

# On the path of social economy

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A BASIC REFERENCE TOOL  
ON SOCIAL ECONOMY

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This information leaflet is a basic reference tool on social economy. Although aimed at the general public, it is designed specifically for social and economic stakeholders working with First Nations. It is an information and awareness tool for local use in order to better address concerns regarding this opportunity for economic and social development in First Nations communities in Quebec.

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## SOCIAL ECONOMY AND FIRST NATIONS

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Historically, the social and cultural structure of First Nations communities has operated on the basis of collaboration and mutual aid. Survival was ensured by cooperating with each other. In small or large groups, each had a role to play in the social, cultural and economic functioning of the family clan and community. Cooperation played a very important role in the survival of populations. Even today, First Nations attach great importance to the group, and to collective harmony. Solidarity, sharing, personal autonomy, respect for ecosystems and the land are core values. Today, these same values anchored in social economy concur with values upheld by First Nations.

Unfortunately, the link between social economy and First Nations has received little recognition. However, a true social economy does exist in First Nations, as evidenced in the well established cooperative movement existing in several First Nations and Inuit communities in Canada. Indeed, without necessarily referring to social economy per se in the economic actions of communities, the values and spinoffs anticipated by local stakeholders of communities involved in local development are derived directly from the same principles as those promoted in social economy. The development of a social economy and local development are closely related because they are both rooted in an approach based on democracy, partnership (cooperation) and community empowerment. Through these social values, similar to the aspirations of First Nations, social economy becomes a model of development adapted to the social and cultural realities of First Nations.



# THE DEFINITION OF SOCIAL ECONOMY

## “ECONOMY”

The word *economy* in social economy refers to the concrete production of goods or services by enterprises contributing to the economic development of a community. More precisely, the finality of the economic activity suggests that monetary wealth should be generated through enterprises.

## “SOCIAL”

The word *social* in social economy refers to a contribution by an enterprise that goes beyond an economic contribution. **It is not just about making money.** The social contribution of an enterprise may be defined as :

- ▶ The promotion of values such as democracy and autonomy ;
- ▶ Improved quality of life within a community ;
- ▶ Job creation ;
- ▶ Social and professional inclusion ;
- ▶ Individual and community empowerment ;
- ▶ Increased social viability (social solidarity, community mobilization, community access to services, etc.).

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# PRINCIPLES OF SOCIAL ECONOMY

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## THE COMMON GOOD

In social economy, the goal of a social economy enterprise is not simply to generate a profit at all costs. First and foremost, the goal is to **serve members, offer goods and services to citizens and improve the quality of life within the community**. The social economy enterprise finds its rationale in **the pursuit of a social mission**.

## MANAGEMENT AUTONOMY

Here, the principle of management autonomy is explained by the fact that the social economy enterprise is **independent from the State** and any other underlying form of authority (band council, for example). This means that the State is not entitled to interfere in decisions taken by the Board of Directors or the General Assembly of the social economy enterprise. In this context, **the State and elected officials play a supporting role** by becoming a partner and/or customer of the social economy enterprise.

*In the communities,  
we're seeing that  
it's often easier to get  
people to come together  
for a shared activity.  
It's also about  
wanting to do things  
for ourselves.*

– Jacques

## DEMOCRACY

In social economy, the integration of a **democratic decision process** is a fundamental precept. The principle is applied on the basis of the general rule that **one person = one vote**. Therefore, it is not the wealthiest or those who possess the most shares in the enterprise who control it.



## PRIMACY OF THE INDIVIDUAL

This principle is based first and foremost on **advocacy for people and jobs**. The goal is not to enrich the investors. Here, monetary profit generated by the social economy enterprise may serve to create or consolidate jobs, improve working conditions, support the community (by investing in local projects) or share benefits with members (as in the case of co-operatives). At best, profits generated by the enterprise (co-operative, for example) will be maintained in a reserve fund to meet future expenses.

