Exploring the conservation-based Social Economy in Canada: innovations for sustainable development

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Abstract

Community-based Social Economy (SE) organizations play a vital role in providing social and economic inclusion for marginalized communities, enhancing citizenship, democratic transparency, and promoting environmental sustainability. Research highlighting Social Economy innovations in Canada is necessary to strengthen existing structures and promoting new forms of social business, encouraging entrepreneurial and capacity-development to communities, and fostering environmental stewardship. These ‘best practices’ are urgently needed in Canada and elsewhere to highlight the necessary integrated policy instruments that can promote employment opportunities while enhancing the urban and rural environment. This paper reports on Social Economy organizations in Canada that are promoting inter-sectoral activities for socio-economic development and environmental sustainability. In particular the paper explores the contributions and outcomes of conservation-based programs for sustainable economic development. It also investigates the barriers and challenges for the development and growth of this sector. This research is prepared for the Canadian Social Economy Research Partnerships (CSERP) program supported by the Social Sciences and Humanities Research Council (SSHRC) of Canada.

Key words: Sustainable development, Social Economy, ecological economics, conservation-based economy, community economic development, public policy.
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1.0 Introduction: A necessary synthesis for sustainable development

According to the Brundtland Report *Our Common Future* (WCED, 1987), “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. In this context sustainable development must be based on a balanced approach between social demands and environmental limits – an approach so far hardly reflected in the classic growth discourse typical of development practices (Spangenberg, 2010). Traditionally, what has been termed economic development has simply meant -- creating markets for, cutting down, digging up and/or selling -- natural and human capital which was formerly not part of the market system (Perkins, 1996). There is no doubt a global acknowledgement that the environmental problems we face today are very serious, requiring solutions based on significant social and economic change. This change must emphasize the interdependence and interaction between social, economic and environmental issues, from the local to the global scale, both currently and in the future (Davies, 2009).

Social Economy (SE) activities have been identified as archetypal examples of sustainable development (Davies, 2009), often aimed at creating greater social and economic equality and opportunity for people and communities most disadvantaged in the economy. The Social Economy provides a means of addressing sustainable development at the community level. It enables communities to initiate and generate their own solutions to economic problems and thereby build long-term community capacity and foster the integration of economic, social and environmental objectives
(Roseland, 2000). Although definitions abound, this paper adopts the Social Economy Research Hub of Canada’s definition of the Social Economy as “consisting of association-based economic initiatives founded on values of: service to members of community rather than generating profits; autonomous management; democratic decision making; primacy of persons and work over capital; based on principles of participation and empowerment”. The Social Economy can be conceptualized as consisting of a range of entities and activities, including non-profit and voluntary organizations, mutual associations, co-operatives, and social enterprise that address social and environmental objectives through economic action (Tremblay, 2009). Increasingly, studies are associating these types of plural business models with poverty reduction, the creation of employment and social inclusion of marginalized populations (Gutberlet, 2009), improved quality of life and enhanced citizenship (McNurty, 2009) and environmental conservation (Franks & Gloin, 2007). Evidence from around the world is proving that the Social Economy is playing a pivotal role in promoting inter-sector initiatives to address economic and social challenges in both depressed and developed regions and communities (Squazzoni, 2009; Bradshaw, 2000), as well as providing key public services in almost all sectors of society. This, it is argued, is often because these organizations are rooted in their communities and they have the capacity to provide solutions to social issues that meet the needs of local people and the environment, as well as providing the additional benefit of building social capital (Di Domenico et al., 2009). Such inter-sectoral initiatives are of paramount importance for regions and communities to go beyond the limits of markets and government institutions and engage in innovative solutions for socio-economic problems utilizing bottom-up approaches (Squazzoni, 2009).

1 http://www.socialeconomyhub.ca/?q=content/understanding-social-economy
They are able to mobilize assets and people, to invest resources in connecting economic, social, and environmental issues, and to develop a broad-scale vision to grasp the complexity and interdependent nature of problems.

