

Social Enterprise in Nova Scotia: Concepts and Recommendations

February 2011

*What Government Needs to Know about Social
Enterprise in Nova Scotia*

DISCUSSION PAPER

**Nova Scotia Social Enterprise
Working Group**

A Learning Partnership between Government and Community

Disclaimer

The content of this document represents the views of members of the working group and not of the organizations they are associated with. Additionally, most of the information is retrieved from the Internet as acknowledged. The organizations described under different sections have not been contacted. Members of the working group bear no liability for any claims.

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Foreword

Very often when we develop policies, frameworks, strategies or programs, we spend much time ensuring they are distinct. Instead, we should devote much more time ensuring they are connected and complementary to existing initiatives. This social enterprise conceptual framework is not about developing a distinctive approach. It is about finding collaborative opportunities among initiatives and stakeholders including the Provincial Community Development Policy, Poverty Reduction Strategy, Economic Growth Framework, Community University Research Alliance, the private sector, social enterprises and other actors within the social economy. The conversation highlights the issues that are raised when families are having sleepless nights and government is prioritizing- economic growth, poverty reduction, vitality of the labor force, social inclusion, and environmental sustainability. What is distinct is the choice to draw on the strength of inclusive co-construction across government and community. The discussion exposes untapped opportunities and stimulates a further conversation that could make the nonprofit, public and private sectors smarter in achieving shared objectives. It is likely to provoke questions. For example- what are the implications for allowing nonprofit organizations to operate profit-making businesses? Does Nova Scotia (NS) need to behave like other provinces? For the latter question, the corresponding answer is also a question: what is wrong with doing what other provinces are doing if it helps NS to optimize what it is already doing? Let's put the following case studies into perspective:

The Vancouver Olympics prioritized social enterprises in its procurement process. As a result, social enterprises employing women returning to work, inner-city residents and aboriginal youth produced both the flowers presented to medalists and the podiums that they stood on¹.

What is wrong with comparable actors in NS choosing to adapt their procurement policies to strengthen the labor force and address gender, and other trends of social exclusion?

In Ontario, a proposed Nonprofit Corporation Act will allow nonprofit corporations to engage in commercial activities. The revenues will be reinvested in the corporations' nonprofit purposes².

In NS, Government provides millions of dollars in grants to the nonprofit sector annually. What is wrong with creating an enabling environment that allows the nonprofit sector to generate revenues if it helps to make it sustainable while engendering poverty reduction, environmental sustainability and economic growth?

Building on foreign culinary knowledge and skills, EthniCity Catering provides Canadian employment experience and training to immigrant women. The Calgary based social enterprise offers a variety of freshly prepared foods from around the world. The profits are reinvested to continue to provide a venue for volunteering and community engagement³.

Many immigrants and university graduates leave NS for other provinces for employment related reasons. What is wrong with NS supporting and enabling the creation of comparable social enterprises that can add vibrancy to its labor force and population in general?

In terms of sequencing, this paper constitutes the first step in drawing a bigger picture, and stimulating a conversation. Ideally, the next step will be to identify and pursue the most interesting and strategic trajectories of the expected conversation.

¹ <http://www.winnipegfreepress.com/opinion/westview/buy-local-policies-growing-100102234.html?viewAllComments=y>

² http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&Intranet=&Bil

³ <http://www.ethnicitycatering.ca/>

Introduction

In January 2010, under the leadership of Nova Scotia (NS) Economic and Rural Development and Tourism (ERDT), a small group of people across government and community began a conversation around social enterprise in NS. The formation of the working group was informal and driven by a shared interest in social enterprise. The self-creation of this kind of network highlights an evolving thinking around collaborative development, inclusiveness and the co-construction of public policy to find better ways to address community development challenges such as homelessness, unemployment, food insecurity, environmental degradation, etc. It is also often a reaction to an era in which government and communities are confronting a gradual change- the population is getting older, smaller and urbanized. Increasingly, people seek best practices, opportunities, and ways to do things differently. Social enterprise is an opportunity that government cannot afford to miss.