## PARTICIPATION

The principle of participation means that citizens may collectively be stakeholders in their own development. Fundamentally, social economy **encourages individual and community empowerment and accountability**. Therefore, social economy enterprises emerge from within communities and are managed by their members.



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# TYPES OF SOCIAL ECONOMY ENTERPRISES

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Collective and social entrepreneurship takes place in several stages grouping together several types of activities. Actions resulting from the development of a social economy include promotional and local mobilization activities, intersectoral collaboration, project planning, training activities and business start-ups and management. It is important to understand that social economy groups together enterprises that sell a product or service and also respond to social needs (job creation, social and professional inclusion, accessibility to services, environmental protection, citizen expression, etc.).



**Following are the types of enterprises in which social economy make take form :**

## **NPOs**

Non-profit organizations (NPOs) operate with members, a general meeting and a board of directors. NPOs are not all social economy enterprises (even though they all pursue a social mission). An NPO must sell a product or service to be considered a social economy enterprise. Early childhood centres, therapy centres, health and social services shelters, insertion enterprises, adapted enterprises, festivals and several cultural enterprises legally constituted as NPOs are social economy enterprises.

## CO-OPERATIVES

Like NPOs, co-operatives are created as a result of people's desire to fulfill a need in the community through group entrepreneurship. The goal of a co-operative is the maximum satisfaction of its members who are co-owners, users and beneficiaries. Co-operatives are found in many sectors of activity (food, forestry, lodging, agriculture, tourism, media, etc.) and take many forms (work co-ops, solidarity co-ops, consumers' co-ops, producers' co-ops, shareholder-worker co-ops). Co-ops operate the same way as NPOs (with members, a general meeting and a board of directors).

## MUTUALS

A mutual is a collective enterprise created by a group of persons who unite their efforts, based on a periodic contribution, to guarantee insurance coverage and various social advantages. They function much like a CO-OP or an NPO. Most mutuals offer insurance and training services. They also contribute to the cultural, moral, intellectual and physical development of their members and their community.



*With a common project like the coop, people are even more motivated to work together and share their passions and knowledge. It promotes communication and reinforces the ties between people.*

*At the end of the day, it makes people want to go the extra mile and surpass themselves.*

– Raymond



#### **WENICEC COOPERATIVE – KITCISAKIK – ANISHINABEG NATION**

**Activity sector: Construction and forestry**

The Coopérative de solidarité Wenicec was created in March 2009 to bring together a qualified work force ready to fulfil a host of mandates and meet the imminent employment needs in the community. Since then, its workers have achieved a great deal, including wood cutting and transformation, and renovations on houses and rustic camps. These actions have been truly beneficial for the community's well-being, and significant progress has been realized. Given that the coop's objective is, among other things, to promote worker training, several courses are offered during the year, for instance in brush cutting, construction mathematics and the protection and exploitation of wildlife territory.



## MUSÉE DES ABÉNAKIS – ODANAK – ABENAKI NATION

### Activity sector : Culture and heritage

The Musée des Abénakis, a non-profit organization founded in 1964, is at the forefront of the activities of the Odanak Historical Society. The museum strives to promote the cultural development of the Abenaki nation and the preservation of its traditions via its mission to create a viable and constructive link between Abenaki culture and members of the community, and between Aboriginal culture and museum visitors. As a cultural tool for Odanak's citizens and visitors as well as for the residents of the Centre-du-Québec region, the Musée des Abénakis disseminates Abenaki culture, acts as a gateway for external Aboriginal exhibitions, and hosts the presentation of innovative, non-Aboriginal regional projects. By undertaking this triple role, the museum contributes significantly to a unique regional cultural offer, a feat accomplished by working in a spirit of partnership with the region's other cultural organizations.



