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ÉDITORIAL / EDITORIAL

International Year of Cooperatives Année internationale des coopératives

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The **International Year of Cooperatives (IYC)** is intended to raise public awareness of the invaluable contributions of cooperative enterprises to poverty reduction, employment generation and social integration. IYC will also highlight the strengths of the cooperative business model as an alternative means of doing business and furthering socioeconomic development. Earlier this year ANSERJ extended a special invitation to receive papers on cooperatives. This invitation resulted in the receipt of a number of excellent papers, some of which are published in this issue.

L'idée de l'**Année internationale des Coopératives (AIC)** est d'augmenter le niveau de sensibilisation de la contribution remarquable des coopératives pour réduire la pauvreté, la création d'emploi et l'intégration sociale. L'AIC permettra de souligner les forces du modèle d'affaires que représentent les coopératives comme une alternative pour faire des affaires et contribuer au développement socio-économique. Plus tôt dans l'année, ANSERJ a invité des articles sur les coopératives. L'invitation a permis de recevoir quelques bons articles, certains inclus dans le présent numéro.

For more than 150 years, cooperatives have played a major role in the life of Canadians and their communities. Canada's first cooperative businesses were mutual insurance companies, which were established by farmers in what is now Quebec and Ontario as early as the 1830s. Between 1860 and 1900, dairy farmers in Quebec, Ontario and Atlantic Canada developed over 1,200 cooperative creameries and cheese factories to process their products. In the early 1900s, prairie grain farmers created cooperatives to sell their grain directly to millers and exporters. At the same time Canada's first financial cooperative was born when Alphonse and Dorimène Desjardins established the first caisse populaire in Lévis, Quebec, laying the foundation for the credit union movement across North America.

During the early 1930s, study groups at St. Francis Xavier University were responsible for the creation of credit unions, fishing and housing cooperatives, and cooperative stores: an initiative that became known as the Antigonish Movement. Today Canada's 9,000 cooperatives and credit unions can be found in virtually every sector of the economy and touch the lives of millions of Canadians. Collectively, they have some 18 million members, more than 150,000 employees and control assets of more than \$330 billion.

No matter where you live in Canada, you're likely to find cooperatives. You can be born with the help of a healthcare co-op and buried by a funeral co-op. In between, you can work in a worker co-op, live in a housing co-op, eat food produced by agricultural co-ops, and buy that food at a retail co-op. You can send your children to a day care co-op, do all your banking at a credit union, and purchase your insurance from an insurance co-op.

Depuis plus de 150 ans, les coopératives ont joué un rôle majeur dans la vie des Canadiens et leur communauté. Les premières coopératives au Canada ont été des mutuelle d'assurance qui été établis en 1830, où l'on retrouve maintenant le Québec et l'Ontario. Entre 1860 et 1900. Les fermes laitières au Québec, en Ontario et dans les Maritimes ont développé plus de 1200 coopératives pour transformer leurs produits en produits laitiers et fromages. Au début des années 1900, les fermiers des prairies ont créés des coopératives pour vendre leurs grains directement aux meuneries et à l'exportation. Au même moment, la première coopérative financière, Caisse populaire, était créé à Lévis, Québec par Alphonse et Dorimène Desjardins pavant la voie au développement du mouvement des coopératives financières en Amérique du Nord.

Durant les années 1930, des groupes d'étude à St. Francis Xavier University ont été à l'origine de la création de coopératives dans les domaines de l'épargne et du crédit, des pêcheries et du logement, une initiative qui sera connu sous le nom du Mouvement Antigonish. Aujourd'hui, il y a plus de 9000 coopératives au Canada oeuvrant dans tous les domaines de notre économie et contribuant à la qualité de vie des Canadiens. Collectivement, cela représente plus de 18 millions de membres. Plus de 150000 emplois et le contrôle sur des actifs de plus de 330 milliards

Peu importe où l'on vit au Canada, il est facile de trouver une coopérative. Votre naissance pourrait se faire dans un service coopératif de santé et se terminer dans une coopérative funéraire. Entre ces deux dates, vous pouvez travailler, vous loger, manger de la nourriture produite et vendue par une coopérative. Vous pouvez envoyer vos enfants dans une garderie, effectuer vos transactions financières et acheter de l'assurance dans une coopérative.

Cooperatives and their contribution to Canadian society and the Canadian economy are indeed worthy of recognition and ANSERJ is pleased to do its part.

Reference

http://www.canada2012.coop/en/cooperatives_in_canada/index

Les coopératives et leurs contributions à la société et à l'économie canadienne méritent d'être reconnues et ANSERJ est fière de faire sa part.

Source de certaines données

http://www.canada2012.coop/fr/cooperatives_au_canada/index

Cooperative Development Gap in Québec and Saskatchewan 1980 to 2010: A Tale of Two Movements

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ABSTRACT

This study uses Gramscian hegemony theory and the social movement approach to cooperative development to investigate the cooperative development gap that opened up between the provinces of Québec and Saskatchewan from 1980 to 2010. First, provincial sector growth is compared across several indices to establish this gap's empirical scope and scale. Second, historical research and fieldwork findings are used to illuminate the gap's origins and its historical significance. The article concludes that the development gap has been largely driven by bloc formation and dissolution—the historic erosion of Saskatchewan's traditional, agrarian-cooperative bloc and the renewal and expansion of Québec's social economy bloc.

RÉSUMÉ

Cette étude utilise la théorie de l'hégémonie de Gramsci et la méthode par le mouvement social pour le développement des coopératives afin d'enquêter sur l'écart qui s'est creusé entre les provinces du Québec et de la Saskatchewan de 1980 à 2010 en ce qui a trait au développement des coopératives. Tout d'abord, pour établir la portée et l'échelle empiriques de cet écart, cette étude compare la croissance de ce secteur entre les deux provinces. Ensuite, l'origine de l'écart et sa signification historique sont mis en lumière grâce aux recherches historiques et aux conclusions tirées de l'étude sur le terrain. Finalement, il est conclut dans cet article que l'écart de développement a été majoritairement créé par la formation et la dissolution de blocs – l'érosion par le temps du bloc coopératif agraire traditionnel de la Saskatchewan ainsi que le renouveau et l'expansion du bloc d'économie sociale du Québec.

Keywords / Mots clés Social innovation; Cooperatives; Social movements; Social economy; Economic Democracy; Gramsci; Historical bloc; Hegemony; Saskatchewan; Québec / Innovation sociale; Coopératives; mouvements sociaux; Économie sociale; Démocratie économique; Gramsci; Bloc historique; Hégémonie; Saskatchewan; Québec

INTRODUCTION: MAKING SENSE OF GLOBALIZATION ERA CO-OPERATION

The 1980s ushered in a volatile period of global market restructuring and neo-liberal policy reform (Marchak, 1991). It also signalled a brave new world of structural instability for Canadian cooperatives. As businesses, many had to adjust to new competitive and regulatory environments. As democratic associations, all Canadian cooperatives contended with fundamental shifts in the social, cultural, and political terrains on which they found themselves manoeuvring (Coleman, 2004). This was a significant and turbulent transition in the history of Canadian co-operation—filled with promise, peril, and lessons for the future.

Paradoxically, while vast sections of Saskatchewan's movement would go bust in the wake of globalization—with de-mutualizations in dairy, poultry, and grains (Fulton and Hueth, 2009), co-operation in Québec boomed. The province doubled its number of cooperatives—which had been a century in the making—in only two decades (Co-operatives Secretariat, 1986; 2006). This study compares these dramatically contrasting experiences, presenting evidence of the “cooperative development gap” that opened up between these provinces, and discussing the roots of their contradictory development paths. Drawing on Gramsci's (1971a) theory of ideological hegemony, these cases are analyzed in terms of the development coalitions or “historical blocs” underpinning these movements—agrarian, disarticulated, and eroding in the case of Saskatchewan but urbanized, renewed, and expanding in Québec.

However, this study's implications go well beyond these provinces. With Saskatchewan lagging the national average by an almost 6:1 ratio in new cooperative formations from 1985 to 2005 but Québec more than doubling pan-Canadian performance (Co-operatives Secretariat, 1987; 2008), these movements now represent opposite extremes—they are outlier cases of extraordinary movement degeneration and regeneration respectively. Their dramatically diverging fortunes in the globalization era thus also present a natural experiment for investigating why—in some times, places, and stages in their life-cycles—some cooperative movements decline while others prosper.

THEORY AND METHODS

This study's objective is thus two-fold: to establish the empirical scope, scale, and pace of movement divergence; and to assess the role of bloc formation (and dissolution) in this development gap.

Mixed methods are employed. First, cross-provincial, baseline data are used to compare trends in the number of cooperatives and their memberships, revenues, and assets. The study also compares twenty- and five-year trends—to gauge the accelerating pace of divergence. Nation-wide “Top Fifty” rankings index the role of dominant players in overall movement resilience while the growth of emerging service cooperative sectors benchmark the movements' evolving capacity to innovate, broaden-out, and regenerate. Since quantitative measures can describe but not explain this gap, historical research and fieldwork findings—based on 27 interviews in Québec and Saskatchewan conducted during 2009 and 2010—further explore its historical significance.

Theoretically, this study draws on the social movement approach to cooperative development (Develtere, 1996; Fairbairn, 2001). Develtere (1996) argues “co-operatives cannot be analyzed as distinct social movements,” because “it is (their) relationship with other social movements which to a great extent accounts for the diversity and scale of co-operative activity” (p. 28). For example, parent movements or patrons may be religious, nationalist, farmer-based, labour-led, or socialist. In this conception, the development potential of cooperative

movements will rise and fall with the mobilizing potential of their extended social movement families. Indeed, Fairbairn (1994) argues that wider social movement ties nurtured the very roots of the modern cooperative movement:

It is ... reasonable to say that the forces of poverty and need inspired the formation of the Rochdale cooperative. But they did so somewhat indirectly, mediated by the agency of idealism and critical social thought, and by the activists of Owenism, Chartism, and other social movements. The Rochdale Pioneers did not rise spontaneously from need, but were organized consciously by thinkers, activists, and leaders who functioned within a network of ideas and institutions. The same can probably be said of all successful co-operatives in all times and places: they arise from need—when some activists, institutions, or agencies consciously promote and organize them. (p. 4)

This article's emphasis on the role of social movements in the construction of viable cooperative blocs rejects economic determinism (Gramsci, 1971a), and the notion that globalization is a monolithic, market-driven process with universal, mechanical, or predictable consequences for co-operation. Instead economic life is viewed as also shaped by the social action of actively contending and evolving historical blocs. Carroll and Ratner (1989) define an "historical bloc" as "a strategic alignment of classes, class fractions and popular groupings whose interests and outlook are realized within the project and whose coalescence establishes an organic relation between (the economic) base and (the ideological-cultural) superstructure" (p. 30).

A Gramscian approach thus re-centres movement agency—what George Keen called the "associative intelligence" (cited in MacPherson, 1979, p. 28) of popular movements. It emphasizes the deep social embeddedness of democratic economic action (Granovetter, 1992; Bourdieu, 2005), including the vital role of ties to the extended social movement families of 'co-operation' (Develterre, 1996; Fairbairn, 2001), and activists' efforts to articulate a coherent and compelling vision that can unify and mobilize an historic bloc.

For example, a Gramscian approach enables us to better understand the embeddedness of early cooperative movements in historical blocs: on the Prairies, it situates the campaign for wheat pooling under agrarian settler hegemony, the farmers' movement, and the emergence of agrarian socialism (Lipset, 1959); in Québec, it highlights clerical hegemony, petit-bourgeois anti-urbanism, and defensive nationalism in the early strivings of the *Mouvement Desjardins*. As this study demonstrates, movement fates continue to rest on the erosion or renovation of the historical blocs within which they are embedded (Vaillancourt, 2009).

MEASURING THE COOPERATIVE DEVELOPMENT GAP

Established sector strengths

Since Québec's population dwarfs Saskatchewan's by a ratio of about 7.5:1, per capita figures provide more meaningful comparisons. Table 1 compares each sector's contribution to its provincial economy in 2007. While Saskatchewan's consumer-dominated movement generates 50% more jobs than Québec, as a share of their provincial labour forces, Québec's sector is led by long-established and enduring agricultural cooperatives. Its financial services giant, Desjardins, also has a three decade head start on Saskatchewan's credit unions. As a result, the Québec movement has accumulated 73% more working capital than Saskatchewan's on a per capita basis. Far from marginal curiosities—and despite the globalization-era de-mutualizations of leading Prairie agricultural cooperatives like the Saskatchewan Wheat Pool (SWP or the Pool), DairyWorld, and Lilydale (Fulton and Hueth, 2009) and the collapse of Québec's industrial credit union (*caisse d'économie*), fishery, and

Diamantopoulos (2011)

consumer cooperative federations (Lévesque, 1990)—these movements continue to provide significant foundations for their provinces' mixed economies. Québec's sector generates over double the pan-Canadian movement's employment as a share of its total labour market. Saskatchewan generates triple the nation-wide proportion. Similarly, Québec has generated almost double the per capita wealth built up by the movement nation-wide. Saskatchewan has created well over double the cross-Canada per capita share.

Table 1. Total cooperative sector comparison: Québec, Saskatchewan, and Canada, 2007

	Québec	Saskatchewan	Canada
Jobs (2007)	73,846	14,409	142,928
Jobs per capita (total labour force, seasonally adjusted)	.02	.03	.008
Assets (2007)	\$99.7 billion	\$15.6 billion	\$228 billion
Assets per capita	\$12,969	\$15,600	\$6,924

Non-financial cooperatives

A comparison of Canada's top fifty non-financial cooperatives from 2007 further indicates established sector strength in Québec and Saskatchewan (see Table 2). Of Canada's leading cooperatives, Saskatchewan accounts for seven (or 14%) of the top tier cooperatives. Québec accounts for 13 or (26%). While the combined populations of these provinces account for only 26% of the nation's overall population, their cooperatives comprise a full 40% of the nation's top 50 non-financial cooperatives. The development paths of these cooperative provinces diverge sharply from pan-Canadian norms. The location of top ranked cooperatives drives considerably greater sector employment, revenue, and wealth creation in these provinces. These historic achievements have also established a stronger hegemonic position for cooperative enterprise in the political and economic cultures of these provinces.

Table 2. Top 50 Non-financial co-op comparisons: Québec, Saskatchewan, and Canada, 2007

	Québec	Saskatchewan	Canada
Top ranking Canadian cooperatives	26% (13)	14% (7)	--
Percent of Canadian population	23	3	--
Top cooperatives (%) to population ratio	1.1	4.7	--
Revenue	\$7.3 billion	\$6.8 billion	\$21.2 billion
Revenue per capita	\$973	\$6800	\$645
Assets	\$2.6 billion	\$3.4 billion	\$8.5 billion
Assets per capita	\$347	\$3400	\$258
Full time employment	18,281	4,184	30,341
Full time per capita (total labour force, seasonally adjusted)	.004	.008	.002

Source: Co-operatives Secretariat (2007), Statistics Canada (2007)

These rankings also illustrate the long-range comparative structure of the two provinces' sectors—and the dramatically shifting base of co-operation in Saskatchewan. For example, Québec's dominant “old co-operatives,” with one exception, are primarily agricultural. In contrast, Saskatchewan had lost its leading producer cooperatives to mergers and privatization by 2007. In fact, all seven leading Saskatchewan non-financial cooperatives are now affiliated with the second-tier Federated Co-operatives Limited. In short, while Québec successfully defended its first wave agrarian base as it diversified, Saskatchewan did not. Saskatchewan co-operators succeeded in establishing a second wave of consumer co-operation where Québec was unable to do so, but they failed to adequately diversify beyond retail, insurance, and credit in the urban milieu. As we will see, the rollback of agrarian producer co-operation had profound consequences for the Saskatchewan movement, liquidating both the economic and social base of co-operation's traditional bloc. Between privatizations and broader movement degeneration, the cooperative firm model itself experienced a major cultural and political setback.

Financial cooperatives

Comparing Saskatchewan credit unions and Québec's caisses populaires provides further insights (Table 3). Since the Canadian top-fifty list of credit unions excludes Québec, this table relies instead on provincial and Canada-wide statistics.

Financial cooperatives in Québec and Saskatchewan rank far higher than pan-Canadian norms for membership, branches, and assets per capita (nation-wide data on employment were not available). The 2007 numbers of credit unions per capita for each province were relatively even, at well over double the Canada-wide density. However, Québec led Saskatchewan by a wide margin in per capita membership, assets, and employment. This is likely the result of the historic lag in widespread adoption of the credit union model in Saskatchewan (MacPherson, 1979, p. 164) and the role of a strong, unified federation in Québec. Québec has a per capita advantage of 18% in assets, 20% in membership, and 40% in workforce.

**Table 3. Financial cooperative sector comparisons
(credit unions and *caisses populaires*), 2007**

	Saskatchewan	Québec	Canada
Members	524,840	5,500,000	10,846,512
Members per capita	52	72	33
Credit unions	75	572	1,059
Credit unions per capita	.000075	.000074	.000032
Assets (\$M)	\$11,248	\$106,000	\$209,190
Assets per capita (\$)	\$11,248	\$13,789	\$6,352
Full Time Employees (FTE)	3,000	35,493	n.a.
FTE per capita (total labour force, seasonally adjusted)	.006	.009	n.a.

Sources: Canadian Co-operative Association (2007a; 2007b); Credit Union Central of Canada (2008); Statistics Canada (2007; 2010a; 2010b)

Rather than a globalization-era divergence of movements, it may be more appropriate to suggest that financial co-operation in Québec benefited from a first mover advantage, which it continued to build on through the eighties, nineties, and into the twenty-first century. While the shake-out of the early eighties eliminated Québec's caisses entraide économique and the Ligue des caisses d'économie (Lévesque, 1990) (ironically strengthening movement unity around Desjardins), the Saskatchewan movement was wracked by intra-movement rivalries to consolidate territories. Forced to amalgamate and merge operations in the face of rural depopulation and new competitive threats, regional reorganization set off a "race to the beach" to consolidate market share, often at the expense of other credit unions (Lyons, 2007). In contrast, Québec's gigantic and unified movement can now better leverage its considerable economies of scale to build its competitive position against the banks, and expand across Canada.

While movement unity and strong central organization have provided Desjardins with a stable, dominant, and profitable platform for sponsoring wider movement initiatives, the scramble of Saskatchewan credit unions to consolidate expanding trading areas has undermined movement stability, unity, and cohesion. Like the loss of the Pool, Lilydale, and DairyWorld on the non-financial side of the ledger, consolidation of Saskatchewan's financial sector has done little to regenerate the provincial movement.

Field effects: The foundations of movement degeneration and regeneration

Established sector standing has played a driving role in structuring the cooperative fields of Québec and Saskatchewan. For, as Bourdieu (2005) argues, dominant firms can "define the regularities and sometimes the rules of the game" (p. 194) in a given field. While Saskatchewan failed to maintain its founding strength in agricultural producer co-operation, which was heavily dependent on the once-dominant grain economy, Québec's strengths continue to rest largely on this historic foundation. Supported by supply management, these are primarily dairy, pork, and poultry—led by Agropur and Co-opérative Fédérée. Its other major foundation is the financial sector, led by its Mouvement Desjardins. Saskatchewan's strengths, by contrast, have shifted decisively from agricultural production to insurance mutuals, consumer co-operation, and its credit union movement.

The shifting foundations of established sectors have also had consequences for emerging sectors. They have lent movement momentum and direction to the development of new sectors in Québec while fostering neglect and new sector stagnation in Saskatchewan. The role of Desjardins in Québec is illustrative of this. Among other things, Desjardins has backed new sectors such as the Inuit cooperative federation in the Arctic and funeral cooperatives (Girard, 1999), taken equity positions in worker shareholder cooperatives, bankrolled a research and development fund for emerging cooperative federations (Diamantopoulos, 2011), and managed a financing pool for regional and cooperative development (Mathews, 2001). These efforts all reflect a movement with deep pockets and increasingly developmental ambitions. Although reminiscent of the early role of the Pool in broadening-out Depression-era Prairie co-operation, the demutualization of the Pool, the consolidation of rural retail cooperatives, and a fragmented credit union movement have left a movement-building leadership vacuum in Saskatchewan. Emerging sectors such as community clinics, housing, or childcare cooperatives expect little support from their province's retrenching established sectors, or the under-resourced provincial apex organization—the Saskatchewan Co-operative Association.

The fates of dominant cooperative players have had diverging "field effects" across their provincial movements. On the one hand, steady, incremental growth in Québec's leading sectors—such as Co-opérative Fédérée, Agropur, and the Mouvement Desjardins—drove further expansion, confidence, and commitment to movement action. An expanding leading group thus reinforced overall sector expansion by providing policy-leverage,

resources, openness, and enthusiasm to new movement challenges. In Gramscian terms, the success of Québec’s leading cooperative brands built the moral and intellectual authority of the cooperative alternative and its capacity for further expansion. It helped provide solid foundations for an historical bloc “from above,” framed by the wider social movement resurgence of the social economy “from below” (Caillouette, 2004; Neamtan and Downing, 2005; Mendell, 2002; 2008; Lévesque & Ninacs, 2000). In large part, co-operation forged a resurgent hegemony in the economic and social life of twenty-first century Québec by leveraging established sector strengths.

On the other hand, the collapse of agrarian producer co-operation—signalled by the privatizations of DairyWorld, Lilydale, and the Saskatchewan Wheat Pool—set a different pattern for the Prairie movement. The traditional agrarian base of the cooperative bloc had collapsed, with a weak movement transition to urban foundations beyond the established retail, insurance, and credit union sectors. Agrarian co-operation thus experienced a broad-based crisis of confidence, member loyalty, and movement agency—casting a long shadow over new development prospects across the cooperative field. A leading group of established cooperatives in crisis (and contention) reinforced broad-based sector contraction by scaling back movement resources for education, outreach, and development (Diamantopoulos, 2011), and retreating into a posture of siege management. In Gramscian terms, co-operation in Saskatchewan suffered a popular “crisis of authority”—a sense of fatalistic resignation in the face of deregulated market forces and deepening investor-owned firm hegemony. Once a dominant feature of Saskatchewan’s economy and society but deeply rooted in its agrarian movement, co-operation’s traditional social base and claims to ideological hegemony were now eroding fast.

Globalization: The cooperative provinces’ paths diverge

These twin movements for economic democracy expanded in waves over the better part of a century, before their growth trajectories so radically diverged in the post-eighties period (Fairbairn, 2005; Lévesque, 1990). Globalization hit both provinces hard but the nature of the cooperative movement response—and the scope and scale of their achievements—contrasted sharply. A startling development gap opened up, a trend best symbolized by the privatization of Saskatchewan’s leading cooperative, the Saskatchewan Wheat Pool. The incorporation rate of new cooperatives—and the overall number of members, revenues, and assets—all grew rapidly in Québec. La belle province pulled decisively ahead of Saskatchewan.

Table 4. The Saskatchewan – Québec development gap: Key indices for non-financial cooperatives, 1985 – 2005

Year	Saskatchewan	Québec	Canada
Rate of associations growth	+ 11 %	+ 152 %	+ 63 %
Rate of membership growth	- 8 %	+ 106%	+ 98 %
Rate of asset growth	- 12 %	+ 273 %	+ 185 %
Rate of revenue growth	- 45 %	+ 160 %	+ 91 %

Source: Co-operatives Secretariat (1987, 1992, 1997, 2002, 2008)

The association gap

As Table 4 illustrates, the incorporation rate for non-financial cooperatives outside Saskatchewan was almost six times the equivalent rate in Saskatchewan from 1985 to 2005. In Québec, incorporations surged by almost 14 times Saskatchewan's rate. Moreover, while Québec posted consistent, cumulative gains in new cooperatives, Saskatchewan's growth slowed in the late nineties. In the first five years of the twenty-first century, the number of Saskatchewan cooperatives actually fell by 15%. The divergence is even starker when inter-provincial trends in membership, earnings, and assets are compared. In all three categories, Saskatchewan's sector actually contracted from 1985 to 2005. Meanwhile, Québec posted triple digit growth rates in all categories.

The membership gap

Membership in Saskatchewan's non-financial cooperatives dropped by 8% from 1985 to 2005. This contrasts sharply with Québec and pan-Canadian norms, where membership roughly doubled. In part, the stark reversal of co-operation's historic expansion in Saskatchewan reflects the corporate rationalization of agriculture, rural depopulation, the privatization of dairy and poultry, and the pruning of the rural retail store network. Mostly, it reflects the loss of 35,000 SWP members (Co-operatives Secretariat, 2004). Meanwhile the Québec cooperative movement developed diverse new worker-led sectors of movement activity including worker cooperatives, worker-shareholder cooperatives, and multi-stakeholder or "solidarity" cooperatives. Table 4 illustrates this widening membership gap.

The asset gap

The contrast in non-financial cooperative assets between the two provinces is greater still. From 1985 to 2005, Saskatchewan's asset base contracted by 12%, as dairy and poultry facilities were transferred to new owners, abandoned rural stores were written off, and \$700 million in SWP assets were transferred to the investor-owned Viterra (Co-operatives Secretariat, 2004). During the same period the influx of new investment to its start-ups drove the Québec sector's assets to almost quadruple. Much of this new capital came from pools of "solidarity finance" developed since the eighties to finance cooperative and social economy enterprises. While neither the Saskatchewan movement nor its potential allies dedicated funds to cooperative development, in Québec the sector, labour movement, state, and even the private sector helped build up combined investments of \$1.3 billion for the social economy (Notwell, Reynolds, & Katz, 2010). Table 4 illustrates this widening capitalization gap.

The revenue gap

Finally, as Table 4 also demonstrates, the starkest indicator of the reversal in sector growth in Saskatchewan can be found in declining revenues. The drop-off in this index over two decades is an unsettling 45%. This compares to Québec's sector, which more than doubled its revenues. Once again, the loss of \$1.4 billion in SWP receipts (Co-operatives Secretariat, 2004) illustrates the magnitude of the impact of SWP's loss to the Saskatchewan sector.

The development gap widens, 2000 – 2005

A further concern for Saskatchewan co-operators is the acceleration of declining memberships, assets, and revenues from 2000 to 2005 (Table 5). Since 2004 is the last year the Co-operatives Secretariat lists the SWP as a cooperative, its privatization accounts for much of this sector contraction. Set in motion in 1996 and formally completed in 2007, the SWP was a casualty of the farm crisis. It required huge capital investments to modernize but faced a run on member capital as a generation approached retirement. But its privatization also provided powerful reinforcement to the vicious downward spiral that engulfed globalization-era co-operation in Saskatchewan. In the wake of the collapse of the province's first, largest, and most iconic cooperative, the Saskatchewan Co-operative Association was also destabilized. It lost a leading member. It lost dues. It lost momentum. And it lost authority and influence with successive Provincial Governments (Diamantopoulos, 2011). The loss of the Pool was as damaging to Saskatchewan's movement as the loss of Desjardins might have been to Québec's movement.

Table 5. The Saskatchewan – Québec development gap widens: Indices of Saskatchewan sector contraction, 2000 – 2005

Saskatchewan indices	20-yr trend (1985 - 2005)	5-yr trend (2000 - 2005)
Number of co-ops	+ 11 %	- 15 %
Membership	- 8 %	- 10 %
Assets	- 12 %	- 59 %
Revenue	- 45 %	- 62 %

Source: Co-operatives Secretariat (1987, 1992, 1997, 2002, 2008)

Moreover, this body blow came together with demutualizations in dairy and poultry (Fulton and Hueth, 2009), and in the wake of the longer-range culling of movement-building tools like the Federated Co-operatives' Member Relations Division and the *Co-operative Consumer* newspaper that were discontinued in 1982 (Fairbairn, 1989); the Province's Department of Co-operation and Co-operative Development in Regina (Argue, 1992) and the movement's Co-operative College of Canada (Crewe, 2001) in Saskatoon, both wound down in 1987; and, the Pool's *Western Producer* newspaper that was privatized in 2002. This was a period of phased but decisive retreat from cooperative education and development. The provincial sector and state each ratcheted down their commitments to sustaining the historical bloc on which the cooperative movement rested. This would prove to have profound consequences as the globalization storm gathered at Saskatchewan's undefended borders.

The Québec sector also faced globalization-related threats and suffered wrenching losses. In the recession of 1982, for example, the federation of cooperative food stores collapsed. The following year, the federation of fishers' cooperatives folded (Girard, 1999). The recession also contributed to the failures of a credit union federation and several stores. This all reduced the number of federation members of the Conseil de la coopération du Québec, marginalized the organization, and ended the Conseil de la coopération du Québec publication *Ensemble!* (Lévesque, 1990). Québec's cooperative historical bloc was shaken and the legitimacy of the cooperative alternative itself was increasingly questioned. However, the Québec movement recovered and was transformed. Two decades après le déluge, Québec re-emerged as a world leader in cooperative development. Central to this surge were academic, state (Vézina, 2001), and social movement (Beaulieu, 2009; Neamtan, 2004, 2008) ties that helped drive a culture of social innovation toward new cooperative development.

Propelled by a modernizing leadership group—many of whom were veterans of the sixties Quiet Revolution—Québec’s historical bloc was effectively repaired, renovated, and expanded.

The cooperative innovation gap

While trends vary from category to category, the overall tendency is clear: development momentum moved decisively to Québec in the nineties. The case of the service cooperative sector provides evidence for this widening innovation gap. It also demonstrates the importance of broadening-out to effective movement renewal. For while old cooperative sectors may decline and some cooperatives will invariably fail, it is the development of cooperatives in new sectors of activity—often using new models and appealing to new constituencies—that hold out the promise of countervailing this sector contraction, and regenerating the movement.

Table 6. Comparative numerical (and percentage) growth in selected service cooperative sectors in Saskatchewan, Québec, and Canada, 1995 – 2005

Sector	Québec	Saskatchewan	Canada
Total service co-op sector	+ 486 (+ 40 %)	+ 91 (- 15 %)	+ 263 (+ 7 %)
Daycare	+ 4 (--)	- 5 (- 13 %)	+ 9 (+ 11 %)
Pre-school	-- (--)	- 13 (- 17 %)	- 41 (- 12 %)
Health clinics	+ 8 (--)	-- (--)	+ 11 (+ 122 %)
Recreation	+ 19 (+ 79 %)	- 36 (- 19 %)	- 31 (- 10 %)
Farmers’ markets	-- (--)	- 2 (- 7 %)	- 12 (- 24 %)
Arts and culture	+ 25 (+ 416 %)	+ 1 (+ 25 %)	+ 32 (+ 152 %)

Source: Co-operatives Secretariat (1997, 2002, 2008)

The failure to expand service co-operation illustrates that globalization shocks did not spark another historic broadening-out of the movement, as the Great Depression had once mobilized Pool field-men and local committees to organize retail, credit, and later insurance sectors (G. Fairbairn, 1984; Fairbairn, 2005; MacPherson, 1979) across their rural networks. Instead, this period saw the retrenchment, then collapse of the Pool, and a degeneration of movement energy, organizing skills, and vision (Diamantopoulos, 2011). Prairie co-operation thus faced a sticky demographic succession from its traditional, rural base to a wider movement community.

