.08	0.10	0.11	0.10
hhsz	2.76	3.06	2.98	3.07	3.00	3.00	2.69	2.71	2.76	2.86	2.95
hhincome	86,596	108,697	99,033	139,115	115,801	95,098	87,889	79,914	90,031	87,667	103,857
Tax-price	0.67475	0.7995	0.7994	0.75	0.74	0.742	0.7621	0.7561	0.773	0.752	0.75873

Note: Obs. = 14,699

Of course, averages may mask heterogeneity across groups, but they are a good starting point. The average gifts of money and time revealed in the first six rows of Table 4 differ from those presented in Table 1 and Table 2 because Table 4 presents the averages for all respondents and not just the givers, while Martin Turcotte (2015) averaged over the givers. From Table 4 we see that, on average, Quebecers donated \$213 to charity in 2013 (\$264, if averaged over givers only, from Table 2). Irrespective of how these averages are calculated, Québec is in last place when it comes to giving money and giving time. But would this tendency change if the sample were separated into gifts to secular and religious organizations? The second two rows of Table 4 present average donations of money to religious and to non-religious groups: clearly religious giving is much lower in Québec than elsewhere; average gifts to secular charities are low, but in this case Quebecers share last place with residents of New Brunswick.

In terms of time volunteered, Quebecers continue to be in last place even when the data are grouped into religious and non-religious organizations, as presented in rows 5 and 6 of Table 4. Looking first at average hours volunteered across row 4, Quebecers hold last place at 40 hours on average per year, distantly followed by Newfoundlanders at 71 hours per year. This distribution is a bit tighter in the case of non-religious volunteer hours, where Québec is again in last place at 37 hours a year on average, although a bit closer to the 59 hours a year by Newfoundlanders. The type of organization, religious or secular, clearly affects the average amount of time and money donated.

Looking at the other average values of the variables used in the regression analyses, there is quite a bit of similarity across provinces, with a few notable exceptions. Albertans are the youngest of the sample, with a mean age of 43, as compared to the Canadian average of 46 years of age. In regards to education, residents of British Columbia have the highest proportion of respondents with at least a bachelor's degree (27%), while those in Newfoundland and Labrador hold last place with 17 percent. Not surprisingly, individuals in Québec are the least religious, with 10 percent of this sample reporting that they attended a place of worship at least once a week, as opposed to a national average of 16 percent. Significantly fewer Quebecers report doing informal volunteer activities: 76 percent as opposed to a national average of 80 percent. Large urban-rural differences exist across provinces: Ontario is the least rural at 13 percent of the sampled population, as opposed to 56 percent in Canada's smallest province, Prince Edward Island, and over 40 percent across all the Atlantic provinces.

Finally, it is interesting to examine the "tax price" of the first dollar given to charity across the ten provinces. Normally in empirical analyses of philanthropy a measure of the "price" of donating is included. This measure takes into account if tax benefits accompany a cash donation—if there are no tax benefits, then the "price" of a one dollar donation is one dollar. In the Canadian tax system, tax filers who report donations to qualified charities (registered with the Canada Revenue Agency) receive a 15 percent federal tax credit for the first \$200 donated and a 29 percent federal tax credit for amounts exceeding \$200. This means that the first dollar given to charity yields a 15 cent tax credit and hence "costs" the donor 85 cents. However, in the Canadian tax system, not only does the individual receive a federal tax credit for giving, he or she also receives a provincial tax credit (or tax deduction, depending upon the province in question). Québec is the most generous jurisdiction in this regard, applying a tax credit of 20 percent to donations. If one lives in Québec, therefore, the first dollar donated generates a tax credit of 15 cents from the federal government and an additional 20 percent (or 17 cent) credit on the remaining 85 cents from the provincial government. The one dollar donation thus "costs" the individual an out-of-pocket amount of 68 cents—referred to as the "tax price" of the one dollar donation. In this case, the effective "marginal tax rate" for the first dollar donated is \$0.32.² The larger the tax credit (or deduction), the smaller the tax price, and vice versa.

We use the donation tax credit rates applicable in 2013 to obtain the tax price of donations, or the “price” associated with the (first) dollar donated. The marginal tax (credit) rates associated with the first \$200 of donations by province is readily available (Boat Harbour Investments Ltd., 2002–2017a) and reported in Table 5. Notice that all of the variation in this tax price is generated by provincial differences in the tax treatment of donations.

Table 5: 2013 marginal tax (credit) rate for first dollar donated

Provincial and Federal Levels	Marginal Tax Rate
Federal	15%
NF	22.70%
PEI	24.80%
NS	23.79%
NB	24.39%
QC	32.525%
ON	20.05%
MB	25.80%
SK	26.00%
AB	25.00%
BC	20.06%

Source: Boat Harbour Investments Ltd, 2002–2017a

METHODOLOGY

We employ two main empirical strategies: first, we estimate models of giving either of money or of time, and second, we use the estimated coefficients from these models to see what happens if the characteristics of respondents change. Specifically, we examine what happens if individuals in Québec were endowed with a different set of characteristics to determine the extent to which their relative generosity is related to these characteristics.

The appropriate empirical model is a censored one that takes into account the fact that many individuals do not give money and/or time to charity. A Tobit model is a good choice under these circumstances, where the empirical problem can be expressed as (Wooldridge, 2013, p. 597):

$$Y_i = Y_i^* \text{ if } Y_i^* > 0; 0 \text{ if } Y_i^* \leq 0$$

$$Y_i^* = \beta_0 + X_i\beta + \epsilon_i, \epsilon_i \sim N(0, \sigma^2)$$

Y_i^* is a latent (unobserved) variable; Y_i is an observed variable indicating the amount of dollars (or hours) given to charitable causes in one year, by individual i ; X_i is a vector of explanatory variables reflecting individual, household, and community characteristics. A normal error term with zero mean and variance of σ^2 is assumed.

All continuous dependent and independent variables in the regression are transformed by the natural logarithm; as is standard practice, a small constant (1, in this case) is added to all variables prior to this transformation to deal with the fact that the logarithm of zero does not exist. The two main models estimated are:

$$(1) \ln G_i = \beta_0 + X_i^g \beta + \epsilon_i$$

$$(2) \ln V_i = \beta_0 + X_i^v \beta + \epsilon_i$$

where G_i represents dollars given to charity, and V_i are hours donated. The difference between X_i^g and X_i^v is that the latter includes an additional variable indicating whether the individual donated time to help someone informally (i.e., not through an organization).

A rich literature exists on religiosity and giving: sometimes religious denominations are included as independent variables (e.g., Bekkers & Schuyt, 2008; Hill & Vaidyanathan, 2011); other times, the data are parsed by a measure of religiosity or religious giving, and these define dependent variables (e.g., Bekkers & Schuyt, 2008; Felstein, 1975; James & Sharpe, 2007; Kitchen, 1992; Wiepking, 2007). In addition to estimating models (1) and (2) using the entire sample, we split the sample into religious giving (time and money) and non-religious (secular) giving of time and money as well.

Based on the estimated coefficients from the models, it is possible to calculate predicted contributions of time and money based on a given reference group, endowed with a given set of characteristics (usually average characteristics). Provinces are ranked from largest to smallest in terms of predicted giving. These characteristics can then be altered to see the extent to which this affects the ranking of the predicted giving levels (again, of time and money).

RESULTS

Table 6 reports the estimated coefficients from the Tobit procedure and the attendant t -statistics based on robust standard errors, for total cash donations and for donations to religious and secular organizations; Table 7 presents the same for volunteer time. In all cases the data are weighted by Statistics Canada person weights. The number of left-censored observations (i.e., observations with a value of zero) is equivalent to respondents who are non-donors or non-volunteers, and is reported at the end of the tables. The intercept term reflects the average relative outcome of the reference group, made up of single males, who are non-religious, non-informal volunteers, who have acquired no more than a high school degree; they immigrated to Canada before 2003, lived in their community for more than 10 years, come from a non-rural area, have no children, and reside in Ontario. Sigma, reported at the end of the table, denotes the standard error of the regression.

Table 6: Tobit regression results (giving money)

Variables		Total Giving (1)		Religious Giving (2)		Secular Giving (3)	
		coefficients	t	coefficients	t	coefficients	t
female		0.185	2.93	0.229	1.58	0.239	3.49
lnage		4.035	2.57	-7.976	-2.34	5.074	2.99
lnagesq		-0.358	-1.70	1.395	3.05	-0.521	-2.28
lnhhincome		0.639	12.21	0.214	1.80	0.794	14.15
married	ref: single	0.402	4.39	0.450	2.11	0.443	4.50
Mms		-3.288	-1.75	-28.455	n/a	-3.048	-1.55
diploma	ref: HighSchool	0.708	8.85	0.617	3.32	0.805	9.26
BA		1.216	13.62	1.112	5.27	1.371	14.44
Medu		0.216	0.61	0.430	0.60	0.177	0.48
religious	ref: nonrel	1.812	20.43	6.992	46.83	0.305	3.00
Mrel		0.212	0.75	-0.628	-0.93	0.273	0.89
immig≤10	ref: immig10+	-0.508	-2.49	-0.022	-0.05	-0.746	-3.21
bornCA		0.147	1.44	-0.893	-3.98	0.409	3.46
Mimm		-0.355	-1.62	-0.765	-1.71	-0.253	-1.04
commu3	ref: commu10	-0.291	-2.39	-0.694	-2.45	-0.190	-1.45
commu35		0.020	0.14	-0.139	-0.42	-0.102	-0.67
commu510		-0.179	-1.71	-0.494	-2.03	-0.159	-1.45
Mcommu		0.337	0.75	2.726	2.81	0.102	0.21
rural		0.279	3.88	0.819	4.61	0.223	2.81
kid05		0.254	2.35	0.890	3.50	0.187	1.56
kid612		0.300	2.93	0.321	1.31	0.360	3.22
kid1317		-0.048	-0.42	-0.073	-0.26	0.060	0.48
kid18		0.356	3.02	0.689	2.36	0.329	2.48
lnhhsz		-0.371	-3.02	0.551	1.98	-0.653	-4.87
lntaxprice		6.731	1.12	14.662	1.12	9.973	1.55
QC	ref: ON	0.518	0.51	2.485	1.12	1.162	1.06
BC		-0.264	-2.50	-0.991	-4.13	-0.205	-1.80
Prairies		0.774	1.72	1.108	1.14	1.040	2.15
Atlantic		0.125	0.42	0.947	1.45	0.373	1.16
constant		-12.723	-3.97	6.774	0.96	-15.761	-4.53
sigma		2.447		4.734		2.613	
left-censored Obs.		2,099		9,533		2,684	
uncensored Obs.		12,600		5,166		12,015	

Note: Obs. = 14,699

Table 7: Tobit regression results (volunteering time)

Variables		Total Volunteering (1)		Religious Volunteering (2)		Secular Volunteering (3)	
		coefficients	t	coefficients	t	coefficients	t
female		0.086	0.79	0.499	2.11	0.055	0.48
lnage		-17.848	-7.48	-7.041	-1.27	-20.461	-8.07
lnagesq		2.280	7.08	0.977	1.32	2.623	7.67
lnhhincome		0.411	4.81	0.113	0.65	0.452	4.92
married	ref: single	0.321	2.11	0.565	1.91	0.228	1.40
Mms		-3.324	-1.63	-25.377	n/a	-3.338	-1.53
diploma	ref: HighSchool	0.892	6.21	0.452	1.5	1.000	6.51
BA		2.163	14.24	1.167	3.61	2.363	14.67
Medu		0.062	0.10	1.446	1.50	-0.043	-0.06
religious	ref: nonrel	2.037	14.48	8.378	38.4	0.431	2.69
Mrel		-0.203	-0.37	-1.191	-1.23	-0.133	-0.23
immig≤10	ref: immig10+	-0.939	-2.65	-1.308	-1.63	-1.047	-2.76
bornCA		0.830	4.45	0.208	0.54	0.875	4.36
Mimm		-0.174	-0.46	-0.079	-0.10	-0.202	-0.51
informal	ref: noinformal	2.007	12.8	2.401	6.44	2.028	12.16
Minformal		3.763	8.07	2.671	2.99	3.994	8.04
commu3	ref: commu10	-0.520	-2.40	-0.550	-1.16	-0.574	-2.50
commu35		0.185	0.78	-0.068	-0.12	0.224	0.91
commu510		-0.043	-0.25	-0.195	-0.55	-0.044	-0.25
Mcommu		1.586	1.83	3.647	2.68	1.264	1.37
rural		0.497	3.79	0.555	2.11	0.599	4.29
kid05		-0.703	-3.56	-0.477	-1.10	-0.744	-3.60
kid612		1.391	7.55	0.033	0.08	1.575	8.17
kid1317		1.065	5.25	-0.256	-0.60	1.310	6.13
kid18		0.423	1.86	0.544	1.15	0.290	1.20
lnhhsz		-0.184	-0.95	0.398	1.00	-0.150	-0.72
Intaxprice		-13.823	-1.37	-10.862	-0.50	-13.192	-1.21
QC	ref: ON	-3.523	-2.05	-3.819	-1.02	-3.316	-1.79
BC		0.472	2.77	-0.209	-0.62	0.551	3.07
Prairies		-0.603	-0.80	-0.133	-0.08	-0.549	-0.67
Atlantic		-0.645	-1.28	-0.401	-0.36	-0.584	-1.08
constant		22.726	4.51	-4.806	-0.41	26.865	5.02
sigma		4.001		5.380		4.217	
left-censored Obs.		6,987		13,048		7,712	
uncensored Obs.		7,712		1,651		6,987	

Note: Obs. = 14,699

Prices and income

Normally, one expects the amount of cash donated to vary with the tax price of donations. From Table 6, it is clear that the estimated coefficients on tax price are not statistically significant. This can be explained by the fact that there is not much variation in this tax-price variable (which is further dampened by the logarithmic specification), and corroborates the findings in Amornat Apinunmahakul and Rose Anne Devlin's (2008) "Social Networks and Private Philanthropy." However, these findings are at odds with those in Harry Kitchen and Richard Dalton's (1990) "Determinants of Charitable Donations by Families in Canada: A Regional Analysis" and Kitchen's (1992) "Determinants of Charitable Donations in Canada: A Comparison Over Time," which find that contributions decline with the tax price of giving.

We also included tax price in the model of volunteer time. The sign of the estimated coefficient on this variable is a simple way of looking at whether volunteering and donations are (gross) complements or substitutes to individuals. A negative estimated coefficient means that, as the price of a cash donation increases, volunteering falls—suggesting that volunteering and cash donations are moving in the same direction and hence are complementary to each other. But, the estimated coefficients on tax price in all three specifications reported in Table 7 are statistically insignificant, and hence fail to reveal a clear relationship between tax price and volunteering.