For the purpose of this working group, social enterprise refers to *businesses or organizations operated for the purpose of tackling social, economic or environmental challenges*⁴. Social enterprise is not about social programming, it is about using socially and environmentally conscious market-based approaches to fight poverty and spur economic growth. As a concept and practice, social enterprise is not new in NS. Provincial universities have long been leading social enterprise policy research across the province. Economic and social development policy analysts within and outside of Canada often cite the NS Community Economic Development Investment Funds (CEDIFs) as a best practice for supporting social enterprises. The New Dawn Enterprises Limited, the Halifax Hub and Black Business Initiative (BBI) are also frequently referenced in development policy research, as innovative social enterprise models. However, limited awareness about social enterprise across government and community remains a critical challenge for the development of the sector in the province. Indeed, what is new here is the collaboration between governments and communities in learning more about the values, benefits and opportunities that social enterprise offers the province.

The timing for this conversation could not be better than when government is implementing its Community Development Policy, Economic Growth Framework, Poverty Reduction Strategy, and exploring ways to work with the voluntary or nonprofit sector. The conversation provides new insights on how a social entrepreneurial approach can be woven into poverty reduction, making nonprofit organizations less grant dependent, increasing income generation within communities, and embracing a triple bottom-line approach that is inclusive of social, economic and environmental considerations. This paper is a synopsis of the results of the conversation. The views of various practitioner groups across the province on social enterprise are also incorporated. It is the beginning of a collaborative learning and planning process that should be framed through the Provincial Community Development Policy Lens to inclusively evolve in many interconnected directions within the province⁵.

⁴ Adapted from the Atlantic Council for Community and Social Enterprise, The Enterprise Nonprofit Program, and the Dublin Social Enterprise Task Force

⁵ Available at NS Economic and Rural Development

Trends in Other Jurisdictions

Governments in many countries are beginning to leverage the resources of social enterprises, social purpose businesses, and other organizations within the broader social economy to accomplish shared objectives around poverty reduction, economic growth, social inclusion and environmental sustainability. The following are a few examples:

- *The Scottish Government is implementing a policy that gives 10 per cent preference for social enterprises in certain procurement fields, including three per cent for subcontracting to social enterprises*⁶.
- *In 2005, the UK adopted new legislation that allows social enterprises to acquire profit-making status. Acquiring the new status is preceded by the submission of a community interest statement banning the enterprise from private profit-making, political activity, and outlining how activities will benefit community, and surpluses will be used*⁷.
- *The European Union provides funding for social enterprises to undertake descriptive research focused on the social economy*⁸.
- *The German Government partners with social enterprises to create jobs in recycling and social services. The Belgium Government focuses its partnership with social enterprises on training, while Holland's partnership is focused on providing care to elderly people*⁹.

These examples show how governments are optimizing the potential of social enterprises. NS is encouraged to review some of these practices with a view of replicating the most feasible.

Social Enterprise

After concluding that social enterprise refers to ***businesses or organizations operated for the purpose of tackling social, economic or environmental challenges***, we learned that defining the concept is often characterized by disagreements and ambiguity, revealing a sector with an unclear and fluid identity. For example, many organizations are unaware of, or even refuse to be classified as, social enterprises¹⁰. However, social enterprises can easily be described by their characteristics (democratic governance, profits are not raised as shareholders' wealth, etc) benefits (reducing homelessness, unemployment, food insecurity, etc) and opportunities (growing the economy, stimulating innovation, etc). Social enterprises “extend the boundaries of conventional business practices by inserting the principle of social solidarity into the heart of enterprise development^{11”}.

⁶ <http://www.winnipegfreepress.com/opinion/westview/buy-local-policies-growing-100102234.html?viewAllComments=y>

⁷ <http://www.centreforsocialenterprise.com/index.html>

⁸ MaRs Discovery District February 2010

⁹ The Policy Research Initiative of Canada, 2005

¹⁰ The Dublin Social Enterprise Task Force

¹¹ Mike Lewis, 2006, P. 9.