Explaining the cooperative development gap

The above discussion has established the empirical reality of movement divergence since 1980. There is ample room for varied interpretation of these facts, but the evidence of a wide and widening gap is clear and overwhelming. In Saskatchewan, the evidence suggests that the collapse of the formerly leading segment of middle farmers in the traditional agrarian bloc (Stirling, 2001) was coupled with a failure to involve new social groups or the state in movement renewal efforts. In Québec, trends suggest a phased and successful transition

from traditionally rural and Catholic roots to a strong, broad, and expanding new social and economic base. With support from trade unions, urban social movements, the research community, and the state, the movement effectively restructured and repositioned. It constructed an expanded and highly articulated social economy bloc. To explain this divergence in the underlying social structure of cooperative economic action, the following sections are informed by historical research and interview findings.

Saskatchewan: Agricultural consolidation and movement degeneration

In Saskatchewan, the powerful new economic and political forces unleashed in the eighties drove federal politicians to move more aggressively: to deregulate, sign free trade agreements, dismantle farm subsidies like the Crow rate, abandon rail lines and rural post offices, and realign public policies and programs to “let the market decide.” A century of agrarian agitation to protect farmers from unregulated capitalism was systematically rolled back (Conway, 2006). This project was as surely a counter-revolution against the gains of the early agrarian revolt as it was a defeat of Keynesianism and the welfare state. Nowhere was this clearer than in the federal government’s laissez faire commitments through the international grain wars, while Europe and the United States continued to heavily subsidize their farmers (Pugh, 1991).

Globalization thus accelerated an already well-advanced process of agricultural consolidation. Caught in a cost-price squeeze, farmers had to grow or die. Neo-liberal reforms sped up the trend to fewer, larger farms, and rural depopulation. Indeed, with the assistance of machinery and chemicals, the average Saskatchewan farm size nearly tripled from 1931 to 2001 (Stirling, 2001). Many squeezed middle farmers felt abandoned by their governments and at the mercy of the markets.

But they were being squeezed by more than increasing costs and declining prices; they were also being politically squeezed. The social cohesion and faith in collective action necessary to mount a spirited defence was also depleted as farmers drifted further apart—geographically and politically—in the sink or swim new market culture of corporate agribusiness. While barn-raising had once provided the iconic image of agrarian socialist solidarity, the new spectacle of farmers bidding on former neighbours’ land and machinery at foreclosure auctions better symbolized the survivalist ethos and angry right-wing populism that came to define the age. Globalization was both objectively liquidating the social base of agrarian co-operation by pushing middle farmers off the land and subjectively shifting the political culture against democratic and collectivist commitments. Co-operation’s traditional historical bloc in Saskatchewan was collapsing, numerically and ideologically.

Global restructuring also drove cooperative sector retrenchment in Saskatchewan as rural retail, credit, and agricultural production and marketing networks now had to also ward off the incursion of better capitalized multinational competitors like Cargill and Wal-Mart. Unlike domestic competitors, these new challengers marshalled global market reach and economies of scale. Regionally rooted cooperatives had a great deal to fear from these new corporate Goliaths. A focus on the business-side modernization of exposed cooperatives was necessary, indeed urgent, in this context.

However, this narrow managerial focus also distracted cooperative leaders from re-building the movement’s social base and cultural appeal. Rather than attempt to rally the membership and regroup the movement, established cooperative leaders had little alternative but to pull up the drawbridges. From 1996 to 2007, the number of cooperatives in Saskatchewan declined from 1,560 (Hammond Ketilson, Gertler, Fulton, Dobson, & Polsom, 1998,

p. v) to about 1,200, a decline of over 20% in just one decade (Canadian Co-operative Association, 2007b). Erosion of the movement's own defenses—in public education, membership development, new sector development, and a vibrant movement culture—would prove as lethal to the future of co-operation as the rise of neo-liberalism and its new multinational competitors.

This crisis context thus deepened already existing processes of agricultural consolidation, bloc dissolution, and movement degeneration. In particular, it exacerbated the principal-agent problem that set the immediate operational priorities of firm management against the wider interest in movement building. It was not in the business interests of any particular cooperative to invest in movement-building activities—such as member training, a cooperative press, reaching out to emerging publics, or supporting new cooperatives and new development campaigns. Similarly, state elites were captured by a bi-polar development model that oscillated between statist social democracy on the one hand and a free market fundamentalism on the other (Argue, 1992). Neither camp seemed to appreciate the importance of also creating a supportive climate for cooperative development.

However, cooperative education and movement building were still necessary to sustain member and staff loyalty, and to sustain the culture and development potential of the cooperative model against the maturing movement's own entropic tendencies. Strong movement identity, cohesion, and commitment were vital, if intangible, collective or “pool goods” which were necessary to avoid being crowded out of the market by the increasingly aggressive hegemony of the investor-owned firm model. Without sustained investments in rebuilding movement culture, start-up rates were bound to lag. Even well established cooperatives would be undermined. With the collapse of the province's major agrarian producer cooperatives, Prairie co-operation now faced a creeping cultural demutualization “from within” as well as competitive threats “from without.”

To manage the crisis, leadership retreated into the uni-functional silos and conceptual frames of their own sectors. Their openness to emerging community needs and new cooperative development opportunities understandably withered—whether in childcare, housing, or in ‘Indian country’. With a “frozen” cooperative establishment, co-operation was unable to effectively diversify beyond the numerically and ideologically eroding social base of middle farmers. The movement's transition to new fields of activity—such as Aboriginal, worker-led, or service cooperatives—was blocked.

In this context of a long-range farm crisis, imminent new market threats, and overall movement paralysis, several previously hidden weaknesses came into alarming view. These included the decades-long deterioration of movement-building infrastructure, including the culling of cooperative fieldworkers and cooperative education (Crewe, 2001); the long established over-reliance on a laissez-faire cooperative development model (Co-operatives Directorate, 1993; 1997); and the gradual disengagement with the state and social movements (Argue, 1992). The sudden force of market-driven restructuring accelerated the long-range erosion of these socio-cultural bases, upon which the mounting of a response would now be much less effective. This delayed the transition to a more demographically, regionally, and sectorally diversified movement in the wake of the globalization storm.

Just as deregulated markets accelerated the trend toward fewer and larger farms, and fewer and larger rural service centres, they also sped up the trend toward the degeneration of the progressive farmers' and cooperative movements. For grain, poultry, and dairy producers, this pincer movement would end in privatization. From 1980 to 2010, the farmer-led cooperative movement of the past was dying but a new, more broad-based movement of the future was still struggling to be born.

Québec: The jobs crisis and movement regeneration

It was persistently high unemployment that set the agenda for public and cooperative action in Québec in the eighties. Joblessness hit 14.2% in 1983 (Statistics Canada, 2010a). In addition to business modernization strategies for established sectors “from above,” pressure for movement modernization also thus emerged “from below”—to create jobs and expand social service provision.

An energetic and determined program of social mobilization—backed by the state, organized labour, and other social movements—successfully built new legal, financing, and technical assistance models (Vézina, 2001; Côté, 2007; Savard, 2007; Neamtan, 2008) and new development coalitions, including the Chantier de l'économie sociale (Beaulieu, 2009; Neamtan, 2004). This modernized bloc would regenerate the movement and expand into new fields of activity. For example, three “new co-op” sectors that include workers in governance—worker cooperatives, worker-shareholder cooperatives, and solidarity cooperatives—now account for a third of cooperative jobs in Québec (Clement, 2009).

Investments in movement-building, a program of sector-state partnership, wider social movement involvements, and continuous improvement through targeted research and development have each contributed to sector growth and expansion (Diamantopoulos, 2011). Far from the governing disinterest in development characteristic of the “old guard” that dominated the Conseil de la coopération du Québec (CCQ) in the seventies (Lévesque, 1990), development emerged as a legitimate, and leading, concern of the reconstituted new cooperative movement. In 2005, the CCQ (now re-named the Conseil québécois de la co-opération et de la mutualité or CQCM) even assumed management of the province's major development infrastructure, the network of eleven co-opératives de développement régional (CDR) first launched by the Province in 1985 (Savard, 2007).

This network played a leading role in mobilizing the movement to create new jobs, regenerating the movement in the process. It brought together over a thousand cooperatives and other organizations committed to cooperative development as members of the network's eleven second-tier, regionally-based development cooperatives. This mobilization network assisted the launch of over a thousand new cooperatives and created or maintained over 11,000 jobs in the past 15 years (*La Fédération des coopératives de développement régional du Québec*, 2010). By building inter-cooperative involvements at the regional level, the network built cross-sectoral movement cohesion, vision, and agency. From the bunkered frame of mature cooperatives—steeped in the sectorally specific business demands of their own firms—the CDRs structured an historic reframing of cooperative action for development. The CDR network thus helped build a unified, modern, and developmental cooperative bloc on solid regional foundations—much as the *caisses* had once been organized around the Catholic parish network.

Federated alongside the established and other emerging sector federations within the CQCM, these regional development cooperatives also helped redress the principal-agent problem in movement deliberations. Their federation creates a voice for development, providing a check against the tendency to movement oligarchization and the degeneration of movement goals. In other words, these structural reforms of co-operation's historical bloc helped ensure effective movement modernization. As Vézina notes, by 2000, the apex organization once disinterested in development activity was “increasingly serving as a catalyst in penetrating new sectors when asked to do so” (2001, p. 144). From a reluctant development partner, the CQCM had been transformed into the vanguard of a developmental cooperative movement that was now strengthening and expanding the province's cooperative bloc. This reflected the concerted action of reformers within the movement as well as those outside the movement—in the unions, the state, and after 1996, the Chantier de l'économie sociale (CÉS), a

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development-focused network of non-profits, social movements, and cooperatives (Lévesque & Ninacs, 2000; Mendell, 2002; 2008; Neamtan, 2004; 2008).

The new reality of open, unprotected markets had radically disrupted the Québec movement. Several cooperatives and federations collapsed (Lévesque, 1990). Yet it entered the tumultuous eighties better prepared than Saskatchewan. Québec movement leaders turned the crisis into an opportunity, proposing a leading new role for co-operation in solving the intractable public policy problem of unemployment. Since the election of the sovereigntist Parti Québécois (PQ) in 1976, the province had faced significant capital flight from Montréal to Toronto (Conway, 2004). When global markets were deregulated and restructured through the eighties, this experience gave it an intellectual and programmatic head-start on responding to the flight of manufacturing to low wage jurisdictions.

Several factors favoured a cooperative response to the globalization challenge. The PQ favoured rooted capital, which would not be a flight risk, and where French would be the language of work; it had successfully experimented with technical resource groups in housing and worker cooperative development in the seventies; urbanization and union organizing were advanced, particularly in Montréal; the labour movement was prepared to partner and to act (Beaulieu, 2009; Quarter, 1992); and there were strong extended social movement ties drawing the cooperatives into a wider social bloc forged in the crucible of the sixties Quiet Revolution. In short, a strong social movement coalition and developmental state favoured the cooperative model as a solution to the new problems of housing and unemployment. These fields of innovation and action were catalysts and templates for wider movement gains.

At the dawn of the globalization era, co-operation in Québec was beset by the degeneration of mature, highly institutionalized “old co-ops,” divisions between the “old co-ops” and the “new co-ops,” and ambivalence toward partnership with the state (Lévesque, 1990). This internal crisis for the movement was resolved by rebuilding a more broad-based and unified movement. Movement entrepreneurs built new social partnerships with the unions, civil society, the research community, and the state (Diamantopoulos, 2011). These efforts helped co-operation lead the social response to subsequent economic dislocations. Under the pressures of government debt and the state’s inability to act unilaterally, co-operation came under strong pressure from community, trade union, academic, and state actors to reinvent itself to more rapidly meet the challenges of a provincial economy in transition. The start-up rate for cooperatives in Québec indicated a new vitality at the close of the twentieth century. Annual start-ups were on a very sharp incline, nearly doubling from 85 in 1995 to 169 in 2000. During this period, the number of jobs in non-financial cooperatives jumped 46%, compared to 9.2% for the economy overall. From 2000 to 2006, jobs in the cooperative sector posted an additional 11% gain, net sales increased by 43%, and assets spiked by 57% (Finance, économie et recherche, Québec, 2003, pp. 16 - 20). This was also a movement characterized by significant innovation. For example, almost half the cooperatives created in 2006 were “solidarity cooperatives,” a multi-stakeholder model introduced only a decade prior (Canadian Co-operative Association, 2007b). The intertwined structural crises of unemployment and a gridlocked cooperative movement in Québec in the early eighties had inspired a determined, innovative, and durable movement resurgence.

CONCLUSION: THE PARADOX OF GLOBALIZATION ERA CO-OPERATION

The above survey demonstrates that Québec’s cooperative movement decisively expanded its position in the globalization era while Saskatchewan’s suffered a dramatic contraction. Paradoxically, globalization-related dislocations both ended traditional, agrarian producer co-operation in Saskatchewan and sparked an epic sector expansion in Québec.

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In both provinces, co-operation's traditional blocs were destabilized by globalization pressures. In Québec, urbanization, industrialization, unionization, and the articulation of new social movement and state partners to a modernized bloc were crucial to movement resilience. A strong urban base, actively supportive labour movement, engaged research community, and developmental state helped drive movement modernization and bloc renewal (Côté, 2007; Beaulieu, 2009; Vézina, 2001).

The CÉS represents Québec's emerging social economy movement. It is a network of groups committed to taking democratic social action to achieve economic power. It exists in an uneasy relationship with the more formal structures of the cooperative movement, the Conseil québécois de la co-opération et de la mutualité (Lévesque & Ninacs, 2000). Nonetheless, this shifting and conflictual social economy bloc has consolidated the emergent hegemony of economic pluralism in Québec. The social economy sector is viewed as an increasingly legitimate and important third partner alongside the private and public sectors (Lévesque & Ninacs, 2000; Mendell, 2000; 2008; Neamtan, 2008; Vaillancourt, 2009).

Neamtan (2004) emphasizes the strategic centrality of "cultural shifts" in this great leap forward. Indeed, co-operation's resurgent position within Québec's social economy bloc was preceded, as Gramsci (1977) might put it, by "an intense labour of criticism," a "diffusion of culture," and "a spread of ideas." Like past insurgencies against the status quo, the new co-operation, too, had to achieve the "ties of solidarity" and "unified consciousness" (p. 12) necessary to its renewed vitality. Activists, researchers, developers, and policy-makers in Québec struggled to define a new cooperative project, organize viable campaigns, and win hearts and minds. They built popular mental preparedness for the necessary "cultural expansion" of co-operation—and other forms of social ownership. In short, it took aggressive communication and education as well as research, technical assistance, political alliances, and new institutional intermediaries to reassemble a viable historical bloc for this new co-operativism.

By contrast, the Saskatchewan movement's traditional base was radically and rapidly reduced by a wrenching agricultural consolidation in this period. While 61% of its residents lived on farms in 1931, this dropped to less than 12% by 2006—reducing the province's farm population from a decisive majority to a very slim minority in the span of a lifetime (Statistics Canada, 2009). This reflected an economic shift to larger farms, but also the increasing marginalization of agriculture by the resource and industrial sectors. From 1984 to 1997 agriculture accounted for 10% or less of provincial gross domestic product, less than mining and oil extraction and less than half the value of industrial production (Stirling, 2001).

The collapse of the wheat province's traditional, farmer-led cooperative bloc left little energy and few resources to expand the movement's urban reach (Fairbairn, Hammond Ketilson, & Krebs, 1977; Fairbairn, 2005; Diamantopoulos & Findlay, 2007; Diamantopoulos & Bourgeois, 2011). Most importantly, the traditional movement base among middle farmers was radically reduced and its leadership undermined by their struggles for survival. As Gramsci (1971b) put it in another case of blocked transition, "The crisis consists precisely in the fact that the old is dying and the new cannot be born: in this interregnum a great variety of morbid symptoms appear" (p. 276). With the declining hegemony of the historic left-agrarian bloc (Argue, 1992), the virtual dissolution of its traditional leadership base, and the progressive dismantling of education, communication, and movement-building structures (Diamantopoulos, 2011), Prairie co-operation plunged into an unprecedented, rapid, and perilous decline.

One final, important lesson from this tale of two movements is that it took a crisis in Québec—including cooperative failures, a major process of movement restructuring, and a concerted mobilization of civil society,

university-based, and state actors to meet pressing public needs—to set the stage for its recovery. In other words, it required the repair and reconstruction of its historical bloc, and the will to do so.

While the traditional era of producer-led agrarian co-operation in Saskatchewan is over—at least in dairy, poultry, and grains—a New Social Economy (Fairbairn et al., 1997; Fairbairn, 2005; Diamantopoulos & Findlay, 2007; Silver, 2008; Diamantopoulos & Bourgeois, 2011) is only in the early days of its struggle to emerge. Lessons from Québec will be useful as Saskatchewan struggles to re-invent its movement in radically new economic and social conditions; rebuilding on wider foundations; reaching out to an extended social movement family and the state; and adapting innovations—such as those developed by their Québécois cousins—to fit the emerging new development context. In no small measure, their task is to re-imagine and re-build a new, broader-based historical bloc that can drive this movement in the radically new social, economic, and political conditions of the twenty-first century.

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Multi-stakeholder Governance in Cooperative Organizations: Toward a New Framework for Research?

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ABSTRACT

Despite the increasing popularity of multi-stakeholder cooperatives, social-economy researchers largely predict that these organizations will fail. Using a “cost of decision-making” approach, these researchers conclude that the governance structure of multi-stakeholder cooperatives makes this organizational model fundamentally untenable. In this paper, we review the empirical evidence available on multi-stakeholder cooperatives, which suggests that different groups of actors are able to govern themselves successfully. Consequently, we argue that the literature that has focused on the management of common pool resources by self-organized groups may be an appropriate body of literature in which to root a research program on these social-economy organizations.

RÉSUMÉ

Malgré la popularité grandissante des coopératives à multiples intervenants, les chercheurs en économie sociale prédisent que ces organisations essuieront un échec. Grâce à une méthode des coûts pour la prise de décisions, ces chercheurs en viennent à la conclusion que la structure de gouvernance des coopératives à multiples intervenants, par sa nature, en fait un modèle organisationnel indéfendable. Dans cet article, nous examinons les éléments de preuve empiriques disponibles sur les coopératives à multiples intervenants, qui suggèrent que différents groupes d'actants peuvent réussir à s'autogérer. Par conséquent, nous discutons du fait que la documentation qui porte sur la gestion des ressources communes par les groupes autogérés pourrait constituer un corpus approprié pour établir un programme de recherche sur ces organisations d'économie sociale.

Keywords / Mots clés

Governance; Cooperatives; Multi-stakeholder / Gouvernance; Coopératives; Coopératives de solidarité

INTRODUCTION

Over the past two decades, legislation has been amended or created in Europe and parts of North America to facilitate and formalize the development of multi-stakeholder cooperatives¹. The purpose of these organizations is to pursue social-economic goals; a range of actors are formally involved in decision-making in order to meet a common objective, be it the provision of a needed service or the economic revitalization of a community. Curiously, although multi-stakeholder legislation has been encouraged by cooperative developers and increasingly adopted by law-makers (Girard, 2004), scholars largely predict that the type of governance structure that these organizations embody will cause them to fail. A common view is that multi-stakeholder cooperatives are fraught with high decision-making costs caused by self-interested actors or by cumbersome decision-making processes, and so they may either revert to governance structures in which single stakeholder groups dominate, or will cease operating altogether (see, for example, Lindsay & Hems, 2004; Münkner, 2004; Tomas, 2004).

There is, so far, limited empirical evidence available on the governance of multi-stakeholder cooperatives, but this evidence appears to show that different groups of actors involved in decision-making are able to successfully govern their organizations. Such successes may indicate that using a cost approach for framing research on this organizational form may be an inappropriate place to begin. Instead, it may be more useful, as a starting point, to think of multi-stakeholder co-operatives as those that are able to pursue common interests, and to begin to research how they are able to govern themselves effectively.

This article presents an exploratory foray into the theory and practice of multi-stakeholder cooperatives, and it does so in four sections. The first provides background information on key terminology and on the emergence of the multi-stakeholder model of cooperative organizations. The second section outlines how scholars have used a cost approach to predict and explain the ownership structure of firms, with particular application to multi-stakeholder involvement in decision-making. The third section reviews available empirical evidence, while the final section proposes both a different starting point for understanding decision-making within this kind of social-economy organization and presents a set of factors that could be considered when researching the governance of multi-stakeholder cooperatives.

BACKGROUND

Multi-stakeholder co-operatives

It is increasingly evident among scholars who study firms of different types that all organizations have multiple stakeholders, defined as those who can affect or who are affected by the organization; or, those who have a stake (Freeman, 1984). Typically these include owners or sponsors; managers; customers, clients, or users; employees; volunteers; lenders; suppliers; community residents; and community organizations. Even a profit-maximizing firm needs to pay some attention to these groups if it is to be fully successful (Freeman, 1984), and in fact these firms may incorporate stakeholders beyond shareholders, such as a small number of employees, on their boards of directors. Similarly, the boards of directors of nonprofit organizations would typically consider the needs of their multiple constituencies when making decisions, such as the organizations' clients and funding agencies. Participation in these nonprofit organizations by various stakeholder groups may even take place in a more direct fashion: they may have advisory groups or committees comprised of different constituencies that report to the board, and they may collect information from key stakeholders through surveys (Brown, 2002; LeRoux, 2009). Moreover, social-economy organizations of all kinds, including micro-lending institutions, nonprofits providing social services, and fair-trade social enterprises, may feature the representation of key constituencies at the board table (see, for example, LeRoux, 2009; Huybrechts, 2010; Hartarska, 2005).

The focus of this paper is on a particular type of organization within the social economy in which the involvement of more than one group of actors in decision-making is an inherent feature; namely, the multi-stakeholder cooperative. A multi-stakeholder co-operative typically has at least two classes of members identified in its by-laws, such as consumers, workers, investors, volunteers, or representatives from other organizations. Each class of member would also have designated seats at the board table. Although there are different ways to allocate the voting rights of the association's members, one method is for the members of each stakeholder group, on a one-member, one-vote basis, to vote for which of their peers should fill the board seats allocated to their group (Lund, 2010). These elected directors from different stakeholder groups would then have to work together to carry out the normal functions ascribed to a board of directors, such as ensuring the financial health of the organization, hiring and overseeing the work of managers, and strategic planning (Stone and Ostrower, 2007). In the case of a multi-stakeholder cooperative that distributes any surplus to its members, the board of directors would also have to decide how this amount would be allocated to the members in its different constituency groups (Lund, 2010).

Exactly which voices, as well as the extent to which different constituencies participate in the governance of multi-stakeholder cooperatives, depends on the organizations' by-laws, but also on the legislation that shapes these organizations in their respective jurisdictions. In Québec, where multi-stakeholder governance has been formalized through the Co-operatives Act, different groups of actors that are recognized by the legislation include consumers, workers, and supporting members (defined as individuals or organizations with an economic, social or cultural interest in the objectives of the organization). Only the participation of two of the aforementioned groups is necessary for the formation of a multi-stakeholder co-operative. Boards of directors must feature at least one individual from each stakeholder group that is part of the cooperative and, in the case of multi-stakeholder cooperatives in which supporting members are a stakeholder group, only up to one-third of directors may be from this category (Gouvernement du Québec, 2009). In adjacent Ontario, Canada, however, the actors who are to be represented in decision-making are not formally delineated in cooperative law. Rather, the legislation simply defines stakeholder groups as those that are bound by a shared interest or geography. In terms of their level of participation on the board, organizations must set out the number of directors to be elected by each group in their articles of incorporation (Province of Ontario, 2009); in other words, there is no minimum or maximum amount of seats pre-established through the Co-operative Corporations Act.

Governance

Generally speaking governance refers to situations and mechanisms of regulation and control within groups, systems, or organizations. Despite its long history, the word has become common only in the last four decades or so and is often used today to refer particularly to the proper exercise of control by boards of directors within organizations, and especially the relations between boards and managers (Bouchard, 2004). Following this usage there are numerous discussions of board governance, policy governance, and so on (Carver and Carver, 1997, provide an example of a framework). But the word governance is also used in a more general sense, as when policymakers discuss governance of natural resources or of international conflict. We may distinguish this broad sense of the word governance as one which concerns the question "who has a voice in decisions?" somewhat different from a more particular sense, such as "what is the role and authority of a board?"

In this article, our use of the term governance draws on both senses of the word, as we consider both the voices of multiple constituencies within a specific type of organization, as well as how these different voices jointly carry out normal board functions. Our focus on governance also includes the participation of members of these cooperatives at members' meetings, where reports are delivered and questioned, resolutions are introduced

and debated, and new directors are elected. Although important, governance, as used in this article, does not encompass the relationship between the board of directors and managers within these organizations.

The emergence of multi-stakeholder cooperatives

One of the rationales for explaining the emergence of social-economy organizations of any kind is that they respond to market and government failures. Failure, in this context, is taken to mean failure of the institution to perform a predicted role, such as the failure of a market to produce competition, to be efficient, and to meet consumer needs; or the failure of a state to provide for the well-being of its people. In this perspective, social-economy organizations emerge when other institutions, notably the market and the state, fail to meet needs. For example, many social economy scholars argue that the first formal co-operative store formed in the United Kingdom as a response to high-cost consumer goods combined with a lack of legislation to prevent the adulteration of foodstuffs (Hoyt, 2003; MacPherson, 2009). Similarly, producer cooperatives formed in Western Canada in order to address a monopoly in the storage and distribution of grain (Fairbairn, 2005).

Yet, while earlier cooperatives were focused on correcting failures by emphasizing the needs of a single type of member, newer models have emerged in which cooperatives focus on issues that affect the wider community and that are addressed through the involvement of different types of actors (Levi, 2001). For example, food stores in rural or marginalized communities that are no longer deemed viable by sole proprietors or corporations have been purchased by local actors and incorporated as multi-stakeholder cooperatives in order to address not only the supply of essential consumer goods, but also high unemployment and rural outmigration (Lindsay & Hems, 2004). Boards of directors of these organizations are reflective of this different conceptualization of the problem at hand, and may include seats not only for consumers and staff, but also for local groups, such as regional development corporations or voluntary sector organizations.

As a second example, the current struggles of agricultural producers are also viewed widely to encompass not only the well-being of farm families, but also rural communities (Haaf & Stefanson, 2001). New cooperative structures have emerged across Canada and the United States that allow non-user members to invest in value-added enterprises; local residents “choose to purchase preferred shares because they want to support development in their communities and encourage job and wealth creation close to home” (Haaf & Stefanson, 2001, p. 4). Owners of preferred shares are, at least in some jurisdictions, provided with some rights to participate in decision-making; for example, they may be allowed to elect a certain number of directors to the board (Province of Saskatchewan, 2009).

While the exact cause of this broadened focus on the part of cooperative organizations, as well as the concomitant involvement of multiple actors, is unclear, one trend that has likely facilitated the development of this new type of social-economy organization is the stakeholder construct that has emerged from the corporate governance literature, detailed by R. Edward Freeman (1984) and much elaborated since then. Using this framework, the role of management is not to respond exclusively to the expectations of shareholders, but to make decisions that positively affect the well-being of all stakeholders. The wide popularity of the stakeholder construct in literature concerning corporate governance means there may be spill-over into discussions of the functioning of other organizational forms, since such discussions often draw on the corporate governance literature. Andrew Friedman and Samantha Miles (2006) discuss the increasing use of corporate governance concepts in the nonprofit literature since 1984, and beyond this literature there are examples of corporate governance practices affecting, being adopted within, or being imposed on the social economy. For example, Brett Fairbairn, Christopher Axworthy, Murray Fulton, Lou Hammond Ketilson and David Laycock (1990) describe how Canadian cooperative law has been shaped, to a significant degree, in order to resemble corporate law.

High costs

Decision-making involving different groups of actors has been deemed difficult, and often untenable, due to the high costs associated with governance of multi-stakeholder cooperatives. This framework is often used, either directly or implicitly, by social economy scholars to hypothesize the governance processes of multi-stakeholder cooperatives. In the literature, Antonio Tomas (2004) writes that the governance costs of multi-stakeholder cooperatives in Italy are likely high, featuring conflict among groups of actors. Hans Münkner (2004) writes that these organizations are slower to make decisions and may feature one group of dominate stakeholders; similarly, Graeme Lindsay and Les Hems (2004) also argue that dominant stakeholder groups may emerge in multi-stakeholder structures.

The construct of governance or decision-making costs was put forward by Henry Hansmann (1996) as a variable that helps explain the presence of different types of firms, including investor-owned firms versus cooperatives, versus nonprofit organizations, in different sectors of the economy. In this framework, the costs of participation in decision-making are one of a number of transaction costs with which organizations must deal if they are to be successful. While all transaction costs may affect organizational performance, in this article we are concerned only with decision-making costs associated with participation of multiple stakeholder groups. Hansmann (1996) argues that the involvement of different parties in decision-making is costly and also, therefore, uncommon. Inefficiencies arise for two main reasons. To begin, different groups of individuals are considered to have fundamentally divergent interests, and may be apt to resolve issues and pursue strategic directions in a manner that advances their own well-being versus the well-being of the larger group to which they belong. This may be exacerbated by factors such as stakeholder groups of unequal size, and thus unequal representation, in decision-making; certain actors may also simply be more engaged in decision-making than others. Here, decisions are said to be costly because they do not maximize the well-being of the entire group. Second, even if groups of individuals do not prioritize their own interests, the steps necessary for understanding the perspectives and preferences of different stakeholders and achieving consensus on different issues is argued to be too cumbersome and time consuming.

It is worth noting that decision-making costs are posited to be high both within organizations that involve delineated stakeholder groups in governance, such as an organization with consumers and workers on the board of directors, as well as organizations with single types of members who have heterogeneous interests (for example, a worker cooperative that involves a wide range of skills and specializations). As a result of these high costs, neither type of organization is argued to be common. As empirical evidence of the latter type of organization being impeded by high decision-making costs, Hansmann writes that worker cooperatives tend to operate in sectors where the output produced requires workers with relatively uniform skills sets. Interestingly, Hansmann (1996) writes that the transaction costs of the delineated multi-stakeholder model are “enormous” (p. 44) and supports this statement by writing that there is a “nearly complete absence of large firms in which ownership is shared among two or more different types of patrons, such as customers and suppliers or investors and workers” (p. 44). While Hansmann’s focus in this excerpt is on large firms, high decision-making costs are argued to be present in all firms that feature multi-stakeholder governance.

In general, then, theory predicts that multi-stakeholder cooperatives will fail either in the ultimate sense of ceasing to exist, or in the definitional sense of failing to accomplish their intended purpose and tending, over time, to revert to what amounts to single-stakeholder dominance.