However, while tax price has no statistical effect on giving, household income does. As expected with "normal" goods, household income has a positive impact on cash donations. This result corroborates much of the literature (e.g., Auten, Sieg, & Clotfelter, 2002; Gittel & Tebaldi, 2006; Hood, Martin, & Osberg, 1977; Hossain & Lamb, 2015). A one percent increase in household income results in a 0.64 percent increase in donations in general (see Table 6). It is interesting to see that household income has a much higher impact on secular giving (column 3) than on religious giving: religious gifts increase by 0.21 percent in response to a one percent increase in household income, whereas secular ones increase by 0.79 percent.

Volunteer hours are also affected by household income, as is well established in the literature (even in earlier studies, such as one by Paul Menchik and Burton Weisbod [1987]). A one percent increase in household income results in a 0.41 percent increase in volunteer hours, *ceteris paribus*. But this time, volunteering for religious organizations is not responsive to household income; all of the effect of household income is on volunteer hours for secular organizations.

Demographics: Age, education, gender, marital status, and household composition

The positive estimated coefficient on "Inage" and the negative estimated coefficient on "Inagesq" in the total giving equation reported in Table 6, column 1, suggest that giving cash increases with age at a decreasing rate. This corresponds to most other studies of giving (e.g., Auten et al., 2002). Once again, however, religious giving is different than secular giving. In this case, giving falls with age but the positive impact of age squared tempers this fall: as individuals become older, they give relatively more to religious organizations. When it comes to time volunteered, this falls with age (at a decreasing rate)—age does not have a statistically significant impact on religious volunteer hours, only on secular hours.

The impact of education conforms to expectations (e.g., Brown & Lankford, 1992; Gittel & Tebaldi, 2006; Hossain & Lamb, 2015; Rajan, Pink, & Dow, 2008). Total giving increases with educational level (the estimated coefficient on the dummy variable denoting a university degree [BA] is always higher than that indicating a postsecondary diploma, and both are positive relative to the high school-educated reference group).

This pattern repeats when it comes to time volunteered: individuals with a higher level of education give more time to charities, *ceteris paribus*.

Gender matters when it comes to philanthropy. From Table 6, it is clear that females donate more money than males to charities across the board, although the significance level is relatively small for religious giving (as found by Hossain & Lamb, 2015). In general, females give 20 percent more than their male counterparts—the transformation $(e^{\beta}-1)*100$ where β is the estimated coefficient is required to interpret the estimated coefficients from dummy variables because of the logarithmic specification—this percentage is even higher with religious gifts (26 %) although in that case, it is statistically weak; and female gifts to secular organizations are 27 percent more than their male counterparts. However, looking at the results reported in Table 7 on hours volunteered, it is apparent that the gender of the respondent does not matter statistically for total and secular volunteering; but females volunteer some 65 percent more hours than males for religious organizations.

As found elsewhere, being married has a significantly positive effect on the amount of money donated, again corroborating existing studies (e.g., James & Sharpe, 2007). The impact of being married does not matter much across religious and secular giving. In examining volunteer hours, however, being married has a stronger impact on religious volunteering than on secular volunteering.

The presence of children in the household has a mostly positive impact on giving, with a couple of exceptions. Children aged 13 to 17 have no impact on giving money, irrespective of whether the organization is religious or secular. The presence of children aged 6 to 12 does not statistically affect religious giving; the presence of children under the age of six has a weak effect on secular giving. People who have children under the age of six, however, give more money to religious charities when compared to those with children in any other age group. Finally, when it comes to household size, the number of individuals in the household is negatively correlated with total and secular giving, but positively with religious giving.

Respondents with children under the age of six volunteer fewer hours when compared to all others—this result seems sensible given the time constraints associated with caring for younger children (it also may help to explain why individuals with young children tend to donate more money to charities—it may be due to a substitution of cash for time). By contrast, those with children aged 6 to 12 or 13 to 17 volunteer more hours to secular organizations in comparison to others. Again, this seems sensible given the proliferation of children's activities in these age groups that often require parental time contributions (e.g., sports teams, music recitals, and so on). In contrast to the findings with respect to cash donations, the number of individuals in the household has no impact on volunteering once other factors are taken into account.

The role of religion

This section highlights where gifts of time and money to religious organizations differ from those to secular ones. But in addition to the effects arising from the type of organization to which individuals direct their gifts, the religiosity of individuals themselves has also been shown to affect giving (e.g., Berger, 2006). Here, a strict definition of “religious” is employed, namely that the respondent attends a place of worship at least once a week, in order to examine whether a close affiliation with a place of worship helps us to understand better the influences of religion on giving and volunteering. We wondered if the fact that fewer individuals in Québec are religious, in the sense of the aforementioned definition, could help illuminate their giving behaviour. For instance, Table 4 reveals that, on average, 10 percent of Quebecers attend a place of worship at least once a week, compared to 17 percent of Ontarians and 23 percent of those residing in Prince Edward Island.³

Looking at the estimated coefficient on the “religious” dummy variable, it is clear that those attending religious activities at least once a week are more generous than their non-religious counterparts, across the board. Not only do they give substantially more money to religious organizations (as fully expected) but they give more to secular ones as well: a religious individual donates 36 percent more money to secular charities than does a non-religious individual, *ceteris paribus*. This positive relationship between religiosity and monetary amount donated is widely documented in the literature (e.g., Hossain & Lamb, 2015; Turcotte, 2012). Table 7 shows that religious respondents are also more likely to volunteer more hours to organizations across the board when compared to others. The impact of being religious on religious volunteering is much larger than it is on secular volunteering, which, again, makes sense.

Immigrants and Canadian born individuals

Whenever immigrant status is taken into account, it usually matters when it comes to giving money (e.g., Amankwaa & Devlin, 2016) or volunteering (e.g., Handy & Greenspan, 2009). Generally speaking, Canadian born individuals tend to volunteer more and give more money when compared to immigrant-born residents—although this is not uniformly the case. For instance, a recent study shows that immigrants tend to give more money internationally when compared to their Canadian born counterparts (Amankwaa & Devlin, 2017).

The length of time since immigrating is likely to matter when it comes to formal philanthropy—one reason being that longer-term immigrants have more experience with Canadian society and institutions, relative to more recent ones. Differentiating between those immigrants who have been in the country for up to ten years, and those who have been here for more than ten years, the results confirm that newer immigrants behave differently than longer-term ones. When it comes to total giving, Table 6 reveals that “new” immigrants give 60 percent less than longer-term immigrants (the reference group). But care has to be taken not to conclude that newer immigrants are less generous than others, as this group often remits substantial amounts of money to family “back home” (e.g., Rowlands & Unheim, 2012); the data set used here does not capture this amount. The estimated coefficient on the variable denoting Canadian born is positive, indicating that they give more than longer-term immigrants, but it is statistically weak.

When giving to religious and secular organizations by immigrants is examined, the story becomes nuanced. Newer immigrants are indistinguishable from longer-term ones when it comes to religious giving, whereas Canadian-born residents give substantially less to these organizations than the immigrant born. The findings on total giving, therefore, are being driven by secular giving: new immigrants give less and the Canadian born give more both relative to longer-term immigrants, *ceteris paribus*.

A final point to note with respect to money donations is that those individuals who did not respond to the question about whether or not they were an immigrant (coded with an “M” before the variable name—“Mimm”) gave less in general, and specifically less to religious organizations, relative to long-term immigrants. This implies that it is important to include these missing observations in the regression analysis.

Canadian born individuals are more likely to volunteer in general relative to longer-term immigrants (Table 7); newer immigrants are less likely to volunteer compared to their longer-term counterparts. When we look at the types of organizations to which individuals give their time, we see that the results from volunteering in general (column 1 of Table 7) are again driven by secular organizations. For religious organizations, newer immigrants tend to volunteer less than longer-term ones, but Canadian born individuals are indistinguishable from longer-term immigrants. Femida Handy and Itay Greenspan (2009) find that recent (less than ten years)

immigrants donate fewer volunteer hours than their longer-term counterparts, but this difference is not statistically significant.

Length of time in community, community size, and informal volunteering

The length of time that an individual has lived in a given community may influence some philanthropic activities. We are able to distinguish between those living up to three years in a community (“communu3”), three to five years (“communu5”), five to ten years (“communu10”), and greater than ten years (the reference group). When it comes to total giving, those who lived the least amount of time in a community give substantially less than those living ten or more years in the community. The same is true for the five to ten years groups. Those living the least amount of time in a community also give much less to religious organizations than to secular ones when compared to longer-term residents. This may reflect the fact that giving to religious organizations is often done directly to a place of worship in the community. The length of time in the community can reflect an individual’s “attachment” to a place of worship. Giving to secular organizations, however, is not as directly linked to the physical location of the organization in the community, with the ability to give by telephone, internet, or regular mail. Finally, those with missing information on the length of time in their community were associated with higher gifts to religious organizations—again reinforcing the importance of including these missing observations in the estimation.

Not surprisingly, the length of time a person has lived in a community matters when it comes to volunteer time. Volunteering normally requires the ability to access nonprofit and charitable organizations. The biggest effect of the length of time in a community on volunteer time is found for secular organizations: new immigrants volunteer many fewer hours for secular organizations relative to their longer-term counterparts, whereas Canadian born residents volunteer many more hours relative to longer-term immigrants. These results suggest that new immigrants volunteer less than longer-term immigrants who volunteer less than Canadian born individuals. This pattern is consistent with the idea that immigrants learn about volunteering opportunities over time, but that they remain different than Canadian born individuals when it comes to volunteering. Of course, informal activities, such as helping family and friends, are not being captured and hence account is not been taken of the well-known mutual supports that are often developed within immigrant communities.

Differences were also found in the giving behaviour of rural and urban dwellers. Across the board, respondents residing in rural areas give more money than their urban counterparts. The difference between rural and urban residents is particularly stark when we look at giving to religious groups: it was found that rural folk donate about double that of urban dwellers, *ceteris paribus*. These findings corroborate those of Russell James and Deanna Sharpe (2007) and Apinunmahakul and Devlin (2008), among others, who find that people living in the city contribute less money to charities than their rural counterparts.

Interestingly, residents from rural areas also volunteer more time when compared to their urban counterparts. One might think that distance to nonprofit and charitable organizations would be greater in rural areas and hence would dampen incentives to volunteer. However, a report on volunteering in rural Ontario by Cathy Barr, Larry McKeown, Katie Davidman, David McIver, and David Lasby (2004) argues that rural communities are replete with under-financed organizations that rely on community volunteers. The results here certainly accord with this observation. A dummy variable is also added that represents whether or not the individual engaged in informal volunteering—volunteering in ways other than through a formal organization. Table 7 reveals that those who responded in the affirmative to this question are more likely to also volunteer formally: informal volunteers are more likely to spend more time in formal volunteer activities than others. This finding again conforms to the

idea that individuals predisposed to give of their time will find many ways of doing so. Notice, too, that individuals who did not respond to this question (“Minformal”) also volunteer more than those who did not informally volunteer.

How do Quebeckers compare to other provinces?

This article began with the observation that Quebeckers give less money and time than residents of other provinces. Now that the problem has been analyzed by taking into account the factors influencing private philanthropy, do Quebeckers remain less generous than other residents of Canada? Analysis starts by paying close attention to the significance and sign of the Québec dummy variable. Table 6 reveals that keeping all the other influences constant, respondents residing in Québec are no different from Ontarians in the amount of dollars donated to charities. Once personal, family, and contextual features are taken into consideration, Quebeckers donate the same amount of money as most other Canadians, and it is residents of British Columbia who stand out as giving less than others, *ceteris paribus*.

But, while regression analysis can explain differences in the amounts of money donated by residents of Québec relative to others, this is not the case for volunteer hours. From Table 7, the estimated coefficient on the Québec dummy variable is negative and statistically significant when it comes to total and secular volunteering. It is statistically insignificant for religious organizations, which is interesting insofar as Quebeckers are much less religious (defined as regularly attending formal places of worship) than other Canadians; however, once religiosity is taken into account, they volunteer just as much as everyone else to religious organizations (but much less to secular ones).

The “well-known fact” that Quebeckers are less generous than other Canadians does not consistently hold up once the main influences on giving are taken into account. To understand better what is going on, predicted values of money donations and time volunteered are estimated using the models just described; these values are reported in Table 8. Note that these predicted values are in logarithms (and hence can be negative), are based on a given reference group (as indicated in the table), and use sample means for the continuous variables (age, household size, and income—this can be varied to look at specific groups as well; means are used for illustrative purposes). The model predicts that residents of Québec will give the least amount of money and of time, but this result is explained by the characteristics included in the model.

Table 8: Predicted average donations (money and time) by province (in natural logarithms)

	Total Giving	Religious Giving	Secular Giving	Total Volunteering	Religious Volunteering	Secular Volunteering
	Ref. Group (male, single, High School, nonrel, immig10+, no informal, commu10, non-rural, no kids, lives in ON)					
QC	3.501	-2.502	3.054	-1.982	-11.306	-2.444
ON	4.280	-1.857	3.611	-0.614	-8.617	-1.285
BC	3.971	-2.897	3.366	-0.132	-8.861	-0.698
AB	4.763	-1.594	4.167	-0.020	-7.694	-0.705
SK	4.618	-1.901	4.001	0.164	-7.619	-0.495
MB	4.513	-1.659	3.790	-0.082	-7.507	-0.821
NS	4.121	-1.728	3.606	-0.370	-8.395	-0.958
NB	4.074	-1.525	3.453	-0.355	-8.106	-1.011
NF	4.225	-1.294	3.705	-0.637	-8.346	-1.270
PEI	4.150	-1.250	3.442	-0.049	-7.579	-0.761

Suppose, however, Quebeckers are conferred with a different set of characteristics, does this change their predicted ranking? The two main characteristics that have a large impact on philanthropy, and both of which Quebeckers have a relatively small endowment of, are religiosity and household income. Suppose Quebeckers had the highest average level of these two characteristics found across the ten provinces; would that affect their ranking when it comes to their predicted money donations? The answer is yes, but not by as much as one might think. In fact, if Quebeckers were as religious (and even as rural) as those in Prince Edward Island, and had the same income as Albertans, they would increase their ranking to seventh place out of ten when it comes to donations of money; they would reach fourth place when it comes to donations to religious organizations. But when it comes to volunteering time, there is no amount of manipulating of these characteristics that would raise individuals in Québec from last place. Even when all of their characteristics are adjusted to conform to the best case scenario in terms of being positively associated with volunteering, Quebeckers remain firmly in last place. So even with regression analysis, something else is going on.