Concepts Associated with Social Enterprise

Another key learning point from the conversation is that learning about social enterprise is inevitably intertwined with a web of other concepts such as social economy, social purpose business, social innovation, social entrepreneurs, community interest companies, corporate social responsibility and social finance. Exploring these concepts and their interconnectedness with social enterprise is critical to understanding the latter and its implications for government. We also learned that discussion around these concepts should not be characterized by trying to develop definitions, as they are fluid and can take on many different meanings.

Social Economy

In the social economy, organizations generate economic value, coordinate labor, can be profit or nonprofit, charitable or not, governed by democratic and autonomous decision-making processes outside of government influence, and dispose of assets to community groups when dissolved¹². The social economy is the macrocosm of organizations such as cooperatives, nonprofit societies, civil society associations, credit unions and social enterprises.

Social Purpose Business

Social purpose businesses are revenue-generating ventures established to create jobs or training opportunities for the very low income individuals, while simultaneously operating with reference to a financial bottom-line¹³. Some social purpose businesses are started by nonprofit organizations that apply market-based solutions to addressing social and environmental issues. Government is encouraged to learn more about this group, and engage the actors as many provide opportunities for collaborative partnerships and innovative approaches to address poverty reduction, social inclusion and environmental sustainability.

Social Innovation

Social innovation refers to new strategies, ideas, and concepts that address social challenges¹⁴. Social innovation is a common strategy employed by social enterprises. Creating food banks to fight hunger and unemployment, and the Halifax Hub's "temporary office space" business model are perfect examples of social innovation.

Social Entrepreneurs

A social entrepreneur pursues a vision of economic empowerment through the creation of social purpose businesses or enterprises intended to provide expanded opportunity for those on the margins¹⁵. Social entrepreneurs are risk-takers with commitment to effect social change¹⁶. Often, social entrepreneurs are young university graduates, retirees, new immigrants, etc. Social entrepreneurs are not scarce in NS, even though categorically, government knows very little about them. For example, they are not significantly factored into public policy. Government should identify, engage and collaborate with this important group.

¹² www.msvu.ca/socialconomyatlantic

¹³ Adapted from the Toronto Social Enterprise Fund, citing the Robert's Enterprise Development Fund

¹⁴ Report of the Dublin Social Enterprise Taskforce

¹⁵ United Way of Greater Toronto, 2003. I.S.B.N. 0-921669-31-3

¹⁶ <http://www.socialentrepreneurs.ie/>

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Community Interest Companies

Community Interest Companies (CICs) are companies, with additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage. This is achieved by a community interest test and asset lock, which ensures that the CIC is established for community purposes and the assets and profits are dedicated to these purposes¹⁷.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) parallels approaches such as corporate sustainability, corporate sustainable development, corporate responsibility, and corporate citizenship. It is seen as the private sector's way of integrating the economic, social, and environmental imperatives of their activities. Consequently, it is synonymous with the business pursuit of sustainable development and the triple bottom line¹⁸. CSR allows companies to contribute to an overall positive impact on society¹⁹.

Social Finance

Social Finance (SF) refers to loans, micro lending and debt financing designed to support social enterprises in addressing social or environmental challenges rather than for the sole purpose of making profits. SF models have potential to strengthen social enterprises as less-grant dependent and more sustainable. It is also proven to be a potent tool for social inclusion and economic empowerment. Government should work with social enterprises to learn more about SF models.

¹⁷ <http://www.cicregulator.gov.uk/>

¹⁸ <http://www.ic.gc.ca/eic/site/csr-rse.nsf/eng/home>

¹⁹ <http://www.mallenbaker.net/csr/definition.php>

Social Enterprise Attributes and Examples

The following attributes provide a snapshot of the characteristics of social enterprise organizations. Social enterprises can take on many different attributes depending on the context in which they are created. It is also essential to highlight that the limited awareness about social enterprise in the province translates in difficulties finding Nova Scotian examples. The need to do a social enterprise inventory in the province cannot be overemphasized.