A look at the evidence

A small amount of empirical evidence exists on multi-stakeholder cooperatives. What is noteworthy is that most of the evidence refutes the prediction that these organizations will either close their doors or begin to function as organizations dominated by single stakeholder groups. For example, Tomas (2004) admits that the struggles experienced by Italian multi-stakeholder cooperatives cannot be attributed to their governance structures. He explains that different stakeholder groups are in fact able to maintain a focus on the overall mission and goals of these organizations; to illustrate, volunteer members typically contribute their time to these social cooperatives for altruistic reasons rather than to pursue individual interests. Similarly, investors are commonly donors committed to the social outcomes of these cooperatives and are not focused on financial returns. Despite postulating that there are high costs associated with the multi-stakeholder model, Münkner (2004), too, writes that the governance process likely results in both greater trust among actors and better information.

A survey of multistakeholder cooperatives located in Québec reveals very high levels of satisfaction with governance processes ($N=73$) (Chagnon, 2004). Over 90% of respondents reported that the participation by different stakeholder groups at board meetings was excellent and, moreover, so too was the ability to achieve consensus among different actors. Further, when asked to identify upcoming challenges, most respondents stated that economic issues, such as increasing total revenue and paying higher staff wages, were of concern to them, rather than problems related to decision-making. Interestingly, the author of this Québec report identified several trends that one could, without the feedback on satisfaction with outcomes, interpret as indicators of governance problems. For example, the proportion of board seats per category of member does not always reflect how membership is distributed within these multi-stakeholder organizations, and, although there are typically more consumer than worker members in these organizations, a greater proportion of worker members attend annual meetings. These findings reflect two issues discussed directly by Hansmann (1996) as leading to unwieldy decision making costs for organizations; specifically, the strong worker presence at members' meetings reflects potentially uneven levels of active engagement among stakeholder groups, while stakeholder groups are of unequal size. Still, survey results point to multi-stakeholder organizations that are able to successfully engage in collective decision-making.

Four case studies on multistakeholder cooperatives in Québec also provide some understanding of governance in these organizations (Langlois and de Bortoli, 2004; 2006a; 2006b; Langlois and Girard, 2005). These case studies explore the impact of the organizational model on social cohesion; because one of the dimensions of this construct is democracy, this research does consider internal decision-making processes. Specifically, researchers looked at how boards of directors of multi-stakeholder cooperatives functioned (that is, whether different stakeholders were able to work well together or not) and how members of these cooperatives participated more broadly in these organizations.

What emerges from these case studies is that at the board level, three out of the four organizations experienced minimal conflict among directors representing different stakeholder groups. Moreover, participants from the boards of two of these organizations stated that any differences in opinion served to enrich discussions during meetings. The fourth case study was somewhat inconclusive in terms of the nature of decision-making at the board table. Research participants stated that they were able to achieve consensus in board decisions among three types of members: their supporting members, their users, and their users who also invested in the enterprise. The worker member was described as being interested in human resources issues more than any other matter; still, directors stated that divergent opinions were "assets that kept the organization moving along" (our translation) (Langlois and de Bortoli, 2006b). Case study findings also point to a disproportionate level of

participation by worker members at the members' meetings of two organizations. Overall, these case study findings mirror the survey results presented by Jocelyne Chagnon (2004).

Finally, since the low number of large organizations with multi-stakeholder decision-making structures has been cited as evidence of high transaction costs (Hansmann, 1996), the tremendous growth of smaller organizations that have adopted this model over the past fifteen years should also be considered as counter-evidence. For example, the multi-stakeholder model is the legal form of choice for recently incorporated cooperatives in Québec; almost half of all cooperatives formed in 2006 in this province chose this governance structure, and ten percent of the total number of cooperatives in this jurisdiction are now multi-stakeholder (Lepage, 2007). In Italy, there are over 7,000 such organizations (Tomas, 2004).

Further research is needed to investigate whether the pattern of substantial success we have noted for multi-stakeholder cooperatives is borne out more widely and whether success will be maintained over time. The current evidence, however, seems sufficient to suggest the need for new theoretical frameworks that do not emphasize so heavily or so one-sidedly the transaction costs of governance.

It is worth noting that because of the small amount of literature available specifically on the governance of multi-stakeholder cooperatives, we also expanded our literature search to include the governance of other kinds of social-economy organizations, including social enterprises and nonprofit organizations, as long as they featured different constituencies which were represented at the board table. We do not consider these organizations to be identical to multi-stakeholder cooperatives because they most likely differ in terms of how different classes of members are delineated in by-laws (if indeed they are formally delineated at all) as well as in how the voting rights of these members are allocated. Note that the papers we reviewed for this additional literature search provided little information on the exact governance structures of the organizations being researched.

What did emerge from this literature search is that among social-economy organizations more broadly, there is little evidence regarding how decisions are made at the board table. Roger Spear, Chris Cornforth and Mike Aiken (2009) found that staff and directors reported both negative and positive aspects to multi-stakeholder governance in social enterprises in the United Kingdom; for example, some research participants stated that stakeholder groups may emphasize their own needs or interests rather than those of the social enterprise as a whole. Further, having large funders represented at the board table may lead to "conflicts of interest and excessive monitoring." (Spear, Cornforth & Aiken, 2009, p. 268). In contrast, other respondents felt that having funders involved in decision-making led to stronger ties and good communication. A study on fair-trade social enterprises in Belgium also found mixed effects regarding the multi-stakeholder composition of boards of directors (Huybrechts, 2010): while the representation of divergent stakeholder groups allowed organizations to take advantage of different skill sets and fulfill both their social and economic missions, interview data revealed that directors with business expertise felt encumbered by the input of volunteers with non-business backgrounds.

What also emerged from this literature search was that while there is some existing research on how stakeholder representation on boards of directors is related to performance (for example, Valentina Hartarska [2005] looks at whether having staff and borrowers on the boards of micro-lending organizations is associated with their financial sustainability and lending practices to low-income clients, while the first author of this article [2010] examines the relationship between parent representation on the boards of child-care centres and the quality of care provided), this literature does not explore the board processes that result in these organizational outcomes. Consequently, while this paper puts forward a new starting point for research on multi-stakeholder cooperatives, the questions asked here may also apply more broadly to social-economy organizations of different kinds.

Toward a new framework?

Although social economy scholars commonly use a cost approach when writing about multi-stakeholder cooperatives and then predict that the governance costs associated with these organizations are ultimately too high to allow them to function effectively, the available empirical evidence suggests that, in fact, multi-stakeholder models often work. Different groups of actors are able to pursue shared objectives of the organization rather than exclusively their own needs, and effective decision-making processes can be established that allow for the input of different actors and consensus-building among their representatives at the board table.

Arguably, then, a new framework that holds different assumptions about decision-making among diverse sets of actors may be more appropriate for pursuing research on multi-stakeholder cooperatives. Moreover, research is needed that sheds light on how such organizations' governance processes take place as well as on any factors that may be important in explaining variation in the successful governance of these organizations. Indeed, it is noteworthy that in extant literature on the topic, the data that have been collected predominantly focus on how actors perceive the governance model to be working, rather than on governance processes themselves.

A promising body of literature for developing a framework and pursuing research on decision-making in multi-stakeholder cooperatives may be that which focuses on self-organized groups that manage common-pool resources. These groups manage natural or human-made resources that are finite, and where one person's use of what is available in the common pool affects what is left for others to draw upon (Ostrom, 1990). Self-organized groups develop and modify their own governance structures and rules for how common-pool resources should be used and monitored by members, although how these actors are able to use these resources is also shaped in part by rules beyond those that they establish themselves; in other words, by local or national laws (Ostrom, 2000). Finally, these self-organized groups are typically comprised of individuals with different needs with regard to the resource they co-manage; for example, they may need to withdraw different amounts of water from a watershed in order to irrigate land holdings of different sizes. These groups may have a heterogeneous membership in different respects as well; for example, actors may vary in terms of their cultural backgrounds or other socio-demographic characteristics (Varughese and Ostrom, 2001).

Conceptually, while the functions of boards of directors of cooperative organizations do not mirror the management of common-pool resources by local actors, there is arguably important overlap. Most basically, both endeavours involve different actors with potentially divergent interests working together to establish and carry out rules, roles, and responsibilities regarding how resources or assets will be managed for the group as a whole. Further, as in the co-management of a resource, different groups of actors in a multi-stakeholder cooperative may theoretically make decisions about how to use the association's resources in a way that could reduce what is available for others. For example, in the case of a health services organization in which both workers and consumers are on the board of directors, a proposal by workers to raise wages or their benefits package would impact the budget available to enhance services for consumers; this might lower the resources available to devote to the health centre's information library targeted to users of the organization, or it might reduce the budget available to provide transportation services for client-members to get to and from appointments. As such, these multi-stakeholder organizations need to create governance processes that allow directors to balance the needs of different stakeholders to ensure the financial sustainability of the organization. Further, the governance of multi-stakeholder cooperatives is also shaped and constrained by legislation that affects how they approach decision-making²; like groups of individuals managing common pool resources, then, they seldom operate in a completely autonomous fashion. Moreover, the large body of empirical work on the successful management of common-pool resources by local groups emerged as counterevidence to an assumption that individuals behave in a self-interested manner, resulting in the ultimate destruction of

resources. This parallels what the findings of the review of the empirical evidence on multi-stakeholder cooperatives presented above; namely, that organizations involving different groups of actors in decision-making are able to do so without reverting to a single-stakeholder organization or to an organization that closes its doors, despite assumptions to the contrary.

Empirical work has uncovered processes that lead to successful and sustainable governance of common-pool resources (Ostrom, 2000); several seem salient to explore in research on the governance of multi-stakeholder cooperatives. For example, one process that contributes to good governance is that all actors are involved, or at least have the opportunity to be involved, in the formation and reformulation of rules that dictate how the group functions and how the resource is managed; in other words, rule making is not done by a select group of individuals. This participatory approach is argued to not only foster a sense of involvement, but also create trust among individuals. A second factor is that there is a clear understanding of which individuals are part of a common-pool resource system, as well as of the rights and obligations of these members. A third important factor is that conflicts are resolved quickly, meaning that mechanisms are in place to identify, discuss, and address problems. Finally, common-pool resources are governed well when their members perceive a fair relationship between what individuals invest in the management of the resource and the extent to which they benefit. For example, in the case of a watershed being managed by a group of agricultural producers for the purposes of irrigation, producers who invest more in monitoring water usage should also be entitled to greater access to water for his or her crops and livestock, in mutual agreement with other members of the group (Ostrom, 2000).

Interestingly, some of these findings seem similar to governance strategies recommended by authors examining how to achieve successful governance within multi-stakeholder cooperatives in the social economy, although none of the following recommendations have been tested empirically. For example, Münkner (2004) recommends meaningful participation channels in order to engage all types of members in these organizations, and states that those playing leadership roles should work hard to establish an active membership. Similarly, Chagnon (2004) recommends frequent members' meetings for multi-stakeholder cooperatives in Québec, as well as opportunities for training and education, as ways to foster active participation of members. With respect to clearly defining how individuals are involved in these organizations, Chagnon (2004) also notes that approximately 20% of multi-stakeholder cooperatives have members with dual status; in other words, these members are both workers and consumers in the same organization, but yet the by-laws of these organizations do not address, define, or limit their rights and responsibilities. As a result, the author recommends that organizations amend their by-laws to address this issue in order to ensure good, long-term governance.

It is also worth noting that the empirical work on common-pool resources has also uncovered factors that lead to the emergence of self-organized groups (Ostrom, 1992; Ostrom, 2000). Community organizing skills or leadership experience seems to play a role; researchers have also pointed to the presence of an existing sense of trust among actors and an existing and shared understanding of the role that the common-pool resource plays in people's lives as important variables. Finally, self-organized groups may emerge to manage common-pool resources when such resources are vital to the very livelihood of the actors involved. All seem pertinent to explore by social economy scholars launching research on why community actors adopt multi-stakeholder versions of cooperative organizations, as well as what makes such structures successful.

CONCLUSION

This article has argued that, despite the common assumption held by researchers that multi-stakeholder cooperatives will fail due to a decision-making structure that is inherently costly, available empirical evidence on these cooperatives suggests that different groups of actors are, in fact, able to govern themselves successfully and pursue shared goals. We argue that research that has focused on the emergence and sustainability of self-

organized groups that form to manage common-pool resources may be an appropriate place to couch a research program that explores the governance processes of multi-stakeholder cooperatives. Participant observation of board meetings and in-depth interviews with directors may be useful methods to allow the governance processes of these organizations to come to the fore; survey research with a larger number of multi-stakeholder organizations could then follow. Key research foci could include not only the processes and strategies used by directors to achieve consensus and carry out their board functions, but also an examination of where else and how else multi-stakeholder decision-making may take place (such as within committees), and how the boards of multi-stakeholder cooperatives work with management. Research could also explore the role of group dynamics in achieving consensus at the board table, or identify the important external and internal factors that influence successful multi-stakeholder governance over time. For example, such external factors might include the economic environment, the availability of technical assistance (such as through a regional cooperative development centre) or the density of a cooperative network in the region in which the multi-stakeholder cooperative is located. Internal factors might include the commitment of the manager to working closely with the board of directors, or the overall commitment of the organization to democratic principles. Results could both inform scholarly work on governance in the social economy, and help inform emerging multi-stakeholder cooperatives on the strategies they may want to adopt to help ensure that different actors are able to participate fully and work together for the benefit of a shared goal.

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NOTES

1. We use the word “formalizes” because cooperatives involved different stakeholder groups in governance before the creation of new legislation. For example, an amendment made in 1978 to the Medical Benefit Associations Act in Saskatchewan, Canada (the legislation under which health cooperatives were first incorporated in that province) made it possible for up to one-third of the directors of these organizations to be staff (Province of Saskatchewan, 1978), with the remainder of seats allocated to consumers. As a second example, after the 1997 amendments to cooperative law that allowed for the formation of multi-stakeholder cooperatives in Québec, many existing nonprofit organizations changed their articles of incorporation to multi-stakeholder cooperatives (Chagnon, 2004), which suggests that they were already harnessing input from different groups of actors, but without a formal structure to support this type of governance as bona fide cooperative organizations. According to Carlo Borzaga and Alceste Santuari (2004), Italy also featured a large number of social-economy organizations that involved multiple stakeholder groups in governance before the introduction of new cooperative law allowed them to formally incorporate as multi-stakeholder cooperatives.

2. Legislation on multi-stakeholder cooperatives in Ontario is a case in point. Before amendments to the Co-operative Corporations Act in 2009, multi-stakeholder cooperatives were required to have a minimum of one director representing each stakeholder group in order to achieve quorum at board meetings. This requirement was difficult for organizations to meet, and so was removed from the Act at the urging of the cooperative sector (On Co-op, 2009).

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Entrepreneuriat social et entrepreneuriat collectif : synthèse et constats

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RÉSUMÉ

L'article présente les résultats d'une recherche portant sur les notions d'entrepreneur social et d'entrepreneur collectif. Après avoir défini le concept d'entrepreneur, nous voyons comment les qualificatifs « social » et « collectif » transforment l'idée d'entreprendre en un projet plus intégré où les objectifs sociaux, politiques et économiques sont « harmonieusement » agencés. La recherche repose essentiellement sur la réalisation d'une revue de littérature de textes clés produits en langue française et anglaise en Amérique du Nord et en Europe. L'analyse des données recueillies nous permet de présenter des critères simples pour proposer une définition de ces notions qui devrait rendre compte de la réalité des pratiques rencontrées sur le terrain et des contributions théoriques et critiques faites par les auteurs et travaux consultés. Elle permet aussi de présenter une dizaine de constats qui illustrent tant les points de convergence que les divergences observées entre les types d'entrepreneuriat étudiés.

ABSTRACT

This article presents the results of a study bearing on the notions of social entrepreneur and collective entrepreneur. After defining the concept of entrepreneur, I look at how the adjectives "social" and "collective" transform the project of being an entrepreneur into a more integrated one where the social, political and economic objectives are "harmoniously" organized. The study is essentially based on a literature review of key English- and French-language texts written in North America and in Europe. The analysis of the collected data allows me to present simple criteria for proposing a definition of these notions that should take into account both the reality of the practices encountered in the field and the theoretical and critical contributions made by the authors and the texts that I consulted. It also enables me to present ten observations that illustrate both the points of convergence and divergence between the types of entrepreneurship that I studied.

Mots clés / Keywords

Économie sociale; Entreprise; Entreprise collective; Entreprise sociale; Organisme à but non lucrative / Social economy; Enterprise; Collective enterprise; Social enterprise; Nonprofit organization

INTRODUCTION

L'objet de cet article est de présenter une réflexion sur l'entrepreneuriat social et l'entrepreneuriat collectif à partir d'une revue de la littérature effectuée à l'aide de documents nord-américains et européens. Pourquoi cette réflexion? Pour une raison relativement simple. Il existe toujours une confusion de sens entre les types d'entrepreneuriat développés par des acteurs privés, publics, sociaux ou collectifs. De plus, tant dans le monde universitaire que dans celui des acteurs terrain, nous observons la présence d'un débat critique sur les différentes définitions, interprétations et vertus associées à « l'entrepreneuriat social » (Hodgson, 2004; Bull, 2008; Draperi, 2010).

La question de la responsabilité sociale des entreprises et le débat qu'elle provoque dans les milieux associatifs (Salmon, 2011) soulèvent des attentes claires. Il est important de pouvoir comprendre les univers culturels propres aux différents types d'entrepreneuriat. Il est tout aussi central de bien caractériser les points de convergence et de divergence qui existent entre la pratique entrepreneuriale privée ou publique et les pratiques entrepreneuriales sociales et collectives. Enfin, il importe de montrer la parenté historique commune entre ces différentes formes d'entrepreneuriat. Notre article fournit des éléments critiques de réponse permettant de tracer les différences entre ces réalités.

Pour réaliser cette revue de la littérature, nous avons travaillé à partir d'un corpus de textes écrits en langues française et anglaise. Il s'agit principalement de textes nord-américains et européens. Ces textes ont été publiés par des chercheurs universitaires ou par des représentants d'organisations vouées à l'étude ou à la promotion de l'entrepreneuriat social.

Pour repérer les textes clés, nous avons identifié des textes canadiens qui présentent une synthèse sur la notion d'entrepreneuriat social telle qu'elle se présente au Canada¹. Dans un deuxième temps, nous avons exploré la littérature états-unienne, plus riche, plus ancienne et plus diversifiée². Enfin, nous nous sommes penché sur la littérature européenne principalement à partir de textes produits au Royaume-Uni, en Belgique, en Italie ou en France³.

La recherche documentaire a été effectuée principalement sur Internet et de façon moins importante à partir d'articles de revues ou de livres spécialisés. Les textes relèvent de travaux menés par des chercheurs universitaires, par des consultants au service d'organisations gouvernementales ou par des chercheurs/consultants œuvrant pour des fondations privées.

Parmi les textes que nous avons consultés, nombreux sont ceux qui ont été conçus pour servir de guide à l'action. Ils ont été produits dans une perspective de promotion et de développement de l'entrepreneuriat social. Notre revue tient certes compte de cette perspective, tout en ajoutant une recension d'écrits plus théoriques. Ces écrits posent un regard réflexif sur la pratique globale de l'entrepreneuriat social.

Enfin, en raison de son ampleur, cette revue de littérature complète des travaux récents importants réalisés par d'autres chercheurs canadiens (Brouard, Larivet et Sakka, 2010; Maddil, Brouard et Hebb, 2009; Elson et Hall, 2010).

L'article est divisé en trois sections. La première pose les bases historiques du concept d'entrepreneur et d'entreprise. Elle permet de renouer avec des textes classiques et de rappeler que l'idée d'entreprendre fait l'objet de réflexions théoriques depuis au moins trois siècles. La deuxième section est consacrée à l'étude de l'entrepreneuriat social et collectif. Nous y présentons des éléments de définition, une typologie et les principales caractéristiques de ces types d'entrepreneuriat. La troisième section analyse les informations présentées dans la première et la deuxième section pour dégager dix constats sur l'entrepreneuriat social et

collectif. Nous terminons cette section en proposant des critères simples pour une définition de l'entrepreneuriat social et de l'entrepreneuriat collectif. Enfin, la conclusion se penche sur quelques enjeux et identifie des éléments de perspective permettant de saisir pourquoi il importe de voir l'entrepreneuriat social et l'entrepreneuriat collectif prendre une plus grande place dans le modèle de développement des économies canadienne et québécoise.

La notion d'entrepreneur

Le terme « entreprendre » ou encore les notions « d'entrepreneur » ou « d'entreprise » utilisées pour qualifier une activité sociale à vocation économique, sont des termes relativement anciens en langue française, anglaise, allemande et italienne dont le sens moderne prend forme à partir du 18^e siècle (Tounes, 2002; Peredo et McLean, 2006).

En langue anglaise, ce terme apparaît une première fois en 1475 pour désigner un manager, un contrôleur, un champion (Oxford English Dictionary, 2003). L'idée plus précise d'associer l'action de contrôle à une action économique émerge au 18^e siècle. Dans l'Encyclopédie d'Allembert et de Diderot (2010, page Internet), nous retrouvons la définition suivante : « Entrepreneur, c'est celui qui s'engage à faire fabriquer et fournir un vaisseau tout construit, aux termes d'un certain devis qui se fait entre lui et l'acheteur, pour le prix dont ils sont convenus ». Au 18^e siècle, l'idée d'entreprendre ou d'entreprise renvoie tant à l'action de produire un ouvrage qu'à celle de faire commerce.

La conception de la fonction d'entrepreneur comme acteur social revient à Cantillon. Ce dernier identifie en 1755 trois groupes d'acteurs présents dans la société française : les propriétaires, indiquant par là des personnes indépendantes de fortune; les fermiers; et les entrepreneurs, c'est-à-dire les marchands, les manufacturiers ou les hommes de loi (Tounes, 2002).

En 1803, Say est le premier économiste à en donner une définition précise : « l'entrepreneur d'industrie, (est) celui qui entreprend de créer pour son compte, à son profit et à ses risques, un produit quelconque ». (Say, 1803, Livre I, p. 66). Il s'agit donc d'une personne qui prend des risques afin de produire une valeur économique. Cette production de valeur se fait dans son intérêt et pour son propre bénéfice. Se développe avec Say une conception moderne de l'action économique : il s'agit d'un processus mettant en scène des individus libres qui, afin de s'enrichir et d'enrichir la société (thèse de Smith (1776)), sont amenés à développer un projet d'activité économique productrice d'une richesse qui leur reviendrait de droit étant donné les risques qu'ils ont pris au départ.

Say distingue différents types d'activités sociales : celles permettant la création de richesse économique et qui relèvent de l'entrepreneur d'industrie; celles qui permettent la création de richesse sociale, lesquelles sont prises en charge par des organisateurs de l'entraide ou de la culture par l'entremise des organisations de développement social ou culturel; enfin, celles qui produisent de la richesse politique, donc des actions mises en œuvre par des acteurs de la sphère politique publique ou par des promoteurs d'actions collectives (mouvements sociaux). Say présente ainsi une vision intégrée des actions sociales prenant place dans la société où cette dernière constitue un tout segmenté en grands secteurs d'intervention dédiés au développement économique, au développement social, au développement culturel et au développement politique.

La contribution de Say prépare le travail réalisé par Marshall à la fin du 19^e siècle. L'apport de Marshall (1898) est double. D'une part, il étudie le cycle de croissance des entreprises – de la petite entreprise locale à la grande entreprise internationale – et caractérise les possibilités de croissance en fonction de secteurs

économiques (certains secteurs étant plus propices que d'autres à leur internationalisation). Au cycle entrepreneurial identifié par Marshall correspond un nouvel acteur : le manager ou le gestionnaire d'entreprise. L'entrepreneur ne représente plus seulement celui qui s'investit par son travail dans la production d'un bien ou d'un service, mais aussi celui qui a pour tâche de gérer les avoirs d'un propriétaire qui a pris une distance et qui délègue la tâche de gestion à un manager.

D'autre part, Marshall observe un phénomène encore peu étudié : l'externalité. D'un côté, l'externalité rend compte de ce qu'une communauté fournit à un entrepreneur. Ce dernier n'a pas à construire en place des routes ou des écoles, cette action incombe à l'État. De l'autre, l'externalité est ce qu'apporte l'entreprise à son milieu. L'entreprise, en produisant des biens, verse des salaires et crée de la richesse locale, laquelle se diffuse sur le territoire en permettant le développement de nouvelles activités (externalité dite positive). Ce faisant, elle génère des irritants, la pollution par exemple (externalité dite négative).

Les réalisations d'une entreprise – externalités positives et négatives – sont la source d'opportunités et rendent compte de situations d'imperfection ou d'incomplétude en ce qui a trait aux modalités de régulation de la société. Les opportunités constituent des occasions d'affaires. Des entreprises sont créées pour offrir des services aux firmes existantes. De telles opportunités permettent la création de nouvelles entreprises, privées ou publiques. Les situations d'imperfection ou d'incomplétude représentent des possibilités d'intervention pour l'État ou pour la société civile et conduisent à la création d'organisations publiques ou sociales. Penser les externalités à la façon d'un moteur permettant une structuration continue des activités socioéconomiques de la société se développera à la suite des travaux de Coase (1960).

En résumé, pour permettre l'entrepreneuriat, il est nécessaire d'encadrer ce dernier par un environnement culturel qui soit favorable à son émergence et à son développement : l'implantation d'infrastructures (routes, ponts), le développement du capital humain de la population (écoles), et la mise en œuvre de dispositifs pour appuyer le développement de la science et des techniques (recherche et développement en milieux privés ou publics). De façon rétroactive, il s'ensuit un développement des sociétés qui est le résultat de réponses sociales données à des besoins non comblés :

- par le développement d'organisations caritatives, à vocation purement sociale, comme le démontre l'émergence du mouvement moderne des organisations sans but lucratif à vocation sociale dès le début du 19^e siècle;
- par le développement d'un nouveau type d'activités sociales à vocation économique, tel que proposé par différents mouvements sociaux au 19^e siècle, à l'image du mouvement coopératif tel que pensé par les pionniers de Rochdale en Angleterre;
- par l'action interventionniste de l'État, tel qu'en rend compte la synthèse théorique de Keynes (1936).

Notre tour d'horizon sur la notion d'entrepreneur peut difficilement passer sous silence l'apport de Schumpeter (1935). Ses travaux reposent sur l'hypothèse que l'entrepreneur joue un rôle central dans la transformation du système économique moderne. Pour Schumpeter, l'entrepreneur est un innovateur, c'est-à-dire une personne qui, dans et par la réalisation d'une activité économique, est capable de créer de nouveaux arrangements institutionnels, lesquels prennent la forme de nouveaux produits, de nouveaux procédés, de nouveaux modes d'organisation du travail ou de nouveaux usages pour des produits existants. Pour Schumpeter, l'entrepreneuriat relève d'une action individuelle située et influencée par le contexte social et politique dans lequel elle prend place. Cette action est produite par un être passionné qui cherche continuellement à se dépasser pour trouver les meilleures combinaisons possibles afin de produire de la richesse économique en prenant des risques.

L'analyse économique de Schumpeter présente l'entrepreneur comme un bâtisseur dont les actions orientent le développement des sociétés. Schumpeter pose alors une distinction claire entre l'entrepreneur et le gestionnaire, lequel se contente de gérer un actif. Cette distinction attribue un rôle particulier à l'entrepreneur et en fait un cas de figure plus rare. À ses yeux la grande majorité des entreprises sont dirigées par des gestionnaires et moins par des innovateurs. Cette lecture décrit bien la situation économique rencontrée dans les systèmes européens au milieu du 20^e siècle où le moteur du dynamisme économique est attribué aux actions des grandes firmes, lesquelles sont administrées par des managers.

L'après Deuxième Guerre mondiale est caractérisé par une grande croissance économique dans les pays dits développés (1940-1970). Les turbulences économiques des années 1970 révèlent une situation pour le moins paradoxale (Birch, 1979). Le moteur économique – en ce qui a trait à la création d'emplois – se déplace de la grande firme à la petite et moyenne entreprise. Cette réalité permet de redécouvrir la figure de l'entrepreneur. Aux États-Unis, indique Drucker (1985), entre 1960 et le milieu des années 1980, les grandes firmes perdent environ six millions d'emplois et le secteur public cinq millions alors qu'il se crée environ 40 millions d'emplois au sein de très petites entreprises ou de petites et moyennes entreprises. Dans la même période, des milliers d'organisations sans but lucratif apparaissent⁴. Le dynamisme économique repose dorénavant sur la création de petites unités de production et d'intervention. Tous les regards se tournent alors vers les figures de proue à la gouverne du nouveau moteur économique : l'entrepreneur d'affaires (« business entrepreneur ») et l'entrepreneur social (« social entrepreneur »). Dès lors, les économistes et les grandes écoles de formation redécouvrent la figure de l'entrepreneur et accordent une place centrale à ce dernier pour expliquer les dynamiques de l'économie présentes au début des années 1980 (Julien, 1994; Boutillier et Uzunidis, 1995).

L'exercice que nous venons de faire nous permet de dégager les caractéristiques fondamentales de cette forme d'action sociale que constitue l'entrepreneuriat. Premièrement, l'entrepreneuriat met en scène un projet ayant une orientation fondamentalement économique.

Deuxièmement, pour justifier son action, l'entrepreneur invoque une rationalité plus large que la simple recherche du profit. Sans écarter la place importante occupée par la poursuite d'un intérêt personnel, la rationalité d'entreprendre inclut aussi une volonté de réaliser ou de favoriser l'atteinte d'un intérêt plus large.

Troisièmement, entreprendre signifie prendre un risque, investir et aussi mobiliser des ressources et, peut-être, le faire de façon innovante, c'est-à-dire d'une façon qui représente une rupture par rapport aux modes conventionnels de faire.

Quatrièmement, une distinction entre entreprendre et gérer est posée en lien avec l'évolution du cycle de croissance et de développement des entreprises, d'une part, et, d'autre part, des cycles de transformation des systèmes économiques. Cette distinction rend apparente une caractéristique centrale de l'entrepreneur, celle d'être une personne qui innove et dont l'innovation est porteuse de changement au plan économique et surtout qui a un impact à l'échelle de la société.

Cinquièmement, l'étude de l'entrepreneuriat nous a révélé la présence de deux figures complémentaires.

D'une part, nous retrouvons la figure du grand personnage sur lequel tout repose et sans qui rien n'est possible : l'entrepreneur. Il actualise une intuition et met en scène un projet privé qu'il porte de main ferme et qui répond fondamentalement à une vision hiérarchique du fonctionnement de l'entreprise qu'il dirige. Ce dernier est entouré d'un réseau de ressources, tant sociales que techniques, à la fois tangibles et intangibles. Ce réseau constitue un environnement composé d'une diversité d'éléments qui se moulent et se collent à

l'entrepreneur (au leader). Une sorte d'osmose en découle. Elle se traduit par une situation d'accompagnement et parfois même d'encadrement du leader dans la réalisation de son intuition et de son projet. Le projet prend alors une dimension « sociotechnique », au sens où il est soutenu et appuyé pour se matérialiser, se concrétiser, grandir ou tout bonnement disparaître lorsque la résonance sociale et technique autour de ce dernier s'étiolle ou que ne peut plus être proprement alimentée la flamme entrepreneuriale du promoteur ou du leader.