CONCLUSIONS

Employing the most recent social survey data on philanthropy in Canada, this article empirically evaluates provincial differences in the quantity of money and time donated to organizations in general, and then separated into religious and secular organizations. It is particularly interested in the giving behaviour of individuals residing in Québec, and seeks out reasons why their average donations are significantly lower than others in Canada. The empirical analysis unveils one potential reason: Quebeckers appear to be less generous than others because they are less endowed relative to other Canadians with two important characteristics: religiosity and household income. Only residents of Newfoundland and Labrador have lower average household income when compared to Quebeckers, and Quebeckers are much less attached to a formal place of worship than any other Canadians.

Another potential reason why Quebeckers give less than others may be linked to a higher expectation of state involvement in addressing social issues, as an alternative to the charity model. Indeed, individuals in Québec pay more income tax, in general, than residents of the nine other provinces. Look, for example, at the taxes paid by a single-earner household with two children: as soon as earnings hit \$50,000 and above, Quebeckers typically pay more than residents of all the other provinces (Boat Harbour Investments Ltd., 2002–2017b). Similarly, tax rates are the highest across the board for individuals with an income of \$50,000 or more (Boat Harbour Investments Ltd., 2002–2017b). As a consequence, there may be an expectation that the province (the “state”) provide services directly rather than through privately funded or volunteer-run charities. Mark Skinner and Mark Rosenberg (2011) offer an argument along these lines when trying to explain the lower level of formal and informal volunteering in Québec. They suggest that Quebeckers follow “a continental model of collective responsibility than on individual philanthropy embedded in English civil law” (n.p.). Future research could push further on this explanation and examine in more detail the types of organizations to which Quebeckers direct their philanthropy. If they eschew health and welfare organizations, for instance, in favour of sports activities, this would be consistent with the idea that the state provides some services (health) but not others (sports).

There are limitations to this study. In the first place, it uses cross-sectional data that only reflect and explain Canadians’ charitable responses in 2013. Data that tracked individuals over time would help us to elucidate better philanthropic choices. More detailed information on the services provided by the public sector and by charities would also help identify the extent to which public sector services substitute for (or complement) those provided by the charitable sector.

Undertaking a *ceteris paribus* regression analyses helps reveal how Quebecers fare relative to the rest of Canada when it comes to private philanthropy. They are not as “cheap” as it first appears if one looks only at averages; but they do volunteer less than others for secular organizations, and it is not clear why. This article offers two potential explanations, but there may be others. More and better data, for instance of a longitudinal nature, and a much larger study of the types of activities to which Quebecers direct their time and money, would certainly help identify what these other explanations may be.

NOTES

1. The analysis presented in this article was conducted at the COOL RDC, which is part of the Canadian Research Data Centre Network (CRDCN). The services and activities provided by the COOL RDC are made possible by the financial or in-kind support of the Social Sciences and Humanities Research Council of Canada (SSHRC), the Canadian Institutes of Health Research (CIHR), the Canada Foundation for Innovation (CFI), Statistics Canada, Carleton University, the University of Ottawa, and the Université du Québec en Outaouais. The views expressed in this article do not necessarily represent the views of the CRDCN or those of its partners.
2. The tax credit calculation is slightly nuanced in Québec, as described in the source reference for Table 5. This nuance does not affect the logic of the explanation, but it does affect the exact calculation of the tax credit, which is exactly calculated as 32.525 percent rather than 32 percent.
3. The religiosity of individuals across all provinces was also examined using the earlier CSGVP (2010, 2007, & 2004) surveys to ensure that the conclusion that Quebecers were less formally religious was not anomalous to the GSS-GVP (2013) survey. And indeed it was not. Individuals in Québec are, on average, significantly less likely to attend regularly a place of worship relative to those in any other province.

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Système Scolaire et Économie Solidaire Chez Les Nasa de Colombie

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RÉSUMÉ

Le modèle scolaire développé par les Nasa de Colombie a été construit en synergie avec son mode de développement économique communautaire ancestral et sert d'assise à sa quête d'autonomie comme peuple. Cette expérience scolaire permet aux élèves de participer, dès le secondaire, à des activités économiques solidaires qui sont environnementalement responsables. Le Projet éducatif communautaire nasa (PÉC) est en effet central au modèle économique et permet la transmission concrète et quotidienne de la philosophie nasa ainsi que des pratiques ancestrales nasa. Cet article fait état d'une étude de cas menée dans le cadre d'un mémoire de maîtrise en travail social sur le site d'une école secondaire du système scolaire nasa. Elle a été menée par le biais d'observations directes et d'entretiens auprès de ses acteurs, c'est-à-dire les leaders communautaires, les éducateurs, les parents et les élèves.

ABSTRACT

In Colombia, the school system of the Nasa people integrates directly into their curriculum practical and theoretical aspects of their indigenous communitarian economy so as to contribute to their survival. This educational model calls on high school students to take charge of economic projects involving environmental and community solidarity. The Community Educational Project (PEC) is central to the Nasa educational experience that also integrates Nasa philosophy and directly supports their economic model. This case study results from fieldwork for a master's thesis in social work in one of the Nasa high schools. Data collection methods comprised direct observation and interviews with stakeholders, including community leaders, educators, parents and students.

MOTS CLÉS / KEYWORDS Premières Nations; Économie solidaire; Économie communautaire; Éducation; Nasa / First Nations; Solidarity economy; Community economy; Education; Nasa

INTRODUCTION

Bien avant l'arrivée des Espagnols, les peuples autochtones de Colombie avaient construit leurs cultures, sociétés, économies et systèmes politiques (ACIN, 2001). Ils ont été stigmatisés et marginalisés par la Conquête. L'expérience éducative autochtone que nous décrivons dans cet article est le produit de cette histoire ainsi que des efforts de survie des peuples autochtones colombiens. Depuis quelque temps déjà, les Nasa de Colombie¹ ont en effet développé des cursus scolaires syncrétiques permettant aux élèves d'embrasser la modernité tout en intégrant des éléments centraux de leur culture et économie traditionnelles. Unique en Colombie, cette expérience est peu connue car enclavée dans une zone de conflit armé : il est d'autant plus pertinent de la faire connaître. Nous présenterons ici l'intégration au sein du cursus scolaire de pratiques liées à l'économie communautaire nasa².

Depuis plusieurs années, les Nasa sont confrontés à un processus de transformation sociale intense qui les a poussés à se mobiliser et à formuler des initiatives plus respectueuses de leurs droits ancestraux. Ces droits portent notamment sur la protection de leur identité culturelle ainsi que sur le droit à l'autonomie gouvernementale, reconnus par la constitution colombienne depuis 1991. La mise en œuvre de leurs droits à la protection de leur identité culturelle et à l'autonomie gouvernementale (OEA, 1994) s'est en effet avérée difficile et a provoqué une longue dynamique de lutte et de contestation.

Ainsi, l'éducation, source de nourriture et symbole de l'équilibre avec leur environnement, est devenue pour les Nasa un outil de préservation et de survie sur leurs terres ancestrales. Malgré leur marginalisation, la violence ambiante et leur extrême pauvreté, les Nasa ont structuré un système scolaire à leur image, reflétant leur identité, leur vision du monde ainsi que leur volonté de survie.

Pour ceci, ils ont dans un premier temps développé une réflexion collective sur les contenus, les objectifs et les méthodes pédagogiques nécessaires pour renforcer l'autonomie et la sécurité des enfants, jeunes, adultes et aînés nasa. En effet, la communauté nasa côtoie sur son territoire l'armée colombienne, des trafiquants de drogues, des paramilitaires ainsi que la guérilla (Trojan, 2015; Velasco, 2011; Jackson 2004) qui convoitent leur territoire. D'où la centralité d'un système scolaire autonome, autogéré, reflétant leur identité et leur vision du monde, la transmission de leur langue et la gestion de leur territoire de façon plus autonome. Ce projet éducatif est partie prenante du projet de société nasa en ce qu'il permet la transmission des éléments ethnoculturels, historiques et politiques nécessaires à sa survie (Ceidis, 2000; Montaluisa, 1989).

Nous avons choisi d'étudier ce système éducatif nasa, où l'école est conçue comme un moyen pour les jeunes d'acquérir des connaissances et des habiletés leur permettant de mieux gérer le choc des cultures et de mieux faire face au conflit armé endémique dans la région. Ce système leur permet également de mieux comprendre la tension entre modernité et traditions ancestrales ainsi que les transformations économiques et culturelles contemporaines. L'école devient ainsi un outil facilitant la reprise de pouvoir des jeunes Nasa et de leur communauté, une piste de solution aux enjeux multiples et complexes qu'ils confrontent.

Cette expérience emblématique mérite d'être mieux connue. À cet effet, nous présenterons dans cet article une étude de cas menée dans une école secondaire de la municipalité de Toribío, Département du Cauca³. Nous avons privilégié des méthodes qualitatives pour la collecte de données variées (Yin, 2014). L'observation directe nous a permis d'acquérir une connaissance de première main de cette communauté ainsi que de l'école ciblée. La recherche et l'analyse de documents d'archives ainsi que des entrevues semi-dirigées auprès d'informateurs clefs (professeurs, parents, élèves, administrateurs scolaires et autorités traditionnelles représentant le système éducatif nasa) ont aussi été mises à profit et croisées avec une littérature sur

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l'économie solidaire (Laville, 2016, 2011, 2007; Boucher, 2006, 2001; Côté et de Pablo, 2005; Favreau et Fréchette, 2002). Les entrevues ont porté sur : les ressources dont dispose l'école; la nature, les modalités et la logique d'application de son programme; le rôle des différents acteurs; les modalités de mise en œuvre de ce modèle pédagogique autochtone. Nous ferons état ici des principaux éléments empiriques issus de cette recherche et ce, afin de mieux faire connaître cette expérience innovante en matière d'éducation autochtone et d'économie solidaire. Rappelons ici que la méthodologie retenue est inductive, s'apparentant à la théorie ancrée (Chamaz, 2012). L'auteure principale a effectué plusieurs séjours d'observation et de collecte de données sur place, ayant reçu pour ceci l'aval des autorités et de la communauté nasa.

Le système scolaire nasa

Les 87 peuples autochtones de Colombie et ses 800 000 membres, en majorité des enfants et des adolescents (Colombia, 2007), font face à une situation de changement culturel intense et rapide (Bonanomi, 1998), dont la portée est à la fois juridique, politique, socioculturelle, environnementale, économique et psycho-anthropologique. Les droits des peuples autochtones enchâssés dans la Constitution colombienne de 1991 reconnaissent et protègent « la diversité ethnique et culturelle » (Colombia, 1991 : art. 7) ainsi que les richesses culturelles et naturelles (Colombia, 1991 : art. 8). Mais le respect de ces droits par l'État colombien est si précaire qu'il crée un climat propice à leur transgression généralisée : les assassinats, les menaces, le harcèlement, le dépeuplement de leurs terres et les persécutions sont courants (ACIN, 2009).

Le peuple nasa a fait le choix de dénoncer les violations systématiques de ses droits et de proposer une nouvelle définition de la vie en commun, de la gouvernance et des pratiques éducatives. Il a organisé un mouvement émancipatoire de résistance culturelle, politique et économique pour combattre les politiques homogénéisantes de l'État colombien (López, 1999). Sa stratégie s'articule autour du concept d'interculturalité⁴, qu'il substitue au discours gouvernemental sur la pauvreté : culture, injustice distributive, inégalités économiques et rapports de pouvoir deviennent ainsi centraux à son projet de construction de nouveaux rapports avec l'État colombien (Urrea et Hurtado, 2002). Ce processus de construction de l'autonomie des Nasa se centre autour de ce qui leur est culturellement propre. Il est mis en œuvre localement en opposition aux mécanismes hégémoniques colombiens : les limites ethniques de leur groupe culturel et l'affirmation de leur différence sont ainsi reproduites dans le cadre des rapports conflictuels avec les pouvoirs politiques.

Le système éducatif créé par la communauté nasa est un élément central de cette stratégie de lutte contre l'affaiblissement des mécanismes traditionnels de reproduction et de transmission de la culture autochtone causé par l'intensification de leurs liens avec la société colombienne (ONIC, 2005). Le rôle de l'école dans la formation des jeunes Nasa a ainsi été réinventé. De nouveaux programmes et projets ont été mis en œuvre, entre autres dans la municipalité de Toribío. Un centre de recherche et une école de techniques agricoles équipée de laboratoires (le CEDIC) y offrent par exemple des cours sur l'élevage de cheptels et sur l'environnement.

L'École secondaire Eduardo-Santos a été créée dans cette foulée. Elle renforce la capacité d'action locale de la communauté nasa et la construction de la paix. Plus particulièrement, elle intègre dans ses contenus, ses objectifs et ses méthodes pédagogiques l'optique de repenser l'économie spécifiquement nasa, une économie solidaire de type communautaire permettant de contrer les problèmes créés à la fois par le conflit armé et par les traités de libre échange de 1991, 2002 et 2012 :

L'économie solidaire tient compte du territoire et de l'environnement. C'est une alternative au modèle actuel. C'est une économie intégrale, une économie durable, un monde intégral

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qui est imbriqué dans l'économie. C'est une économie qui n'est pas nécessairement monétaire et dans laquelle s'exerce une véritable réciprocité et démocratie. (père d'un élève de secondaire V)

C'est une économie qui garantit la sécurité alimentaire d'une communauté... Il s'agit d'une économie qui se base sur les connaissances autochtones informelles acquises à travers l'expérience, la culture et aussi à travers les connaissances et les théories universelles. (cadre de l'École Eduardo-Santos)

La communauté nasa cherche ainsi à assurer sa sécurité alimentaire, à développer des marchés extérieurs et à générer des mécanismes de production et d'échange axés sur la protection et la promotion du bien-être communautaire.

L'École secondaire Eduardo-Santos participe sans réserve à cet effort : pour ceci, elle a conçu un Projet éducatif communautaire (ACIN, 2001) dont nous avons étudié la mise en œuvre. Ce programme encourage la prise de conscience des jeunes, leur offre des expériences pratiques et les encourage à concevoir et à pratiquer une économie différente de l'économie libérale. Les Nasa mettent ici en œuvre une politique scolaire

visant les groupes vulnérables sans prétendre réaliser des mesures de redistribution du revenu et de la propriété privée, [et] qui dessine, négocie et génère des programmes et des projets de développement pouvant être rentables dans une économie de marché ouverte. (Urrea et Hurtado, 2002, p. 171)

Le Projet éducatif communautaire s'arrime au style de vie et d'organisation des Nasa. Développé en partenariat avec la communauté de Toribío, il intègre le style d'organisation des Nasa, s'inspire de leurs savoirs traditionnels et prend en compte les modes d'apprentissage des enfants autochtones. Il constitue l'axe autour duquel s'articulent les politiques, contenus et méthodes pédagogiques de même que les méthodes de gestion scolaire. Le projet éducatif de l'École Eduardo-Santos propose à cet effet par exemple l'apprentissage des sciences sous forme d'un dialogue entre les jeunes et les aînés, entre savoirs locaux et universels, entre tradition et modernité. Il intègre aussi dès la quatrième année du secondaire des projets économiques créés et développés par les *Cabildos nasa*⁵.