1. Governance model is democratic and the mission is socially centered

The Trans-County Transportation Society (TCTS) is a volunteer organization serving the transportation needs of the residents of Annapolis County and part of Kings County. Elderly, disabled, and economically disadvantaged citizens are TCTS' priority. TCTS owns a rapidly growing transportation fleet that serves members at below market rates. Users of the service pay an annual membership fee of \$20. While medical appointments take priority, many clients use the service for shopping, community and social events, medical or family visits²⁰.

2. Profits are reinvested to advance a social, economic or environmental mission

Building on foreign culinary knowledge and skills, EthniCity Catering provides Canadian employment experience and training to immigrant women. The Calgary based social enterprise offers a variety of freshly prepared food from around the world, including the Mediterranean, East Asian, South Asian, Latin American and Canadian favorites. The profits are reinvested in order to continue to provide a venue for volunteering and community engagement.

3. Foster community social and economic purposes, employ disadvantaged people

The Parker Street Food and Furniture Bank in Halifax is a poverty reduction social business. It has a team of 20 employees and 30 volunteers who gather and distribute millions of dollars' worth of food and furniture. The venture also provides skills development, computer recycling, emergency funding, and mentorship services to clients²¹.

4. Sell goods or provide services in the market for the purpose of creating a financial and socially blended return on investment.

New Dawn Enterprises Limited is a private- volunteer directed business dedicated to community building. New Dawn in Cape Breton identifies community needs and establishes and operates ventures that speak to those needs²².

5. Support social and economic integration for people confronting challenges

Flowercart provides skills development and employment support services to adults with intellectual challenges in Kings County, NS²³.

²⁰ http://www.tcts.ca/index.php?option=com_content&task=view&id=18&Itemid=2

²¹ <http://www.parkerstreet.org/>

²² <http://newdawn.ca/about/>

²³ <http://www.flowercart.ca/page.aspx?page=1272&site=flowercart>

Social Enterprise Benefits

Some of the key benefits (see annex 2 for more examples) of social enterprises include:

1. Helping to grow the economy

*Using socially conscious market-based approaches, the **Center for Entrepreneurship Education and Development (CEED)** creates entrepreneurial opportunities in communities. CEED provides skills development in entrepreneurship, job placement and micro loans to at risk and disengaged youth, the unemployed and underemployed. The organization also facilitates entrepreneurship skills development and access to finance for social enterprises.*

2. Helping people to enter the market and become active in their community

*The **Mill Center @ Dixon Hall** is a woodworking and welding social enterprise in Toronto. All labor at the mill is provided by people struggling with homelessness. The mill provides nine month woodworking/ welding skills training and employment support to participants²⁴. The program builds confidence and develops life skills that help participants re-integrate into society.*

3. Promoting a socially, culturally, and environmentally inclusive agenda

*Located in Halifax, the **Mindful Mango Café** is a social enterprise committed to sustainable environmental and fair business practices, while advancing employment equity. Profits are reinvested in local progressive community mental health initiatives. The social enterprise is operated by a partnership between **Connections Halifax** and **Partners for Care**, a registered charity responsible for commercial ventures and partnerships at **Capital Health**²⁵.*

4. Delivering investment and promoting cohesion and social inclusion

*The Government of Canada and the Province of NS set up the **Black Business Initiative (BBI)** to address the unique needs confronting NS's black business community. BBI positively influences the Province's business culture by promoting and assisting in the development of NS Black-owned businesses. It helps create and grow healthy businesses and self-sufficiency within a high unemployment community²⁶.*

5. Responding to local needs through innovation

*Located in Sydney, the **Missing Lint Co-operative Ltd.**, employs individuals with employment difficulties due to mental challenges. The social enterprise employs its clients for an average wage of more than \$10.50/hr. Along with printing and photocopying services, it has also employed individuals for electronics manufacturing and testing, light demolition and cleaning, and has developed a new quarterly magazine publishing the artistic work of its clients²⁷.*

6. Filling gaps by delivering community development services not provided by the private or public sector

***Brooklyn Justice Counsel (BJC)** in Brooklyn, New York, provides legal services at low-cost to member organizations. BJC was founded to provide legal services for HIV/AIDS community organizations but it quickly became a resource for other nonprofit organizations²⁸.*