D'autre part, les activités économiques suscitent des besoins qui demandent à être comblés par d'autres acteurs, publics, sociaux ou collectifs. À la figure de l'entreprise privée se greffe d'autres types d'entrepreneuriat dont l'existence même est étroitement associée et imbriquée au système économique dominant. Penser un tel système exige de prendre en considération l'ensemble du portrait.

L'entrepreneuriat social et collectif

Aux États-Unis, au Canada, au Québec et en Europe, l'entrepreneuriat social et l'entrepreneuriat collectif sont une vieille réalité qui remonte au 19^e siècle (Fontan, 1992). L'entrepreneuriat collectif, sous la forme de coopératives et de mutuelles, a été l'objet d'attentions depuis au moins le début du 20^e siècle (MacPherson, 1979; Leikin, 2005; D'Amours, 2006; Petitclerc, 2007). Par contre, aucune notion ne permettait de caractériser l'entrepreneuriat social, lequel se fondait dans l'action communautaire.

Aux États-Unis, la notion d'entrepreneur social voit le jour à la fin des années 1970. Selon Dees (2001), deux événements qualifient la montée en importance de cette notion. D'une part, en 1980 est créée l'organisation Ashoka. D'autre part, la firme de consultants New Ventures débute ses activités. Ces deux organisations reposent sur deux visions et deux écoles de pensée de ce que représente une entreprise sociale : l'école de l'innovation sociale et l'école de l'entreprise sociale.

Pour Dees (2001), la création d'Ashoka donne naissance à l'école de l'innovation sociale. Cette dernière s'inscrit dans la ligne de pensée de Schumpeter qui lie étroitement le fait d'entreprendre au fait d'innover. L'organisation Ashoka ajoute à la vision de Schumpeter l'idée d'innover non pas pour développer l'économie, mais pour rendre un service public :

Ashoka began by supporting « innovators for the public » or « public entrepreneurs » working internationally. These are people who, according to economic theorist Joseph Schumpeter's description, reform or revolutionize patterns of production. According to Bill, social entrepreneurs were those who were doing just that with regard to socially important goods, like education and healthcare and access to credit. (Fulton et Dees, 2006, p. 4)

Toujours selon Dees (2001), la création de New Ventures marque les débuts de l'école de l'entreprise sociale. En 1980, il s'agissait pour Skloot, créateur de cette dernière, de répondre à des demandes qui lui étaient adressées par des organisations à but non lucratif. Confrontées à des problèmes de financement, ces dernières devaient trouver de nouvelles sources de revenus : « In the United States, federal and state funding for non-profits decreased 23% in the 1980s, and continued to decline in the 1990s » (Johnson, 2000, p. 3). Selon Skloot, il fallait profiter du potentiel et de la réalité d'une organisation vouée au développement social ou au développement politique afin de générer des revenus qui lui permettraient de combler la perte ou l'absence de revenus provenant de fondations privées ou de l'État :

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Ed was concerned with helping nonprofits find new streams of revenue to make them more financially viable. This evolved into helping nonprofits use business ideas and tools more generally. (Dees, 2001, p. 4)

Ces deux écoles représentent deux philosophies de travail. Ashoka œuvre au développement de leaders sociaux par la formation d'un vaste réseau d'entrepreneurs sociaux. La logique de travail est d'identifier et de soutenir pendant trois ans la formation, le coaching et le parrainage de créateurs d'entreprises ayant la conscience de militants sociaux (Defourny, 2006). New Ventures œuvre au développement de marchés pour des organisations sociales en les amenant à comprendre et à utiliser les outils classiques de développement et de gestion de projets utilisés par des entrepreneurs privés.

Au début des années 1980, l'engouement pour l'entrepreneuriat social est bien compris et pris en compte par différentes universités états-uniennes. Des cours se développent et des programmes sont implantés à partir de la fin des années 1980 et au début des années 1990 : création d'une formation en entrepreneuriat à l'Université de Washington, mise sur pied de la Social Enterprise Initiative en 1993 à l'Université Harvard, du Center for the Advancement of Social Entrepreneurship à l'Université Duke ou encore du Center for Social Innovation à l'Université Stanford (Defourny, 2006; Fulton et Dees, 2006).

Au Canada, l'entrepreneuriat social est une réalité plus récente. Moins nombreux qu'aux États-Unis sont les chercheurs qui ont réalisé des travaux sur cette question⁵. Le faible développement de recherches sur ce thème tient, selon Johnson, à un malaise présent au sein de la communauté canadienne face au concept de l'entreprise sociale : « The concept and practice of social entrepreneurship has been widely embraced in the U.S. and the U.K., but has met with less enthusiasm in Canada » (Johnson, 2003, p. 5).

En fait, la pratique était autant présente en sol canadien qu'ailleurs dans le monde; toutefois, cette pratique ne faisait pas l'objet d'une reconnaissance spécifique de la part du milieu académique. Il existait plusieurs concepts apparentés, par exemple ceux d'entreprises communautaires et d'entreprises d'économie sociale (coopératives et mutuelles). Ces termes regroupaient largement les pratiques couvertes par les définitions états-uniennes de l'entreprise sociale.

Depuis une décennie, la situation s'est passablement transformée. En effet, plusieurs organisations, dont des fondations privées et des centres universitaires, travaillent maintenant au développement de l'entreprise sociale ou du leadership socioéconomique, dont les Fondation Muttart, McConnell, le Fraser Valley Centre for Social Enterprise, le Centre Sprott pour les entreprises sociales, le Canadian Centre for Social Entrepreneurship et le Enterprising Non-Profits. Preuve de l'importance du concept, cette dernière organisation réalise en janvier 2007 à Vancouver un premier colloque national (Canadian Conference on Social Enterprise) sur le thème de l'entrepreneuriat social. Enfin, une définition large de l'entrepreneuriat social est proposée par le Centre Sprott :

Social enterprises are defined as organizations created to pursue social missions or purposes that operate to create community benefit regardless of ownership or legal structure and with various degrees of financial self-sufficiency, innovation and social transformation. (Brouard, Hebb et Madill, 2008, p. 11)

Au Québec, il nous faut mentionner le travail réalisé par Lévesque (2002). Celui-ci indique que la poursuite d'activités à vocation économique est l'œuvre d'au moins trois types d'entrepreneurs – l'entrepreneur privé, l'entrepreneur social et l'entrepreneur collectif – qu'il distingue et caractérise à partir d'un ensemble

d'indicateurs (tableau 1). À ces trois figures, nous greffons une quatrième, celle de l'entrepreneur public caractérisé par les sociétés d'État (Bernier et Fortin, 1997).

Lévesque présente une synthèse éclairante sur les différents types d'entrepreneuriat en raison des éléments comparatifs qu'il identifie. Prendre des risques, innover et se donner un projet d'entreprise sont des points communs entre l'entrepreneur privé et l'entrepreneur social ou collectif. La distinction entre l'entrepreneur privé (EP) et l'entrepreneur social (ES) ou collectif (EC) repose fondamentalement sur la nature du projet développé par le ou les promoteurs :

- Il y a des risques, mais ils ne sont pas du même ordre puisqu'ils ne sont pas assumés pas un individu ou un groupe à des fins privées (EP) mais par un groupe à des fins sociales ou collectives (ES ou EC);
- Les moyens mobilisés (ES et EC) sont différents de l'entreprise privée puisqu'ils impliquent une mobilisation large de ressources issues de la communauté et de l'État dans une perspective dépassant une finalité purement économique à des fins privées;
- Le projet qui est proposé combine, sous un mode de gestion démocratique, des objectifs économiques et des objectifs sociaux auxquels s'ajoutent parfois, selon les recherches que nous avons effectuées (Fontan, Leblanc, Noisieux et Silvestro, 2010), des objectifs écologiques.

Tableau 1 : Typologie des formes d'entrepreneuriat

Dimension Type	Individu Collectif Communauté	Rationalité	Risque	Projet	Innovation
Privé	Plutôt individu	Plutôt formel (calcul comptable)	Financier	Plutôt individu (réalisation de soi et famille)	Sens schumpétérien
Social	Individu Communauté	Plutôt en valeur vers la communauté (proximité)	Financier et social (réputation) Risque moindre	Plutôt engagement social Développement local (intérêt général)	Besoins non satisfaits + formes d'organisation
Collectif	Individu Collectif	Plutôt en valeur vers le collectif (membres)	Financier et social (réputation) Risque moindre	Plutôt entrepreneurial mais collectif	Besoins non satisfaits + formes d'organisation

Source : Lévesque, 2002, p. 20

Tel qu'en rend compte la synthèse de Lévesque, l'entrepreneuriat privé est un projet motivé par des intérêts personnels d'enrichissement et d'accomplissement de soi à partir d'un modèle vertical et hiérarchique de gouvernance de l'entreprise s'appuyant sur une propriété privée des avoirs générés.

L'entrepreneuriat social (ES) et l'entrepreneuriat collectif (EC) reposent sur des projets visant l'enrichissement et l'accomplissement d'une communauté à partir d'intérêts sociaux (ES) ou collectivisés (EC) qui sont coordonnés à l'aide d'un modèle horizontal et vertical de gouvernance et d'une propriété dite sociale (ES) ou collective (EC). Les projets qu'ils soutiennent impliquent une production de valeur économique et sociale (Bassi, 2011) partagée entre les membres du groupe et la communauté.

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L'entrepreneuriat – social et collectif – se distingue de l'entrepreneuriat privé par le fait qu'il met en scène des projets communautaires ou collectifs. Il est motivé par une production de valeur vouée au développement du bien-être d'un groupe ou d'une communauté. Il repose sur un mode de gouvernance communautaire ou collectif, où le sens donné à la notion de communauté peut être large ou restreint.

En Europe, à partir des années 1970, émerge une forme collective d'entrepreneuriat social. Un premier développement est observable en Italie. Il est associé à la création d'un nouveau type de coopérative : les coopératives de solidarité sociale. Ces coopératives offrent des services sociaux ou facilitent l'insertion de leurs membres sur le marché du travail, à l'image des coopératives sociales d'insertion (Borzaga et Santuari, 1998).

Des travaux importants ont été réalisés par le European Research Network. Ce groupe, dirigé par Defourny (2006), a réalisé une étude très importante sur l'émergence des entreprises sociales européennes pour une période s'étendant entre 1996 et 2000. Bien que l'Europe n'ait pas développé une politique spécifique pour les entreprises sociales, on y dénombre plusieurs politiques sectorielles pour appuyer le développement du tiers secteur et de l'économie sociale.

Afin d'appuyer le développement de l'entrepreneuriat social, le Programme Leonardo da Vinci (2002) de la Commission européenne a développé un référentiel sur le métier d'entrepreneur social. Cette organisation identifie nommément un métier et un champ de compétences pour qualifier les qualités de l'entrepreneuriat et de l'entrepreneur social. Le référentiel vise le développement du capital social de futurs entrepreneurs sociaux en offrant des formations sur un ensemble de thématiques. Il propose une définition engagée de l'entrepreneuriat social et s'est donné pour objectif de faciliter la reconnaissance sociale de cet entrepreneuriat :

L'entrepreneur social exerce une fonction de direction dans une entreprise dont la finalité économique est conjointe ou subordonnée à une finalité répondant à des valeurs de solidarité entre personnes, groupes sociaux, territoires.

Son action est de concevoir, promouvoir, développer l'activité de cette entreprise dans sa finalité solidaire et sociale.

En aucun cas la recherche du profit n'est le critère exclusif de ses choix d'orientation ou de gestion même si à certains moments la recherche de l'équilibre économique tend à orienter prioritairement mais provisoirement les choix. Lorsqu'un patrimoine collectif est constitué (exemple des coopératives), sa gestion est également collective (une personne, une voix). (Programme Leonardo da Vinci, 2002, p. 18)

Au Royaume-Uni, l'entrepreneuriat social a été reconnu par le législateur public au début de l'année 2000. Ce dernier a développé une politique d'appui et de soutien à l'entrepreneuriat social. Le gouvernement du Royaume-Uni s'est donné une double définition de l'entrepreneuriat social. Cette dernière inclut principalement des entreprises sociales tout en accordant une place à certaines entreprises coopératives.

A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners. (Cabinet Office, 2006, p. 10)

Les entreprises sociales sont considérées comme étant partie prenante du troisième secteur, en complémentarité des entreprises privées et publiques.

Social enterprises are part of the “third sector”, which encompasses all organizations which are non-governmental, principally reinvest surpluses in the community or organization and seek to deliver social or environmental benefits. The third sector embraces voluntary and community organizations, charities, social enterprises, mutuals and co-operatives ». (Cabinet Office, 2006, p. 10)

A co-operative is defined as an autonomous association of persons united voluntarily to meet their common economic, social and/or cultural needs and aspirations through a jointly owned and democratically controlled enterprise. (Cabinet Office, 2006, p. 11)

Le portait que nous avons réalisé par cette revue de littérature de l’entrepreneuriat – social et collectif – nous a permis d’observer à quel point cette pratique est présente en Amérique du Nord et en Europe. Elle regroupe des projets poursuivant des finalités relativement convergentes sans pour autant correspondre tout à fait à la même réalité.

CONSTATS

Le tour d’horizon que nous avons effectué nous permet de poser un ensemble de constats.

Premièrement, il est reconnu tant en Amérique du Nord qu’en Europe que la pratique de l’entrepreneuriat collectif est ancienne alors que l’entrepreneuriat social est une nouvelle notion qui apparaît à la fin des années 1970. À travers une terminologie éclatée – entreprise sociale, entreprise collective, société à utilité ou à finalité sociale, entreprise solidaire, etc. – la diversité des actions qu’il suscite, les ressources qu’il mobilise et l’implication à son égard de la part des législateurs publics font en sorte que la pratique de l’entrepreneuriat social a acquis une légitimité et une crédibilité à l’échelle internationale.

Deuxièmement, à partir des années 1980, les États-Unis sont au cœur du processus de reconnaissance des entreprises sociales. Le volet « entreprise collective », généralement associé au secteur de l’économie sociale ou solidaire, connaît quant à lui un renouveau important au cours de la même période en Italie, en France et au Canada.

Troisièmement, le processus de reconnaissance de l’entrepreneuriat social est fondamentalement lié aux transformations qui touchent les pays développés. À partir des années 1980, les transformations liées à la perte d’importance des grandes firmes comme moteur économique de la croissance des économies développées et la montée en importance de très petites, petites et moyennes entreprises ou organisations, d’une part, et, d’autre part, la réduction des financements publics consacrés à des organisations sans but lucratif⁶, sont au cœur du renouveau de ce mode entrepreneurial. Dans les travaux consultés, ces transformations sont aussi liées au désir et à la volonté d’acteurs sociaux d’investir le secteur de la société civile et la forme juridique de l’organisme sans but lucratif afin de trouver des solutions alternatives aux incapacités du marché et de l’État à répondre de façon adéquate aux urgences sociales.

Quatrièmement, l’entreprise sociale est une réalité hétérogène. Les travaux consultés nous permettent de dire que l’étude, la promotion et le soutien offerts aux entreprises sociales poursuivent deux objectifs. D’un côté, des efforts, sous forme de ressources, sont mobilisés pour assurer le soutien à des organisations. L’accent est placé sur le développement de l’entreprise sociale, d’un groupe d’entreprises, d’un secteur ou d’une filière. Il

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s'agit alors de travailler sur les différentes phases de ce type d'entrepreneuriat : de l'émergence à l'expansion en passant par la consolidation des activités. D'un autre côté, des efforts, sous forme de ressources, sont concentrés sur le soutien à apporter pour favoriser l'émergence de leaders sociaux au sein de différentes communautés ou différents territoires, et ce indépendamment du développement d'une organisation spécifique.

L'analyse des travaux sur l'entrepreneuriat non privé permet de comprendre que le continuum des cas de figure rencontrés est très large. Il peut s'agir :

- d'un projet ou d'un volet social au sein d'une entreprise privée ou d'une organisation publique;
- d'un nouveau marché à vocation sociale qui est pris en charge par des entreprises privées (les services privés de développement de l'employabilité par exemple);
- d'une action à vocation économique développée par un organisme sans but lucratif pour consolider son financement;
- d'initiatives mises de l'avant, par un collectif ou une communauté, dans un secteur particulier ou sur un territoire donné, à partir d'organismes sans but lucratif pour développer de façon différente le marché et l'économie : champs de l'action communautaire, de l'action environnementale, du commerce équitable, de l'agriculture soutenue par la communauté, de l'insertion par l'économique, de l'économie sociale ou solidaire, du développement local ou de la coopération solidaire à l'international;
- d'une initiative mise de l'avant par un collectif à partir d'une organisation coopérative ou mutualiste pour développer un marché et une économie plus démocratique et solidaire.

Ceci permet de dire qu'il existe trois grandes familles de cas pour qualifier l'entrepreneuriat social et l'entrepreneuriat collectif :

- les initiatives purement privées à vocation sociale, mais distinctes de celles représentées par le concept de « responsabilité sociale des entreprises »⁷;
- les initiatives communautaires ou humanitaires développant des marchés à vocation sociale;
- enfin, les initiatives collectives – coopératives, mutuelles, organisations autogestionnaires ou autonomes – qui sont dotées d'une mission sociale, communautaire ou humanitaire.

Somme toute, une distinction centrale est évoquée par de nombreux travaux pour qualifier tant la réalité de l'entrepreneur social que celle de l'entrepreneur collectif. Cette distinction fait actuellement l'objet d'un débat et regroupe principalement des analyses critiques. Elle associe fondamentalement l'entrepreneuriat social ou collectif à des valeurs liées à la recherche de solidarité, de justice et d'équité. Il est question d'une éthique sociale, de principes communautaires et d'une vision solidaire du développement à effectuer.

Il existe un autre débat sur le fait que l'entreprise sociale ou l'entreprise collective puissent ou non générer des profits en réalisant sa mission. Tous les travaux mentionnent le fait que les entreprises – sociales et collectives – doivent apporter une valeur ajoutée sociale à une communauté, à une collectivité ou à un territoire. Par contre, il n'y a pas de consensus sur le fait que, pour y arriver, il faille fondamentalement accumuler des

bénéfiques. Cette question est particulièrement présente lorsque l'État contractualise des ententes avec des entreprises sociales ou des entreprises collectives. L'achat de services qu'il fait couvre essentiellement les frais courants. L'État-patron ne valorise et ne permet pas la production d'un « surplus ».

Enfin, l'analyse nous permet d'affirmer – peu importe les cas de figure rencontrés – que l'État est concerné à plusieurs niveaux par le développement de ces formes d'entrepreneuriat. D'une part, l'État est responsable de la conduite d'actions de réglementation visant le développement social, culturel, politique ou économique de la société en général, et le développement de communautés et de territoires en particulier. Il l'est à titre de régulateur en raison du fait qu'il lui est demandé de mettre en place un cadre institutionnel adéquat au moyen de politiques, de programmes, de services, de compétences et d'attitudes. L'État est présent aussi à titre de facilitateur. Il lui est demandé de dégager les ressources nécessaires pour appuyer l'émergence, la consolidation et l'expansion de toutes les formes d'entrepreneuriat.

Enfin, l'État est concerné à un autre niveau : en tant qu'acteur participant directement au développement prenant place sur son territoire. Dans l'administration publique, de l'échelle fédérale jusqu'à la municipale, il pourrait se créer des initiatives parapubliques à finalité socioéconomique et à portée sociale. Du monde de l'éducation à celui de la valorisation des ressources humaines en passant par les actions publiques de développement économique (habitat, santé, transport, environnement, etc.), le domaine public pourrait initier des projets d'entrepreneuriat social à vocation publique.

Cinquièmement, nous observons peu de travaux sur les qualités inhérentes ou naturelles de l'entrepreneur ou du leader responsable du développement d'une entreprise, qu'elle soit sociale ou collective. Le débat actuel porte essentiellement sur les actions à mener pour assurer un bon milieu d'incubation afin que puisse se développer un nombre suffisant d'entrepreneurs sociaux et collectifs.

Dans la littérature consultée, le développement de l'entreprise – sociale ou collective – est envisagé sous forme d'occasions à saisir dans un contexte où il incombe à l'État et à des organisations de la société civile de mettre en place un environnement qui soit favorable à ce type d'entrepreneuriat. Il est aussi indiqué le besoin d'assurer une durabilité à ces formes entrepreneuriales. Il s'agit donc d'implanter les conditions pour innover dans la mise en place de mesures d'aide ou de soutien aux entrepreneurs sociaux et aux entrepreneurs collectifs.

De plus, il est fréquemment évoqué que le cadre de développement de cet entrepreneuriat est très lié au contexte social dans lequel il prend forme. Il est donc développé en fonction des caractéristiques démographiques, sociales, économiques, culturelles ou ethniques des populations ou des territoires concernés. Dès lors, l'entrepreneuriat – social et collectif – cumule différentes formes de capital : humain, social et socio-territorial (Tremblay, Klein et Fontan, 2009).

Les travaux consultés nous indiquent que la mobilisation de ressources nécessitées pour l'implantation de ces types d'entrepreneuriat se fait en interpellant un nombre important de secteurs de la société. Autant le capital privé et l'État que la société civile, y compris les mouvements sociaux, sont invités à mettre à la disposition des entrepreneurs concernés leurs ressources pour faciliter le développement de l'entrepreneuriat social ou de l'entrepreneuriat collectif.

Sixièmement, les travaux rendent compte d'un consensus : l'entrepreneuriat social et l'entrepreneuriat collectif sont sources d'innovation sociale. Ces formes entrepreneuriales permettent de faire des choses de façon différente. Elles facilitent l'adoption de solutions là où l'action privée traditionnelle et l'action publique classique

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ne peuvent ou ne veulent pas intervenir. Ces formes d'entrepreneuriat se révèlent être une façon d'ouvrir les horizons et de faire reculer des frontières socioéconomiques ou sociopolitiques.

Somme toute, il existe des différences notables en ce qui a trait aux finalités des innovations développées par ces deux types d'entrepreneuriat. À titre indicatif exploratoire et non exhaustif, ces finalités sont partagées entre :

- des actions réformatrices à portée mineure [innovation de dissémination d'une nouveauté (nouveau service)] ou à portée majeure [innovation mettant en scène une nouveauté importante (nouveau marché; nouvelle organisation)];
- des actions dites de rupture à portée stratégique liée à la dissémination d'une nouvelle stratégie (nouvelle organisation du travail ou nouveau mode de gouvernance) ou à portée radicale (innovation qui met en place un nouveau système économique ou politique).

Septièmement, nous avons observé une certaine zone de tension entre des définitions économiques de l'entreprise sociale à vocation sociale et des définitions plus politiques de l'entreprise collective à vocation économique. Il existe donc des visions divergentes sur le type de système économique qui est souhaité ou promu par les entrepreneurs sociaux et les entrepreneurs collectifs. Là encore une classification se dégage entre des actions :

- proposant un capitalisme à visage humain :
 - rendant légitime l'existence d'organisations vouées au développement social, leur permettant d'acquérir plus d'autonomie en les habilitant aux méthodes entrepreneuriales traditionnelles;
 - favorisant le développement d'une économie de marché plus démocratique;
- proposant un changement radical de système économique qui conduirait à une transformation en profondeur des arrangements institutionnels des sociétés modernes.

Huitièmement, à partir de ces nouvelles formes d'entrepreneuriat, il se construit un nouveau champ d'expertise et de compétences, de nouveaux métiers en quelque sorte, lesquels exigent une adaptation des curriculums de formation, d'éducation professionnelle et d'éducation supérieure. Il est aussi dit que les compétences exigées par le métier d'entrepreneur social et d'entrepreneur collectif sont encore mal définies et demandent à être mieux identifiées à partir d'études ou d'enquêtes qui porteraient sur des populations plus larges que celles qui ont été recensées jusqu'à présent. La plupart des études que nous avons repérées reposent sur un petit échantillon d'organisations et sur des entrevues réalisées auprès d'un petit nombre d'entrepreneurs.

Neuvièmement, trois grandes stratégies de promotion de cet entrepreneuriat sont mentionnées :

- Une première stratégie, dite décentralisée, est fortement liée aux actions développées par des entreprises sociales (fondations ou organisations de consultants sociaux) ou par des organisations d'enseignement supérieur (universités et collèges) – une stratégie très présente aux États-Unis.
- Une deuxième stratégie, dite centralisée, est associée au travail développé par le législateur public national pour doter le pays d'une législation, de ressources

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et d'un cadre public d'intervention en entrepreneuriat social (le cas du Royaume-Uni).

- Il y a en outre une troisième stratégie, que l'on qualifie de mitoyenne, où des actions à la pièce sont réalisées par différents niveaux de gouvernement, des mouvements sociaux, des fondations, des entreprises sociales, solidaires ou collectives (le cas de l'Europe).

Dixièmement, et en guise de conclusion de cette section, nous sommes en mesure d'identifier des critères relativement simples pour distinguer l'entrepreneuriat social et l'entrepreneuriat collectif des autres formes d'entrepreneuriat. Ces critères rendent compte de la grande hétérogénéité des situations entrepreneuriales existantes ou à venir. Ils ont l'avantage d'être inclusifs sans être larges au point où toute action sociale qui serait menée par une entreprise ou une organisation ferait de celle-ci soit une entreprise sociale soit une entreprise collective. Ces critères sont les suivants :

- fonctionnement démocratique de l'entreprise, de la coopérative, de la mutuelle ou de l'organisme sans but lucratif;
- ancrage ou arrimage communautaire bien constitué;
- combinaison d'objectifs sociaux et économiques, lesquels doivent être encadrés dans une mission socioéconomique de développement d'un groupe ou d'une communauté qui est définie sur une base sectorielle ou territoriale;
- volonté de garder une autonomie forte par rapport à l'État;
- prise en compte émergente d'objectifs environnementaux.

CONCLUSION

Le Canada, à l'image des autres pays membres de l'OCDE, est confronté à trois grands enjeux directement liés à l'émergence d'une nouvelle question mondiale. Premièrement, malgré des avancées importantes dans la façon de générer et de redistribuer la richesse économique, force est de constater que les retombées sous forme d'enrichissement social n'évoluent pas à une vitesse aussi rapide que les retombées de type richesse économique cumulée par des familles, des individus ou des groupes corporatifs (Yalnzryan, 2007). Dès lors, un écart grandissant sépare la grande richesse de la grande pauvreté.

Deuxièmement, le cadre même du vivre ensemble et de la création de richesse est confronté au grand défi de la dégradation des systèmes écologiques. Une expression de cette dégradation a pris la forme du spectre très médiatisé que représente le réchauffement de la planète et les conséquences désastreuses anticipées de ce réchauffement sur les communautés humaines.

Troisièmement, le développement social de la société canadienne repose de plus en plus sur un nouveau contrat social devant tenir compte de la diversité culturelle et de nouvelles exigences sociales. Ces exigences s'expriment de façon diverse sous forme de décentralisation et de participation citoyenne, de démocratie locale, de diversité culturelle, de diversité sexuelle, etc. (Fontan, 2011).

Ces trois éléments se combinent et exercent des pressions sur les organisations et les institutions canadiennes. Concrètement, ces enjeux indiquent des besoins non comblés, des urgences à rencontrer, des exigences et des aspirations à prendre en considération. Les organisations et les institutions sont questionnées et sont

appelées, pour satisfaire aux nouvelles demandes portées par la population, à s'adapter à cette réalité et à le faire dans la concertation et la mise en synergie des ressources qu'elles mobilisent.

L'entreprise sociale et collective, eu égard aux enjeux nommés précédemment et dans la veine des traditions issues des mouvements sociaux, de l'action communautaire et de l'économie sociale, offre une capacité d'innovation plus grande que l'entreprise classique. Ces formes entrepreneuriales ont une plus grande facilité d'innovation sociale parce qu'elles ont la capacité de reconnaître le droit de parole, de participation ou de gérance à un ensemble de parties prenantes qui peuvent directement être impliquées dans la solution des problèmes rencontrés ou dans la réalisation des aspirations envisagées (Klein et Harrison, 2007). L'enjeu évidemment est de permettre cette démocratisation. Nos travaux nous ont permis d'observer que dans certains contextes de revitalisation territoriale où des actions de lutte contre la pauvreté et l'exclusion portées par des entreprises sociales et des entreprises collectives sont en mesure de tenir compte de la volonté de citoyens de s'impliquer et de participer à la résolution des problèmes rencontrés au sein de leur communauté (Klein, Fontan, Saucier, Tremblay, Tremblay et Simard, 2009).

C'est donc dans la capacité d'établir un dialogue avec les citoyens et les citoyennes que ce type d'entrepreneuriat se révèle être un outil approprié pour réaliser un projet socioéconomique à portée politique centré sur la combinaison d'objectifs sociaux, économiques et environnementaux. C'est dans et par cette capacité d'écoute et d'empathie que se distingue, pour des entrepreneurs sociaux ou des entrepreneurs collectifs, leur choix de s'investir dans l'entrepreneuriat social ou dans l'entrepreneuriat collectif plutôt que dans l'entrepreneuriat classique, tout en le faisant sans tomber dans le piège d'une professionnalisation éteignoir. En résumé, cet entrepreneuriat permet, lorsque les conditions sociopolitiques sont bien réunies, d'internaliser différents types d'enjeux et d'innover par des rapports sociaux qui sont appelés à être plus :

- solidaires relativement à la question de la création-redistribution de la richesse;
- démocratiques relativement aux projets et à la participation de différents publics;
- respectueux envers la diversité culturelle et les différences de genre;
- écologiques par rapport à la viabilité et la durabilité des systèmes environnementaux.

Certes, toutes les entreprises sociales et toutes les entreprises collectives n'ont pas le même potentiel réformateur ou de rupture et toutes n'embrassent pas l'ensemble de ces enjeux.

L'actualisation, avec plus ou moins d'accent, de l'un ou l'autre de ces enjeux repose sur la qualité du projet politique et la quantité des ressources mobilisées au sein et autour de l'entreprise, qu'elle soit sociale ou collective. La portée de leurs actions dépend certainement de la qualité des relations qu'elles tissent avec leur communauté et de la nature, bienveillante ou malveillante, de l'environnement institutionnel dans lequel elles se déploient. Il importe donc de reconnaître à leur juste valeur tant les limites que les potentialités de ces formes d'entrepreneuriat.

NOTES

1. Voir les textes de : MacPherson (1979), Vanek (1989), Fontan (1992), Johnson (2000, 2003), Lévesque (2002), Williams (2005), Restakis (2006), Riverin (2006), Painter (2006), Peredo et McLean (2006), Gould (2006), Brouard (2006), Brouard et al. (2009), Elson et Hall (2010) et Manwaring et Valentine (2011).

2. Voir les textes de : Ashoka (non daté), Melville et Walesh (1997), Dees (1998), Thompson, Alvy et Lees (2000), Dees (2001), Alter (2004-2006), Robinson et Lo (2005), Alvord, Brown et Letts (2005), Kramer (2005), Fulton et Dees (2006), Harding (2006), Ryzin et Lévy et Rival (2010).