L'économie nasa, fondement d'un gouvernement autonome

Pour les Nasa, l'économie communautaire est enracinée dans le passé mais aussi orientée vers l'avenir. Elle permet d'actualiser le sens des savoirs ancestraux et favorise le développement de réponses concrètes aux problèmes actuels à travers la formation des nouvelles générations (entrevue, représentant nasa). Cette économie doit assurer le bien-être de tous plutôt que l'avantage de certains. Les Nasa ont donc mis en commun pour ceci, au sein de leur système éducatif, les efforts des individus, des organisations, de la communauté et des entreprises endogènes (ACIN, 2000: 40) :

L'objectif final [est] la redistribution ..., de développer le geste solidaire, puisque nous pouvons avoir une économie qui satisfait les besoins de toute la communauté et faire en sorte que les profits soient aussi pour tous. Les profits n'existent pas seulement sous forme d'argent, mais ils apparaissent aussi dans la valeur de la solidarité. (élève de secondaire V, École Eduardo-Santos)

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Cette nouvelle économie communautaire des Nasa est comparable à l'économie solidaire, car elle cible l'intérêt collectif d'une communauté (Laville, 2016; Lévesque 2006, 1999; Monzón Campos 1997; Boucher 2006). Mais, à la différence du modèle d'économie solidaire occidental, elle intègre des formes de travail collectif, les *mingas*⁶, auxquelles participent toutes les familles de la communauté (Espinosa, 2003, p. 31) :

Nous savons qu'il existe beaucoup de définitions de l'économie solidaire et nous enrichissons tout ceci dans un univers plus vaste à partir de notre [vision du monde], parce que l'économie solidaire doit bénéficier à toute une communauté locale, tenant compte des valeurs et des principes propres de notre culture et non pas seulement aux personnes qui travaillent dans les entreprises solidaires (représentant nasa).

Cette nouvelle économie communautaire nasa embrasse aussi bien la production agricole, l'élevage de bétail, la production artisanale, la petite production industrielle, la recherche et la science :

[Cette économie] prétend organiser [la] production à tous les niveaux : agriculture, élevage, artisanal, industriel, science et recherche, en travaillant tous unis à la quête du bien commun, sans qu'une personne possède plus qu'une autre et tous dans des conditions égales avec les mêmes droits et devoirs. (élève de secondaire V, École Eduardo-Santos)

Exprimée à travers les actions de chaque personne, la solidarité matérielle, spirituelle, individuelle ou communautaire se transforme ainsi en force tangible de la communauté (Vitonás, 2003) :

Tous travaillent en vue d'un bien commun et sans que personne n'ait plus que l'autre, tous selon des conditions égales, avec les mêmes droits et devoirs. (élève de secondaire V, École Eduardo-Santos)

Cette économie communautaire nasa se fonde sur des *plans de vie*. Il s'agit de « programmes holistiques sur les grandes lignes de différents domaines de développement (éducation, santé, production, renforcement institutionnel, territoire, environnement, etc.) » (Hernán Rodríguez, 2002, p. 11). Développés par et pour les communautés nasa, ils répondent à leurs besoins :

Au moyen des plans de vie, chaque communauté gère les conditions du changement culturel, grâce à l'identification des forces de leur tradition et de ses faiblesses, et de comment celles-ci peuvent être mitigées à l'aide de nouvelles compétences et capacités qui viennent de l'extérieur. (Hernán Rodríguez, 2002, p. 6)

La formation à l'économie solidaire intégrée au cursus scolaire de l'École secondaire Eduardo-Santos est issue du plan de vie de sa communauté. Elle prend en compte un diagnostic éducatif des problèmes élaboré à partir des savoirs et des expériences nasa, ainsi que des pistes de solution respectant ces savoirs et expériences. Toute la communauté y a participé et y participe toujours activement. Ce processus est ouvert et complexe : il s'agit de mettre en œuvre des plans de vie au sein du système scolaire nasa tout en intégrant certaines perspectives non autochtones permettant de s'ouvrir sur le monde. Cette méthodologie est à la fois participative, réflexive et alternative, la construction d'une économie autochtone se retrouvant au cœur du projet éducatif.

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Pour ceci, la formation à l'économie communautaire et solidaire est au centre du cursus scolaire élémentaire et secondaire. Puisque l'appui du gouvernement colombien demeure limité et la législation scolaire très restrictive (Alvarado, 2010), les Nasa ont profité de quelques ouvertures offertes par la Loi 115 sur l'Éducation nationale (Colombia, 1994), en particulier de celle permettant l'élaboration de Plans d'études institutionnels par les établissements scolaires ayant pour objectif l'intégration des domaines obligatoires et optionnels du cursus scolaire.

Le financement du système scolaire nasa est diversifié, les fonds publics n'étant pas à la hauteur des besoins. Il intègre des mécanismes propres à l'économie communautaire nasa ainsi que les principes de l'économie solidaire (Laville, 2016, 2011, 1994; Côté et de Pablo, 2005) : réciprocité, redistribution et marché. Y sont en effet conjugués dons et bénévolat de la communauté nasa, financement public colombien et la vente de biens et services produits par les élèves.

FORMATION A L'ECONOMIE COMMUNAUTAIRE ET SOLIDAIRE

Mais comment les élèves sont-ils formés à l'économie communautaire et solidaire? Cette formation débute dès la petite enfance et se poursuit à l'école élémentaire. On leur inculque très tôt les éléments de base afin qu'ils puissent, dès le secondaire, développer une conscience critique, en particulier sur les modalités de construction de l'économie communautaire et son lien avec la survie du peuple nasa.

Cette formation est intégrée aux cours réguliers du secondaire. Dès le secondaire I à l'École Eduardo-Santos, on présente aux élèves deux dynamiques productives traditionnelles. La première consiste en *tiendas* (petits commerces) ou coopératives solidaires; il s'agit de projets associatifs pour lesquels les *Cabildos* autochtones fournissent le financement et qui renvoient aux projets d'économie solidaire non autochtones faisant le pont entre l'économie communautaire traditionnelle et le marché. La seconde dynamique productive enseignée à l'École Eduardo-Santos est celle des projets issus directement de la communauté et des familles, les *tuls*⁷ (potagers traditionnels nasa) et les *roza* (cultures de subsistance). Ces formes de production offrent des formes non marchandes de rémunération, par le biais de nourriture par exemple. Ces projets sont ancrés dans les rapports d'échange et de réciprocité (CRIC 2004; Martin 2003) élaborés selon une logique de type « je donne, tu donnes ».

L'École Eduardo-Santos intègre ces principes au sein de son *Plan d'études général*. Les matières obligatoires du système éducatif colombien y sont fusionnées aux domaines ethno-éducatifs proprement nasa. À titre d'exemple, des sujets tels que *communauté et travail*, *santé et territoire* ou *économie et production* remplacent les disciplines classiques des mathématiques ou des sciences humaines de l'éducation nationale colombienne. Le tableau suivant illustre ce syncrétisme.

**Tableau 1 : École secondaire Eduardo-Santos
plan d'études général**

Problèmes Communautaires	Axes Thématiques	Niveaux	Matières
Dépendance alimentaire	Santé et environnement	6 ^e année de l'élémentaire	Sciences naturelles, sciences appliquées, éducation environnementale, santé, éducation physique, technologie et informatique.
Faiblesse de l'économie communautaire actuelle	Comptabilité	Secondaire I	Mathématiques, sciences sociales, arts et sciences appliquées, informatique.
Perte des valeurs culturelles	Art et communication	Secondaire II et III	Sciences humaines, éducation artistique, informatique, projet d'utilisation du temps libre.
Formation politique déficiente, non-existence de systématisation du droit spécifique et ignorance du système agricole national.	Politique	Secondaire IV et V	Sciences politiques, sciences économiques, philosophie, projets productifs et sociaux, technologie et informatique.

Source : documents d'archives de l'École secondaire Eduardo-Santos

S'inspirant d'un manuel de coexistence produit conjointement par l'École et la communauté locale, les élèves sont encouragés à se développer professionnellement et à exercer leur autonomie tout en valorisant leur langue et culture maternelles. Jusqu'au secondaire III, ils sont en phase de sensibilisation et d'exploration professionnelle. Par la suite, en secondaire IV et V, ils doivent choisir un projet adapté à leurs goûts et aptitudes qui leur donnera accès au monde du travail :

C'est une condition que les jeunes de secondaire V choisissent un projet pour graduer. Il y a des jeunes qui ont dit « J'aime les porcs », alors ils se spécialisent dans [l'élevage des] porcs... D'autres disent « J'aime la culture d'oignons ou l'agriculture ». Ils se spécialisent alors en agriculture. (enseignant de secondaire V, École Eduardo-Santos)

Ces projets permettent aux élèves d'apprendre la langue et la culture nasa tout en faisant l'apprentissage pratique de l'économie communautaire et solidaire. Ceux-ci, tout au long des secondaires IV et V, pourront mettre en œuvre le projet qu'ils auront choisi. Et leur apprentissage va bien au-delà des matières enseignées, des évaluations et des tâches accomplies : il leur offre des outils et des connaissances visant l'harmonie avec la nature, leur bien-être ainsi que celui de leur communauté. Ils formulent et mettent en œuvre des projets solidaires productifs et, ce faisant, appliquent les connaissances acquises les années précédentes. Ces projets de production assurent la subsistance des élèves et de leur école : les projets horticoles, de transformation alimentaire, d'élevage ou de production artisanale servent à financer la cantine scolaire et les familles. Nous avons d'ailleurs constaté dans le cadre de nos entrevues que les élèves de secondaire V maîtrisent déjà des sujets complexes tels que la gestion d'entreprise, l'administration et la législation agricole.

L'apprentissage des élèves de l'École Eduardo-Santos intègre des techniques viables sur le plan environnemental, ancrées dans la conception contemporaine du développement durable. Il intègre aussi des savoir-faire technologiques qui prennent en compte la disponibilité des ressources économiques locales. Les

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élèves orientent leurs projets de concert avec leurs parents, les professeurs, les aînés et les autorités traditionnelles (les *Cabildos*) :

En assemblée, les gens décident où sera placé le bénéfice : dans le projet nasa et dans ce qui a trait au bien-être collectif. (élève de secondaire V, École Eduardo-Santos)

Cela leur permet d'intégrer aux savoirs classiques de l'éducation nationale colombienne les savoirs collectifs que sont la loi originelle nasa, les connaissances spirituelles nasa et les modes nasa de gestion de la terre.

Cette intégration s'effectue de différentes façons. L'enseignant a recours à la fois à l'affinité thématique (intégrer une discussion sur les plantes au cursus classique), à la comparaison différenciée (comparer l'économie capitaliste à l'économie nasa) ou encore à l'étude de problématiques particulières (l'environnement, par exemple) (Rodríguez, 2005). Cette approche permet à l'élève nasa de dépasser le simple bilinguisme espagnol/nasa et d'intégrer différents modèles économiques, sociaux et culturels (Escobar et Gomez, 2010). À titre d'exemple, en sciences naturelles et humaines, les élèves abordent les concepts nasa (équilibre, harmonie, *minga*, potager traditionnel, récupération, lutte, régime traditionnel de propriété foncière, autonomie, entreprise communautaire, vision autochtone du monde) de même que les concepts occidentaux (développement durable, économie de subsistance et d'échange, production et projets solidaires, écosystèmes agroforestiers, systèmes de production autochtones, biodiversité, technologie appropriée). L'élève peut ainsi plus facilement appliquer ces connaissances théoriques à son propre projet d'économie communautaire.

Un des cours de secondaire V porte ainsi sur la corvée traditionnelle nasa. L'apprentissage s'y fait par le biais d'un travail de groupe qui aborde la composante organisationnelle de la *minga*, le leadership communautaire, la production durable, la commercialisation des biens produits et la gestion des revenus qui en sont tirés. Les élèves appliquent les matières abordées en classe mais sont aussi interpellés pour la recherche de solutions pratiques permettant d'améliorer les conditions de vie de leur communauté.

CONCLUSION

L'objectif de cette recherche était de saisir empiriquement l'articulation entre le nouveau système scolaire et l'économie sociale et communautaire nasa. Nous avons illustré comment le cursus secondaire de l'École Eduardo-Santos renforce le système productif nasa, son économie communautaire et ses objectifs de gestion durable des ressources naturelles, d'adaptation des systèmes productifs aux nouvelles conditions socioéconomiques et d'appropriation de techniques productives adaptées à la communauté nasa (ACIN, 2001; Vitonás, 2003).

Ainsi, l'élève nasa est appelé à développer un profil scientifique et technique lui permettant d'améliorer son environnement, d'analyser des problèmes, d'en tirer des conclusions, de chercher des solutions alternatives et même de faire des propositions en lien avec son propre projet productif qui est, à son tour, lié au développement de sa communauté. Il aura aussi accès, s'il le désire, à une éducation supérieure. Pour ceci il se sera engagé dès son adolescence dans un travail communautaire lié au développement de sa communauté :

Ma fille a commencé à expérimenter les espaces communautaires, à réfléchir à ce que fait l'État colombien par rapport à nous, à la façon dont l'économie capitaliste nous affecte et [elle a aussi réfléchi] à comment elle peut participer activement, travailler en équipe pour sa communauté et devenir une personne consciente, créative et plus critique ... [Cette]

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formation ... a réussi à faire de ma fille une personne différente. (entrevue d'une mère d'élève secondaire V, École Eduardo-Santos)

Le cursus scolaire de l'École secondaire Eduardo-Santos de Toribío intègre ainsi la socialisation familiale et communautaire, piliers des apprentissages nasa, tout en améliorant la réussite scolaire et les conditions de vie des jeunes. Ce cursus constructif et entrepreneurial témoigne du pouvoir d'agir de cette Première Nation et de l'importance des processus démocratiques qui ont été mis en place—« À partir du domaine de l'éducation, [ces projets contribuent] au processus de démocratisation des sociétés pluriculturelles de l'Amérique latine » (Sartorello, 2009).

Pour le peuple nasa, « L'autonomie ne se vend pas, elle doit être respectée et construite, car elle est une terre fertile qui fait voir le jour à des semences de vie » (ACIN, 2012). Cette expérience pédagogique qui permet d'assurer l'autosuffisance de l'École contribue par la même occasion à celle de la communauté nasa de Toribío. Elle s'inscrit dans le cadre d'une réciprocité à la fois pragmatique et théorique : la communauté nasa donne à l'institution scolaire; celle-ci, en retour, redonne à la communauté. Et ce cursus scolaire permet à la communauté nasa de retenir sur son territoire la nouvelle génération et d'endiguer les migrations vers les zones urbaines.