1.1 Elements of a conservation-based Social Economy

It is increasingly apparent that environmental sustainability can only be achieved by also addressing issues of social and economic sustainability (Brown, 2003; Brown et al., 2006). The interdependence of these three spheres is increasingly evident and critical, especially with mounting social and environmental challenges such as climate change, pollution, resource depletion, poverty and inequality (Hart, 1996). Indeed, case studies from around the world suggest that the conservation and sustainable-use approach can provide significant economic and social benefits at all scales (Kremen et al., 2000; Dixon & Clifford, 2007). Conservation has to focus on solving underlying social problems. If local communities are to succeed in maintaining protected areas, economic development must find ways to ameliorate poverty and illiteracy, allocate resources equitably among all community members, and stabilize populations in regions surrounding the protected areas (Sinclair et al., 2000). As identified by Agyeman and Evans (1994), “whether it is subsidiarity, decentralization, empowerment or participation, some component of democratization is widely viewed as being integral to the achievement of an environmentally sustainable future” (p.14). Indeed, for communities to prosper they must participate in the decisions and processes that affect their lives. Sustainable development is thus about the “quantity and quality of empowerment and participation of people”
(Roseland, 2000; p.105).

The sustainable development movement holds to the belief that a sense of identity associated with a physical place and a strong community awareness of environmental issues are key precursors to sustainable community development (Brady, 2006). The connections through identity to place are important, as communities must have a strong identity before they can undertake effective sustainable development (Pol, 2002). Within this framework, individual participation and sense of community, vital components of social capital, can provide the empowerment and communication tools for improving one’s livelihood and quality of life. Building social capital and positive social networks, important concepts in understanding community-based enterprises, are seen as necessary components for economic development (Peredo & Chrisman 2006). Squazzoni (2009) defines social capital as a set of relations, beliefs, and institutions promoting information flow and collaboration among individuals so that collective action and the social production of collective goods can take place. Social capital creates economic opportunity, builds political activity, and promotes social, cultural and environmental goals. It is within these networks that “communities are able to build strong relationships, which, over time, allow trust, cooperation, and a sense of collective action to develop among members” (p.314). MacGillivray (2004) conceptualizes social capital as ‘creative trust’ and represents the “stock of networks, stakeholder relationships and shared rules that help organizations and their surrounding communities work more effectively” (p.121). Squazzoni (2009) also emphasises the role of social capital as a catalyst for establishing inter-sector initiatives and strengthening collaboration between
participants and across sectors. It is through these self-development strategies that communities can gain greater potential for improving local economic vitality.

Social Economy initiatives seek to encourage the participation of community members, including those who are often marginalised, in planning and decision-making (Markey et al. 2005). Hence the goal of the Social Economy is not only economic and social development but also empowerment through participation (Tremblay & Gutberlet, 2009). Empowerment facilitates a grassroots and sustainable path for socio-economic development while including the voices of various stakeholders necessary for appropriate legislative changes. Providing marginalized communities with the tools they need to improve their quality of life builds stronger and healthier communities. It is the enhancement of community capacity to support entrepreneurship and other forms of economic development, as pointed out by Korschning & Allen (2004), that are the key elements often missing in local development efforts. Brown (2003) also identifies the need for “more pluralist understandings of different knowledges, values and worldviews to inform conservation; for the adoption of deliberative inclusionary processes to decide and implement conservation; and for the need to transform conservation institutions to support a more dynamic, adaptive and integrated approach to conservation and development” (p.90).

1.2 The conservation-based economy in British Columbia

The scope and impact of the Social Economy in British Columbia is impressive. An
overview of the organizational forms within the Social Economy speaks to its scale and potential. As of 2006, this includes some 23,487 non-profit organizations that are incorporated under the BC Societies Act, 9,918 charitable organizations, 566 private foundations, and 485 public foundations. In the co-op sector there are 594 registered co-operatives, in addition to 54 credit unions with hundreds of branches serving communities throughout BC (Restakis, 2006). The aggregate economic value of these organizations is enormous. The strong presence of environmental groups in BC has also had a substantial impact on how Social Economy organizations are shaping this sector. This is clearly reflected in the fact that while only 4% of the province’s non-profits are directly active in the environment sector, they account for 19% of the volunteers².