3. Voir les textes de : Defourny (1994), Borzaga et Santuari (1998), Clément et Gardin (2000), Defourny et Nyssens (2001), Lavillet et Nyssens (2001), Tounes (2002), Boncler et Hlady-Rispal (2003), Casson (2005), Spear (2006), Defourny (2006), Bassi (2009), Van Ryzin, Grossman, Sipadova-Stocks et Bergrud (2009), Bacq et Janssen (2010) et Trivedi (2010ab, 2011).

4. « Between 1977 and 1997, the revenues of America's non-profit organizations increased by 144 percent after adjusting for inflation, nearly twice the growth rate of the nation's economy. Especially robust was the revenue growth among arts and culture, social service, and health organizations. Not only non-profit revenues but also the number of organizations has grown substantially. Between 1977 and 1997 the number of 501(c)(3) and 501(c)(4) organizations registered with the Internal Revenue Service increased by 115 percent, or about 23,000 organizations per year. This compares with a 76 percent growth rate among for-profit businesses » (Salamon, 2002, p. XV).

5. Mentionnons les travaux de Johnson (2000 et 2003), Lévesque (2002), Peredo et McLean (2006), Brouard (2006), Audet et Julien (2006), Riverin (2006), Anderson, Dana et Dana (2006) et Brouard et al. (2009).

6. Il est à noter qu'au Québec l'État maintient et même augmente sa participation au financement d'organismes sans but lucratif. Il s'agit d'une situation très différente de celle rencontrée aux États-Unis à partir des années 1980 où l'État réduit de façon très importante sa participation au financement de ces organisations (Jetté, 2008).

7. Par responsabilité sociale des entreprises, nous retenons la définition de la Commission européenne : « Le concept de responsabilité sociale des entreprises signifie essentiellement que celles-ci décident de leur propre initiative de contribuer à améliorer la société et rendre plus propre l'environnement » (Commission européenne, 2001, p. 5).

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Cooperatives and the State: The Case of Ontario

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ABSTRACT

In the early 2000s, the cooperative movement in Ontario came together in order to lobby its provincial government for active cooperative development support programs. Momentum was building for these types of programs. Already, many provincial governments had implemented active support programs in their jurisdiction. Despite having one of the largest cooperative sectors in Canada, Ontario was lagging behind. This article assesses the progress of the efforts of the Ontario cooperative movement to date. It details how the Ontario cooperative movement developed a sectoral identity for itself and framed its objectives in an effort to strengthen its relationship with the Ontario government.

RÉSUMÉ

Le mouvement coopératif en Ontario s'est rassemblé au début des années 2000 afin de faire pression sur le gouvernement provincial pour qu'il développe des programmes de soutien actif pour coopératives. Déjà plusieurs gouvernements provinciaux avaient mis en place de telles politiques. L'Ontario tardait malgré le fait qu'il avait un des plus grands secteurs coopératifs au Canada. Cet article examine le progrès qu'a connu le mouvement coopératif en Ontario dans ses efforts. Il décrit comment le mouvement coopératif a construit une identité sectorielle autour de laquelle il a pu ancrer ses demandes auprès du gouvernement ontarien.

Keywords / Mots clés

Cooperative sector; Advocacy; Ontario politics / Mouvement coopératif; Action sociale; Politiques ontariennes

INTRODUCTION

One interesting development in the policy realm over the past decades has been the growing interdependence between governments, of all orders, and third parties such as voluntary sector and private sector organizations. This interdependence has necessitated the development of new tools and instruments of governance (Howlett, 2000; Salamon, 2002). Most significantly, to be effective in this context, governments have to learn how to steer complex networks of actors (Peters, 2001; Stoker, 1998). This involves a new structuring of relationships (Newman, 2001; Rhodes, 2000). At its core, broad whole-of-government strategies and macro frameworks are

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needed to ensure the development of sustainable sectoral relationships. These new and enhanced strategies, in turn, require new mechanisms for communication and collaboration. What makes these tools so significant is that they involve new forms of organizational relationships.

The development of such macro scale relationships with the “voluntary sector,” “nonprofit sector,” and “social economy” is relatively well documented (Casey & Dalton, 2006; Elson, 2006; Phillips, 2003; Toftisova, 2005). An important process in the development of these macro relationships is the way that organizations represent themselves to the state. To be effective, they have had to secure group representation before the state and within key bureaucratic agencies (Laforest & Phillips, 2001). Whether under the name of the “voluntary sector,” the “social economy,” or the “third sector,” sectoral actors have been very successful over the past decades at gaining attention and support from their respective governments in the form of agreements that recognize the unique role of nonprofits and voluntary organizations and strengthen the collaborative relationships between their sector and government (Casey, Dalton, Melville, & Onyx, 2010).

The process however, has not always been straightforward. It requires the coming together of organizations from a diversity of backgrounds and policy fields to define and frame their common interests on a sectoral scale. The outcomes of these struggles have important consequences for the types of demands being made to the state. The politics behind relationship building initiatives matter.

One area that has been given much less attention in the literature on macro relationship building is that of the strengthening of the relationship between governments and the cooperative sector. In fact, other than a couple of seminal pieces in the 1980s, not much has been written on the Canadian cooperative sector¹ in the academic literature; even less so at the provincial level (Laycock, 1987; MacPherson, 1979; Quarter, 1992). Yet, over the past decade, cooperative organizations across Canada have also been lobbying and collaborating with their respective provincial governments in order to strengthen their relationships, some quite successfully, others less so (Loxley & Simpson, 2008).

This article looks at the case of cooperatives in Ontario. Despite having one of the largest cooperative sectors², second only to Québec (Rural and Co-operatives Secretariat, 2010), it is one of the few provinces that has not been successful at lobbying its provincial government for active development programs. Yet the Ontario cooperative movement embarked on some important mobilization efforts in the early 2000s to ensure a strong sectoral presence in its interactions with the provincial government (Guy & Heneberry, 2009). This article explores some of the challenges this movement faced.

The objectives of this article are two-fold. From a theoretical standpoint, it is important to illustrate lessons learned not only from successful cases of relationship building initiatives, as have been done in the past, but also from less successful initiatives. This will enable us to identify some of the barriers and challenges experienced in Ontario, relative to other provinces. From a practical standpoint, it is critical for the sustainability of the cooperative movement as a whole to be able to document the struggles and the progress of cooperatives in a variety of settings. The lack of existing research on the history of the cooperative movement in Ontario since the 1990s really highlights the importance of documenting this important transition period for the Ontario cooperative movement. To analyze this period of engagement and activism for the movement, we examined official documents, which included speeches, official policy statements, and websites of leading organizations in the cooperative sector and Ministries working with cooperatives (Guy & Heneberry, 2009). This enabled us to collect background information and trace the history of the cooperative movement in Ontario. The bulk of the analysis is based on 14 interviews conducted in 2010 with leaders in the cooperative movement as well as

elected officials and civil servants who were directly engaged in the lobbying efforts on behalf of the cooperative movement.

The cooperative organizations in this sample were selected because of their direct involvement in the advocacy movement and in building the profile of the cooperative sector with the Ontario government³. Given that very little research currently exists on the cooperative sector in Ontario, we used qualitative interviews as the primary strategy for data collection, in conjunction with document analysis. Using open-ended interviews, we were able to reconstruct a timeline and the strategic considerations of the cooperative organizations involved in the advocacy efforts. These interviews also enabled us to gain a better understanding of the development of the movement's efforts and the challenges it has faced in achieving its goals. In addition, public officials from the Financial Services Commission of Ontario—the main government body with responsibility for cooperatives—as well as two members of the Ontario Provincial Parliament were interviewed for this research because they had been involved in the cooperative movement's initiatives to build the profile of the sector. They had observed first hand the dynamics between the cooperative movement and the Ontario government. These interviews were used mainly for the purpose of describing the policy setting and identifying the key players.

The article proceeds in three parts. First, we examine various examples of strong sectoral relationships between provincial governments and their respective cooperative sectors. We identify some of the key elements necessary to develop these sectoral relationships in order to have a basis from which to assess the Ontario case. The second part of the article examines the Ontario case in more depth. We set the historical context for understanding how the cooperative sector is structured and how these structures have evolved under the new governance process. The analysis recounts the strategic decisions made by cooperative movement representatives in an effort to capture their reading of the political environment in which they found themselves. The final part of the article draws some lessons from the Ontario case for other cooperative movements working in economic or social contexts that are similar to that of Ontario's. The analysis provides an opportunity to identify other strategies or directions that the movement might consider in continuing its efforts toward securing active cooperative development programs.

COOPERATIVES AND PROVINCIAL GOVERNMENTS

Since the late 1990s, cooperative organizations across Canada have been lobbying for their provincial governments to adopt supportive policies that promote the development of the cooperative sector (Fairbairn, 2000a, 2000b; Loxley & Simpson, 2008). Although support programs for enterprises and different types of movements originate with both the federal and provincial governments, legislation governing cooperatives and the regulation of cooperatives is handled almost entirely at the provincial level (Rural and Co-operatives Secretariat, 2010; Ontario Co-operative Association, 2010).⁴ Hence, the provincial arena is an important one for the cooperative movement. Provincial cooperative movements share the common objective of wanting public policies and programs that are advantageous to the development of the co-op movement. However, how their demands materialize into actual policies varies across jurisdictions, depending on their ability to engage with their respective provincial government and how the movement navigates the political waters. Not surprisingly, then, we can observe a range of active cooperative development supports that exist in provinces across the country. Table 1 provides a breakdown of the different government functions and levels of support that exist for the cooperative movement in each of the ten provinces and three territories.

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Table 1: Provincial Government Support for the cooperative sector

Prov. + Pop.	Sector Profile				Government Representation			
	# of Co-ops	# of Members	# Working in Sector	Sales/Assets (billions)	Department	Legislation	Budget	No. of Staff
Quebec 7,700,800	3,300	8.8 million	88,000	\$160	Ministry of Economic Development, Innovation & Exports: Direction des coopératives Dept. of Finance - Regulation	Cooperatives Act	\$5.4 million (\$1 million towards wages + \$80,000 for additional operational costs + \$4.3 million co-op develop. fund)	17 in total: 1 ED + 5 Staff
Ontario 12,803,900	1,300	1.4 million	15,500	\$30	Ministry of Finance: Financial Services Commission of Ontario (FSCO) - Regulation	Co-operative Corporations Act	No budgetary provisions specific to co-operatives, as work FSCO staff do is driven by issues in the co-op sector at a given time, and therefore varies - e.g., 2007/2008 expenditures relative to co-ops was approx. \$262,000	2.3 FT (assoc. with co-ops only)
Saskatchewan 996,900	1,163	900,000	15,000	\$7	Ministry of Enterprise and Innovation Ministry of Justice - Regulation	Co-operatives Act	\$684,000	1 program manager plus 6 regional development co-ordinators
Alberta 3,474,000	754	1.6 million	11,375 non-financial sector only	\$33.5	Alberta Agriculture & Food: Rural Utilities Division Service Alberta - Regulation Credit Union Deposit Corporation	Cooperatives Act	No budgetary provisions - part of Ministry's overall admin. expenses n/a; \$6.9 million	12 FT (perform some non-co-op functions) 1/2 FT position for co-ops; n/a
BC 4,380,300	635	1.8 million	13,000	\$20	Ministry of Finance - Corporate Registrar - Regulation	Co-operative Association Act	n/a	n/a
Manitoba 1,186,700	412	800,000	4,272	\$10	Dept. of Agriculture, Food & Rural Development (MAFRI) - Co-operative Development Services Dept. of Finance - Regulation	Cooperatives Act	\$250,000	3 FT "Co-op Development Specialists"; 1 PT (Deputy Registrar) & 1 PT (Admin. support)
Nova Scotia 934,100	400	308,000	7,000	\$5.1	Service Nova Scotia & Municipal Relations - Co-operatives Branch - Regulation; NS Economic & Rural Development; NS Department of Community Services; Nova Scotia Business Inc.; Nova Scotia Department of Finance; Nova Scotia Securities Commission; NS Department of Environment & Labour; Innovacorp	Co-operatives Act	n/a \$100,000 (contribution to NSCC) \$100,000 (contribution to NSCC)	1 FT + 3 PT regional
New Brunswick 749,800	297	200,000	7,000	\$2.27	Dept. of Justice - Regulation	Co-operative Associations Act	No budgetary provisions	2 FT - Registrar and Inspector (not FT co-ops)
P.E.I. 138,600	114	87,267	750	\$696 million	Dept. of the Solicitor General - Regulation	Co-operative Associations Act	0	1 FT, 1 FT assistant (Not dedicated to co-ops)
Newfoundland & Labrador 506,300	95	57,000	1,400	\$132 million	Dept. of Innovation, Trade & Rural Development Regional Co-op Developers Network (RDN); Regional Developers Board; Dept. of Government Services & Lands - Regulation; Dept. of Natural Resources	Co-operatives Act	\$120,000	10 (devote PT to co-op work) 1 PT (co-op registrar)
Nunavut 31,100	23	13,011	1,371	\$84 million	Dept. of Economic Development & Transportation	Co-operative Associations Act	n/a	n/a
NWT 42,600	13	3,668	297	\$51 million	Dept. of Industry, Tourism & Development	Co-operative Associations Act	n/a	n/a
Yukon 31,000	7	n/a	n/a	n/a	Government of Yukon Community Services – Registrar of Co-operative Associations	Co-operative Associations Act	n/a	n/a

Data provided by the Ontario Co-operative Association, 2010, with the exception of government representation data for Yukon Territory provided by the Federal Co-operatives Secretariat (<http://www.coop.gc.ca/COOP/display-afficher.do?id=12336891309168&lang=eng>). Used with permission.

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While all provincial governments devote resources to their regulatory function, some have developed more extensive supports for cooperative organizations, such as funding programs, service delivery partnerships, or financial incentives (Fairbairn, 2000a, 2000b). In Nova Scotia, Newfoundland and Labrador, and Manitoba, multiple departments fund the development and growth of the cooperative organizations and enterprises. Newfoundland and Labrador, Manitoba, Saskatchewan, and Québec, for their part, have each entered into agreements with their respective cooperative sector in order to support the development of the cooperatives. Québec, for example, which has the largest provincial cooperative movement,⁵ adopted the *Politique de Développement des Coopératives* in December 2003 (Government of Québec, 2003) and signed a robust and wide-ranging agreement with the cooperative sector in July 2007 called the *Entente de partenariat relativement au développement des coopératives*. It also launched an annual \$4.5 million dollar fund to support cooperatives (Ministère du Développement économique, de l'Innovation et de l'Exportation, 2010).

The commonality in all of these cases is that these initiatives are tied to a broad macro framework approach to the respective relationships (Favreau, 2006; Loxley & Simpson, 2008). This is a key feature of new governance approaches (Agranoff, 2006; Bryson, Crosby, & Stone, 2006). These provincial governments have recognized cooperatives as important economic and social development tools (Fairbairn, 2000a, 2000b). In Manitoba, for example, the NDP government's Community Economic Development (CED) policy adopted in 1997 led to capacity building initiatives in the cooperative sector (Loxley & Simpson, 2008). This broad macro recognition of the contribution of cooperatives to the province's development has important consequences on the processes of representation and legitimization of cooperatives. The vision structures, to a certain extent, the forms of interaction between the actors by directly affecting the terms of access to policymaking and the routes to political representation (Phillips, 2009; Laforest, 2011).

In fact, the provincial governments that have adopted a broad macro approach to their relationship with their cooperative sector have all instituted a co-ordinating body within government that plays a supportive and proactive role toward the cooperative sector. In Québec, for example, the Ministry of Economic Development, Innovation, and Exports houses a unit responsible for cooperative development. In Saskatchewan, the Ministry of Enterprise and Innovation is the main interlocutor with the cooperative sector; whereas in Newfoundland and Labrador it is the Department of Innovation, Trade, and Rural Development. In Manitoba, a Community Economic Development Committee was created within cabinet itself; whereas Saskatchewan established a Co-operative Advisory Council to facilitate the exchanges between the cooperative sector and the Ministry of Enterprise and Innovation, formerly the Ministry of Regional Economic and Co-operative Development. These bodies all act as identifiable focal points within government for the sector and have also helped to break down silos between Ministries (Kostyra, 2006; Smith, 2010). This institutionalized access has given cooperatives privileged access to the state in order to voice their needs and it has raised their profile within government. It has translated into a multi-faceted approach to supporting the sector that goes beyond legislation to providing institutional and financial support (Loxley & Simpson, 2008). Not surprisingly then, we can observe in Table 1 that there are more staff dedicated to cooperative development within those provinces than in others. These examples signal that placing the responsibility for cooperative development within a clearly identified body can be beneficial to the cooperative movement (Fairbairn, 2000a, 2000b).

Perhaps more importantly, however, all of these cases illustrate the importance of political pressure and of mobilizing on behalf of the cooperative movement. An important process is the way that cooperatives represent themselves to the state. In Québec, the cooperative movement has a long history of mobilizing and engaging the state in policy. The movement framed their economic, social, and political contribution as one that is a vital part of the collective project of society (Laforest, 2007). Cooperatives in Québec have also successfully developed a broad-based support for their movement over time that has rendered them influential players in the

political arena (Favreau, 2006). In Manitoba, mobilization was of consequence as well. The province developed a strong social economy and community economic development network that worked closely with the government. It is fair to say as well that timing in Manitoba was a factor in the promotion of cooperative support programs; the election of a NDP government with strong ties to the community created opportunities for the cooperative movement (Loxley & Simpson, 2008). Both found synergies under the community economic development lens.

As the successful provincial examples all illustrate, by focusing on how participation and access is dispersed under new governance arrangements, we can gain a better understanding of how social relations between governments and cooperatives are ordered. The next section turns to the case of Ontario to retrace the history of how the relationship between the Ontario government and its cooperative sector has evolved.

THE ONTARIO COOPERATIVE MOVEMENT

The cooperative movement in Ontario has evolved over the past century from mostly an agricultural basis to become a broadly based series of organizations and cooperatives of different sizes, acting in a wide variety of policy areas, and providing a large array of services to members. As it stands, the largest number of co-ops (almost 45%) operate in the nonprofit housing sector, followed by child care co-ops and financial services co-ops each representing 17%, and agriculture the fourth largest single sector at 6%. Cooperatives have also emerged in more recent years to respond to new needs of communities in areas of transportation, renewable energy, employment, and services for vulnerable populations (Ontario Co-operative Association, 2008a). These policy fields are still small, and as of 2007 collectively represented about 200 cooperatives, or only about 15%, of the overall sector (Ontario Co-operative Association, 2008b).

The cooperative sector in Ontario is quite diverse and has been traditionally organized in silos, structured around these particular fields or areas of policy. In fact, the majority of the umbrella organizations representing the interests of cooperatives were organized along policy lines and dealt with industry specific issues that faced their cooperatively organized members. In keeping with the strong agricultural roots of the movement, the United Co-operatives of Ontario (UCO), the post WWII replacement of the United Farmers Co-operative Company, became the largest co-op in Ontario with both co-ops and individual farmers as members, and represented agricultural and farmer issues. Another example is the Ontario chapter of the Co-operative Housing Federation of Canada, which was formed in 1986 to represent the interests of cooperatives in the housing area (Co-operative Housing Federation of Canada website, 2011). In the area of credit unions, Central One, formerly known as the Credit Union Central of Ontario, and the Ontario Credit Union League before that, was formed in 1941 to represent the interests of credit unions and *caisses populaires* (Central One website, 2011).

On the policy front, cooperatives have traditionally mainly engaged directly with the Ministry grounded in their policy field, such as the Ministry of Municipal Affairs and Housing, or the Ministry of Child and Youth Services. In terms of resources for lobbying, each organization makes its decisions as to how important this activity is for their mandate and how much money they will put into supporting it. Therefore, certain parts of the cooperative sector, such as housing and agriculture, have stronger ties with government departments and more experience in lobbying than others.

It was only in the late 1940s, that an umbrella cooperative organization was finally formed to provide an associative function at a wider provincial level across a variety of policy fields. The existence of an Ontario based provincial level association has its roots in the 1946 founding of the Co-operative Union of Ontario, which

was a member of the national Co-operative Union of Canada (CUC). The Co-operative Union of Ontario eventually transitioned into the Ontario Co-operative Development Association (OCDA) in the 1960s, representing approximately 75% of the cooperatives in Ontario and providing educational, promotional, and development services to the movement (Select Committee on Company Law, 1971). The organization eventually transitioned to one that was a chapter of the national cooperative association, the Canadian Co-operative Association (CCA) [6]. CCA created a series of provincial chapters, including CCA Ontario in 1989, which had a focus on carrying out education on cooperatives in the school system.

THE ONTARIO GOVERNMENT AND THE COOPERATIVE MOVEMENT: FORMALIZING THE RELATIONSHIP

As the cooperative movement expanded into the 1960s and 1970s, the government of Ontario sought to better understand and support cooperatives from a legislative perspective. It created a Select Committee on Company Law to examine the state of the cooperative sector and identify its contribution to the Ontario economy. The Committee's final report, known as the *Select Committee on Company Law Report on Co-operatives*, examined the history of the cooperative movement's growth in Ontario and the factors that had contributed to the movement's expansion to date. The report concluded that the cooperative movement had developed more slowly in Ontario than in other provinces because there had not been the same level of provincial government support as in other provinces (Select Committee on Company Law, 1971). Indeed, other provincial governments had already seen the value in supporting their cooperative movement as a way to achieve relief from the economic downturns seen in the 1920s and 1930s (MacPherson, 2009). The report is significant because it recognized for the first time the necessary role of the Ontario government in supporting the growth of the movement, both from the perspective of providing legislative recognition, as well as providing more active support of the movement.

In 1974, the government of Ontario acted on the recommendations made in the final report of the Select Committee on Company Law Report on Co-operatives and adopted the *Co-operative Corporations Act* and the *Credit Unions and Caisses Populaires Act* which would enshrine the cooperative principles and character in Ontario legislation. The establishment of the *Co-operative Corporations Act* was a key marker that separated cooperatives out from other business models. It defined the "cooperative basis" on which enterprises needed to operate in order to be considered legitimate cooperative enterprises, and provided particular mechanisms related to the financial operations of cooperatives that were appropriate to their structure, including a unique regime for raising securities for cooperatives.

With the passing of this new legislation, cooperatives and credit unions became regulated by a single newly created cooperatives and credit union branch at the Ministry of Commercial and Consumer Affairs. This Ministry became their principal access point within the bureaucratic institution if there were specific issues that came up vis-à-vis the Acts. Sub-sectoral peak associations assured representation before government. The cooperatives mainly used their personal ties to bring about legislative change. The rural agricultural cooperatives, for example, were quite proactive at the time because they had strong ties to their communities and their local Members of Provincial Parliament (MPPs). Through such personal ties, the cooperative movement was successful at getting the Ontario government to tweak the *Co-operative Act*. However, a sectoral approach to lobbying the state for regulatory change had not yet developed.

The CCA Ontario, which was the principal umbrella organization at the time, did not have a mandate to engage with the Ontario provincial government. Being a chapter of a national organization, CCA Ontario's main function was to represent the Ontario cooperative sector's interests in the national arena. In terms of its relationship to its

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members, the CCA Ontario's mandate was essentially to provide direct technical assistance to existing or emerging cooperatives to ensure their success and survival.

In 1998, the Harris government transferred the registrar and regulatory functions for cooperatives and credit unions to the newly created Financial Services Commission of Ontario (FSCO), an arms-length agency of the Ministry of Finance. However, the Ministry of Finance would continue to maintain a role with the co-op movement by remaining responsible for dealing with legislative changes to the *Co-operative Corporations Act*. FSCO brought all of the financial regulators together and the cooperative sectoral work was parcelled down into the various areas. The staffing levels of those dealing with cooperatives diminished and there was no longer in-house expertise on cooperatives (interview with Ontario civil servant, July 14, 2010). More importantly, this institutional restructuring created a level of separation between the cooperative movement and the provincial government because there was no longer a centralized and direct relationship through one institution. Representatives of FSCO and the Ministry of Finance began to meet with representatives of the non-financial cooperative sector on a quarterly basis to discuss both operational and policy concerns, including any proposed changes to the legislation. Any proposed changes to the *Co-operative Corporations Act* were now required to go through two levels of policy review: by policy staff at FSCO as well as at the Ministry of Finance. This slowed down the process of making any changes to the legislation.

This relationship between the cooperative movement and its regulator is unique – no other provincial association in Canada has this level of institutionalized access (Ontario Co-operative Association, 2010). The Ontario cooperative movement's unique access to the regulatory institution provided a way for it to interact with government officials and identify challenges or barriers in the legislative environment that could be changed to benefit the cooperative movement as a whole. However, policy discussions focused solely on regulatory capacity. The ability of cooperatives to use this access point to obtain resources and programs from the Ontario government to support cooperative development was limited.

Until then, cooperatives in Ontario had only been seeking simple and discrete regulatory or legislative changes, rather than pursuing broader changes such as modernization of the legislation or sweeping changes that focused around broader policy support for the movement. In effect, there was no structure or organization that could lobby for such a broad policy agenda. The only provincial umbrella organization at the time, CCA Ontario, was not structured or organized to lobby effectively in the name of a broader provincial sectoral agenda. As the provincial chapter of a national organization, national headquarters whose sole preoccupation was the harmonization of activities and practices of cooperative enterprises and movements across the country dictated its mandate. With the level of interaction between cooperatives in Ontario and the provincial government increasing since the adoption of the Acts, those within the CCA Ontario ranks increasingly felt that they needed to transition to a more autonomous structure in order to be able to focus more directly on provincial interests and on the Ontario arena. Similarly, many other provincial chapters of CCA, like British Columbia, felt the need to transition toward an independent provincial umbrella organization. It was in this context that the Ontario Co-operative Association (On Co-op) was created in 2002.

On Co-op: Creating a provincial umbrella group for the cooperative movement

The Ontario Co-operative Association (On Co-op) was specifically structured to serve as a provincially based cooperative umbrella organization, with the largest Ontario cooperatives and federations as its members. It currently represents either directly or indirectly approximately 85% of the cooperatives operating in Ontario [7]. On Co-op sought representation from each of the sub-sectors and was able to involve the large cooperatives. It

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had representation from the housing federation, the worker co-op federation, and the credit union sector. The francophone sector, whose representation is assured by the *Conseil de la coopération de l'Ontario (CCO)*, was not at the table but over time On Co-op and its francophone counterpart, CCO, did collaborate on some files. Although there are numerous provincial organizations representing many sub-sectors of cooperatives, each with its own agenda, the creation of On Co-op was important for the cooperative movement as a whole because it led to the development of a systematic and strategic *sectoral* agenda.

While the cooperative movement is larger than On Co-op, the creation of this autonomous provincial umbrella organization is important because it represents an important formalization of the advocacy function of the cooperative sector at the provincial level, backed by resources dedicated specifically to it. The broader mandate of On Co-op made it possible for the organization to focus on building a coherent cooperative movement in Ontario. The mandate encompasses four main strategic directions: Membership and Communications, Education (referred to as Lifelong Co-operative Learning), Government Relations, and Co-operative Development. Of these four directions, two involve working to develop more awareness and support of the cooperative movement with a wide variety of audiences, including the general public, thus maintaining and growing the movement. The Co-operative Development arm of the organization involves promoting the cooperative model generally, and delivering services and programs to support existing cooperatives and develop new co-op enterprises. The Government Relations component of On Co-op involves representing and promoting the movement specifically to government, as well as educating government representatives in order to gain recognition of the movement and garner additional support for the movement.

Through its Government Relations work, On Co-op quickly became the formalized voice of the sector, particularly at the regulatory table. Although the actual representation of organizations regularly meeting with FSCO did not change, this representation was formalized into a working committee supported by and responsible to On Co-op.

Articulating a Sectoral Agenda

To develop a sectoral agenda for the cooperative movement in Ontario, On Co-op was influenced by the more successful government-cooperative relationships in other provinces. Where bureaucratic support for the cooperative movement beyond legislative or regulatory function was instituted, experience showed that cooperatives had obtained better support for their movement's activities. In particular, the province of Québec, with its internal department devoted to cooperatives, Direction des Coopératives that was part of the provincial Ministry of Economic Development, Innovation, and Export, served as a model. The Québec cooperative movement had lobbied their provincial government for many years which had led to the development of a formal partnership agreement between the Québec cooperative movement and the Québec government, providing the movement with funding and policy support (Ministère du Développement économique, de l'Innovation et de l'Exportation 2010). In order to learn from the Québec experience, On Co-op met with the Conseil québécois de la coopération, and it was very inspired by the consultation process that had been launched in Québec.

Inspired by the Québec experience, On Co-op created a task force called the Task Force for Ontario Opportunities through Co-operative Development to explore the development needs of Ontario cooperatives. The task force received 27 written submissions and held seven regional meetings throughout Ontario (London, Sudbury, Kingston, Thunder Bay, Kitchener, Ottawa, and Mississauga). The regional meetings focused on gathering input from both individual cooperatives as well as the sectoral cooperative associations or federations that represented their interests (such as Credit Union Central of Ontario and the Ontario Worker Co-operative

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Federation). These regional meetings provided an impetus for cooperatives from a variety of policy areas to come together and discuss their common interests.

This was a key turning point for the cooperative movement. Until then, most lobbying had been articulated around particular policy or industry lines such as housing, childcare, agriculture, etc. Many cooperatives interviewed referred to this consultation process as the start of a shift that helped the cooperative movement become more strategic in terms of their demands to government. By gathering and synthesizing a set of common viewpoints from a diverse set of cooperative organizations, the task force was able to prioritize sectoral demands and generate awareness around the sectoral needs. The consultation process culminated in the creation of a report entitled “Capturing Co-operative Opportunities: A White Paper for Co-operative Development” also known as the “White Paper” (Ontario Co-operative Association, 2005), which would become the jumping off point for the strategy of the movement as a whole. As one of our interviewees stated:

I think the paper ended up being the basis for the motivation for a lot of meetings we had with the MPPs and with the party conferences, bureaucrats. ... Basically, that's what our main activity over the last few years [has been] following up on that. But I think there's been a positive offshoot to that, which is that it's really created a framework within which On Co-op has lobbied government. (August 20, 2011)

The “White Paper” became a catalyst to move the relationship between government and the cooperative movement forward. It also represents the earliest cohesive articulation of demands for active development support. The report identified areas of action for both the cooperative movement and the provincial government that would result in growth and positive developments for cooperatives across the province. The key action identified for the provincial government as a result of this process was the creation of a Provincial Co-operatives Secretariat that would act as a single voice for the co-op sector within government. This body would be an important institution that would assist in creating further avenues for active co-op development support and support the development of a more appropriate regulatory regime for Ontario cooperatives. To this day, it remains an important sectoral demand.