On comprenait que l'éducation était une répression, une discrimination. Mais aujourd'hui, ça vaut la peine d'étudier parce que nous apprenons à connaître notre région et la communauté en établissant un lien avec les connaissances universelles, afin de rester dans la communauté et non pour en sortir, ni pour être employés dans une entreprise en dehors de la communauté, mais au sein de celle-ci et de voir comment rendre un meilleur service, en mettant les savoirs et les apprentissages à profit. (cadre du programme ethnoéducatif, Département du Cauca)

L'éducation témoigne aussi de la surprenante volonté des Nasa de maintenir le contrôle sur leur territoire dans un contexte où, rappelons-le, des acteurs armés (militaires, cartels de drogue, paramilitaires et guérillas) violent constamment leurs droits à ce territoire. La méthodologie éducative mise en œuvre ici intègre les mécanismes communautaires que sont les assemblées, les congrès et le travail d'équipe. Cette approche éducative rend possible la compréhension par les jeunes d'une culture de participation et d'engagement. Elle permet aussi d'articuler des pratiques culturelles nasa avec les dynamiques économiques et administratives propres au monde extérieur. Il s'agit d'une expérience locale intégrée qui mériterait une comparaison avec des expériences similaires émergeant sur le continent américain et ailleurs au monde. Soulignons enfin l'importance d'intégrer les savoirs issus de cette expérience au corpus théorique de l'économie solidaire occidentale. Le mot « Nasa » signifie « personne ». C'est le nom original de ce peuple autochtone qui a aussi été appelé « Páez ». Il s'agit du principal groupe autochtone du nord du Département du Cauca, en Colombie.

NOTES

1. Héritée des modes de production et d'échange ancestraux, cette économie est solidaire et a intégré certaines caractéristiques de l'économie solidaire de type occidental. L'expression *économie communautaire* a émergé dans nos entretiens auprès de tous les répondants nasa.
2. Cette recherche a été réalisée dans le cadre d'un mémoire de maîtrise en travail social. Elle a bénéficié de l'appui du spécialiste en études autochtones italien, le Père Antonio Bonanomi, de l'économiste traditionnel autochtone nasa, M. Ezequiel Vitonás, du coordonnateur du programme éducatif ethnique du Cauca, M. Marcos Yule et du conseiller international de cette communauté, M. Manuel Rozental, et du soutien

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inconditionnel de M. Guillevarado Hernández, Mme Catalina Hernández Manning et de Mme Maria Isabel Bellon. Nous tenons en outre à remercier les évaluateurs anonymes pour leurs suggestions et commentaires.

3. L'« interculturalité » se trouve parmi les revendications du mouvement autochtone qui cherche à établir des rapports horizontaux avec les autres mouvements sociaux. Les Nasa comprennent le concept d'interculturalité comme un processus partant de la connaissance de ce qui leur est propre pour ensuite l'intégrer à d'autres connaissances extérieures (CRIC, 2004).
4. Les *Cabildos* sont des organisations traditionnelles dont les membres sont reconnus par la communauté et dont la fonction est de représenter légalement la communauté, d'exercer l'autorité, d'entreprendre les activités préconisées par les lois, usages, habitudes et normes internes de la communauté (ACIN, 2005).
5. Les *mingas* sont des moments de travail collectif non rémunéré propres à la culture nasa (Espinosa, 2003: 31). Elles sont intégrées au programme éducatif de l'École Eduardo-Santos.
6. Les *tuls* sont des potagers développés à l'intérieur des institutions éducatives ou dans les parcelles qui appartiennent aux parents des élèves de secondaire V. Ils ont comme but d'améliorer l'alimentation et la santé de la communauté (ACIN, 2000-2006).

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An Exploration of Charity/Non-Charity Partnerships in Canada

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ABSTRACT

While charities and non-charities both work toward the betterment of society, only registered charities are able to access charitable funding. This difference in access, combined with trends in the voluntary sector including challenges to the definition of what is charitable, a lengthy registration process, lack of capacity within the sector, and citizen engagement through community development, have contributed to charity/non-charity partnerships as an emerging practice. This study provides an exploration of charity/non-charity partnerships with a focus on understanding the practice and the policies governing them. Interviews with practitioners provide important context and a framework for understanding the different models of practice. Legal interviews provide guidance on applicable policies. The study highlights the gaps between policy and practice and provides recommendations for both.

RÉSUMÉ

Bien que de nombreux organismes se consacrent à créer une meilleure société, seuls les organismes de charité enregistrés peuvent accéder aux subventions caritatives. Cette différence d'accès, jointe à des tendances dans le secteur bénévole telles qu'un questionnement de la définition de ce qui est caritatif, un très long processus d'enregistrement, un manque de ressources et l'implication de citoyens dans le développement communautaire, a contribué à l'émergence de partenariats entre organismes de charité enregistrés et leurs compléments non enregistrés. Cette étude explore ces partenariats en se focalisant sur les pratiques et politiques qui les gouvernent. Des entretiens avec des participants offrent un contexte et cadre importants pour comprendre les divers modèles adoptés. Des entretiens sur le droit d'autre part mettent en lumière les politiques pertinentes. Cette étude souligne les écarts entre politique et pratique et fournit des recommandations pour les deux.

KEYWORDS / MOTS CLÉS Fiscal sponsorship; Voluntary sector; Nonprofits; Charitable organizations; Partnership / Parrainage fiscal; Secteur bénévole; Organismes sans but lucrative; Association caritative; Partenariat

INTRODUCTION

As a result of economic trends and neoliberal government policies, Canada's voluntary sector is increasingly being asked to do more with less. A common response to this request has been collaboration. Working together should reduce duplication, create economies of scale, and increase reach. Much has been written about the benefits of collaboration with the voluntary sector (Phillips & Levasseur, 2004), the focus has been, however, on cross-sector partnerships between the voluntary sector, government, and private sector companies. This homogenizes the sector and ignores the benefits and complexities of collaboration within the sector.

A growing form of partnership within the sector is collaborations between organizations with charitable status and those without this status (i.e., non-charity). Charitable status occurs when an organization is registered as a charity with the Canada Revenue Agency (CRA). This creates eligibility for charitable funding, the issuing of tax receipts for funds collected directly from individuals, exemption from income tax, reduced goods and service tax (GST), and the perceived legitimacy of being approved by the government (Canada Revenue Agency, 2008b). Non-charities are organizations or groups engaged in charitable work but not registered as a charity (this definition does not include for-profit companies).

Charities and non-charities may provide similar services with the key difference being the ability to access charitable funding. A charity/non-charity partnership is formed when a charity partners with a non-charity in such a way that extends charitable status to it. This enables the non-charity to enjoy the charitable benefits outlined earlier, particularly access to charitable funding. Although this sounds relatively simple, it is the source of the complexity of charity/non-charity partnerships

These partnerships are partially a result of informal citizen-led groups seeking charitable funding to address local social issues (Ramsundarsingh, 2009), the desire to focus resources on mission work rather than administration (Wright, 2010), and the increased complexity, cost, and time required to obtain charitable registration (Eakin & Graham, 2009). While charity/non-charity partnerships are actively practiced in Canada, little is known about how they are practiced or the guidelines governing them (Ramsundarsingh, 2009; Stevens & Mason, 2010).

This exploratory study addresses this gap by investigating how Canadian organizations are practicing charity/non-charity partnerships and how current Canadian policy governing charitable organizations can be applied to this practice. This study provides a description of the practice of charity/non-charity partnerships (i.e., the types of group setting up partnerships) in Canada as well as the policies (i.e., legal and tax) governing them. The article concludes with recommendations for both policy and practice to best mitigate the risks and maximize the benefit of charity/non-charity partnerships.

RELEVANT LITERATURE

A literature search was conducted in both the academic and grey documents, with only 15 sources identified. Most of these 15 documents were from American grey literature and written from the perspective of a charity. They provide information on the trends influencing the structure of not-for-profits, variation in terms used to label this type of relationship, the types of practices followed, and the potential risks associated with partnership.

TRENDS IN THE VOLUNTARY SECTOR

The voluntary sector in Canada is composed of over 161,000 charitable and nonprofit organizations providing services to children, families, seniors, and communities in the areas of health, education, recreation, housing, and economic development (Employment and Social Development Canada, 2015). The sector as a whole accounted for \$106.4 billion in economic activity, which is 7.1 percent of the nation's economic activity (Statistics Canada, 2010). Of this, the core nonprofit sector (excluding health or educational institutions) accounted for 2.4 percent of Canada's gross domestic product (GDP) in 2008 (Statistics Canada, 2010). Excluding universities and hospitals, the voluntary sector is three times the size of the automobile industry (Eakin & Graham, 2009). Within the voluntary sector there are a number of trends that have contributed to the development of charity/non-charity partnerships as a practice, including decreased funding for the sector, a need for increased responsiveness, a high number of charitable organizations being deregistered, and increased community engagement.

Despite its size and important contribution to society, the voluntary sector has faced significant reductions in funding (Goar, 2012; Imagine Canada, 2009). As a partial response to the need to reduce costs, partnerships between charities and non-charities emerged, organizations that "thought they were stable and independent are looking at sharing offices, accounting, fundraising, etc. in order to cut costs and increase their chances of surviving." (Goldberg, Kamoji, Orton, & Williamson, 2009, p. 21)

A second trend is the responsiveness of the sector. Projects that have short timeframes or are responding to immediate needs often do not have the time to engage in the charitable registration process. Charity/non-charity partnerships enable non-charities to begin receiving charitable contributions and implementing their programming sooner, "from the moment the [charity] agrees to accept the project" (National Network of Fiscal Sponsors, 2009, p. 1). If a group or individual applies for charitable status separately, its ability to respond is delayed by the "bureaucratic red-tape associated with incorporating and filing federal and state applications for tax exemptions" (National Network of Fiscal Sponsors, 2009, p. 1). In the case of short-term or time-sensitive projects, the 12-month wait for approval from the CRA renders the project impossible.

The third trend highlights the concerns of the CRA. The CRA struggles with a large number of applications for charitable registration, while at the same time has recognized a troubling trend of deregistration among charitable organizations. The CRA (2008a) estimates that in the 2008 tax year, it received 4,500 applications for charitable registration, and 2,200 charities lost their registered charity status by either asking for it to be revoked or failing to file their annual return. This number does not account for the many charities that have had their registered charitable status revoked due to compliance issues. The CRA (2008a) posits that the high rates of deregistration may be related to: organizations set up for short-term objectives, a lack of capacity to operate effectively, a failure to anticipate the competition for donations and volunteers, the duplication of programs, and that for some organizations, charitable registration was simply not necessary.

The corollary to the CRA's challenge is that despite the large number of applications for charitable registration, a growing group of organizations believe that the benefits of charitable registration are outweighed by the administrative cost of obtaining charitable registration. In a survey of voluntary sector organizations, 51 percent of respondents identified difficulty obtaining charitable status as their primary concern (Eakin & Graham, 2009). Groups that struggle under the weight of regulations and reporting requirements, or lack the capacity to maintain charitable status, believe they can be better served through charity/non-charity partnerships. In these partnerships they are relieved of administrative duties and allowed to focus on their service duties.

The final trend is the voluntary sector's focus on engaging in community development efforts via small local groups (e.g., neighbourhood-based poverty initiatives). Community-based programming encourages community members to "take action to achieve better outcomes for children, families, and neighbourhoods" (Ahsan, 2009, p. 4). The use of community engagement strategies requires funding models that enable charities to invest directly in community members. An example of this is neighbourhood small grants that are offered across Canada. Funders that want to fund local residents to take the lead in improving their communities often initiate these grants. Using charity/non-charity partnerships, funders are able to provide funds to residents while ensuring proper stewardship.

LABELLING THESE PARTNERSHIPS

Multiple terms are used to describe charity/non-charity partnerships, creating a lack of clarity around the practice. A commonly used American term, and the one used in the initial literature search is "fiscal sponsorship." Fiscal sponsorship in the United States is a "well-documented practice of a registered charity [which holds tax exempt status] choosing to support a non-[tax] exempt project financially" (Colvin, 2005, p. 3). The U.S. has established clear legal guidelines and a national network dedicated to the practice.

In addition to the absence of clear language, the literature discussed the importance of clarifying the correct language for fiscal sponsorship. Pele Bauch and Veronica Newton (2006) stated that the terms umbrella organizations, fiscal agents, and fiscal conduits are synonymous with fiscal sponsorship. In the Canadian literature, Tides Canada suggested the terms charitable venture organizations or shared platform organizations (Jurbala, 2012). Similarly, the Rose Foundation (2008) suggested the term charitable umbrella. In an announcement about the implications of a legal case that it was involved in, Imagine Canada (2015) used the terminology registered charity and non-charity partner.

The only terms used consistently throughout the literature were fiscal sponsor and fiscal agent; however, three sources address the use of the term fiscal agent as problematic. In the legal brief *Fiscal Agency Versus Fiscal Sponsorship*, Jane C. Nober (2004) explains the shift from the term fiscal agent to fiscal sponsor. The term fiscal agent is associated with the practice of earmarking, which is defined as "any oral or written understanding that a grant will be spent in a particular fashion" (p. 56). When earmarking takes place, the charity is considered a conduit because it does not "exercise discretion or control" (p. 56) over those contributions, and this is considered unacceptable under current charitable regulations.

Laird Hunter (2002) offers a rationale for not using the term fiscal agent, which is rooted in the legal interpretation of what it means to act as an agent. In legal terms, an agent is a person appointed by someone else with the power to do some specified thing for the person making the appointment, the principal. Or an agent can be appointed with general powers. In both cases the agent operates on instructions from the principal (Hunter, 2002). In the language of fiscal sponsorship, the relationship has been inverted. The charitable organization is referred to as the agent, implying that the sponsored group controls the charitable group (Colvin, 2005). An arrangement of this type would place the charitable organization at risk of losing its charitable status because it violates the legal requirement that "the charity must maintain control so that their charitable purposes – and only those purposes – are the objects of spending" (Hunter, 2002, p. 56). The literature therefore offers no clarity on the use of language to describe these partnerships. The rationale for the use of the language of charity/non-charity partnerships is provided in the findings.

Regardless of the term applied, the description of charity/non-charity partnerships was consistent throughout the literature. The defining features of a charity/non-charity partnership are that it is a partnership between a charity

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and a non-charity and that it involves a transfer or sharing of resources, such as funding, access to legal counsel, administrative support, employee benefit plans, office space, publicity, fundraising assistance, and training (Krivkovich, Kauffman, & D'Oliva, 2003).

In *Fiscal Sponsorship: 6 Ways of Doing It Right*, Gregory Colvin (2005) provides an example of charity/non-charity partnerships involving a community church that is approached by a group of congregation members and individuals with AIDS wanting to establish an AIDS hospice. The church agrees to support the project by allowing the group to use its space for patients, undertake fundraising by providing tax receipts for donations to the hospice, and apply for charitable funding using the name and charitable number of the church. In this example the church is the charity, and the group of congregation members and persons with AIDS are the non-charity.