Although the ideas of ‘ecological-economics’ (Rees, 2002), ‘conservation economy’ or ‘community-based conservation’ (Berkes, 2007; Campbell & Vainio-Mattila, 2003) are not new, there have been limited studies that generate evidence and understanding of the impact and potential of the Social Economy for environmental sustainability and conservation. There has been much debate on the merits of community-driven conservation, particularly within the commons literature, but there has been little discussion on pluralistic approaches, such as through the Social Economy. This article seeks to highlight the impact of Social Economy initiatives that focus on conservation-based development. In particular, it seeks to document the successes of these organizations for combining integrated models of development, the challenges they have faced, and the ways in which these initiatives can be further supported. To explore these

questions, in-depth interviews were conducted with Social Economy practitioners working in conservation-based programs in British Columbia, Canada including: EcoTrust Canada, Enterprising Non Profits, and Coast Opportunity Funds. The results of this research reveal a lack of recognition and support by governments towards the development of this sector. It also provides insights into potential policy alternatives: e.g., recommended changes, additions to the current set of programs and policies, and desirable practices for co-operatives and other Social Economy enterprises.

2.0 Perspectives from the field: Why integrated development models?

There is overwhelming evidence that linear growth models of the traditional capitalist economy are no longer viable for social equity and ecological sustainability (Spangenberg, 2010; Schneider et al., 2010). Perkins (1996) points to the fact that “neoclassical economics treats most environmental factors (such as pollution, biodiversity, and forest preservation) as “externalities”, and because there are no markets in which their prices can be set, simply underscores the inadequacy of neoclassical theory for dealing with economy-environment interactions -- and these are increasingly critical in importance” (p.1). Thus, the critique of growth becomes a critique of capitalism, of which an alternative would have to find new, non-market-based means of providing employment and of meeting welfare needs (Roseland, 2000). There is undeniably a need to approach conservation and development through an alternative lens. The emerging literature on the concept of economic de-growth for example is based on the principles of responsibility, participation, cooperative solidarity and re-localization (Schneider et al., 2010). Within this paradigm a sustainable economy is inherently linked
to a sustainable environment, where economic opportunity improves rather than degrades social and environmental conditions and would include “multiple scales for measuring value, respect for social and natural diversity, concern with ethics and justice, and methodological pluralism” (Perkins, 1996; p.2).

This connection is especially critical in the case of rural communities, where maintaining economic and social vitality is difficult and experiencing any type of growth or development minimal (Korsching & Allen, 2004). Adopting integrated conservation-based development models are increasingly being recognized as an innovative strategy for poverty alleviation, particularly for rural communities. These land-use practices aim to increase production while maintaining natural capital and continuing to provide ecosystem services at local and global scales (van Noordwijk et al., 2001). According to Ian Gill, president of EcoTrust Canada, “the environmental problems here in the Pacific Northwest, and the rural poverty, were often the result of these kind of boom-bust economies that you see in the natural resource sector. We felt that the environmental community didn’t respond to the economic needs of communities, so we thought there was a lot of space there. Really, it was to use capital in a more democratic way and that’s really the fundamental premise”. EcoTrust Canada3 is a non-profit organization whose mission is to integrate conservation and development by building on the cultural and economic traditions of local communities. The organization runs on a small internal staff, a dense network of volunteers, a board of directors composed of leaders belonging to different sectors, and a body of investors, coming from business, private foundations, and the public sector. Ecotrust’s Natural Capital Fund makes investments in key sectors,