On Co-op was well aware that it could not move its policy agenda forward without political allies to champion it to the provincial government. In parallel to the Task force consultations, On Co-op staff and volunteers met with a number of MPPs to raise awareness of the cooperative model and draw attention to the need to develop a framework to strengthen the relationship between the cooperative movement and the government in Ontario. They met with MPPs representing over 30 Ontario electoral ridings. In addition, roundtable discussions were held at Queen’s Park with MPPs and other government staff in November 2004.

Although On Co-op met with less than one third of the ridings in Ontario, the time and effort needed to schedule and attend these meetings was significant for On Co-op. In 2004, there was no full-time staff member in place supporting government relations efforts, and so On Co-op's Executive Director and its Government Relations Committee, made up largely of volunteers, undertook these lobbying efforts. Part-time consultants supplemented their work when funds became available. This approach would prove strenuous in the long term.

Building on the momentum that had developed through the White Paper process and on the alliances they had forged with MPPs, On Co-op scheduled another round of 14 meetings with MPPs in late 2005 through to 2006. These meetings were an opportunity to provide MPPs with the outcomes of the White Paper process and generate support for the resulting recommendations that had been developed, primarily pushing for the development of a Provincial Co-operatives Secretariat. Eventually, the cooperative movement found an ally in

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Ted McMeekin, Liberal MPP for Ancaster-Dundas-Flamborough-Aldershot, who took up the cause. After a series of meetings with On Co-op and members of the Government Relations Committee, MPP McMeekin tabled a resolution in the Ontario Legislature on December 14, 2006:

That, in the opinion of this House, the Government of Ontario should commit to the promotion, development and support of the co-operative model of business as one that should be replicated to provide stronger communities, increased social responsibility and continued economic growth. That the Ministry of Economic Development and Trade commit to investigating the establishment of a Co-operatives Secretariat to support the co-operative model of business. (Ontario Co-operative Association, 2008a, p. 2)

The cooperative movement's lobbying efforts had produced a positive result. Thanks to McMeekin's championship and to the groundwork that had been done between 2004 and 2006, the resolution passed. The movement was now tasked with moving beyond the step of generating awareness and a gentle commitment to investigate, toward transforming this political will into action and realizing these goals.

Timing would prove to be a challenge, however. Shortly after the resolution was passed, the province of Ontario found itself gearing up to enter into the 2007 election campaign. On Co-op created a Co-op Advocates program to enable members, staff, and directors of cooperatives to approach political candidates during the 2007 pre-election campaign to ask them for support for the development of the Co-operatives Secretariat or to support cooperatives more generally. It was the hope to have at least one identified advocate in every electoral riding in the province that could be called upon to attend meetings with MPPs. In an effort to relieve the pressure on On Co-op staff that had invested so much time and energy lobbying MPPs from 2004 and 2006, it ran the Co-op Advocated program on a volunteer basis and asked for in-kind contributions from its member organizations. However, the amount of work needed to co-ordinate this process on the part of On Co-op staff was intensive. They approached an estimated 600 people over the course of 2007 to be potential advocates; only about 10 people were willing to do it. The burden imposed on volunteers was too high and many of those contacted were not comfortable with that advocacy role.

Not only did their advocacy strategy prove unsuccessful, the Liberal Party of Ontario won the election and on October 30, 2007, their main political champion, MPP Ted McMeekin, became Minister of Government and Consumer Services. In his new role as Minister, the cooperative movement naturally lost a certain access to him because of his new responsibilities. Although he continued to believe in the cooperative model, it also became more difficult for McMeekin, in his new functions as Minister, to continue to champion for a particular sector, at the expense of others. Hence, all of the efforts that had been invested by the cooperative movement toward developing a champion for their cause had evaporated. As a result, On Co-op decided to reorient their strategy and focus on building allies within the bureaucratic apparatus.

Shifting gears: Seeking allies within the bureaucracy

A new strategy focusing more squarely on the bureaucratic state had the benefit of opening a relationship between government and the cooperative movement that had not been utilized to date. The 2006 resolution had targeted the Ministry of Economic Development and Trade (MEDT) as the key ministry to investigate the Secretariat, because of its focus on broader economic development in a variety of policy and business areas. Movement representatives attempted to schedule several meetings with MEDT staff, including additional meetings with political staff and Minister Sandra Pupetello herself, with the help of MPP Ted McMeekin.

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Between 2007 and 2010, movement representatives met ten times with MEDT, primarily with bureaucratic staff, with no positive results toward the creation of the Secretariat. Numerous cabinet shuffles over this period of time had made it difficult to build any sustainable relationship with the MEDT. The cooperative movement was a newcomer to this policy portfolio and so they did not have a long history of ties and interaction with the MEDT that they could count on in this period of high turnover. It also became clear relatively quickly that there was not a strong appetite at MEDT to create a provincial Secretariat.

Movement representatives had been told by civil servants in the MEDT over 2008 and 2009 that the likelihood of the government funding an initiative like the Secretariat was highly unlikely due to the economic crisis facing Canada and Ontario (interview with cooperative organizations, February – August, 2011). Instead, they suggested that the cooperative movement focus on shorter-term and less financially intensive goals that would be considered more achievable and easier to support by the government.

Frustration began to mount within the cooperative movement. A lot of time and effort had gone into creating strategies and attempting to gain access to the Ministry in order to push the goal of the Secretariat forward, only to be told that something different had to be proposed. This turn of events forced On Co-op to re-examine the direction and goals of the movement related to the Provincial Co-operatives Secretariat. In response, On Co-op created a new “wish-list” of 13 discrete items that ranged from requests to have the government deal with outstanding requests for amendments to the *Co-operative Corporations Act*, to the consideration of tax incentives that were more favourable to cooperatives, to educational and development materials for cooperative development to be placed in Small Business Enterprise Centres and training sessions for the staff of these centres to better equip them to assist start-up cooperatives.

Although many of these items were similar to the original recommendations that had been published in the original White Paper, the process that had led to the establishment of this wish list was radically different. For one, it did not involve movement-wide consultation, nor did all of the original individuals and organizations involved with the White Paper consultations vet the wish list. Rather, the On Co-op staff and the Government Relations Committee wrote it. At that point, On Co-op was faced with having to interact with the government on a much tighter schedule and produce materials and positions more quickly or with much less notice than a full-fledged consultation process would have easily permitted. Although a more expedient approach, this was a missed opportunity to reconnect with the original actors that had participated in the creation of the “White Paper” report and have them commit to the new direction in which On Co-op was headed.

The 13-point wish list was eventually cut down even further into a six-point list, at the request of MEDT staff, to further prioritize discrete activities that could be handled by government in relatively short order. The strategic choice was driven to some extent by recognition of the need to further open the political institution of MEDT, and cultivate allies and elites within that structure, before being able to demand the larger policy goal of a provincial body like the Secretariat. For two of the organizations we interviewed, however, the reduction of the demands represents a move backwards for the cooperative movement as a whole (June 8, 2010). Instead of being framed around one overarching structure or vision of partnership with the state that would bring positive change for the entire cooperative movement, the demands were instead broken down into a series of smaller insular recommendations that could be worked on individually by government. Despite all of the time and effort invested in generating awareness with respect to active development support programs, it appears that the cooperative movement fell short.

CONCLUSIONS: LESSONS LEARNED

Government support of the cooperative movement can take several different forms, with active cooperative development support potentially being the most important to the movement in terms of its ability to grow. Several provincial governments across Canada have seen the potential for beneficial policy outcomes by supporting the cooperative movement in their province and recognized its social and economic contributions to its members and the communities in which the co-ops operate, including the ability to create and maintain employment and provide needed services to a wide range of audiences and populations. In particular, the governments of Newfoundland and Labrador, Manitoba, and most notably Québec, have entered into agreements with their respective cooperative sectors to provide active cooperative development support. Not surprisingly, the Ontario movement, being one of the country's largest, inspired by both active development support provided or offered at the federal level, and by what was happening in other provinces, sought to obtain similar support for itself from its provincial government.

It seems clear that the Ontario cooperative movement has made some positive strides in mobilizing itself to work with government, by raising awareness about the positive contributions that cooperative enterprises make among a number of different government institutions and representatives. However, the movement still faces some challenges in cultivating allies inside the needed political institutions that can be used to effectively advance its goals. Despite all of the time, resources, and energy involved, the relationships that the cooperative movement has been working to develop and maintain have not resulted in more open access to the political system. Two potential explanations could be offered in light of other provincial experiences.

For one, the Ontario cooperative movement, like that of many other provinces, has a weak tradition of lobbying the provincial government in the name of the "sector." According to Fulton and Laycock (1990, p. 142), cooperatives have "a disinclination to become involved in broad-ranging public policy discussions and an opposition to expansion of state enterprise except where this directly promotes cooperatives' institutional interests." In that sense, the Ontario cooperative movement faced the double barrier of having to convince cooperatives to look beyond their institutional interests and think in terms of *sectoral* interests; and the barrier of actually having to lobby in the name of those interests.

The "White Paper" process itself was the first example of the movement coming together at a broader sectoral level rather than on a policy field basis. These opportunities allow for different parts of the movement to come together and see how the common values and principles of co-operation are demonstrated in different types of co-ops, which can contribute to the building of a cooperative identity in which all co-ops see their organization reflected. However, what has been missing is the next step of attaching these networking and learning opportunities to a larger identity for the movement that impacts positively on how the stated advocacy outcomes for the movement will benefit their own organizations, i.e., that co-ops and co-op organizations see value in the requests being made of government, and therefore contribute time and effort to support them. The Québec cooperative movement has a stronger tradition of mobilization and cooperatives are politically engaged. This in part explains its ability to maintain strength in the movement over time.

The "White Paper" process demonstrated that the movement could mobilize on a broad scale, across policy areas, and participate in a movement-wide identity building effort. However, since that time, the cooperative movement has not come back together at the same scale to revisit these earlier identity building activities and confirm interest in the direction of the movement with regard to the creation of the Secretariat or any of the other demands that have been placed before the provincial government. It would behoove the movement to circle back on a broader scale to attempt to establish or re-establish the importance of creating active cooperative

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development support for the movement, either in the form of the Provincial Co-operatives Secretariat or in the form of the other recommendations that were originally identified.

The second challenge has been the volatile nature of the political environment in Ontario, which at times undermined some of the advances that had been made by the cooperative movement. This volatile context made it difficult for cooperative organizations to maintain their momentum and to build a sustainable relationship with the provincial government. For example, a lot of time was invested in a strategy that focused on the MPPs and the political arm of government. While the biggest success of the movement was without a doubt the passing of the special motion in the Ontario legislature, an election followed shortly after which meant that the political environment shifted again.

Similarly, the cooperative movement made great gains when the Ministry of Economic Development and Trade became the main point of contact for the sector within government. In many of the cases where a strong relationship had developed between provincial governments and cooperatives, an institutional arrangement that would give cooperatives a point of access to make their claims seemed to be a key factor of success (Fairbairn, 2000a, 2000b). However, in the case of Ontario, the high turnover within the bureaucracy meant that any progress made on convincing bureaucrats that cooperatives could be a valuable source of economic and social development, and therefore should be supported, was short-lived. This limited the ability of the cooperative movement to make headway on its demand to government with respect to the creation of a Provincial Co-operatives Secretariat, or for any sort of meaningful active cooperative development support for that matter. Although the movement has adjusted its strategies recently to make demands that are smaller in scope and impact but that would still be considered to engage the government in more active support, its strategy has not yet produced results. It is unclear at what point institutional access will be open enough again for the movement to re-focus its demands on the development of the Secretariat and its broader sectoral agenda. However, the cooperative sector has taken the first steps by giving itself an infrastructure body where these discussions can take place, and where communication and collaboration can develop within the sector.

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NOTES

1. Cooperatives can be defined as "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise" (International Co-operative Alliance (ICA), 2011). They generally embrace a set of principles and values as outlined in the ICA's co-operative identity statement.
2. As of 2007, the sector in Ontario was comprised of approximately 1,300 co-ops, with over 1.4 million Ontarians being co-op members, and had an asset base of \$30 billion dollars (Ontario Co-operative Association 2008b).
3. The organizations interviewed were the Ontario Co-operative Association, the Agency for Co-operative Housing, the Co-operative Housing Federation of Canada - Ontario Region, the Co-operators, GROWMARK, the Canadian Co-operative Association, and Iler Campbell. We conducted multiple interviews with staff members in the organizations that were most involved in the advocacy work.
4. The majority of cooperatives are incorporated and governed at the provincial level. Although there is federal legislation that governs cooperatives that have operations in more than one province, the *Canada Cooperatives Act*, the number of cooperatives that are incorporated and operating under that Act are relatively small.

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5. Québec's cooperative movement is the largest in the country with the most number of cooperatives and the highest economic contribution in terms of sales and assets. According to 2007 statistics, Québec boasts 3,300 co-ops and mutual insurance companies, of which 2,666 are not financial. Together, Quebec co-ops have assets of \$130 billion and sales totalling \$30 billion (Rural and Co-operatives Secretariat, 2010; see also Simard, n.d.).

6. Canadian Co-operative Association is the successor to the original national Anglophone co-op association, the Co-operative Union of Canada (CUC). CCA was formed in 1987 when the CUC, which had been focused primarily on lobbying and international development activities, merged with the Co-operative College of Canada, which was a national educational body (CCA, 2008).

7. On Co-op's membership is made up of associations or federations of cooperatives (such as GROWMARK, Inc., OPPCEO, the Co-operative Housing Federation of Canada, Ontario Student Co-operative Housing Association, and the Canadian Worker Co-operative Federation) or credit unions (Central 1 Credit Union and Credit Union Central of Canada).

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Public Private Partnerships and the Public Interest: A Case Study of Ottawa's Lansdowne Park Development

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ABSTRACT

Public private partnerships (PPPs) are increasingly advocated as beneficial for the delivery of public services, facilities, and infrastructure for municipal governments. However, such partnerships often raise serious concerns about transparency and accountability. While municipal governments across Canada have tried to increase public participation in local affairs, PPPs can impede such efforts. This article presents a case study of the Lansdowne Park PPP redevelopment in the City of Ottawa. We focus on how transparency and citizen engagement have been compromised and circumvented and link to broader issues of how to balance the privileged status of business and the demands for commercial confidentiality with the public interest, transparency, and citizen engagement in projects that use PPPs. The article concludes by arguing that some projects and some conditions can render the use of PPPs inappropriate and counterproductive in terms of both effectiveness and the basic principles of good governance.

RÉSUMÉ

Les partenariats public-privé (PPP) sont de plus en plus préconisés par les municipalités comme étant une solution avantageuse pour la prestation de services publics ainsi que la réalisation de projets d'installations et d'infrastructures publiques. Toutefois, de tels partenariats soulèvent souvent d'importantes préoccupations quant à la transparence et la reddition de compte en lien avec ce processus. Plusieurs municipalités canadiennes ont fait de grands progrès pour accroître la participation des citoyens aux affaires municipales, mais les PPP peuvent représenter un obstacle important à de tels efforts. Cet article présente une étude de cas sur le réaménagement du parc Lansdowne dans le cadre d'un PPP à la Ville d'Ottawa. L'article se concentre sur la façon dont la transparence et l'engagement des citoyens ont été compromis et contournés dans ce processus. Cette analyse est liée à des considérations sur la façon d'atteindre un équilibre entre le statut privilégié de l'entreprise et les exigences de confidentialité des informations commerciales avec l'intérêt public, la transparence et l'engagement des citoyens dans des projets qui utilisent des PPP. L'article conclut en affirmant que certains projets et certaines conditions peuvent rendre certains PPP inappropriés et contre-productifs en ce qui a trait à l'efficacité et aux principes fondamentaux de bonne gouvernance.

Keywords / Mots clés

Public private partnerships; City of Ottawa; Public engagement; Transparency; Accountability; Good governance; Municipal government / Partenariats public-privé; Ville d'Ottawa; Engagement public; Transparence; Reddition de compte; Municipalités

INTRODUCTION

There is a trend toward the increased use of public private partnerships (PPPs) both in Canada and across OECD countries (OECD, 2010, p. 11). Federally, the Canadian government has taken a leadership role in the development of and advocacy for PPPs through the creation of Public Private Partnerships Canada (est. 2008) and by linking funding eligibility for some programs to the consideration of PPPs.¹ Many provincial governments have increased their support for PPPs by creating provincial Crown corporations to promote and fund them,² and the trend is also evident at the municipal level, signifying the increasing institutionalization of PPPs as a service and infrastructure delivery mechanism. PPP requirements for competitive and confidential procurement processes as well as long-term closed contracts often place the PPP processes, and the goals of good governance and public accountability, at odds with one another (Acar, Chao, & Kaifeng, 2008; Brinkerhoff & Brinkerhoff, 2011; Johnston & Gudergan, 2007; Macário, 2010; MirafTAB, 2004; Ortiz & Buxbaum, 2008). This is particularly significant at the local level where there is less experience with PPP adoption. Our study examines these issues through a case study of the City of Ottawa's most recent public private partnership: the Lansdowne Park redevelopment.

The Lansdowne Park redevelopment is an infrastructure PPP. It has been chosen to highlight how the processes of institutionalization surrounding PPPs are being realized at the local level. The case made provincial and national headlines when citizens' groups brought legal challenges against it after more than three years of disputes. While our case study focuses on only one PPP, it illustrates the fundamental tension between inscrutable elements of corporate-style decision-making and the public's perceived "right to know." In the words of Tindal and Tindal, "[p]rivate companies operate with a degree of confidentiality and secrecy not easily reconciled with the openness and public accountability values (and, often, legal requirements associated with municipal operations)" (2009, p. 291). Our intention in using the Lansdowne Park case is not to be drawn into questions of unlawfulness at the centre of the court challenge, or to argue that PPPs should never be used, but to highlight the governance issues and policy decisions that have resulted in such a struggle between a municipality and some of its citizens. In so doing we identify a number of conditions that render the use of PPPs inappropriate and counterproductive in terms of effectiveness, risk, and the basic principles of good governance. Conversely, we also argue that under certain conditions, the need for transparency, citizen engagement, and due process may outweigh the potential benefits of PPPs.

While many cities have made great strides in increasing the amount of public participation and citizen engagement in planning processes, high-stakes development projects, particularly those involving PPPs, tend to circumvent these goals by limiting the information available to and engagement with the public. Consequently, public participation tends to be restricted to the perfunctory processes that Arnstien (1969) regarded as "therapeutic" and "manipulative." For some PPP developments such as roads and sewers, the public's need for information and participation may be relatively limited. However, for controversial and highly political projects, such as the redevelopment of Lansdowne Park, such engagement practices may be seen as entirely inadequate for the task of governing democratically. The Lansdowne case also raises the question of why PPP frameworks in Ottawa and other municipalities remain underdeveloped with respect to protecting the public interest. We consider the implications of this as well as the types of safeguards that are required.

As the increasing institutionalization of PPPs in Canada leads them toward becoming a favoured method of financing, procurement, and operations, their role within the broader framework of governance and accountability will also need to be addressed, particularly for projects that demand elevated levels of public scrutiny and participation. Otherwise, the political and democratic costs of PPPs will not be fully captured or addressed, thereby adding to the so-called "democratic deficit" and fuelling calls for clarification of the policies

regulations and laws that are supposed to protect communities and promote the public interest. In a review of the literature on PPPs we found that the literature on the categorization, adoption, and implementation of PPPs from a technical standpoint (e.g., European PPP Expertise Centre, 2011) and the literature that focuses on value for money³ and efficiency claims (Bel & Warner, 2008; Boyne, 1998; Eggers & O’Leary, 1995; Entwistle & Martin, 2005; Warner & Hefetz, 2004; OECD, 2009, 2010; Savas, 2000) tend to engage little with the PPP literature on citizen engagement, transparency and accountability (e.g., Bardach, 2003; Bradford, 2003; Forrer, Kee, Newcomer, & Boyer, 2010; Graham & Philips, 2008; Ilcan, 2009; Siemiatycki, 2010; Wallner, 2008). Our aim is to increase the dialogue between these literatures and to make the case that public engagement should not be treated as a separate issue from the technical literature on PPP adoption.

The article begins by examining the major themes that emerge in analyses of PPPs—the rationales for their adoption, increasing complexity, and accountability, and the role of the public sector. It then introduces Ottawa’s most recent and controversial foray into PPPs—the Lansdowne Partnership Plan (LPP). Finally, some conclusions are drawn regarding how to incorporate and apply the principles of “good governance” to the PPP process. This is particularly significant given the well-observed trend to conflate public and private roles to the point where “good governance at the municipal level is now largely defined by the ability of formal government to assist (Harvey, 1989; Leitner, 1990), collaborate with (Elkin, 1987; Stone, 1989), or function like (Box, 1999) the corporate community” (cited by Hackworth, 2007, p. 11).

This article uses historical institutionalism to guide the research, paying attention to politics, context, history, and the processes of institutionalization. Our evidence is drawn from a mixed methodology combining participant observation at meetings/events related to Lansdowne with a literature review, primary document analysis (e.g., acts, regulations, policy statements, and legal documentation) and a review of the grey literature/media.⁴ The literature review informs the rationale for and implications of the adoption of PPPs, and PPP theory is then contrasted with actual practice through a review of the Lansdowne case. We have analyzed primary documents to map the institutional and regulatory environment for PPPs across Canada, including at the local scale, thereby contextualizing the City of Ottawa’s engagement with these practices. Attendance at Lansdowne-related meetings/events was used to gauge public engagement practices, and a media analysis using LexisNexis database search was used to analyze major debates. Throughout, we pay close attention to the divergence between formal rules and practices and more informal modes of adoption. Through our case study of Ottawa we see a divergence between PPP policy and practice. A lesson from historical institutionalism is that institutions can become path dependent. We hope that, at this relatively early stage of PPP adoption, local governments like Ottawa will strengthen the institutions (rules, policies, guidelines, practices) used to develop them. The alternative is to see perverse outcomes and lengthy court cases as per the Lansdowne case.

PPPs: Rationales, complexity, and accountability

PPPs emerged from a climate of fiscal austerity in the 1990s when governments became increasingly interested in leveraging private finance, particularly for large infrastructure projects. Symbolizing the so-called “neo-liberal turn,” PPPs emerged from an ideological orientation for smaller government and the pro-privatization pressures of the 1970s and 1980s coupled with pressures of deregulation, smaller government, and the outsourcing and privatization of infrastructure and services (Loxley & Loxley 2010). In the late 1980s and 1990s, PPPs spearheaded experimentation with alternative service delivery and became an important tool in the implementation of New Public Management (NPM) practices (Hood, 1995).

NPM’s focus on partnership engagement, specifically with the private sector, has been a driving force of the PPP model. As Hackworth explains:

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One of the foundations of neoliberal governance at the local level is public-private cooperation. These alliances can vary considerably in form but city governments are increasingly expected to serve as market facilitators, rather than salves for market failure. Cities have moved from a managerial role under Keynesianism to an entrepreneurial one under neoliberalism. No longer are cities as able to establish regulatory barriers to capital; on the contrary, they are expected to lower such barriers ... to behave as businesses themselves. (Harvey, 1989 cited in Hackworth, 2007, p. 61)

It has also ushered in a treatment of citizens as clients or customers – a connotation that is largely at odds with that of public/citizen engagement. Historically, PPPs can and should be seen as part of an ongoing struggle to reform local government in ways that exclude certain groups and interests from the decision-making process and at the same time privilege their own status and influence over policies and outcomes that help shape cities, growth, and development (Plunkett & Betts, 1978). As Tindal and Tindal contend, “[The] reformers were interested in restoring the efficiency and effectiveness of municipal service delivery but, at the same time they were plainly concerned with restricting the influence of the cities’ burgeoning population of working people upon the conduct of municipal affairs” (2009, p. 11).

After more than a century of continued struggle over the role of municipal governments, PPPs bring these concerns back into sharp focus, reinforcing and institutionalizing the dominant role of private capital and the marginalized influence of other local interests within the community. To examine this in more depth, this section will examine three major themes that emerge in analysis of PPPs: 1) the basic rationales for their adoption; 2) their level of complexity; and 3) the implications for this on transparency, accountability, and the role of the public sector.

PPPs differ from traditional procurement mechanisms in several important ways. Whereas contractors under traditional procurement are unbundled multiple firms, under PPPs they are a bundled consortia where ownership is private (as opposed to public in the case of traditional procurement). PPPs are often adopted at a much earlier stage of the project development than in traditional procurement, and thereby have greater influence over the scope and form of a project. PPPs can differ significantly in scope and function. However, as the name implies, they involve public sector partnership with a private party wherein the private sector assumes substantial financial, technical, and operational risk in the project as opposed to traditional procurement where the risk is more public. The OECD argues that PPPs (as an ideal type) should reflect equally shared risk by both the private and public partners (OECD, 2009, 2010). As will be illustrated in our case study, this is often not the case in practice. In some PPPs, the cost of using the service may be borne by its users (instead of through general taxation). In others (e.g., private finance initiatives), the private sector partner will provide capital investment with the contractual proviso that the public sector partner be responsible for the cost of providing the service (in whole or in part). There are also mixtures of financial incentives (e.g., capital or revenue subsidies, guaranteed annual revenues, or tax breaks) that are sometimes employed by the public sector as an inducement for private sector investment.

A central justification for the adoption of PPPs is that they are a more efficient way of providing infrastructure or services than those provided by the public sector or through traditional procurement practices. However, it should be noted that many studies have shown that the empirical evidence for such efficiencies is mixed (Flinders, 2005; Loxley & Loxley, 2010; Whitfield, 2010), with critics pointing out that when “efficiencies” fail there is a tendency to fall back on the public purse.

An unavoidable feature of PPPs is that they introduce a greater degree of complexity to procurement processes. They can vary greatly depending on scope, function, degree of risk-sharing, length of time, instruments used,

and other such variables. A guide produced by the European PPP Expertise Centre describes the complexities of PPPs as requiring “[D]etailed project preparation and planning, proper management of the procurement phase to incentivise competition among bidders. They also require careful contract design to set service standards, allocate risks and reach an acceptable balance between commercial risks and returns” (2011, p. 1).

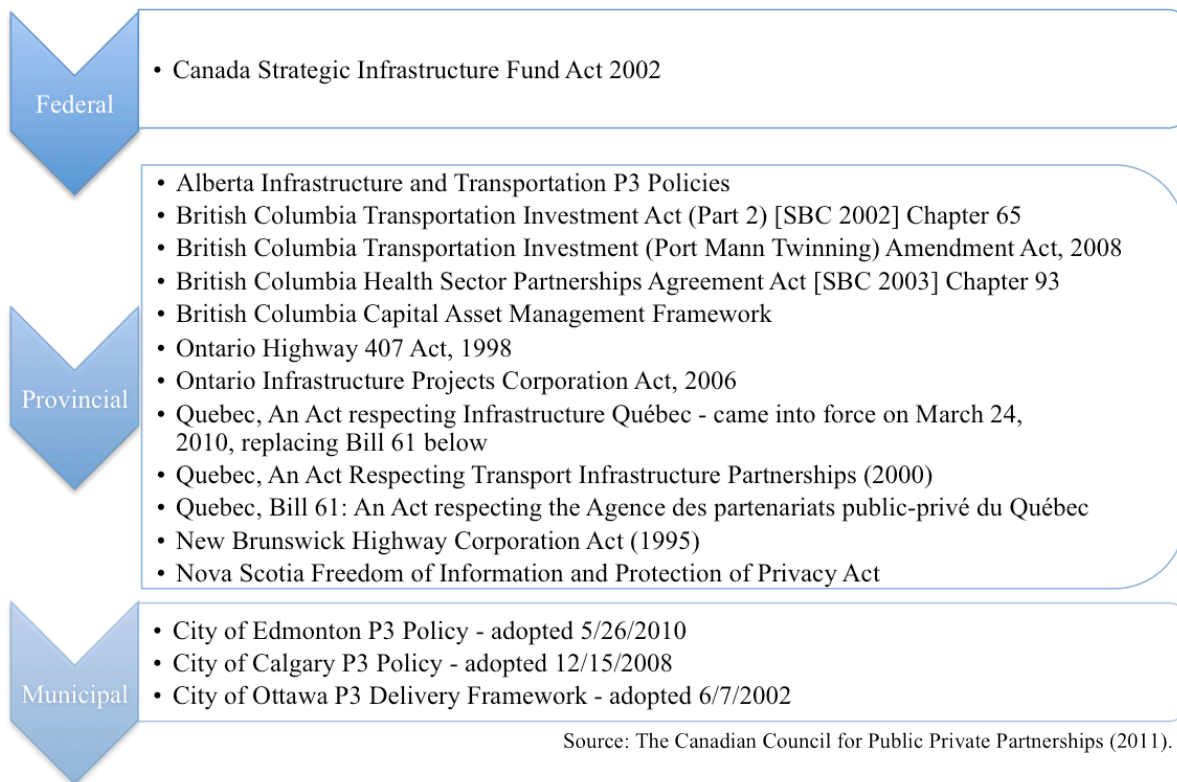
One feature of this complexity that is often forgotten is how it problematizes open and democratic processes such as transparency, accountability, and public engagement. The confidentiality requirements of PPPs mean that full contract details are not generally made publicly available—which can stifle public debate when the details of contracts may be unknown. We need a balance between confidentiality and accountability. Siemiatycki (2007) presents an excellent overview of this issue and how various governments have addressed it. The longevity of PPP contracts also means that they may outlast many election cycles. Unlike publicly delivered programs and services, PPPs (due to the nature of their contractual obligations) do not open themselves up to debate, particularly at election time, in the way that public services do. How PPPs are accounted for in budgets can also obfuscate their true cost. There is no international accounting standard for the treatment of PPPs and currently no clear and comprehensive rules to provide guidance on this matter (OECD, 2009, p. 91). The wide variation in practices means that governments can use PPPs to bypass normal spending controls.⁵ Akin to problems with transparency of costs, the absence of standards in the cost assessment of PPPs means that they may be perceived as the best “value for money” option in comparison with public sector provision when, in fact, this may not be the case. The Lansdowne Park Partnership, for example, resulted from an unsolicited, sole-sourced bid.

There are no internationally recognized standards for how to structure PPPs versus traditional procurement comparisons—the variables to be considered can often differ greatly. In all, the complexities and long-term nature of PPPs produce information asymmetries that undermine public engagement in and understanding of the proposed project. The degree of complexity inherent to PPPs has been a major impetus for the creation of specialized governmental units or departments to deal with them at the national, provincial/state, and local levels. The inherent complexity of PPPs necessarily requires a different set of expertise than that of traditional procurement contracts. Hence, the pressure to institutionalize PPP practices stems in part from a need for the development of personnel expertise and regulations.

Chart 1 maps the regulatory environment for PPPs. Canada experimented with the use of PPPs in the delivery of infrastructure and services in the 1990s on an ad hoc basis.