This example illustrates many of the benefits of charity/non-charity partnerships. By partnering with congregation members, the church empowers them to address a need within the community. This is important because the community group lacks the capacity to register for charitable status alone. With assistance from the church, the community group is able to immediately access the benefits of charitable registration without having to wait months for approval from the regulatory agency. The community group also benefits from the use of the church's financial and administrative structure and staff, meaning that it does not have to hire its own staff or develop any of its own policies. Reducing administrative expenses leaves more funds available for direct services, thereby creating financial efficiency. Moreover the church benefits from this arrangement because it gains a partner to help fulfill its mandate of supporting community needs. Most importantly, the community benefits by having a genuine need satisfied.

RISKS OF CHARITY/NON-CHARITY PARTNERSHIP

This idyllic description of a church and its members creating a hospice for persons with AIDS belies the legal and financial risks created by this arrangement. By engaging in this partnership, the charity assumes the risks of financial penalties or deregistration if the CRA deems the practice unacceptable due to lack of appropriate documentation and oversight.

When an organization applies for charitable status it is required to submit a governing document that includes a statement of formal purpose accompanied by a detailed outline of activities that will be undertaken to achieve the stated purpose. This is commonly known as an organization's charitable objects and activities. Once approved, a charity is expected to devote its resources to the stated charitable objects and activities (Canada Revenue Agency, 2011). A charity can do this by choosing to carry on its own charitable activities or by funding certain organizations identified as qualified donees to carry out its charitable work. A qualified donee (Canada Revenue Agency, 2015) is:

- A registered Canadian charity;
- A registered Canadian amateur athletic association;
- A tax-exempt housing corporation resident in Canada that only provides low-cost housing for seniors;
- A registered Canadian municipality;
- A registered municipal or public body performing a function of government in Canada;
- The United Nations and its related agencies;
- A prescribed university outside Canada;

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- A charitable organization outside Canada to which the Government of Canada has made a donation in the current tax year or the previous tax year; or
- The Government of Canada, a province, or a territory.

This is critical to charity/non-charity partnerships and the root of their complexity because the defining feature of non-charities is that they are not qualified donees. When a charity partners with a non-charity and there is a financial relationship, it is considered a transfer of funds to a non-qualified donee, which, unless accompanied by the appropriate documentation and oversight, is cause for revocation of charitable status. The transfer of funds to non-qualified donees is one of the top ten compliance issues identified by the CRA (de Marche, 2007), which it has addressed through a series of compliance workshops, as well as the introduction of a new penalty specific to charitable organizations that transfer funds to non-qualified donees (Canadian Revenue Agency, 2009).

From the government perspective, the rationale for this narrow list of qualified donees is the risk to donors and taxpayers of having charitable dollars mis-managed by groups given access to charitable dollars through charity/non-charity partnerships. Moreover the practice of charity/non-charity partnerships calls into question the definition of “charitable” by allowing charitable organizations to determine which groups they extend their charitable status to. Whether or not an organization is deemed charitable is dependent upon the common-law definition of what is charitable. In the guidelines for registering a charity for income tax purposes, the Canada Revenue Agency (2008b) clearly states that the organization “must first be a charity under common law” (p. 4). The current definition of charity was updated in the late 1800s and classified into four categories of charitable purposes.

Charity in its legal sense comprises of four principal divisions: trusts for the relief of poverty; trusts for the advancement of education; trusts for the advancement of religion; and trusts for other purposes beneficial to the community and not falling under any of the preceding heads. (Canada Revenue Agency, 2006)

Actions that disqualify an organization from being charitable under the law include personal benefit, private benevolence, political purposes, and activities that are illegal or contrary to public policy.

The current definition of charitable activities has been contested by nonprofit organizations for over 20 years. Some argue that the definition of what is charitable is overly restrictive. They believe that broadening the definition of charity will benefit Canadians because it allows for innovative groups to engage in charitable work, better meeting the needs of the community. Kernaghan Webb (cited in Levasseur, 2009) suggests that Canada employs an arbitrary decision-making process when determining which organizations receive charitable status. He provides the example of an anti-pornography group with a strong emphasis on advocacy that was denied charitable registration, and an anti-smoking group that also emphasized advocacy receiving charitable registration.

Organizations and groups that recognize a need within the community but are denied charitable registration are left unable to access charitable funding without the help of a charity/non-charity partnership. While some groups continue to challenge the definition of what is charitable, through lengthy and expensive court cases, others are simply seeking partnerships with charitable organizations that have similar values. Lynn Eakin and Heather Graham (2009) suggest this is one of many creative ways the sector has devised of working around the disabling regulations and rules. They view charity/non-charity partnerships as a creative solution that emerged in response to unchanging regulations around the definition of what is charitable. Meanwhile opponents of

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charity/non-charity partnerships contend that charities should not be trusted to determine what is charitable, since it usurps government authority and presents opportunities for conflicts of interest.

Of the limited sources on this topic, only five documents focused on Canada. The Canadian literature was consistent in its support for the practice and its perceived benefits, such as the ability to foster social innovation (Jarula, 2012) and the increased capacity of the sector through the mentorship of non-charities by charities (Stevens & Mason, 2010). Existing studies were limited to local practices and often focused on a single form of charity/non-charity partnership (Ramsundarsingh, 2009; Stevens & Mason, 2010). The literature also identified the need for the clarification of policy guidelines and consistent and legally compliant terms (Hunter, 2002; Ramsundarsingh, 2009; Wright, 2010).

Acknowledging fully the risks involved in charity/non-charity partnerships, the literature provides consistent support for the continued growth of the practice. However gaps in the current literature limit the way forward for potential partners, donors, and regulators. These include the absence of consistent language, the lack of a conceptual framework outlining different types of relationships, evidence on contextual factors supporting when these relationships create value, and a clear understanding of the policy environment to help mitigate risks.

METHODOLOGY

To understand the practice of charity/non-charity partnerships and address the gaps identified in the literature, this study uses constructivist grounded theory to explore the following research questions:

- 1) How is fiscal sponsorship practiced in Canada?
- 2) How does the current policy context apply to fiscal sponsorship practice?
- 3) What are appropriate guidelines of practice?
- 4) What policy recommendations should be implemented to ensure compliant fiscal sponsorship practice?

The qualitative methodology was based on constructivist grounded theory. This allowed for the iterative analysis of inductive data toward the development of theory or models (Charmaz, 2014). It also takes into account environmental factors, such as the local funding environment, existing networks, and power dynamics.

Data collection

To answer the first research question, individual interviews were conducted with both charities and non-charities engaged in charity/non-charity partnerships. Participants were asked to speak about their partnership experiences. There were 24 interviews conducted, 18 with charities and 6 with non-charities.

To answer the second research question, individual interviews were conducted with legal professionals. Legal professionals were asked to identify and interpret current policy related to charity/non-charity partnerships in order to determine requirements for compliance as well as potential areas for policy change. Four interviews were conducted with legal professionals.

To answer the third and fourth research questions, roundtable discussions were held. Roundtable discussions allowed for debate about components of practice and policy and in-depth discussion about challenges or areas of uncertainty. Having multiple perspectives at each roundtable also ensured that the recommendations were representative of diverse experiences with charity/non-charity partnerships and different stakeholders. During the roundtable discussions, findings related to policy were shared with those participating in the practice

roundtables in order to inform their discussion, similarly, practice findings were shared with the legal roundtables to inform their discussion. The Department of Human Resources and Skills Development Canada (HRSDC) in Edmonton, Calgary, Vancouver, and Toronto hosted the roundtables. There were seven roundtables in total, four focused on the topic of fiscal sponsorship and shared services, and three focused on understanding the legal context for fiscal sponsorship in Canada. The Law Foundations of Ontario and British Columbia co-hosted the legal roundtables.

The sample

Because charitable organizations are governed federally, it was important to include cities from different locations across Canada so that when policy and practice were compared to develop recommendations, the practice would be representative of multiple Canadian cities rather than a single local context. Collecting data in different cities allowed the researcher to capture a larger variety of practice models as well as regional differences. Calgary, Edmonton, Vancouver, and Toronto were identified through the literature review and chosen because they had existing groups organizing around charity/non-charity partnerships.

Initial interview participants were identified through an internet search. Following the initial interviews, snowball sampling and the roundtables were used to identify potential participants. Participants were then selected using theoretical sampling. The hosts, HRSDC and the Law Foundations, identified the roundtable participants. Invitations to participate were sent broadly to members of the Law Foundations and the voluntary sector with the hopes of capturing diverse perspectives and experiences with charity/non-charity partnerships. Participants from individual interviews were also invited to attend.

Analysis

Detailed notes were taken at all of the roundtables, and research interviews were recorded and transcribed. In accordance with grounded theory, data analysis was conducted concurrently with interviews and used to inform theoretical sampling. Data analysis was conducted in three stages common to grounded theory: open coding, axial coding, and selective coding. Legal data was analyzed separately from data about the practice. In the analysis of the practice, data saturation was reached at 14 interviews; however, additional interviews were conducted in order to validate the findings with participants from different service areas. The coding yielded two models: 1) stages of establishing a charity/non-charity partnership and 2) models of practice. The legal interviews were analyzed with the notes from the legal roundtables. The legal interviews identified relevant policy documents and provided interpretation of the policies to the practice. The interviews demonstrated complete consensus on the interpretation and application of the policies. When the policy data was compared with practice models, the following gaps were identified: administrative fees, organizational policies, employment, governance, oversight, advocacy, and intake.

To ensure trustworthiness, the researcher sustained engagement in the field for two years; conducted triangulation between different data types as well as between the different roles of the research participants; practiced reflexivity; conducted member checking throughout data collection and analysis; and conducted peer editing, which involved a review of the findings by legal professionals and voluntary sector experts.

Limitations

The limitations of this study include the use of snowball sampling and the use of the term fiscal sponsorship in recruitment. Using snowball sampling to recruit participants resulted in a sample of participants connected to each other in some manner and the exclusion of individuals not connected to these networks. The use of fiscal sponsorship created a barrier to participation because potential participants who were unfamiliar with this term, or

who identify the practice with another term, may not have participated. Although this is the largest study on this topic to date with the greatest geographical coverage, there remain parts of Canada that are not represented and therefore it cannot be considered representative. The majority of respondents were charities; therefore, the findings are biased from the perspective of a charity.

FINDINGS FROM THE VOLUNTARY SECTOR

The sample indicated that charity/non-charity partnerships are being practiced throughout the voluntary sector. Partnerships existed between charities and a variety of non-charities, including unincorporated groups and individuals, societies, not-for-profits, and part nine corporations. A part nine corporation is a form of informal incorporation that allows nonprofits to engage in business activities. These groups often include ethno-cultural-, youth-, and community-based groups as well as community associations. In addition, participants represented a diverse number of service areas as outlined in Table 1.

Table 1: Participants by service area

Service Area	Participants
Capacity building	2
Immigrants	3
Youth	4
Community development	4
Children & Youth	2
Justice	2
Homelessness	1
Community economic development	1
Women	2
Counselling	1
Aboriginal	1
Disabilities	1

Table 1 shows that participants supported projects in 12 different service areas, including all ages, from infants to seniors. The diversity of service areas among charities and non-charities suggests that both the demand and perceived utility of charity/non-charity partnerships cuts across all areas of human services.

Charity/non-charity partnerships were used to support a variety of different activities within the sector. Table 2 outlines these activities.

Table 2: Activities supported by charity/non-charity partnerships

Type of Activity	Description	Example
Fundraising	A charity is established specifically to raise funds for the charitable activities of a nonprofit that engages in both charitable and non-charitable activities.	A nonprofit established to advocate for policy change also provides counselling and employment supports to women. It establishes a charity to raise funds for its counselling and employment programs.
Advocacy	A charity establishes a separate nonprofit or part nine company to focus on policy research and non-partisan political activities.	A women's shelter establishes a part nine company to conduct research and policy advocacy.
Citizen engagement	A charity works in partnership with community associations, citizen groups, or ethno-cultural or religious groups to improve the local community. This often includes short-term and time-sensitive projects as well as small grant programs.	A neighbourhood-based organization provides small grants to citizens for community-building activities, such as block parties or after school programming for children.
Capacity building	A charity provides administrative support and mentorship to a non-charity that is in the process of applying for charitable status or chooses to remain without status so that it can focus on its charitable mission without having to devote attention to administration.	A charity provides financial management, reporting, and human resources support to a nonprofit either allowing it to focus on its charitable work, or develop its own systems and policies as it mentors the nonprofit's leadership model.
Short-term/time-sensitive projects	A charity partners with a non-charity to respond to an emerging need, such as emergency disaster relief or critical programming to address youth violence.	A charity partners with a local community group to provide emergency supplies following an ice storm. The charity's reach is increased through the network of the local group, enabling it to reach more people in need in a short time.
Collaboration	Project are initiated by a mix of non-charities and charities, of which one charity is appointed to act as a backbone organization providing administrative support and accepting responsibility for the funding.	An early childhood development collaboration includes daycares, schools, preschools, community-based children's programs, and a charity providing parenting programs. The charity applies for charitable funding and manages the funds and administration.

Understanding what activities charity/non-charity partnerships support provided insight into what motivates organizations to engage in these partnerships. Both charities and non-charities were consistent in their support for the practice and the perceived benefits for themselves and society as a whole. Charities understood charity/non-charity partnerships as a form of service to the voluntary sector. One participant (Participant 28) believed charity/non-charity partnerships were a critical solution to the challenges of the sector and devoted their entire resources to charity/non-charity partnerships. Non-charities were primarily motivated by being able to access charitable funding to support their charitable work. Both were passionate about the benefits of charity/non-charity partnerships, which are summarized in Table 3.

Table 3: Benefits of charity/non-charity partnerships

<p>Benefits for charities</p> <ul style="list-style-type: none"> • Activities of the non-charity represent new services available to service users. • Information sharing provides access to the knowledge of the non-charity. • Relationships and networks are gained through connecting to the non-charity's network. This can be particularly valuable if the non-charity is connected to individuals from a marginalized or hard-to-reach group. For example, a non-charity run by youth may be better able to engage youth. • Funds received through administrative fees have no restrictions on how they can be spent. • Opportunity to practice service leadership through increasing the capacity of the sector as a whole.
<p>Benefits for non-charities</p> <ul style="list-style-type: none"> • Access to charitable benefits (community discounts, tax exempt status, ability to provide tax receipts, access to charitable funding). • Administrative support and cost saving (e.g., lower rates for benefits and insurance through economies of scale and access to legal counsel, accounting, and human resources supports). • Mentorship, including access to governance advice, training in completing funding proposals, planning projects, and conducting evaluations. • Increased ability to focus on community work instead of administrative tasks. • Perceived legitimacy through association with a larger organization. • Access to the network of the charity.
<p>Benefits for society</p> <ul style="list-style-type: none"> • Engages community groups that are traditionally marginalized and have struggled to establish themselves within the voluntary sector, such as ethno-cultural groups, youth groups, and community-based groups. • Allows a project to emerge in response to a need quickly without establishing a full infrastructure while also allowing it to come to an end when the need has changed. • Supports innovation. • Ability to support community-based initiatives (e.g., small community grants). • Provides oversight and support to groups as they work toward charitable registration. • Reduced costs and increased efficiency through shared services. • Reduced cost through fewer applications for charitable registration and less deregistrations due to oversight, mentorship, and capacity building provided by charities to their non-charity partners.