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3 Ecotrust Canada: http://www.ecotrust.ca/
businesses and projects which significantly enhance the capacity for appropriate development and conservation in the coastal temperate rain forest region. The Fund is intended to serve as a catalyst, leveraging other investments through partnerships, joint ventures and other collaborations. As the ventures mature and are able to access other sources of funds, such as bank financing, the Fund investment will be recovered and redeployed. This organization is using integrative economic tools to develop and support the conservation economy. With over twenty years of experience in this sector, they have developed a dynamic framework\(^4\) integrating ecological restoration, social equity and economic prosperity within their projects. Gill highlights the unique and important support this enables by providing funding “to sectors that traditional financial institutions are leery of like forestry and fisheries in particular, most banks won’t lend to fishermen so we would, and also in regions that were dramatically underserved by normal channels of credit, so geographically dispersed communities in British Columbia, primarily First Nations communities which historically have been avoided by traditional banks”. Through small low-interest bearing loans, individuals and communities are able to start or expand a business, purchase equipment, or put these funds towards marketing development.

Another successful and internationally recognized model for a conservation-based economy is the Great Bear Rainforest project, operated through Coast Opportunities Fund\(^5\), an entity formed in 2007 with the aim to support long term sustainable development projects that embrace conservation values and the social, cultural and

\(^4\) Reliable Prosperity is a project of Ecotrust, to see the conceptual framework visit: websitehttp://www.reliableprosperity.net/  
\(^5\) Coast Funds: http://www.coastfunds.ca/
economic wellbeing of First Nations communities. Through this Fund, the Great Bear Rainforest project was initiated in an attempt to conserve 64,000 square kilometres of endangered temperate rainforest and species habitat in British Columbia, typically vulnerable to clear-cutting, sport hunting, fish farming and mining. The project is a combined effort, with CD$30 million each from the federal and provincial governments of Canada and CD$60 million from conservation groups and philanthropists (New Scientist, 2007), consisting of over 1.8 million hectares of protected areas in these regions. The CD$60 million is a perpetual endowment that contributes 2-2.5 million/yr towards conservation, and the other CD$60 million goes to economic development compatible with this ecosystem-based management regime. This project creates jobs in First Nation communities in areas such as sustainable fisheries, forestry and tourism. This integrated approach to development is what makes this model successful, highlights Scott Rhemus, CEO of Coast Opportunities Fund. “One unusual aspect of our fund is that we have conservation and economic development working together, so technically they are separate foundations but when we work with the First Nations we work with them with that holistic perspective in mind and so we are trying to do what we can to not perpetuate the split in many communities of conservation vs. development...we think there is a way forward here that is building an economy based on a healthy environment and we are doing that in a style of awards, and think about these issues at the same time”.

These organizations are proving that conservation and economic development can generate mutually beneficial impacts to the well-being of communities, and eco-systems.
It is through a holistic approach, and locally-based community driven solutions that these models are proving to be an innovation for rural regeneration.

2.1 Building community capacity: the DNA for success

Individuals starting a new business often lack the knowledge and skills necessary for such a venture, not to mention a lack of other resources such as financing and networks. Providing the necessary capacity for individuals and communities to undertake business ventures is just as important as the financing. As Gill states, “just throwing money at something doesn’t necessarily solve anything, what we try and do is understanding what community needs are. Really the art is understanding capacity and the people, what the strengths of the community are, what the niches are and the market. They don’t have a lot of the same access to information that people in big cities do, so we help bringing resources to people. We do a lot of capacity building on the mapping side of things. Understanding what they have to work with, as well as in governance. For us it is enabling communities to succeed in a way that is reflective of community needs and respect for the environment”. As can be seen with these models, community-based conservation requires governance that starts from the ground up and involves networks and linkages across various levels of organization. This takes time, and the success needs to be measured over long-term goals.

One of the main features of the Great Bear Rainforest project is also building capacity and infrastructure. According to Rhemus, “building the core capacity and infrastructure
in the First Nations communities to take advantage of the funds is very important”. This organization works with the communities to help them achieve their conservation and economic development goals. Another important feature of this capacity building, according to Rhemus, is working with each group at their own pace. “This is proving to be a very important part of the long term success, because the Nations are taking the time they need to actually develop that internal capacity and infrastructure to be able to effectively use the funds”. Social Economy organizations are well suited to respond to specific needs, operating within a cooperative capacity, employing principles of participation, and the governance structures necessary for community-based development.