The vast majority of acts and regulations in Canada pertaining to PPPs are at the provincial level, which is unsurprising given the provincial authority over municipalities and the prevalence of PPPs provincially, particularly in transportation-related infrastructure projects. British Columbia stands out as having the most acts and regulations for PPP management and being both an early adopter and a province with a dedicated PPP office (Partnerships Canada). Significantly, none of the acts or regulations set standards of practice for community consultation for the specific case of PPPs, which are instead generally seen as a procurement practice and treated as such, with much less emphasis on participation. Community consultation requirements are generally outlined at the level of provincial planning acts (such as the Ontario Planning Act, R.S.O., 1990) or in official and subsidiary plans as a local government level.

Chart 1: Acts and regulations pertaining to PPPs in Canada



The vast majority of acts and regulations in Canada pertaining to PPPs are at the provincial level, which is unsurprising given the provincial authority over municipalities and the prevalence of PPPs provincially, particularly in transportation-related infrastructure projects. British Columbia stands out as having the most acts and regulations for PPP management and being both an early adopter and a province with a dedicated PPP office (Partnerships Canada). Significantly, none of the acts or regulations set standards of practice for community consultation for the specific case of PPPs, which are instead generally seen as a procurement practice and treated as such, with much less emphasis on participation. Community consultation requirements are generally outlined at the level of provincial planning acts (such as the Ontario Planning Act, R.S.O., 1990) or in official and subsidiary plans as a local government level.

Case study: City of Ottawa Lansdowne Park

The City of Ottawa is one of the few Canadian cities to have adopted a PPP delivery framework (City of Ottawa, 2002). Its framework document endorses the idea of using PPPs, led to the formation of a Special Delivery Unit within the City Manager’s Office for the co-ordination of PPP efforts, and states an increasing desire to engage with PPPs and the need to develop policy and guidelines to further expertise in these dealings. The impetus for increased usage of PPPs is described as stemming from inadequate funding from other levels of government and increasing pressures on the City’s budget, where PPPs might “serve as a vehicle for the injection of private sector financing while allowing governments to maintain their fiscal targets and avoid taking on additional debt” (City of Ottawa, 2002, p. 4).

The discussion of “benefits” is followed by a caution that PPPs “are not a substitute for strong and effective governance and decision-making by elected representatives” and that their adoption will require that the City “establish the ground rules and have the ability to shape each P3 to reflect its own objectives, policies and

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regulations [including] ... well-defined contractual remedies in a P3 arrangement that would guarantee the public interest” (City of Ottawa, 2002, pp. 5-6). The document further states the importance of an “open, fair and transparent process” when it comes to the adoption of PPPs and discusses particular drawbacks that stem from the acceptance of unsolicited PPP proposals (City of Ottawa, 2002, p. 5). Because of this, “the City recommends that the P3 process not be open to unsolicited proposals from the market” (City of Ottawa, 2002, p. 6). Crucially, the Lansdowne partnership breaches these basic recommendations, which were established to promote good governance, ensure value for money, and protect the public interest.

The City of Ottawa opened a PPP Office, housed in the City Manager’s Office, in 2002. Between 2002 and 2004, this office initiated five PPPs. In 2004, it was moved from the City Manager’s Office to the office of the Planning Department and was re-staffed. During this time, two more PPPs were delivered (the West Carleton Arena and the Orleans Arts Centre and Town Centre). In 2009, a third reorganization moved the PPP Office to the Real Estate Partnerships and Development Branch, which placed it again under the City Manager’s Office. This was when the most recent PPP—the Lansdowne Partnership Plan—was adopted.

The 2002 framework documents recognized the significant dangers of PPPs to the public interest and called for the creation of a PPP policy by 2003. At time of writing it is still in draft form. Meanwhile, the City continues to implement PPPs without recourse to its own guidelines or an established policy. The framework document acknowledges the need for careful thought about and consideration of the adoption of PPPs with special attention to open, transparent, and accountable processes. While many cities in Canada, including the City of Ottawa, have striven to increase community engagement practices in planning as well as in other areas,⁶ they are applied selectively and inconsistently. PPPs require a significant degree of public consultation and community engagement because of the nature of PPP contracts, asymmetries in information, complexity, nature of the risk involved, and need to ensure long-term public accountability and funding for such projects.⁷

Case Study: The Lansdowne Partnership Plan

Lansdowne Park is a 40-acre historical sport, recreation, and entertainment area located alongside the Rideau Canal, a UNESCO world heritage site, in Central Ottawa. The park is depicted in the photo below.



Source: Lansdowne Park Redevelopment (Wikipedia, 2008).

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In 2007, cracks were found in the stadium portion of the park (Frank Clair Stadium), prompting the City to begin a redevelopment review of the Lansdowne Park space, including a series of public meetings to provide the framework for any future plans. On October 17, 2008, an unsolicited proposal for the development of a PPP in Lansdowne Park was submitted by the Ottawa Sports and Entertainment Group (OSEG), which includes Jeff Hunt, owner of the Ottawa 67's (a junior hockey team), and Minto Chairman Roger Greenberg. The proposal included the potential signing of a Canadian Football League expansion franchise to be housed in a rejuvenated Frank Clair stadium. OSEG argued that their proposal

represents the best solution for the legacy of Lansdowne: the City of Ottawa will always retain ownership of the park; the residents of Ottawa will have complete access to an innovative new jewel on the Rideau Canal, and the dilapidation on this treasured site will be gone — once and for all. (City of Ottawa 2009, p. 2)

The City subsequently accepted this proposal and abandoned its own plans for the site, which had included a major citizen engagement initiative (Design Lansdowne) that was to establish the criteria for how to proceed to an RFP and an international design competition. The park redevelopment plan has since been modified, with the OSEG proposal to cover the entire park with a mixture of commercial and residential development (condominiums, shopping mall, multiplex cinema, etc.) save for the football stadium and a section near the Rideau Canal which had to be opened up to a design competition due to public criticism and the insistence of a small group of councillors that their continued support for the project was contingent on it.

As the premier piece of available underdeveloped public space in Ottawa's core, the Lansdowne Park redevelopment has been the subject of heated public debate as well as two citizen-based lawsuits, one of which is still to be heard and another that has been appealed to the Ontario Superior Court.⁸ A community-based group called the Friends of Lansdowne (FoL) filed an application with the Ontario Superior Court to stop Ottawa City Council from approving the OSEG-led PPP scheme to redevelop Lansdowne Park. The suit contends that "the City has acted unlawfully by approving the scheme without seeking competitive bids or otherwise complying with City bylaws, and by failing to meet the standard of good faith decision making required of municipal officials" (Friends of Lansdowne, 2011). More specifically, it is argued that under the plan, the City is to provide financial assistance to OSEG, including the leasing of City property at below market value and the subsidization of two sports franchises. The appellants (FoL) contend that in doing so, the City violated section 106 of the Municipal Act, which precludes granting bonuses to commercial entities, and section 270, which requires that municipalities establish and maintain procurement policies.

In addition to the ongoing legal arguments, other criticisms of the plan stem from concerns about the financial impacts on the City, the commercialization of public space, the viability of the sports franchise secured by OSEG, the transportation and environmental impacts, and concerns that the heritage buildings currently housed in the site will not be adequately protected.

In terms of the process, a major criticism of the plan is that details of the PPP, including crucial documents and reports, have not been made available to the public or, in some cases, the City Council. In particular, the court case revealed that the City had not made public its initial evaluation of the project, which had been conducted by the consulting firm Deloitte. The report advised against acceding to OSEG's proposal that the City subsidize OSEG costs to operate two sports franchises (Deloitte, 2009). The Deloitte report represents the only review of the OSEG scheme to have been commissioned by the City and carried out by a competent authority

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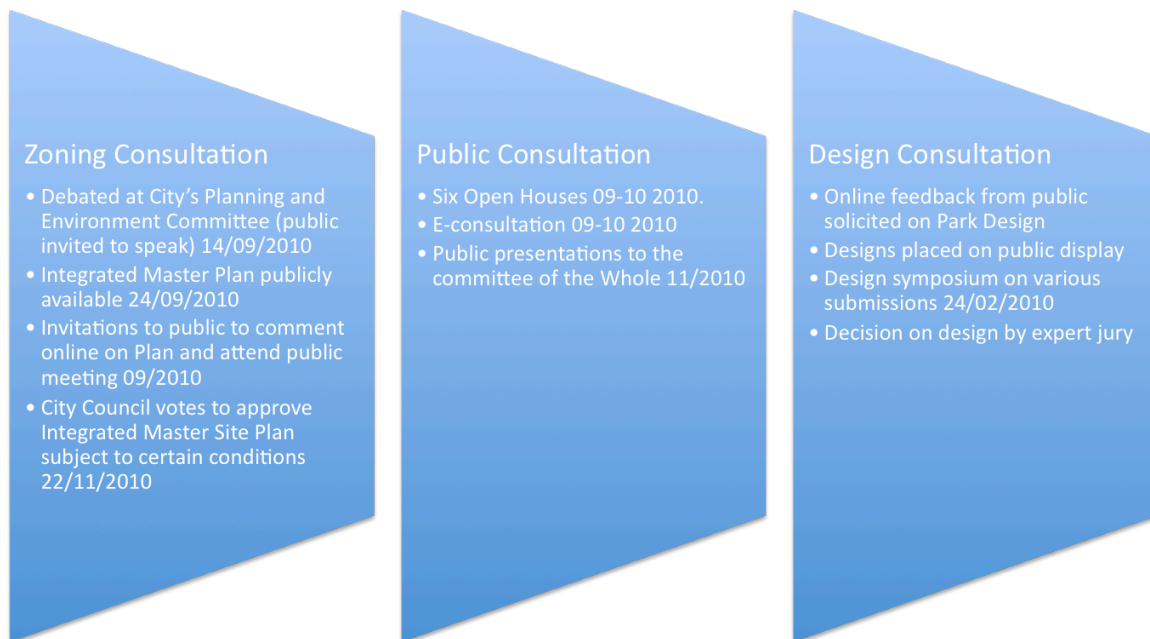
independent of the City government. Neither the report nor the concerns of its author were shared with the City Council or the public (Friends of Lansdowne, 2011).

Disclosure and transparency are, of course, crucial if the council and the public are to engage in meaningful consideration of the merits of proposals such as this. The complexity and high degree of public interest in the proposed deal raise vital questions about the costs of the PPP to taxpayers, the burden of risks between public and private actors, and the rationale for the PPP's adoption (e.g., why this was chosen without any cost comparisons with other procurement types).

The FoL case presented affidavits by Rosen and Associates (a leading investigative accounting firm) and Professor Harry Kitchen (a leading expert on Canadian municipal finance) which both found that the City grossly misrepresented the financial impacts of the PPP. Access to the reports, facts, and information requested for the court challenge by FoL has been a long and expensive process that most community-based groups would be unable to sustain.⁹ The lack of transparency throughout the PPP process by the City has been a major obstacle to accountability, transparency, and citizen engagement. Informed debate and participation have been greatly hampered by a lack of detailed documentation and communication from the City.

The major pieces of public consultation for the Lansdowne PPP are outlined in the chart below and include: 1) zoning consultation, 2) public consultation, and 3) design consultation on the “non-developer”-led portion of the land. While these lay out some basic requirements for engaging citizens in the process, their impact has been severely limited by a number of factors, including limited information on the project and the late timing of the consultation within the development process.

Chart 2: City of Ottawa: Lansdowne public consultation phases



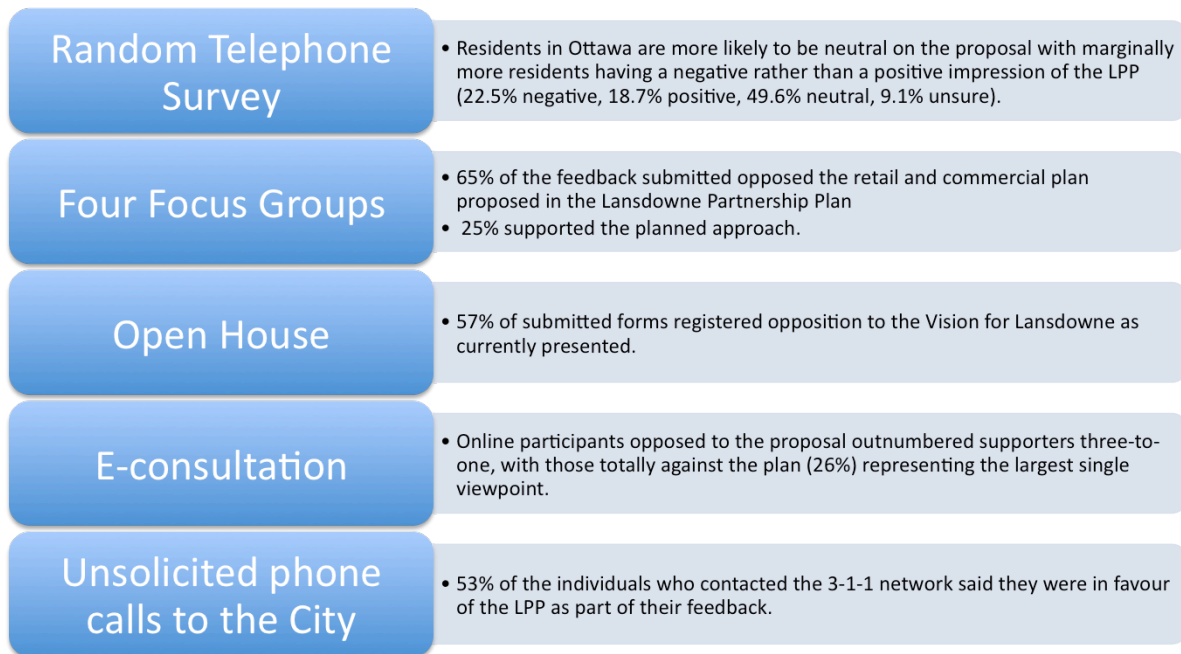
Source: City of Ottawa (2011)

Substantive and early public consultation was initially undermined by the decision to adopt an unsolicited and sole-sourced bid, allowing little or no possibility for the public to participate in and shape a vision for the park.

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The lack of a competitive process denies the public a chance to see, hear, and debate what is possible in addition to assessing the costs and benefits of alternative proposals.

Chart 3: Outcome of consultation strategies



Source: City of Ottawa (2011).

The analysis of the public consultation feedback shows that many residents voiced concerns about various aspects of the proposal. It is not evident how, or even if, this information has been incorporated into the planning process. Public meetings organized by the City appeared to be staged and controlled. At one of the open houses used to present the plan to the residents of the Glebe and Ottawa South (where Lansdowne Park is situated and where the community will be most affected), no questions about the process were allowed, no elected officials were available to answer questions (except for the area councillor who strongly opposes the plan), and members of the OSEG team were misleadingly identified on their name tags as City of Ottawa officials. This further blurred the lines between the developers and City staff who are responsible for providing accurate and unbiased information to the public.

Partly as a consequence of the lack of transparency, the cost of the PPP for the City remains unclear. Several details have emerged as a result of the court case and the accompanying added scrutiny. The official Lansdowne cost is estimated at \$129 million, the majority of which will be borrowed for repayment over 40 years, bringing the total cost to \$285 million in repayments. The plan does not have funding commitments from senior levels of government whose involvement in the project was negated by the sole-sourced nature of the agreement. The private sector partner (OSEG) is a major beneficiary of this agreement—for one dollar a year, they will lease 10 acres of Lansdowne's prime land on which they will build commercial and residential amenities. Further, the private developer (OSEG) will be awarded a 30–50 year contract for the management of the park, for which the fees are currently unknown. Full knowledge and transparency of costs, as well as comparative options, are a crucial component of public engagement. Without this information, public engagement cannot proceed with any meaning. A major focus of the citizen-based lawsuit involved obtaining access to the documents that outline such details.

On July 28, 2011, Justice Hackland's decision for the Lansdowne challenge at the Ontario Superior Court found in favour of the City of Ottawa. A major focus of the court case was whether the City of Ottawa had acted in bad faith by accepting a sole-source bid. Justice Hackland's decision states, "this court has no jurisdiction to pass on the wisdom or the reasonableness of these policy decisions, and to the limited extent that the court may intervene, a generous deferential standard of review is required" (Hackland, 2011, p. 6). In this, the judgment "extends substantial deference to the decisions of municipal councils" (Hackland, p. 5). This decision is presently being appealed through the Ontario Court of Appeal. The Lansdowne Park Conservancy (a group of Ottawa business owners) is also bringing forward a legal review through the Ontario Divisional Court against the City of Ottawa to request that the PPP be opened to a competitive bidding process. The legal challenges against the Lansdowne PPP continue.

DISCUSSION AND CONCLUSIONS

The Lansdowne case study epitomizes the conflicting motives and interests between private and public sector interests and concerns. Whereas the private sector focus will necessarily be on profit, risk minimization, and timeliness, those responsible for guarding the public interest are charged with ensuring due process, effective representation, and good governance practices in addition to value for money. This will inevitably create tension between the parties about the pace, openness, transparency, and inclusiveness of the process and generate pressures to compromise the public interest to accommodate private interests. In the case of Lansdowne Park, this was evident when the City's open and inclusive "design Lansdowne" process was cancelled in favour of an unsolicited proposal by local developers after they had indicated that they would not be prepared to take part in a competitive process.

As with many other cases of land use planning, the Lansdowne case illustrates that attempts to short-cut or bypass due process and limit public engagement to "manipulative" or "therapeutic" forms of engagement may actually prolong rather than expedite the PPP process (Arnstein, 1969). The ongoing legal challenges that continue to delay development of the Lansdowne Park appear to provide further support for the adage that "the longest way round is the shortest route home." Avoiding or reducing public opposition through early public engagement in an informed and transparent process is important for a number of reasons related both to the timeliness and efficiency of the project as well as its legitimacy and acceptability. Both measures are crucial to the concept and practice of good governance. Rather than conceiving them as two mutually exclusive aims, they should be seen as co-dependent requirements for an efficient and effective process that engages the public, builds trust, and manages political interests and expectations.

Public opposition to PPPs and the projects they undertake increases the uncertainty and risk and can ultimately undermine a project's development (OECD, 2009, p. 118). Although transparency and due process, including substantive public engagement, may appear cumbersome and counterintuitive to private sector representatives—and even to many public officials—involved in the PPP process, they are very significant in reassuring the public that the public interest is being served and in allaying concerns that nefarious or unethical practices are being pursued under the veil of commercial confidentiality and secrecy.

In this context, a 2009 OECD policy document outlines five areas of concern related to corrupt and unethical behaviour in PPP procurement practices. These include: 1) information asymmetry where the discretionary power of a public purchasing agent or a private bidder possesses information not available to the government; 2) contacts, informal networks, and collusion can be abused to influence the bidding process; 3) conflict of interest with public officials; and 4) political financing where politicians may use their influence to sway bidding outcomes favourable to their political interests (OECD, 2009, pp. 122-123). Although the public's understanding of "corruption" is often limited to such obvious forms as the "exchange of brown envelopes," it is important to note that it is a much broader concept and can include one or more of the above activities. It is within this broader definition of corruption that PPPs become vulnerable, meaning that extra care must be taken to ensure

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that public confidence is maintained, especially when the PPP is dealing with a project such as Lansdowne which is enormously complex and significant to the public and local community.

To this end, municipal staff must remain independent from private partner interests, however difficult this is given that PPPs require them to work closely together. PPPs also introduce the potential to blur the lines between the role of councillors in promoting the public interest, and the developers whose legitimate role it is to further their own private interests. Several councillors in the Lansdowne case have been prominent and vocal advocates of the OSEG proposal, both at council meetings and through the media. Their unrelenting promotion of the project allied to their public denigration of citizens and groups who object to the proposal on a variety of grounds epitomizes “boosterism.”¹⁰ To be clear, the role of councillors is to represent public, not private, interests but this important distinction appears to have been dangerously compromised with respect to the Lansdowne Partnership Plan. Concern about the blurring of roles and responsibilities is exacerbated by the fact that many of the councillors who promoted the Lansdowne deal received political campaign funding from the same developers they were expected to regulate (Ecology Ottawa, 2009).¹¹ While this is certainly not illegal under current municipal rules, the optics are disturbing and reinforce recent calls to strengthen and update the “ethical infrastructure” of local government (Cunningham, 2011).

The Lansdowne case leads us to conclude that robust community engagement practices need to be institutionalized as part of the regulations guiding PPP procurement practices—practices of accountability, transparency, and public engagement should, if anything, be heightened in the adoption of PPPs due to issues of moral hazard and information asymmetries.

Of course, not all PPPs will require the same degree of transparency and public participation to be legitimate. In highlighting the redevelopment of Lansdowne Park, we did not intend to make a case against the use of PPPs generally. Indeed, we believe that, done correctly and with appropriate respect for due process, they can provide a very effective tool for delivering public services and projects. However, in the process of producing this article we have developed a potentially helpful and informative framework that can, and perhaps should, be used by policymakers considering a PPP and by researchers attempting to identify the conditions or types of regimes associated with effective and legitimate partnerships. Specifically, we propose that in certain circumstances PPPs are inappropriate and should not be used.¹²

Chart 4: Conditions in which PPPs are inappropriate

Conditions inappropriate for PPPs	Rationale
Proposed use of public space is highly controversial.	Highly political or contested land use decisions need to be dealt with in an open and transparent way that PPPs may not be able to facilitate.
Involves an unsolicited bid.	Unsolicited proposals preclude early input from the public or community about what the key requirements of the project or service are.
Procurement method is sole-sourced.	Competitive procurement helps to establish best or fair market values and also generate public debate and ideas.
Councillors funded by the private partner(s) in the proposed PPP.	Councillors need to be at arm’s length and independent from private sector partners if they are to perform their role in promoting the public interest effectively and holding PPPs to account.

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Any one of these conditions might be sufficient to render a PPP an inappropriate and ineffective policy option; and yet, the Lansdowne Park Partnership is being pursued even though all four conditions apply. Given the context, history, and significance of Lansdowne Park and its impact on local communities, any process used to plan its future (redevelopment) legitimately and effectively requires more, not less, transparency to facilitate public scrutiny, participation, and accountability. Failure to respect this may explain why many citizens remain suspicious of the Lansdowne process and why the project remains bogged down in legal challenges and delays almost four years on. Indeed, the Asian Development Bank's handbook on PPPs provides a clear and prescient warning to public officials that entering into sole-sourced PPPs carries elevated risks of corruption and delay:

Entering into a sole-source process can save government time and money and may alert government to an unrealized opportunity for PPP. However, sole sourcing can encourage corruption through lack of transparency, and the cost benefits to competitive bidding are lost ... there is also an elevated risk that the fairness of the contract award will be challenged at a later stage, e.g., by disappointed potential bidders or by the political opposition. (Asian Development Bank, 2008, 72)

FoL is reviewing several of the legal aspects raised by the case; but if the legal challenges to the Lansdowne Park Partnership are unsuccessful, we must hope that the City of Ottawa will not regard the decision as a charter to conduct PPPs in the way it has at Lansdowne Park. Whatever the outcome, the City requires a clear policy on how it approaches PPPs and this should build on many of the laudable aspirations set out in its framework document discussed earlier. In addition to the financial costs and the time spent trying to resolve the City of Ottawa's PPP-led development of Lansdowne Park, the divisions, suspicion, ill will, and hostility generated by the project may have long-lasting implications for how PPPs are formed in the future. Unfortunately, its legacy may be to undermine public trust and confidence in the process and make it more difficult to implement PPPs in the future.

PPPs are being increasingly adopted and institutionalized across Canada. We hope this article will contribute to some broader debates about the future direction of PPPs and indicate promising areas for research that will allow the economic potential of PPPs to be reconciled with the social and political dimensions in these practices. To this end, the emergence of Public Private Community Partnership (PPCP) models may offer a way to better address these latter dimensions and, in doing, help to realize the putative economic and financial benefits of PPP development. At the moment PPCP models are most commonly used in developing countries as a means to reorient partnerships toward social welfare goals and away from a narrow profit-based model (see Alam, 2008). This type of procurement model has had very little traction in Canada to date. However, given the limitations of PPPs and the inherent trade-offs between public engagement and corporate confidentiality highlighted in this article, PPCPs offer an important and timely area of practice and research.

The Lansdowne Park case study raises and addresses some fundamental questions about the future role of local government in Canada and beyond. As Tindal and Tindal ask, which path will municipalities choose?

They can continue along the path of least resistance, the one that accepts the inevitability of global economic forces, neoliberalism, and a diminished role for all governments. Or they can recommit to their political role — engaging local citizens more fully, asserting themselves more forcefully, and collaborating more widely in

pursuit of the local public interest. The second path is uphill, but it leads somewhere, unlike the first. (Tindal & Tindal, 2009, p. 1)

Viewed in this context, Lansdowne Park could set an ominous precedent for municipalities and local citizens alike.

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NOTES

1. For example, the federal government's Building Canada Fund for economic stimulus included a stipulation that for any project receiving \$50 million or more, a PPP delivery option must be fully considered.
2. Alberta (through the Alberta Treasury Board), British Columbia (through Partnerships BC), New Brunswick (through the Department of Supply and Services and New Brunswick Department of Transportation), Nova Scotia (through Strategic Infrastructure Partnerships), Ontario (through Infrastructure Ontario), and Quebec (through Infrastructure Quebec and Transport Quebec).
3. Value-for-money assessments are either based on a cost benefit analysis of all alternative provision methods available (public and private) or the calculation of a public sector comparator either before or after the PPP bidding process. Some countries (e.g., France) use no public or private comparator (OECD, 2010, p. 24).
4. Interviews were also conducted with officials from the City of Ottawa on this matter. However, due to the legal challenge being presented by this case, these interviews were non-attributable and cannot be referenced here.
5. PPPs have been used to move expenditures to future budgets, thereby increasing public sector liabilities that are borne by future taxpayers who inherit the costs of "buy now, pay later" policies. In Canada, this has been done in the past through off-book financing where PPPs were structured as operating leases (costs as incurred) as opposed to capital leases (costs as financial liability). The decision to structure the PPP as a capital or operating lease is typically dependent upon the degree of public versus private sector risk shared by the partners. In the case of a capital lease, the public sector partner would bear more of the risk. As of January 1, 2009, municipal governments in Ontario are required by law to adopt full accrual accounting methods. This should address the problems with transparency inherent to the cash-based operational lease method of accounting for PPPs. However, "there are still questions about how governments should record P3 payments—because the capital and operating costs in a P3 are combined into a unitary payment it can be difficult to assign a cost to the capital asset" (Fussell & Beresford, 2009, p. 28).
6. See, for example, the City's Neighbourhood Planning Initiative (NPI) and the Community Development Framework (CDF).
7. We note here that the sole-sourced nature of the Lansdowne partnership effectively excludes the federal or Ontario provincial governments from funding the project given their own procurement protocols.
8. At the initial hearing, the judge ruled for the City on the grounds that it was not for the courts to overturn the political decisions of elected bodies. Justice Hackland also felt that the FoL case failed to show that the City had broken the Municipal Act by entering into "bonusing," broken City by-laws by entering into a sole-sourced arrangement without seeking competitive bids, or had intentionally acted in "bad faith." The decision has been appealed, but although the lawfulness of the City's actions is obviously an important matter it does not affect the analysis and arguments being made in this article. Our focus is on the implications of PPPs for "good" governance and we do not make any claims or judgments about their lawfulness or otherwise in this article.
9. To date FoL has raised almost \$300,000 to fund their legal challenge.
10. Lightbody defines "boosterism" as "the activities of those whose unbridled support for a community's sustained growth is assessed solely by commercial measures. For these people, the role of local government is to support expansion by the community's entrepreneurs at the expense of any and all other objectives (social, cultural, environmental)," (2006, p. 545).

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11. A report by Ecology Ottawa showed that all but six City of Ottawa councillors accepted campaign contributions from developers in the 2006 election.
12. If PPPs are to be used in such circumstances then we would obviously argue that a rigorous process of public scrutiny and participation is essential.

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Book Review by Ushnish Sengupta

Volunteer Administration: Professional Practice. Edited by Keith Seel. Markham, ON: LexisNexis, Canada. 2010. 557 pp. ISBN: 9780433462224

Volunteer Administration: Professional Practice, edited by Keith Seel is a valuable and much anticipated addition to reference books available to volunteer administrators. The book is based on, and grounded in, the five core competencies that are required for designation as a Certified in Volunteer Administration (CVA). This text is required reading and the primary reference for the professional CVA credential awarded by the Council for Certification in Volunteer Administration, and is sure to gain widespread use and comment from volunteer administrators that will inform future editions.

This edited collection, written by both academics and practitioners, provides a diversity of perspectives and topics from the ethics of volunteer administration to the nuts and bolts of practical issues such as managing meetings with volunteers. Other texts on volunteer administration are typically from a single author's perspective and therefore are not as comprehensive as *Volunteer Administration and Professional Practice*. The book is well written in language accessible to volunteer administrators with diverse backgrounds who work in different types of organizations, reflecting the inherently complex and diverse world of volunteer administration.

The intent of book as a whole, as well as each chapter in particular, is to provide summaries of the best practices in volunteer administration based on each author's particular area of expertise and scholarship. The authors of each chapter take an advocate's role in promoting best practices rather than being simply detached scholars, which is a refreshing approach. The common line of argument throughout the book is that implementing the best practices described in each chapter will enable optimal volunteer administration, increase volunteer capacity, and increase the value of volunteer work for organizations. While the book does not focus on empirical studies on best practices, additional sources of information are provided for readers who want to examine the evidence behind the best practices outlined in each chapter.

The book's organization of independently authored chapters is useful as a reference for a practitioner who needs to review specific aspect of volunteer administration. From the viewpoint of a part time volunteer administrator, the Chapter 6 Volunteer Staffing and Development, and Chapter 7 – Sustaining Volunteer involvement, were particularly useful. Research does indicate that many organizations face volunteer staffing and retention issues. The authors of these specific chapters provide a well-written description of the best practices, and outline a number of useful tools volunteer administrators can utilize in staffing and retention decisions.

Despite the above strengths, there are some limitations to *Volunteer Administration*. One of the stated goals of the book is to have a text that is “internationally applicable, not country specific”, which would be a valuable contribution to the field indeed. However upon closer examination one realizes that all of the chapter authors are located in North American institutions, and therefore a broad diversity of international perspectives is not present. That said, the standpoint of the authors selected for the collection is diverse and is appropriate to the intended purpose of each chapter. With the caveat on international coverage, there are many useful aspects of volunteer management covered in the book that are applicable to administering volunteers in United States and Canada.

One of the central values of the book as an edited collection is the fact that the arguments are coherent within each chapter, and consequently each chapter can be read alone. This will make *Volunteer Administration* a valuable text for both educators and practitioners in the field. Conversely however, the “stand alone” nature of the chapters means that there are few logical linkages *between* chapters, which detracts from the books utility as a whole. This could have been achieved if the authors referenced at least one common case study throughout the book to illustrate salient points from each chapter and weave together the different but related aspects of volunteer administration together.

As mentioned above, the issue of a lack of a central case study or unifying discourse in *Volunteer Administration* highlights the need for further explanation of some of the empirical evidence that has been utilized for the development of the best practices that are outlined by the authors in the book. The evidence used to develop best practices is summarized rather than discussed in detail and, at least for this reviewer, makes it difficult to determine from these summaries if the arguments are strongly supported by the evidence. Since the authors take a standpoint of advocating best practices, conflicting or controversial evidence is rarely discussed.