Similar to benefits, challenges identified were unanimous across both charities and non-charities. The lack of clarity of legal guidelines was highlighted as the primary challenge and the role of funders as the second. Charities expressed concern that, due to the lack of clarity, they may unknowingly be placing their charitable status at risk. Non-charities felt that the lack of clarity hindered their ability to advocate for themselves and increased the risk of being taken advantage of by their charity partner.

Specific areas of uncertainty included:

- What services and supports do charities provide to non-charities?
- Do charities charge a fee for their services? If so what is an acceptable fee?
- Who provides insurance for the activities of the partnership?
- Who employs the staff of the partnership?
- How are decisions made?
- What documentation is needed for expenses?
- Can the non-charity engage in advocacy activities?
- Who is responsible for reporting to funders?

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The uncertainty about the processes of charity/non-charity partnerships highlights the gap between current policy guidance and practice. This gap exists in part because practitioners are largely unaware of policy guidance, and in part because policy guidance does not provide many details, leaving charity/non-charity partnerships without access to legal counsel struggling to interpret its applications.

The role of funders was also identified as a challenge. It was common for funders such as private and public foundations, community foundations, corporate foundations, and government to consider requests for funding from non-charities and then require the non-charity to engage in a charity/non-charity partnership as a condition of their funding in order to ensure oversight and accountability for the funds. Often unfamiliar with the CRA requirements for charity/non-charity partnerships, funders would request charities to accept funding on behalf of a non-charity without providing any guidance on the risks and requirements for compliant partnerships. Such requests place charities in the precarious position of choosing between the risk of engaging in a charity/non-charity partnership and the risk of damaging their relationship with their funder by declining to participate. Charities often agreed to the funder's request but were unaware that the responsibility for oversight and reporting belonged to them. As a result charity/non-charity partnerships that were initiated by a funder were often least compliant. One charity explained "I felt that they [the funder] had faith in this other group to even be giving them the money but that they would also ensure that it was reported on" (Participant 10). This highlighted funder-initiated partnerships as a source of risk and reinforced that the desire of funders to provide funding to non-charities—and the need to have those funds properly managed—contributes to the need for charity/non-charity partnerships. It was recommended that funders need to be educated about the practice and that they be required to educate charities about their responsibility if they ask them to engage in a charity/non-charity partnerships.

The results indicated that charity/non-charity partnerships varied according to: services provided by the charity, level of oversight, and motivation for the partnership. Based on these variables multiple models of charity/non-charity partnership have emerged. The models include the conduit, technical assistance, platform, and subsidiary models. Table 4 outlines the characteristics of each model.

Table 4: Models of charity/non-charity partnerships

Models of partnership				
	Conduit	Technical assistance	Platform	Subsidiary
Services provided by charity	None	Offering accounting along with additional services, such as space and mentoring.	Offering accounting, additional services, and organizational services, such as benefits, office supplies, technology, and legal counsel.	Offering accounting, additional services, and organizational services, such as benefits, office supplies, technology, and legal counsel.
Oversight	None	Providing guidance in addition to requiring the non-charity to report back.	Providing guidance in addition to requiring the non-charity to report back.	Working collaboratively and actively participating on oversight committees and retaining the right to final decisions.
Motivation	Funder	Benefit to the sector.	Future intentions of expanding their role as fiscal sponsors, establishing fiscal sponsorship as their primary purpose.	Extension of their charitable mandate.

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The conduit model is one in which there was almost no interaction between the charity and the non-charity, there were no services provided and no oversight. In most cases funders initiated these partnerships. The technical assistance model is one where the charity provides services and oversight to the non-charity because it believes that the work of the non-charity will benefit the sector. In the technical assistance model, the charity and non-charity remain separate entities; therefore, this model of partnership is used only when both the charity and non-charity are legal entities. In the platform model, the charity provides services and oversight to multiple non-charities. When partnering with non-charities that are legal entities they remain separate entities, and when partnering with non-charities that do not have legal status they integrate the non-charity into their organization. An example of this is employment: when a funder partners with a non-charity that is not a legal entity, any employees hired are employed by the platform. Participants that adopted the platform model had intentionally established processes within their organization to support charity/non-charity partnerships and understood charity/non-charity partnerships as their primary purpose. In the subsidiary model—similar to in the platform model—the charity partners with non-charities that are both legal entities and not legal entities. In this model the charity completely integrates the non-charity. This may include providing services such as accounting, technology, and legal counsel, providing oversight using the charity's own internal systems, and hiring employees as employees of the charity complete with employee benefits. The key difference between the platform model and the subsidiary model is that in the subsidiary model, the charity does not partner with multiple non-charities.

The models illustrate a spectrum of integration between the charity and the non-charity, ranging from no interaction to complete integration. Factors affecting the level of integration are the motivation of the charity and the needs of the non-charity. High levels of motivation and high levels of need result in higher levels of integration. These models highlight the diversity of practices and provide an important framework for understanding key elements of charity/non-charity partnerships.

The study found that in Vancouver and Toronto the dominant model of charity/non-charity partnership was the platform model due to the presence of Tides Canada Initiatives. In Edmonton the technical assistance model was most common and in Calgary the subsidiary model was most common. In both cases this was due to the influence of the funder. The regional differences highlight how, in the absence of clear guidance, individual organizations can have a strong influence on practice.

Findings from the voluntary sector were shared at the roundtable discussions, which provided an opportunity for legal professionals to respond to the identified challenges and also identify concerns with current practice. This is discussed below in Application of Policy to Practice.

FINDINGS FROM THE LEGAL AND POLICY ANALYSIS

From the interviews with legal professionals, a clear understanding of which policies govern charity/non-charity partnerships emerged. When asked to identify relevant policies and guidance there was complete consensus. Relevant policies included: 1) the common-law definition of what is charitable, 2) guidelines for the political activity of charities, 3) transfers to non-qualified donees, and 4) CRA (2011) guidance CG-004: Using an Intermediary to Carry Out a Charity's Activities Within Canada. The common-law definition of what is charitable and transfers to non-qualified donees were discussed earlier in the literature review, as they are sources of risk for charity/non-charity partnerships. Political activities are discussed in the following section.

The focus of discussion in legal interviews was CRA (2011) guidance CG-004: Using an Intermediary to Carry Out a Charity's Activities Within Canada. This guidance speaks specifically to partnerships between a charity

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and a non-qualified donee. The guidance provides four types of relationships that are permissible, as well as the requirement for documentation and oversight. Table 5 describes these relationships.

Table 5: Forms of charity/non-charity partnerships

Type	Description
Agent	A registered charity can appoint an agent to act as its representative in carrying out specifically identified tasks on behalf of the charity.
Contractors	A registered charity can carry out its charitable activities by contracting with an organization or individual in another country to provide needed goods and services.
Joint Ventures	A registered charity and other entities that may not be qualified donees can decide to pool their resources to establish and operate a charitable program.
Cooperative Partnerships	Sometimes a registered charity works side by side with other organizations and with the people it is trying to assist to achieve a particular project. The various organizations do not necessarily pool their resources to carry out the project, as in joint ventures, but instead each of the partners takes responsibility for a particular aspect of the project.

The guidance also provides strict requirements for charity/non-charity partnerships. The requirements are designed to ensure that charitable funds are used solely for approved charitable activities. From the CRA's perspective, in charity/non-charity partnerships the work of the non-charity that is funded by charitable funding becomes the work of the charity; therefore, the charity must maintain direction and control over the project to ensure that the activities are in alignment with its charitable mandate. This represents a significant gap in perspective between the CRA and practitioners. CRA guidance clearly places ownership, legal, and financial responsibility solely on the charity, whereas practitioners view charity/non-charity partnerships as a shared responsibility.

The CRA (2011) describes direction and control as:

- Create a written agreement, and implement its terms and provisions.
- Communicate a clear, complete, and detailed description of the activity to the intermediary.
- Monitor and supervise the activity.
- Provide clear, complete, and detailed instructions to the intermediary on an ongoing basis.
- Arrange for the intermediary to keep the charity's funds separate from its own, and to keep separate books and records.
- Make periodic transfers of resources, based on demonstrated performance.

The following section clarifies the application of this guidance to practice, shares participant recommendations, and summarizes the findings of the roundtable discussions.

APPLICATION OF POLICY TO PRACTICE

The roundtable discussions were able to address the areas of uncertainty identified in the voluntary sector individual interviews, including administrative fees, advocacy, services and supports, insurance, staff, decision-making, documentation, and reporting. It also provides comments on the models of practice derived from the voluntary sector interviews, language, and recommendations from participants.

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In most cases, the administrative fee charged was ten percent. For some, ten percent was considered minimal in comparison to the services received, however, for others who were receiving no support or services from the charity, ten percent was considered an unjustified cost. To illustrate this, consider the following two agencies, both of which pay a ten percent administrative fee:

They do all the HR so all the payroll and benefits that is all done for the project. They make any payments that I need to make. It includes access to supplies such as paper pens, etc etc, And it includes my telephone. I do have a Blackberry, which I love and I am part of their network, which means that I get a screaming deal that I love so there are some huge benefits of being part of an organization like that gives me access to things that as a two person pilot project I couldn't. (Participant 22)

All our [charity partner] does is take \$5600 off of our amount that we get of funding and we are left with \$51000. And they just take it and they write us a cheque. (Participant 19)

This illustration of the discrepancy between fees charged and services rendered highlights the need to protect non-charities from excessive fees charged by charities.

From a legal perspective the language of administrative fee is unacceptable because it implies that the non-charity is paying the charity. Legally this is incorrect because the charity owns and is responsible for the funds. The preferred language is an allocation toward administrative expenses. This language clarifies that the responsibility and ownership of the funds lies with the charity.

Advocacy by charitable organizations is subject to CRA (2003) policy statement CPS-022: Political Activities, which limits the amount of resources that charitable organizations can use to support non-partisan political activities to ten percent. When a charity engages in a charity/non-charity partnership to support advocacy, any resources invested in advocacy through the partnership, even if the activities are carried out by the non-charity, are counted towards the ten percent of the charitable organization. Therefore it is important that the charitable organization exercises direction and control over the types of political activities and the amount of resources invested.

Services provided, staff, and insurance are not covered by the guidance. They relate to the legal status of the non-charity. When a charity partners with a legal entity, such as a nonprofit or part nine company, the risk of the partnership can be shared because a legal entity can access liability insurance and employ its own employees. With an informal group that is not a legal entity, the charity assumes greater risk because it is required to provide insurance for the activities of the partnership, maintain sole responsibility for the appropriate use of the funds, and it becomes the employer for any staff. When used for citizen engagement activities, charity/non-charity partnerships often require that citizens become volunteers of the charity so that their activities are covered by their insurance and they establish strict oversight to ensure funds are spent appropriately and in accordance with their charitable mandate. Similarly, services provided by either party are determined based on the model of practice, needs of the non-charity, and the capacity of the charity. Organizations without legal status may require greater support through services than a non-charity with legal status.

CRA guidance CG-004: Using an Intermediary to Carry out a Charity's Activities Within Canada, discussed in the findings, clearly outlines what is required in terms of documentation and reporting. According to the CRA the charity has the right to all final decisions regarding how the funds are spent. The charity is considered the

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owners of the funds and is responsible for ensuring that they are spent in accordance with the guidelines of the charitable organization and in alignment with the charitable activities that it has been approved to conduct.

This creates a power imbalance that favours the charity and is a point of tension for non-charities. The focus on the charity maintaining direction and control over the non-charity's activities provides no recourse for non-charities that are treated unfairly. The control mechanisms that charities can legitimately apply need to be clarified. Participants recommended that the CRA work closely with charities and non-charities to ensure that guidelines "ensure compliance but [are not] so compliance focused that we lose the opportunity to be innovative and push the boundaries" (Participant 28). Supporters of charity/non-charity partnerships have argued that the expectations of the CRA in terms of direction and control are, "too onerous and beyond what [is] legally necessary" (Imagine Canada, 2015). A group of pro bono lawyers together with Imagine Canada intervened in a proceeding before the Federal Court of Appeal on behalf of an organization that had its charitable status revoked as a result of inadequate direction and control over the activities of a non-charity it partnered with. However, the decision was upheld. Imagine Canada (2015) maintains that such decisions "stifle attempts by Canadian registered charities to develop more equitable and balanced relationships with non-charity partners."

In comparing the four types of partnership outlined by the CRA with the four models of practice that emerged from the voluntary sector interviews, it is clear that the conduit model is not compliant with CRA requirements. The remaining practice models may be considered compliant, depending on the level of oversight provided by the charity. Therefore any charities engaged in a charity/non-charity partnership using the conduit model risk being fined by the CRA or having their charitable status revoked.

The lack of clear and consistent language apparent in the literature review was also present in the interview data. The terms used by practitioners included shared charitable infrastructure, charitable host/home, charitable sponsorship, parent-child relationship, administrative sponsor, and shared services. The terms that emerged from the interviews were different than the terms that emerged from the literature review, and both are different than the language used in the CRA guidance. This illustrates a significant gap in the development of the practice. The lack of common language is indicative of inconsistent and unclear practice. Establishment of consistent language is essential for clarifying and communicating acceptable practices. This will in turn guide decision-making, mitigate risk, and establish compliant practice. Consistent language is also required to for future research.

This study proposes the term charity/non-charity partnership. Consistent in all of the definitions is that they describe a form of partnership between a charity and non-charity. The language differs in how it describes the number of partners and the roles of the various partners. The rationale for using the language charity/non-charity partnership is that it uses the most consistent element of the partnerships, it aligns with the legal language, and it highlights the root of the legal complexity. This language is also the language used most recently by Imagine Canada (2015) and a team of pro bono lawyers in a federal court case; therefore, it has been established in the legal context.

DISCUSSION AND CONCLUSION

The practice of charity/non-charity partnerships challenges many aspects of the voluntary sector and its governance. It questions the effectiveness of the charitable registration process, the relevance of the common-law definition of charitable, who can be engaged in charitable work, who can access charitable funds, how the voluntary sector works together, and the role of funders in ensuring CRA compliance.