## LAND INSIGHTS – MONTRÉAL – FIRST NATIONS

### Activity sector : Arts and culture

For more than 25 years, Land Insights has ridden the whirlwind of exhilarating growth. Founded in 1990, and led by a board of directors composed of 11 members from the Mohawk, Mi'gmaq, Huron-Wendat, Abenaki, Innu and Cree nations, Land Insights created the First Peoples' Festival, the only Aboriginal artistic and cultural event with international reach in Quebec. During 10 days in August, in Montréal, the First Peoples' Festival becomes the hub of Aboriginal creativity in America. Land Insights, thanks to both its organizational structure and activities, has succeeded in creating a space for the affirmation and recognition of Aboriginal peoples. Though the bridge across nations may still appear fragile, the trust placed in this organization by its many partners as well as the artists and creators makes its very existence incredibly meaningful, providing as it does a model of Aboriginal social economy enterprise.



# DYNAMICS OF SOCIAL ECONOMY AMONG FIRST NATIONS

Common good  
Managerial autonomy  
Democracy  
Priority to individuals

Applicable values  
and dynamics of  
social economy

## SOCIAL ECONOMY PROJECT

Willingness and needs identified  
Development approaches  
Legal forms of business  
Secondary data  
Support and accompaniment

Mechanisms and  
limits of social  
and collective  
entrepreneurship

Components and  
and characteristics  
of local development in  
an Aboriginal context

Cultural factors  
Social factors  
Educational factors  
Economic factors  
Political factors

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## WHY DEVELOP SOCIAL ECONOMY IN FIRST NATIONS COMMUNITIES ?

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**It is a realistic vector of social, cultural, economic and sustainable development.**

In social economy, the willingness of individuals who group together and identify a need to fulfill in the community by creating a community enterprise may be motivated by very different social missions. Creating jobs, making goods or services available, showcasing culture or revitalizing a community, encouraging the social and professional inclusion of unemployed youths and adults, protecting the environment and ensuring that profitable activities generate collective spinoffs are all examples of missions that a social economy enterprise can promote in a lucrative and competitive market.

**It is also an approach to community empowerment.**

The development of a social economy is in line with a global context whereby all stakeholders and organizations committed to development must concede singular importance to community involvement, individual and group empowerment, and their creativity in responding to community needs. The social and cultural context of First Nations is a major contributor to this path to development, in that culture and identity are anchoring elements in the achievement of local development goals. Collective entrepreneurship rooted in the creation of social economy enterprises acts much like a school for democratic decision-making and business management. The development of a social economy provides an interesting approach because it establishes a form of governance and contributes implicitly, at its own rhythm, to reinforcing entrepreneurship within First Nations.

**It is a solution that contributes to the fight against poverty.**

Through missions and goals to create adapted jobs, train and develop skills, improve the quality of life of individuals, promote the emergence of collective entrepreneurship and showcase traditions and cultural values of First Nations, social economy can be based on a model of entrepreneurship that has already proven its worth in several Aboriginal and non-Aboriginal communities across Canada. The purpose underlying the development of a social economy truly brings together what is economic and social, because one cannot exist without the other.

**It is a sustainable development approach.**

The culture of First Nations is defined by their ties with the land and knowledge and skills that bear witness to the history handed down from generation to generation. First Nations elders view the land as something as important as people, because the land protects, provides sustenance and sustains the people. Community economic development, natural resource exploitation and policy adoption have concrete impacts on community vitality. Therefore, it is evident to First Nations organizations that the development and promotion of programs and social, cultural and economic projects must be part of a sustainable development approach.



**VAL-D'OR NATIVE FRIENDSHIP CENTRE – VAL-D'OR – FIRST NATIONS**

**Activity sector : Community services**

Founded in 1974, the Val-d'Or Native Friendship Centre (VDNFC) is a focal point for urban services, a living environment and a cultural keystone for first peoples. Dedicated to the well-being, justice and social inclusion, it fosters harmonious coexistence. Still today, it continues to expand to meet the many needs of a growing Aboriginal urban community. The VDNFC has made a great deal of effort to increase its financial autonomy and participate in the collective wealth of its community, and indeed, its social economy component is in full swing. Social economy is the annual source of more than \$1 million in revenue generated through the sale of products and services, 20 quality jobs offered to a primarily Aboriginal labour force, 57,512 meals and 36,709 snacks offered by the VDNFC catering service, and 11,497 night stays at the VDNFC lodging services. The VDNFC's skills development paths are another great example of powerful individual and collective levers for empowerment, cultural reinforcement and pride in identity.