Both these organizations highlight capacity as a key strategy for the long-term success of their development projects. Its not just implementing the projects, as Rhemus highlights, “it starts from the development stage, the work plan and actually getting funding and implementing it…different Nations are at very different places, some have internal capacities and are trained and can do these things, and some are struggling for a variety of reasons. A lot of these Nations are very small, in one case there is only 70 people in the community so trying to develop economic development is difficult”. The realization and impact of these programs conforms to what Squazonni (2009) calls a positive case of the relationship between social capital (in particular, trust, commitment, and reputation), collective action, and innovation. They have demonstrated that through building social capital and strengthening the capacity of communities, conservation and economic development can be sustainable.
2.2 Enabling a supportive policy environment for sustainability

With the critical issues facing the environment, there needs to be a radical shift in the way business is valued and the way society is an integral part of that system. There is no doubt a critical need for governments to recognize the value of the Social Economy in providing multiple benefits for community and the environment. At the moment there is very limited government support for this sector in Canada, and the minimal support that does exist is not sufficient. Rhemus highlights that in Canada “there is a very unhelpful regulatory environment in government around these things that doesn’t allow us to grow our program to anywhere near self sufficiency. We are not in it for profit but its costly to do this kind of work and what we found eventually is that we could not raise sufficient capital to bring our cost down to a point we could support it”. Short-term support in this sector does not work. Long-term commitments, to support long-range planning and permanent programs, are essential.

One organization that is providing support and advocacy for strengthening the Social Economy is Enterprising Nonprofits\(^6\) (ENP). This organization supports social enterprise development through grants and resources for technical assistance, as well as advocating for public policy initiatives and dialogue that will enhance and strengthen the social enterprise sector. There are four pillars to their policy program; 1) building awareness and demonstrating the value of the Social Economy, 2) enhancing enterprise skills, 3) ensuring access to capital and investments, 4), and expanding market opportunities. Brian LePage, program manager of ENP, describes their framework

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\(^6\) ENP: http://www.enterprisingnonprofits.ca/about
within a systems approach, “so the grants are part of it that provides technical assistance, but if we aren’t doing access to capital and increasing the market it doesn’t do us much value to build all these businesses if they don’t have the capacity to be successful”. Government awareness of the value of integrated development models is essential to enable a supportive environment. Without the market support and government recognition, this sector struggles to be self-sustaining. As LePage mentions, “one of the hurdles has been the inability on the part of governments to even see where they impede social enterprise and social change”. In order to realize an enabling environment for this sector, governments need to first acknowledge its potential, and collaborate with its actors in co-creating effective and sustainable policies that respond to their socio-economic and environmental goals. LePage continues by stressing “the need for radical reform...the government needs to reform some key components of the economy, to make the financial service sector more responsive to communities and more responsible in terms of how it raises money and distributes, and to recognize non-profits that are very business like and very capable of delivering products and services much more efficiently than government and in some cases more efficiently than private companies. We need a radical rethink of how the financial service industry works and how services are delivered on the ground”.

Examples in other parts of the world are demonstrating that effective policy instruments are significantly strengthening this sector (Tremblay, 2010). In the United States for example, the Community Reinvestment Act stipulates that banks need to pay some portion of their profits towards a community development fund creating significant pools of
capital (Mendell, 2008), and in the United Kingdom, changes to some of the their charitable laws and the creation of Community Development Finance Institutions (CDFIs) have created a more favourable environment for the development of this sector (HRSDC, 2006). Gill stresses that “Canada is far beyond...to do this work out of a charitable organization is very difficult. There are all sorts of new instruments out there, like tax instruments, and Canada is behind so we can only get so far and then stall.” New legislation for tax credits that Social Economy organizations can access, for example, would significantly improve the sustainability of this sector.