The work is generally persuasive and useful to practitioners. Volunteer administrators can incorporate elements of best practices from relevant book chapters into their work on long term strategic basis and on a practical daily basis. There are few overlaps in the book as the different chapters deal with different but related areas of volunteer administration. As a consequence of taking different approaches to occasionally overlapping topics (e.g. counting volunteers), the reader is exposed to multiple sources of information. A set of common references for overlapping topics would have been ideal.

In summary, *Volunteer Administration: Professional Practice* makes a current and meaningful contribution to the set of tools and best practices available to volunteer administrators and related practitioners. The authors have been able to communicate and advocate for the best practices in their area of expertise. If the best practices described in each chapter are followed it will lead to better management, increased capacity and increased value of volunteers for a wide variety of social economy organizations.

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Compte-rendu par Dominique Marchessault

L'Économie sociale à Montréal. Lucie Dumais, Denis Bussièrès, et Annie Béchar. Montréal : Éditions Vie Économique (EVE), Collection « Recherche » (2011). 166 pp. ISBN 9782981134233

Cet ouvrage sur l'économie sociale dans la région de Montréal présente une partie des recherches menées dans le cadre des travaux du Groupe régional d'activités partenariales (GRAP), regroupement montréalais du Réseau québécois de recherche partenariale en économie sociale (RQRP-ES), créé en 2005. Cette publication, dirigée par Lucie Dumais, Denis Bussièrès et Annie Béchar, marque d'ailleurs la fin des travaux de ce groupe régional.

Ce livre, qui se veut accessible à un large public, a pour objectif de « rendre compte du dynamisme et de la diversité de l'économie sociale à Montréal » (p. 11). Pour ce faire, six recherches menées dans le cadre d'activités partenariales ont été retenues parmi les nombreux travaux réalisés par le GRAP au fil des ans. Dans chaque chapitre, le processus, les résultats et les conclusions de ces recherches sont brièvement exposés par les différents auteurs.

Le premier chapitre documente la réalité de l'économie sociale dans la région administrative de Montréal en présentant les résultats du premier recensement exhaustif réalisé sur ce secteur. Ce portrait statistique a permis aux auteurs, Marie J. Bouchard et Damien Rousselière, de dégager certains constats quant à l'état de l'économie sociale dans la région et de remarquer son ampleur à Montréal. Au chapitre 2, Lucie Dumais, Annie Camus et Jean-Marie Tremblay décrivent l'évolution du métier d'agent d'économie sociale dans les centres locaux de développement (CLD) et les corporations de développement économique communautaire (CDEC) de Montréal. Les auteurs effectuent un bilan des dix dernières années de pratiques tout en faisant ressortir les acquis et les défis des agents. Le chapitre 3 explore la place des immigrants dans l'économie sociale à Montréal. Lucie Dumais et Valérie Chamberland s'interrogent sur la question peu documentée de la participation des nouveaux arrivants au sein des entreprises d'économie sociale et brossent un premier portrait de la situation. Dans le chapitre 4, Philippe Leclerc et Marguerite Mendell présentent une synthèse d'une étude sur les politiques publiques municipales de plusieurs villes à l'échelle internationale, en ce qui a trait aux stratégies adoptées à l'égard de l'économie sociale. Cette étude a mené à l'élaboration d'une grille de collecte de données qui propose des « indicateurs tangibles d'appuis au mouvement de l'économie sociale » (p. 102). Dans le chapitre 5, Louis Jacob s'intéresse aux activités de médiation culturelle, c'est-à-dire aux initiatives favorisant un accès local à la culture pour les citoyens. Dans cette recherche, il documente et dresse un portrait de l'ensemble des activités de médiation culturelle afin de mieux définir le concept et de distinguer ses traits des autres formes d'action culturelle. Au sixième chapitre, Christian Jetté et Yves Vaillancourt font un bilan de la situation du secteur de l'aide

domestique à Montréal et exposent les défis particuliers auxquels celui-ci fait face, particulièrement en ce qui a trait à la viabilité financière et à la rentabilité sociale.

Bien que leurs thèmes et objectifs de recherche soient très variés, les six études présentées se rejoignent en contribuant toutes « à la reconnaissance et au développement de l'économie sociale à Montréal » (p. 18). Chaque étude, qui répond à des besoins bien distincts, touche des enjeux et sujets qui préoccupent les acteurs du secteur de l'économie sociale. Ces recherches ont en effet été menées à la suite d'une demande du milieu qui souhaitait l'aide de chercheurs pour éclaircir un aspect de sa pratique. Tout au long des chapitres, les auteurs ont d'ailleurs inclus et mis en exergue le témoignage des praticiens avec lesquels ils ont collaboré afin de venir appuyer leur propos et de refléter leur méthodologie de recherche.

Le septième chapitre vient donc souder la trame de fond de cet ouvrage en abordant le modèle de recherche privilégié par les différents chercheurs et développé par l'Alliance de recherches universités-communautés en économie sociale (ARUC-ÉS) et le RQRP-ES, c'est-à-dire le modèle de la recherche partenariale. Ce modèle axé sur les besoins issus de la pratique se distingue des modèles plus traditionnels « en mettant en présence des représentants des milieux universitaires et des acteurs du terrain pour réaliser, en partenariat, des activités de réflexion, de recherche et de valorisation des connaissances » (p. 150-151). Dans ce dernier chapitre, Denis Bussières et Louise Sutton proposent une réflexion intéressante sur les bénéfices qui peuvent être retirés des alliances de recherche et de la co-construction de la connaissance, tant du point de vue théorique que pratique, ainsi que sur les conditions et facteurs de réussite de l'approche.

Tout en souhaitant offrir une fenêtre sur la diversité et la vitalité dans le monde de l'économie sociale à Montréal, cet ouvrage semble se porter à la défense d'une approche de recherche longtemps marginalisée en tentant de déconstruire les préjugés qui y sont associés. Si la recherche partenariale est présentée comme étant très positive, ses limites sont abordées dans la conclusion. Lucie Dumais et Annie Bécharé évoquent en effet des défis qui y sont liés, tels que l'indépendance du chercheur et la spécificité de son savoir, la complexité des relations humaines et des joutes de pouvoir ainsi que l'élargissement des considérations éthiques aux partenaires du milieu.

Ce livre offre un bon aperçu de la diversité des formes de l'économie sociale à Montréal et du modèle de la recherche partenariale. Toutefois, en voulant traiter simultanément les deux aspects, les directeurs et collaborateurs nous livrent un ouvrage qui manque quelque peu de profondeur. Il aurait sans doute été intéressant de mettre l'accent sur l'un ou l'autre des deux thèmes, plutôt que de tenter de les concilier, afin d'offrir un portrait plus complet de la recherche partenariale ou d'aller plus en profondeur dans chaque étude. Malgré tout, les directeurs et collaborateurs de l'ouvrage réussissent non seulement à publier un livre accessible à plusieurs publics mais établissent également des bases de recherche et ouvrent la porte à de nouvelles études dans le domaine de l'économie sociale à Montréal. Finalement, ils posent la recherche partenariale comme une méthode crédible et avantageuse pour toutes les parties en plus de démontrer que des « acteurs socio-économiques qui questionnent leur fonctionnement, leur destinée et les répercussions qu'ils ont sur leur milieu peuvent s'engager en recherche et en tirer de nombreux avantages » (p. 159).

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Book Review by Cynthia Giagnocavo

People-Centred Businesses: Co-operatives, mutuals and the idea of membership.
By Johnston Birchall. Houndsmills. UK: Palgrave Macmillan, 2011, pp. 224. ISBN
139780230217188

It is not until the end of the second, or perhaps the beginning of the third, chapter of this book on people-centred businesses, a slim volume coming in at slightly more than 200 pages, that one begins to wonder if the author, Johnston Birchall, is slightly mad to have written it.

Birchall may be familiar to many who study co-operatives, including those who focus on co-operatives' role in poverty reduction or community building. He has authored various works, including some for international bodies such as UNDESA and ILO, so his international reach is significant. This particular book identifies its main question as being "How significant are member-owned businesses [MOBs] in the wider scheme of things?" Its attempt to answer this question is underpinned by much background research and the project, based on the title, seems reasonable enough.

And then one realizes that this question is only the tip of the iceberg and that, in fact, the approach of the book is not at all about trying to come to grips with a particular descriptive aspect of MOBs, or even a theoretical approach (i.e., the idea of membership), but is rather an attempt to explain how MOBs began in various places and periods, how and why they survived (or not), and their prospects for the future. The study is not confined to one country, continent, or region: the whole world is fair game here. And neither is it limited to one sector: distinct chapters deal with consumer-owned retail businesses, insurance providers, housing, public services and utilities, consumer- and producer-owned banks, and producer- and employee-owned businesses. To add to the mounting task, a general description of the importance of MOBs and definitions (including a taxonomy of MOBs) are set out in the first chapter. The second chapter then sets out no fewer than 10 theories that "explain why co-operatives succeed or fail" (and bravely declares that all may be put to use depending on their utility), in addition to historical accounts, case studies, and empirical studies, although the author finally decides to use an overall "ecology" theory of businesses, identifying seven periods of development and three level of analysis. The penultimate chapter focuses on MOBs in developing countries; and the final chapter deals with the idea of membership.

Right. Then, "we should now be able to get on and begin to provide a detailed description and analysis of each of the MOB sectors in turn" the book declares at the end of Chapter 2, before, of course, introducing yet another question to be answered: where to begin the historical clock ticking. Dispensing with that analysis in the space of less than two pages, off we go to start with retail consumer co-operatives.

Let us imagine for a moment that an academic wrote a book on investor-owned businesses using 10 different theories (which are not necessarily of the same category, discipline, or type, with some being about governance, others about business models, economics, psychology, etc.), a global historical analysis over the last 200 years, a smattering of empirical studies, a diverse but inconsistent range of countries, six different sectors, etc. Sheer and utter madness, one would think, particularly for those of us in economics and business studies, dressed up as we are as “empirical scientists.”

But it is precisely because MOBs do have an “unseen” and ignored status that this book is necessary and, arguably with some quibbles, in the form that the author has chosen. Birchall stuffs 200 pages with as much information as possible in a readable, narrative form, hitting on the main forms of MOBs. He does not fully achieve what he sets out to do in his book—it would be impossible to outline all the who, why, how, where, and when of the MOB movement in his chosen sectors—but he does well enough, with both bold brushstrokes and at times pointed detail, giving readers a massive yet framed sketch, which they are free to colour in with further research. Chapter 2, for example, is a whirlwind tour of theoretical and methodological approaches applicable to MOBs, and is not entirely integrated into the following chapters. However, it is thoughtful and useful for those doing research in the area. Birchall himself points out that what he set out to do is a complex project, where no easy analysis is possible, and no theory conclusive—a refreshing departure in itself from management theories and scientific approaches to businesses.

Birchall’s strength lies in his ability to synthesize a daunting amount of historical and current information in a readable form, telling a compelling history of various forms of MOBs along the way. Reading this book is like being jettisoned back to pre-PowerPoint days, when good professors commanded the attention of their listeners with their knowledge and experience woven into coherent narratives. One marvels at just how much ground one has covered by the end of the book. Some of the many themes that emerge in the book are:

- the sheer breadth and variety of MOBs worldwide;
- the positive and negative roles of law and policy;
- government and political influences and the necessity for MOBs to be free from such influences;
- the manner in which MOBs historically replicated and spread, and the consequent impact on their survival;
- the importance of workable business plans, good governance, and management in ensuring MOBs function as viable businesses;
- the limitations of MOBs (i.e., they alone cannot “save” us) and the limits that MOBs should impose on themselves (on this last point, Birchall warns against structural changes that dilute the notion of membership); and
- the role of MOBs in community and civil society building and their persistence in the face of unfavourable institutional and political conditions.

Each reader will find many more themes winding through the narrative, depending on the areas and focus of an individual’s research. Where readers are well versed in a theme or area, they may find detail lacking and/or information less than up to date. For example, references to Spain (the country of the reviewer) are mostly confined to Mondragón, in the Basque Country, in spite of the fact that the largest Spanish co-operative bank is in the south and that other areas of Spain have extremely strong co-operative sectors often

based not on one company but on clusters. But what one loses in detail, one gains in general knowledge and comparative detail.

This “big picture” strength of the book leads me to voice a small complaint—the addition of footnotes or endnotes would have been helpful and references, and bibliography could have been more extensive and up to date, providing more starting points for readers and potential researchers. While it is understandable that the research tends to be stronger when it is “Anglo”-focused (U.K., Canada, U.S.), providing a more complete international bibliography would have helped to fill some gaps.

In sum, this is worth reading for both those new to and those already acquainted with the MOB area. As a bonus, it is an enjoyable read. I read this during my summer vacation. By chance, I ended up speaking with someone visiting Spain from New York City and who asked after the title. “Yes, well, the idea is commendable,” was the response to my explanation of the book, “but do you really think that it can be scaled up and have any kind of real impact?” I had my answer in the valley in front of us where agricultural co-operative small producers generate more than two billion Euros annually in an area previously plagued by poverty and fascism. I had a more complete answer in the book I was holding.

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Compte-rendu de livre par Marie Roy

La gouvernance des associations. Christian Hoarau et Jean-Louis Laville (Eds.), Toulouse : ÉRÈS, collection Sociologie économique. 2011, 1^{ère} édition 2008. 304 pp. ISBN 9782749209791

La crise des États-providence et la crise de confiance des donateurs engendrées par les grands scandales financiers changent profondément les associations. Il en va de même de la reconnaissance de leur importance sur le plan social et économique. La gouvernance des associations retient ainsi l'attention des chercheurs de disciplines variées. L'étude de la gouvernance des associations, sous la direction de Jean-Louis Laville, sociologue économiste, et de Christian Hoarau, agrégé des sciences de gestion et diplômé d'expertise comptable, annonce une approche multidisciplinaire *in extenso*.

L'ouvrage se divise en trois sections. La première section met d'abord en exergue les forces et les faiblesses des sciences de l'économie et de la sociologie pour l'étude des associations ainsi que leur capacité à les cerner dans leur globalité et leurs singularités. Les auteurs démontrent les limites qu'apportent ces champs d'étude pour comprendre les associations. Marthe Nyssens aborde la place de plus en plus importante que prennent les associations dans les analyses économiques en raison de leur poids financier. On retient de son analyse que le tiers secteur est « davantage qu'un troisième secteur », situé entre l'entreprise privée et les institutions publiques, et qu'il se pose « comme un espace à la croisée des différentes logiques. »

Dans le texte de Philippe Bernoux, ce sont les différences entre organisations et associations qui sont examinées. L'auteur accorde un pouvoir plus grand à la personne à travers une action dite collective dans une association qu'à l'employé dans une entreprise. Cette approche du pouvoir, qui prend en compte la démocratie, sera largement reprise dans les analyses de cas. Elles font ressortir l'existence et l'action des parties prenantes, une réalité fondamentale et distinctive des associations.

Salvatore Juan s'inscrit également dans cette voie de montrer les différences entre association, organisation, regroupement et entreprise. Son texte trace un mouvement linéaire. Il reconnaît à l'association une valeur quasi mystique qui ne peut durer et qui glissera presque inmanquablement vers la bureaucratisation au fur et à mesure de son développement, la conduisant vers une rationalisation de ses dispositifs gestionnaires.

Laurent Gardin quant à lui met son texte au service de la place économique des associations. Il montre avec éloquence que la constitution légale en association ne signifie pas pour autant qu'une association ne

s'engagera pas dans des activités marchandes. Plusieurs tableaux agrémentent la lecture de ce chapitre et ajoutent un caractère didactique intéressant permettant d'analyser le positionnement d'une association. L'avantage incontestable ici demeure la possible utilisation de la méthode pour réaliser des analyses comparées.

Dans la deuxième partie, les auteurs vont, à l'aide de cas, mettre l'accent chacun sur un point particulier des associations. Il va sans dire que ces cas français ne peuvent s'appliquer intégralement à notre réalité nord-américaine. Toutefois la lecture en vaut la peine ne serait-ce que pour nous faire voir les aspects traités et la méthodologie utilisée et nous fournir un matériel de comparaison pertinent. Philippe Avare et Samuel Sponem s'attardent au management dans les associations. Laurent Gardin, Madina Rival et Christophe Torset, dans leur texte sur la réglementation tutélaire des associations médico-sociales, nous font une démonstration claire des limites qu'impose un financement majoritairement issu des instances publiques. Ce chapitre met en évidence la dichotomie entre, d'un côté, les principes d'association, la liberté d'action et la capacité à l'innovation et, de l'autre, l'imposition des règles du jeu, la reddition de comptes et la dépendance financière. Les associations médico-sociales sont, selon les auteurs, le fruit de l'incapacité de l'État-providence d'agir dans un tel contexte. La problématique soulevée par les auteurs est d'une pertinence universelle.

Philippe Avare et Philippe Eynaud démontrent que les associations faisant appel public aux dons jouissent d'une plus grande indépendance. Toutefois, ils signalent que les grands scandales financiers les ont forcées à porter une attention particulière à leur image, à développer un marketing de relation et à fournir des chiffres éloquentes. Les auteurs montrent que la mise en œuvre de ce type de management induit des mécanismes d'évaluation et de contrôle de type nouveau (gérer la confiance, analyser par objectifs des budgets...) et le développement de relations triangulaires auxquels viendront s'ajouter les bénévoles. Le grand avantage de ce texte est de laisser entrevoir un nouveau périmètre de management et de contrôle plus près des réalités associatives qui laisse une place à l'autorégulation.

Finalement les cas concernant des associations dans la conjoncture actuelle tendent à démontrer une régulation hybride. Davantage scolastique, ce texte a l'avantage d'offrir une illustration claire par le développement d'une typologie qui pourra être utilisée par d'autres chercheurs. On retient notamment une variable, qui distingue et unit les cas à la fois, à savoir celle du financement public. L'auteur fait valoir que plus une association est dépendante financièrement de sources publiques et qu'elle devient prestataire de services, plus son avenir est assuré et moins la reddition de compte est importante. Les cas étudiés et le texte font des références importantes à des lois, règlements et prises de position françaises qui auraient intérêt à être ajoutés en bas de page pour les lecteurs d'outre-frontière.

La dernière partie, une des plus intéressantes, met l'accent sur les pratiques de gestion, de management et de gouvernance des associations. Le texte signé par Philippe Avare, Philippe Eynaud et Samuel Sponem dresse un éventail significatif des dispositifs de gestion (budget, indicateurs de performance ...). Les auteurs démontrent l'impact des sources de financement quant à l'établissement des dispositifs, leur utilisation au sein des associations ainsi que la place réelle faite à l'innovation dans ce domaine. En conclusion, on comprend que l'utilisation des dispositifs de gestion permet de différencier les associations des entreprises. Le dernier chapitre trace le chemin parcouru par les associations et il souligne la transmutation de leurs dirigeants : de militants qu'ils étaient à l'origine, les responsables sont devenus des gestionnaires. Les auteurs Joseph Haeringer et Samuel Sponem suggèrent qu'une mise en perspective historique s'impose et que la transformation des associations ne peut être dissociée de la transformation de l'état social et des politiques publiques. Ce texte montre avec justesse les effets des changements institutionnels sur la gouvernance même des associations. Il rejoint sur ce point l'analyse de Christian Jetté (« Les organismes

communautaires et la transformation de l'État-providence») puisque les deux chercheurs insistent sur l'importance de considérer les particularités des associations, afin d'y établir une gouvernance différente de celle des gouvernements et des entreprises.

La conclusion de Jean-Louis Laville et Christian Hoarau nous conduit au-delà de la gouvernance. Ces auteurs nous rappellent que les dispositifs de la gouvernance ne peuvent, à eux seuls, permettre de prendre le pouls d'une association et qu'il importe de prendre en compte la notion de démocratie, celle des parties prenantes au sein des associations de même que celle des associations comme partie prenante dans la sphère publique et sociale.

Le but visé par l'ouvrage, à savoir « fournir les premiers éléments de réflexion sur l'éventualité d'une gouvernance appropriée aux associations », est atteint. Ce livre incontournable met la table pour amener une réflexion quant à la gouvernance particulière à développer au sein d'organismes tout aussi singuliers que le sont les associations.

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Book Review by Raymond Dart

Voices from the Voluntary Sector: Perspectives on Leadership Challenges. Edited by Frederick Bird and Frances Westley. Toronto: University of Toronto Press, 2011. 459 pp. ISBN 9780802096616 (pkb).

In the past decade there have been many calls for new thinking and leadership in the nonprofit sector in Canada. There have been many predictable responses as well, which in turn have generated the equally predictable feelings of déjà vu and eternal recurrence that plague so much of the human development field. One of the more interesting responses to these calls for sectoral renewal came recently from the always-interesting McConnell Family Foundation, and from Tim Brodhead, the former president of the foundation and whose voice on non-profit and charitable sector matters is unarguably one of this country's most compelling.

Many of us were excited by the advent of the McGill-McConnell Program, and by the promise of a sustained engagement between many leading practitioners and thinkers of Canada's non-profit sector in an organizational crucible. As this engagement wraps up, one significant collective written output has emerged: an edited volume called *Voices from the Voluntary Sector: Perspectives on leadership challenges*, edited by Frederick Bird and Frances Westley and published by the University of Toronto Press. Did the McGill-McConnell Program live up to the hopes and attributions placed upon it by many of the rest of us in Canada's voluntary sector? The perspective of this review is that the volume offers the rest of us an articulate but eerily disquieting view of what may be the "high-water mark" of thinking at the most prominent levels of our non-profit and voluntary sector community.

The volume itself is surely and explicitly an odd bird. Almost none of the authors are writers/researchers by profession but rather are seasoned practitioners and leaders in Canada's voluntary sector. Most of the chapters are in the liminal area between "field research" and "theory" and "professional reflection" that we might categorize as "grounded think pieces." This format is actually a compelling innovation, treading as it does between the reference-happy tendencies of academic researchers and the localism tendencies of practitioners. (Note: As promising as this kind of reflective practice writing is, several of the chapters do read more like good papers written for graduate student seminars—which they were, originally.)

What do we find in *Voices*? It is arranged thematically to reflect the program's pedigree in Henry Mintzberg's pluralistic and humane approach to management and organization. The chapters reflect mindsets described as "reflective," "analytical," "global," "collaborative," and "catalytic," with an overarching values-grounded and ethical framework. While the mindsets are interesting labels, the chapter topics are much more variable, with many of them rehashing and situating concepts popularized over the past 15 years by the leading thinkers connected with the McGill-McConnell Program, including Frances Westley, Meg Wheatley, and Brenda Zimmerman.

In terms of the substantive work presented in *Voices*, the reader can expect a diverse range of settings and concerns. There are too many distinct chapters to review them separately in a short article such as this, so I will discuss them as jointly as it is possible for texts so different. There are some fairly consistent and distinct features in the chapters. Most of them "contain" the author and their focal organization in some meaningful way, often weaving some conceptual strand (such as "dialogue" or "complexity theory") through the author's own career or through the development of their own organization. Most of them meditate or systematically reflect on some ideas rather than simply digesting them or reproducing them, as is too common in standard literature reviews. These differences make each chapter an atypical read, and my experience of the book was one of both interest at this distinctive approach and also a sense that, in at least some cases, the creation of the chapter might have been more germinal for the writers themselves rather than the reader community.

Fundamentally, the chapters in this edited volume could be best described as more concerned with digesting and processing the recent past in Canada's non-profit and voluntary sector than looking ahead. As such, the volume contains worthwhile sum-ups of thinking in such matters as accountability and effectiveness (e.g., Jerry Demarco's chapter on the Donner Award methodology), collaboration and inter-organizational relations (e.g., Alain Roy's chapter on international NGOs and Lily Mah-Sen's chapter on Amnesty International's bridging options), donor/charity relations (chapters by Charlotte Cloutier and Robert Ryan), and social entrepreneurship (chapters by Elizabeth Moreau and Jennifer Flanagan). Overall, the chapters are fairly solid essays, usually grounded in a specific organizational or policy context. They are not, however, strong conceptual essays that introduce or develop new ideas. Rather, their strength is in their ability to situate ideas in some of Canada's specific non-profit and voluntary contexts.

For the McGill-McConnell Program to publish a volume that developed very little new ground is the source of disquiet for me. To many of us, the Program represented much of the best of our brain and experience trust, yet the volume shows little evidence of ground being turned that is not already being turned frequently elsewhere.

Some of the absences seem particularly eye-opening in 2011. There is virtually no attention paid to major tectonic changes such as information technology and the Internet, the creation of structural social underclasses in Canada and the unravelling of our social safety net, and the gathering marketization and commodification of virtually all elements of civil society. The chapters by Blackstock and Bayes were notable exceptions to this disquiet, as they both developed domains that read as substantively new and distinct, and that add solidly to our sector discourse. However, even these chapters paid scant attention to promising and innovative modes of community engagement. Like the major journals in the field, this volume pays much more

attention to relations with funders, governments, confederate organizations, et cetera, than it does to the individual or communal “targets” or beneficiaries of the services produced by our voluntary sector. I am compelled to ask the rhetorical question: when will we take our social change models as seriously as those of our organizational development?

Overall, I would conclude that *Voices* provides a number of solid and situated essays on major issues facing Canada’s non-profit and voluntary sector, but does not lead those of us working in and for this sector in many ways that are new, or to many destinations that we are not already going.

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Book Review by Gretchen Hernandez

The Fair Trade Revolution. *Edited by John Bowes.* London and New York: Pluto Press. 2011. 257 pp. ISBN 9780745330785

The Fair Trade Revolution is a compendium of writings about the experience, impacts, and challenges of Fair Trade. The goal is clearly to promote the practice of Fair Trade as a way to address the fundamental problem of extreme income inequality in the world. The authors are people directly engaged in Fair Trade organizations and businesses and see it as a key component in constructing economies founded on ethics.

Fair trade, as most know, is based on paying a fair price for products made in the South (poorer countries) by consumers in the North (richer countries). Instead of mainstream market logic—paying the lowest possible price—ethical consumers often pay a higher price for Fair Trade labelled products, knowing that the producers will receive a fair price for the good. Fair Trade has further developed to include practices such as guaranteed pricing (setting a price for the year so that producers can plan ahead), paying in advance for imports (recognizing that credit is more readily available in the North), and fair wages for products that use hired labour. There tends to be environmentally considerations as well—Fair Trade often also implies organic or improved environmental practices.

The book devotes one section to “producers,” one section to “consumers,” and one section to “future challenges.” The producers’ section includes three chapters on the specific experiences of small-scale producers in Latin America and Africa. This section could be improved by having someone from a producer country write directly about their experiences; nonetheless, the writers do bring the people to life—Maria Soveida in Peru, Jorge Ramirez in Ecuador, Oliver Kishero in Uganda, for example, emerge as robust and three dimensional protagonists of Fair Trade.

The section on consumers includes two chapters on the role of Northern consumers in starting up the Fair Trade model in the UK. *Campaigning for Justice* recognizes the role of Oxfam campaigners, through relentless efforts, to get towns to commit to buying Fair Trade products whenever possible, resulting in the “Fair Town” movement that now includes 500 towns or cities. *Honesty, Openness and Social Responsibility* describes the role of the Co-operative Group in bringing Fair Trade to the mainstream market in the UK. A more unusual and interesting chapter is the *Banana Breakthrough* in which Matt North describes his experience as a buyer for Sainsbury’s (a UK-based supermarket chain), moving from conventional purchasing, to learning about Fair Trade bananas, to supporting small-scale producers directly. According to North, Sainsbury’s is now responsible for selling over half of the Fair Trade bananas in the world and has further expanded to Fair Trade tea and sugar.

A large emphasis of the book is on highlighting the many positive dimensions and impacts of the Fair Trade movement. Nonetheless, the authors also recognize some of the problems. In *The Greatest Challenge*, Jonathan Rosenthal acknowledges that the entry of massive companies like Walmart and Starbucks into Fair Trade has brought a proliferation of Fair Trade certification organizations, some of which clearly do not embrace the full range of ethical values and practices. In *Tricky Waters*, author Tomy Mathew confronts the environmental and food security implications of producing consumer goods like chocolate and bananas for Northern consumers, instead of growing food for local consumption. The issue is not only one of transportation and overuse of hydrocarbons, she argues, but rather poses the question as to whether this is the best way to ensure access to adequate nutrition for communities, to maintain the health of soils, and to protect natural areas and wildlife. The acknowledgement of these issues lends credibility to the book.

The quandary of large corporations adopting Fair Trade products is also explored. In the chapter, *A Glass Half Full*, Croft and Cole describe the dilemma that emerged when Cadbury decided to “go Fair Trade.” There are two dimensions to the issue. The first is that Fair Trade producers are small scale, whereas demand from companies like Cadbury is enormous. The second issue is whether or not the high ethical standards of Fair Trade can be maintained when multinational corporations get involved. To achieve the supply levels needed, and to sustain these levels, Cadbury became directly involved with farmers in Ghana, investing in education and technical assistance. The authors highlight that Cadbury has always considered itself to be “principled”; back in 1879 when the company was founded; the Cadbury brothers built housing for their workers, and introduced pensions and paid leave. The trade off between ethics and greater markets is evident nonetheless in this example; Cadbury has obviously expanded the market considerably for small-scale cocoa producers, but the chocolate is not organic, nor is the quality of Fair Trade chocolate by pioneers like Green and Black.

A positive aspect of the book is its focus on producers from the South as proactive instigators of Fair Trade. There is a tendency however to over-emphasize the role of consumers in the North in establishing and promoting Fair Trade. This book recognized that producers have been organizing and fighting for years to achieve better trade conditions, and that it is their ongoing daily commitment that makes the movement possible.

Further, some of the key challenges to Fair Trade are not meaningfully explored in this collection. First, despite the expansion of the Fair Trade market, it is still a very small percentage of the overall consumer market. Most consumers will still choose price over other considerations. Second, Fair Trade creates a parallel market, which necessarily remains marginal. If anything, Fair Trade highlights how unethical all other products are. Some would argue that efforts should be put instead into developing ethical production and ethical sources for all products. That we should move away from mass production of useless goods to quality production that may cost more but also pays more to the worker or producer, and has less of an environmental footprint. A third issue is the cost of Fair Trade certification. It simply remains out of reach for most small producers in the world to become certified. The question also remains as to whether or not they should put their time and investment into reaching niche markets (organic, high quality) rather than labelling.

The book does make a strong case for the fact that this movement is very young. The 1990s was a time of social organizing and awareness building for Fair Trade. Only since 2000 has Fair Trade begun to spread, geographically, organizationally, and in terms of volume of sales. This speaks to the potential to continue improving the model and perhaps eventually resolving some of the associated problems.

The Fair Trade Revolution is an enjoyable read. The chapters read as stories; they have flow, they have energy. As a collection of experiences of the history, actors, and current situation of the Fair Trade market, it is a valuable contribution to social economy literature.

About the author / L'auteur

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