*Our number one  
priority is  
to improve  
quality of life  
for people.*

– Yvon

## COMPTOIR AGOSHIN – WENDAKE – WENDAT NATION

### Activity sector : Community services

The Comptoir Agoshin is a non-profit community organization that was founded in 1996. The Comptoir Agoshin is an incredible example of citizen participation which, with the help of a group of volunteers, has been able to meet the food and clothing needs of low income individuals and families. The organization's main objectives are to meet the basic needs of the Wendake population (Aboriginal and non-Aboriginal), offer moral support to the population experiencing difficulties, and effecting social change in the long term (taking ownership). Among other things, this organization allows for the exchange of client information to prevent abuse, creates ties with other community organizations to improve the service offer, remains attentive to the needs expressed by people to refer them to resources that can help them improve their quality of life, and structures a network of volunteers to help in the fight against poverty.





## **COOPÉRATIVE DE TRAVAIL INTER-NATIONS – OPITCIWAN (HAUTE-MAURICIE) – ATIKAMEKW NATION**

**Activity sector : Forestry**

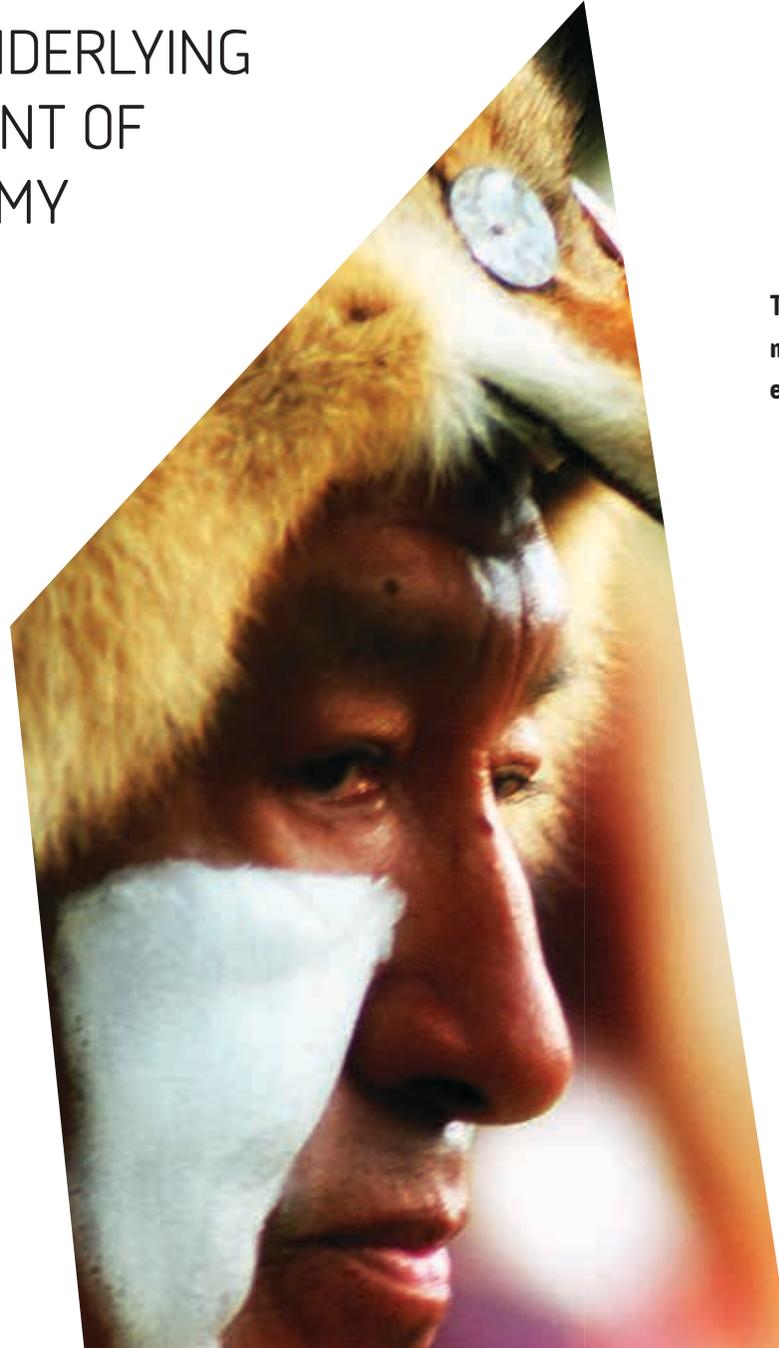
Founded in 2009, the Opitciwan Coopérative de Travail Inter-Nations (CTIN) in forest management and integrated natural resource and land management measures the enormous potential of the cooperative formula in Aboriginal contexts. This social economy enterprise model consolidates this group of workers' desire to take ownership and become empowered. Before 2009, there had been no attempts to create local cooperatives in the community of Opitciwan. However, when a group of silviculturists had been unable to find employment for two years (2007-2008), they decided to take charge and band together to form a worker cooperative. To date, the CTIN has created more than 40 sustainable, seasonal positions. After five seasons of activity, the cooperative replanted close to 9 million trees, generated close to \$ 4.4 million in revenue and paid \$ 2.5 million in salaries to its members, in addition to the sums paid for the acquisition of essential assets to carry out their work. The CTIN expects to continue growing over the next three years and plans to acquire new equipment to expand its silviculture service offer.