2.3 Replicability – expanding the Social Economy for sustainability

Being able to disseminate and build on ‘best practices’ for sustainable development in Canada and elsewhere is essential for coping with the dynamic nature of the world’s current and complex challenges. Creating collaborative networks among communities, practitioners and governments working in conservation and economic development is an important part of this process. The Social Economy organizations presented in this paper are spearheading new and innovative models that can be replicated to other areas and contexts. According to Rhemus from EcoTrust Canada, “this model has never been done before, we have yet to find a fund that combines the conservation and development in one operating unit and so we are very much focused on getting this model working properly, and in a year or two we will be likely much more engaged globally on this”. Although these models respond specifically to rural and remote development, the basic framework has great potential to be replicated and supported in urban settings.
The world’s urban cities as currently planned and developed are not sustainable. A typical North American city of 100,000 inhabitants imports 200 tons of food, 1000 tons of fuel, and 62,000 tons of water every day; it exports 100,000 tons of garbage and 40,000 tons of human waste each year (Roseland, 2000). Indeed, it is cities that produce most of the world’s solid and liquid wastes, consume most of the world’s fossil fuels, emit the majority of ozone depleting compounds and toxic gases, and give economic incentive to the clearing of the world’s forests and agricultural lands. Some examples of how the Social Economy are supporting urban sustainability include car cooperatives (Montreal) to reduce the necessity of car ownership, recycling community enterprises (Vancouver) providing employment and social inclusion to marginalized populations, green-sector employment (California) creating jobs in fields such as energy conservation and audits, and community supported agriculture to preserve farmland and generate employment (Vancouver, New York). There is no lack of innovative models for sustainable economic development. If ever there was a need for economic reform, it is here and now. A new paradigm of economic development based on environmental and social equity is absolutely necessary and urgent.

3.0 Conclusion: Strengthening a conservation-based economy

The organizations presented in this paper provide evidence of the role of Social Economy activities as carriers of economic development and environmental sustainability at a community level. This evidence conforms to the recent debate on the emerging patterns of economic development at a community level according to which market and public
government planning cannot be considered as the only development institutions (Squazzoni, 2009). Thus, as highlighted by Austin (2000), economic innovation needs to come from horizontal alliances between profit and nonprofit, mixed partnerships, and inter-sector initiatives at a community level.

These experiences suggest that the conservation-based approach to development can provide significant economic and social benefits at all scales. Decision-makers would benefit to look at the trade-offs and simultaneous social, economic, and ecological outcomes that can be achieved and maintained over time. Sustainable development requires that we envision the world as a system, and to understand the problems in a holistic, multi-layered approach combining economic, social and environmental considerations. Brown (2003) recommends that for a ‘people-centered conservation’, there needs to be a more “pluralist approach to understanding knowledge and values of different actors, greater deliberation and inclusion in decision-making, and a re-modeling of institutions to support conservation” (p.89). Policy reform needs to establish local experience and needs as the basis to inform local, regional, provincial, and national government regulations. Policy reform also needs to focus on building the social capital of communities, a crucial component to community-based development. Social Economy organizations provide an excellent vehicle to bridging the gap between government and communities, particularly since in many instances they are already embedded and have established trust and long-term commitments.
Some of the key research findings indicate that the conservation-based Social Economy is working to advance sustainable development by:

- recognizing the unique cultural and local assets of communities, particularly First Nations communities;
- providing meaningful work, sustainable livelihoods and enterprises;
- supporting community capacity and governance; and
- conserving the natural integrity of eco-systems.

Some of the main barriers for actors in the Social Economy working in conservation and sustainable development include a general lack of government recognition and financial instruments supporting this sector. To enable a strengthened environment for this sector there needs to be:

- greater awareness on the part of government of the interconnection and multi-layered dimensions of economic, social and environmental challenges;
- increased government recognition towards the value of a conservation-based Social Economy, for both rural and urban development;
- greater collaboration and decision-making between governments and actors in the Social Economy working in conservation; and
- supportive financial instruments including a tax incentive scheme to increase access to capital for Social Economy organizations working in conservation.
4.0 Bibliography


Brady (2006)