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The lengthy and complex charitable registration process, and the common-law definition of charitable have contributed to the growth of this practice. Rather than engage in the registration process, organizations and groups are choosing charity/non-charity partnerships. A specific consideration relating to the definition of charitable is the legitimacy of charity/non-charity partnerships as a charitable purpose. Five participants expressed an interest in establishing charity/non-charity partnerships as their primary purpose or significantly growing the practice within their organization. Participants suggested that the oversight provided by charities is greater than what a small organization might have in place if it were operating independently; therefore, charity/non-charity partnerships increase the capacity and compliance of the voluntary sector. This provides a valuable incentive for the CRA to consider facilitating charity/non-charity partnerships as a charitable mandate.

This study highlights an important shift in the voluntary sector. Charity/non-charity partnerships require a change from the mindset of “empire building” to one of collaboration that significantly differs from the “mindset that we have created for a decade [that] says that the pinnacle of success is to establish your own registered charity” (Participant 28). There is a willingness to collaborate and change in the nature of collaboration. The platform and subsidiary models indicate openness to greater integration among partners. This openness extends to the inclusion of non-charities as important partners. Charity/non-charity partnerships with community-based groups and individuals in particular demonstrate a move away from professionalization and recognize the importance of engaged citizens and the value they bring.

The findings raise questions about the effectiveness of the CRA in communicating guidelines for practice. Unanimous across all voluntary sector interviews was a sense of uncertainty and confusion about the guidelines governing this practice. This, coupled with the transfer of funds to non-qualified donees, identified as the one of the top ten compliance issues (de Marche, 2007), which suggests that this is an important gap that needs to be addressed. The findings also highlight that funders play an important role in ensuring CRA compliance. While they are not responsible for enforcing compliance, they are stewards of charitable funds and have direct influence over the organizations and projects that they fund. It is essential that they are made aware of CRA guidelines to ensure that they are not encouraging practices that place charitable organizations at risk.

This exploratory study provides an important foundation for the further study of charity/non-charity partnerships. The findings present charity/non-charity partnerships as an important element of voluntary sector work in Canada with significant benefits. However there is no research evaluating the actual impact of charity/non-charity partnerships. An important question for future research is to measure and quantify the benefits of this practice in order to determine the true public benefit. From a compliance perspective it would also be prudent to explore whether the activities being supported are considered charitable. This would be an important step in determining if the practice creates benefits as found in this study, or if it is the risk that the CRA deems it to be.

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Book Review

By Emily Macrae

Think Like a Commoner: A Short Introduction to the Life of the Commons. By David Bollier. Gabriola Island: New Society Publishers, 2014. 192 pp. ISBN 9780865717688.

What do agriculture in India and urban planning in Croatia have in common? In *Think Like a Commoner: A Short Introduction to the Life of the Commons*, David Bollier brings together examples of co-operative practices from around the world to show how the idea of the commons can transform social relations, challenge economic assumptions, and tackle climate change. Bollier is an author and activist whose research draws on his experiences as a policy strategist and grassroots organizer. Despite Bollier's extensive insider engagement with collective endeavours, *Think Like a Commoner* provides an approachable overview of the commons for the general public by using accessible language and maintaining a conversational tone. Although academics may find the book light on theory, activists will be empowered by the focus on practice.

Think Like a Commoner is divided into eleven chapters. Each chapter consists of a self-contained argument and could easily be read alone, but the chapters also build on one another to create a more sophisticated narrative. The book is premised on the idea that everyone has an instinctual understanding of what constitutes the commons. As a result, Bollier does not provide an overarching definition of *the commons*. Instead, he builds on the concept throughout the book, suggesting early on that the commons is both "things that no one owns and are shared by everyone" (Bollier, 2014, p. 2) and "a parallel economy and social order that quietly but confidently affirms that another world is possible" (p. 4).

The lack of a single, authoritative definition allows Bollier to launch into examples of contemporary commons in Chapter 1. This, however, presents conceptual challenges later in the book. In Chapter 2, Bollier revisits Garrett Hardin's seminal article "The Tragedy of the Commons." Hardin's account of catastrophic mismanagement has defined mainstream understandings of the commons since its publication in 1968. In contrast, Bollier argues that the situation described by Hardin is not a true commons because resource use is not governed by social norms. The next three chapters expose the legacy of the tragedy of the commons and show how the privatization of natural resources paved the way for control of cultural assets and intellectual inquiry. Chapter 6 looks at the neglected history of the commons, while Chapter 7 elaborates on the challenges of private property. Chapters 8 and 9 focus on the commons in areas ranging from digital innovation to Indigenous traditions. Although at times these clusters of ideas seem arbitrary, Bollier resists the urge to categorize the commons, explaining that "any classification system will necessarily reflect the analysts' cultural bias" (2014, p. 127). A similar hesitancy to

establish a system of thought characterizes the final two chapters of the book. Chapter 10 is devoted to the ways that embracing the commons could change the way we think, and Chapter 11 argues that theories of the commons have not kept pace with an explosion of practices in diverse domains.

Think Like a Commoner is a tangible representation of the focus on practice over theory. For instance, Bollier explains how the book is licensed under a Creative Commons BY-NC-SA license, and the appendices incorporate content from other works also under Creative Commons licenses. In essence, these licenses permit content to be used as long as credit is given to the author and derivative uses remain legally shareable. By drawing attention to the agreements that encourage his ideas to be shared, Bollier grounds his work in a concrete commitment to the inclusive and commons-based exchange of knowledge.

While the book is an action-oriented account, it is not without theoretical underpinnings. *Think Like a Commoner* draws on numerous theorists, including Enlightenment philosopher John Locke and contemporary legal scholar Ugo Mattei. However, it is the ideas of economic historian Karl Polanyi that have the most in common with Bollier's analysis of social norms and economic imperatives. Polanyi's book *The Great Transformation* (1944) examines the emergence of the self-regulating market. Although, according to Polanyi, markets had existed throughout history in diverse societies, the industrial revolution and the subsequent growth of capitalism disembedded commerce from broader cultural practices. In the absence of a profit motive, Polanyi claims that "the economic system was absorbed in the social system" (1944, p. 68). Conversely, industrialization organized human life and the natural world into markets, which Polanyi refers to as the "fictitious commodities" of labour and land.

Bollier calls *The Great Transformation* an "underappreciated classic" and even adopts the term "fictional commodities" in his discussion of enclosures (2014, p. 44). Like Polanyi, Bollier explores the challenges that arise when the management of resources is divorced from shared values and collective purposes. However, as well as identifying the problem, Bollier updates Polanyi's argument by showing how the commons offers a solution for a more just distribution of natural resources and human ingenuity in the twenty-first century.

Think Like a Commoner's fresh perspective on the relationship between social objectives and economic activity is all the more pressing given the increasingly contested language of the commons. As Bollier notes: "we have so few words to *name* the pathologies of markets and the feasible common-based alternatives" (2014, p. 5, emphasis in original). It is in this context, however, that Bollier's reluctance to establish a definition of the commons becomes problematic. Throughout the book, he underplays the value of precision in describing the commons and instead acknowledges that the term is used as both a noun and a verb by different communities.

Although this stance is consistent with the emphasis on practice over theory, it neglects the ways "the commons" as a concept can and is being co-opted for contrasting purposes. Bollier does mention the work of Marxist scholars Michael Hardt and Antonio Negri and their book *Commonwealth* (2009). He describes these writers as "some of the most astute commentators" (Bollier, 2014, p. 94) studying the commons, particularly in their analysis of the tendency of markets to erode social relationships. However, economist Jeffrey Sachs also released a book called *Common Wealth* in 2008 with similarly important implications for understanding the concept of the commons (but with a different focus from Hardt and Negri), and Bollier fails to cite this influential work. The fact that two books with almost identical titles represent different perspectives speaks to the need to clarify how the concept of the commons is used, and for whose benefit.

In conclusion, *Think Like a Commoner* is a concise introduction to both the contemporary practices and historical context of the commons. The book's greatest strengths are its enduring optimism in the possibility of alternative economic arrangements and its commitment to these ideals, as demonstrated by the use of a Creative Commons license. Although Bollier does not resolve issues surrounding the conceptual definition of the commons, the examples he provides lay the groundwork for a more theoretical discussion of the term.

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Book Review By Jack Quarter

Politicized Microfinance: Money, Power, and Violence in the Black Americas. By *Caroline Shenaz Hossein*. Toronto: University of Toronto Press, 2016. 209pp. ISBN 9781442616240.

The commentary on microfinance is polarized, with some viewing it as the solution to poverty, and others viewing it as a neo-liberal swindle that has become highly commercialized with usurious interest rates. It is therefore refreshing to find Caroline Shenaz Hossein's analysis of microfinance that offers a powerful critique but also sees some value in microfinance, offering a vision of how it is best accomplished.

Hossein's book is set in the Caribbean region, particularly in Jamaica, Trinidad and Tobago, Haiti, Grenada, and Guyana. She undertook painstaking research between 2007 to 2013, including field research plus hundreds of interviews that extended to Barbados, Panama, Canada, and the United States. No doubt, the book will be of interest to microfinance researchers and practitioners, students of the social economy and community development, to colonial and decolonizing historians, policymakers, and those interested in Caribbean socio-economic affairs. Thoroughly researched and appropriately sub-divided into six chapters that move from the history and theory of microfinance and Black communities, to contextualizing the national case studies, to the intersection of culture and politics in microfinance, to the relations between borrowers and lenders, and finally to analyzing alternative and indigenous banking systems, Hossein's book is also an excellent resource for those teaching courses on the social economy, African studies, or Caribbean issues.

In brief, Hossein's critique of what went wrong with microfinance in the Caribbean is grounded in a political analysis of the region. In that respect, her critique of microfinance differs from others in that most focus on the commercialization of microfinance (see, in particular, Dichter & Harper, 2008) or on its ineffectiveness in accomplishing its goals (for instance, Karim, 2011). Professor Hossein's critique, by comparison, focuses on how microfinance in the Caribbean has become a political tool or form of patronage. Although the analysis varies by nation, the gist of the critique—particularly in Jamaica, Guyana, and Trinidad and Tobago—is that microfinance has become a tool of a very divisive political system, the divisions often based on race but also nuanced by the additional intersections of class and gender.

Rather than being a means to economic independence and greater prosperity, mainstream microfinance, as the book underscores, has become a tool of domination through which political elites extract loyalty from the poor

and control them. As Hossein writes: “Opposing administrations in Trinidad have used microfinance as a form of appeasement and patronage to their party’s racial base” (p. 87). This is not simply benign patronage. It is based on racial discrimination, depending on whether the party in power is predominantly of Afro or Indian origin. For example, Hossein points out that “[s]ince the 1995 shift in political power to Indo-Trinidadians, poor Afro-Trinidadians have been left in the slums without access to economic resources” (p. 88). Similar racialized dynamics are true for Guyana. Moreover, violence can be used to obtain repayments: “Violence was so ingrained in the origins of these countries that structural violence in society has permeated the microbanking arena” (p. 93). In Jamaica, Hossein shows how some microfinance is controlled by gangsters or Dons, who loan at usurious rates and who can use violence if repayments are tardy. She refers to the Jamaican system of microfinance as “Big Man,” a form of patronage to the poor.

The most heartening feature of *Politicized Microfinance* is that it is not simply a critique; the book also presents a vision about how the system can operate more effectively. In the book’s acknowledgements, Hossein signals her intention by dedicating the book to her Guyanese grandfather who was a micro entrepreneur and her Grenadian grandmother who was a banker and who practised traditional or non-formal banking called *susu*, originating in Western Africa. These acknowledgements signal that she recognizes the value in microfinance. Later on in the book, Hossein embraces the ideals of Muhammad Yunus and his goal, as she writes, “to assist the poor who had been shut out of conventional banks. ... This idea of turning banking upside down in order to help the excluded was inspiring and has helped the excluded” (p. 141).

For a positive example, Hossein turns to Haiti, interestingly one of the poorest countries in the world and also one with very extreme forms of inequality. Haiti’s formal microfinance system, Hossein discovered, is more effective and less politicized than the other Caribbean nations in the study. This is because, in contrast to other Caribbean nations, Haitian microfinance organizations tend to hire staff sharing the same social circumstances and ethnic grouping as the borrowers and therefore can understand borrowers’ realities and empathize with them. Another feature of Haiti’s formal financial structure, differentiating the country from other Caribbean experiences, is its extensive system of serving 340,000 members. In spite of ups and downs, Haiti’s *caisses populaires*, Hossein highlights, have served as a positive force within otherwise challenging financial circumstances. Indeed, co-operatives are an important pillar of Haitian society; their most recent constitution refers to the country as a co-operative republic. Hossein thus argues that Haiti’s history with co-operative finance has helped microfinance, undertaken through commercial banks and NGOs, to operate in a more effective and responsive manner than in other Caribbean nations.

Operating alongside the formal economy, Haiti has also developed an informal type of microfinance that has its roots in West African nations from which the mass of Haiti’s population were brought as slaves. In Haiti, whose formal institutions have been compromised by a politically oppressive environment, Hossein estimates that about 80 percent of the population rely on *sofs*, informal financing arrangements originating in the West African nation of Benin. *Sofs* are similar to rotating savings and credit models in that their members contribute a regular amount of savings, and they take turns in borrowing for a specified period. Of course, informal types of financing are not specific to Haiti, and Hossein also describes the informal arrangements created in the other nations that she studied, such as *susu* banks in Grenada operated by “banker ladies,” savings clubs in Trinidad and Tobago and Guyana, and partner banks in Jamaica. Interestingly, formal banks in the Caribbean, including the Bank of Nova Scotia of Jamaica, have also recognized the popularity of the informal financing arrangements and have offered plans intended to attract their participants.

Crisply written and well argued, *Politicized Microfinance* is in essence, two books in one. It is, first, a trenchant critique of commercial microfinance in the Caribbean, including some programs operated by NGOs. It also layers in analyses of a less formal economic system based on “indigenous finance,” or what Hossein refers to as the “Black Social Economy.” The latter is based, in part, on a long-standing traditional system that indigenous peoples have created in response to oppressive formal institutions, arguably the ugly hangover of slavery and indigent labour systems. The Black Social Economy includes, in part, arrangements that are largely indigenous to the Caribbean and its tradition of slave labour, but that are also rooted in Europe, where the formal co-operative tradition and NGOs were founded.

Although *Politicized Microfinance* is highly critical of the path that microfinance has taken in some Caribbean nations, arguing that it has been co-opted by political elites, that it is often racist in orientation, and that the primary objective is to obtain political support and patronage, the book offers a balanced analysis of the politicization of microfinance in the Caribbean. Hossein appears to accept that microfinance, whether one likes it or not, is going to be a political exercise, but helpfully differentiates between more problematic forms of microfinance that have been practiced in places such as Jamaica, Guyana, and Trinidad and Tobago, with more inclusive approaches found in Haiti.

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