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## CHALLENGES UNDERLYING THE DEVELOPMENT OF A SOCIAL ECONOMY

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There are many challenges facing the emergence and strengthening of local development dynamics... issues and challenges inherent in a social and economic environment not particularly favourable to local initiatives. The social and economic structures of First Nations communities sometimes curb the ability of individuals and groups to act. Consequently, these obstacles hamper the empowerment of citizens and community groups. Limited access to information and training, weakened capacities, and social and professional competence may preclude or slow down the process of organized development within local communities.



**To face these challenges, social and economic development actions must be directed at key conditions ensuring the success of a social economy project, namely :**

- ▶ The adoption of a shared vision
- ▶ The emergence of a shared leadership
- ▶ Cooperation and multi-sectoral collaboration
- ▶ The contribution of the social commitment of citizens and community mobilization
- ▶ Proper management of development projects
- ▶ Access to financing and support services for social and group entrepreneurship
- ▶ The development of Aboriginal and non-Aboriginal partnerships
- ▶ Interregional and inter-nation cooperation
- ▶ Support for emerging social entrepreneurs and workers
- ▶ Flexibility and adaptability of the social and cultural realities of the communities in question

*Our commitment  
to our nation  
is where we find  
the inspiration  
and the drive  
to keep going  
and go further.*

– Karine

**For more information and specific advice on the development and promotion of a social economy for First Nations, please contact :**

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### **To learn more on the subject and available resources :**

**Économie sociale Québec**  
[www.economiesocialequebec.ca](http://www.economiesocialequebec.ca)

**Chantier de l'économie sociale**  
[www.chantier.qc.ca](http://www.chantier.qc.ca)

**Conseil québécois de la coopération et de la mutualité**  
[www.coopquebec.coop](http://www.coopquebec.coop)

**Ministère de l'Économie, de l'Innovation et des Exportations,  
gouvernement du Québec – « Outils Coop »**  
[www.economie.gouv.qc.ca/objectifs/informer/cooperatives](http://www.economie.gouv.qc.ca/objectifs/informer/cooperatives)

**COOP co-operatives and mutuals Canada**  
[canada.coop/en](http://canada.coop/en)

**The Canadian CED Network**  
[ccednet-rcdec.ca](http://ccednet-rcdec.ca)

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