²⁴ www.popintranquada.com

²⁵ <http://www.cdha.nshealth.ca>

²⁶ <http://www.bbi.ca>

²⁷ <http://missinglint.ca/aboutus.html>

²⁸ <http://www.centreforsocialenterprise.com/links.html>

Social Enterprise Opportunities for Nova Scotia

Examples from NS, coupled with experiences in other jurisdictions within and outside of Canada, demonstrate that social enterprises offer enormous opportunities for government and communities. The following are a few examples:

1. Grow the economy, encouraging entrepreneurship, workforce development, coaching and mentoring, and opportunities for people to apply learned skills
2. Create employment opportunities for priority groups and others marginalized citizens
3. Develop innovative and integrated solutions- engendering economic impact through social change, health/education/environmental/energy/population retention programs that keep people close to home
4. Engage the social and cultural diversity of the population
5. Stimulate more creativity in the market: creating an enabling environment for optimizing the skills of youth and recent university graduates
6. Increase collaboration between government and communities
7. Increase community engagement
8. Develop new measures of accountability for partnerships between government, community and the private sector
9. Advance government's agenda: a balance of social, economic and environmental sustainability

Social Enterprise Challenges in Nova Scotia

After extensive research and discussions over the past two years, with a particular focus on how social enterprises can be strengthened in NS, some of the working group's observations on the challenges social enterprise face are²⁹:

1. Limited access to capital due to weak management capacity, a lack of credibility in the eye of financial institutions, etc

The underlying challenges include:

~low profitability, lack of security and personal equity, reliance on grants, and weak business plans

The main consequences are:

~lack of trust from funding organizations, denied access to financing and stagnant and failing social enterprises

Example of mitigating measures:

~Quebec has a \$10 million capital pool dedicated to supporting social economy/ enterprise initiatives.

2. Deterring legal structures- restricted access to the profit-making market for social entrepreneurs

The underlying challenges include:

~the nonprofit status of a social enterprise does not allow it to earn profits

The main consequences are:

~dependency on grants, limited capacity to generate funds in a sustainable way

Example of mitigating measures:

~In Ontario a proposed Nonprofit Corporation Act will allow nonprofit corporations to engage in commercial activities where the revenues are reinvested in the corporation's nonprofit purposes³⁰.

3. Limited management capacity- organizational and governance skills

The underlying challenges include:

~inability to develop business plans, poor financial management and communications expertise, as well as weak organizational development capacity

The main consequences are:

~lack of credibility and trust from funding organizations, denied access to financing and stagnant and failing social enterprises

Example of mitigating measures:

~the government of Quebec partners with Labor and Comité Sectoriel de Main-d'Oeuvre Economie Sociale Action Communauté to build the capacity of social economy/ enterprise organizations

4. Low awareness about the social enterprise sector and its benefits and opportunities (the entire nonprofit/ voluntary sector is affected by this challenge)

The underlying challenges include:

*~funding institutions don't know what constitutes a social enterprise
~government has limited understanding of the social enterprise context and benefits
~some organizations are not aware that they are social enterprises*

²⁹ Adapted from Karaphillis, G. (2009) Financing Social Economy organizations: Research Results and Policy Recommendations
³⁰ http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&Intranet=&Bil, 2010

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The main consequences are:

- ~limited information about the social enterprise sector in NS*
- ~social enterprises are not distinguished as a priority partner for government*
- ~ lack of financial and capacity building support for social enterprise*

Example of mitigating measures:

- ~British Columbia has a Center for Social Enterprise, devoted to supporting and disseminating research information, and best practices³¹*

5. Limited collaboration between private, public and nonprofit sectors

The underlying challenges include:

- ~a lack of common language around social enterprise*
- ~a systemic low collaboration environment*

The main consequences are:

- ~limited support for social enterprises*
- ~limited understanding of the social enterprise context*
- ~lost opportunities for government to engage the sector as a strategic partner*

Examples of mitigating measures:

- ~Led by the Canadian Co-operative Association in partnership with St. Mary's, Mount Saint Vincent, Saskatchewan and Victoria universities, and the Federal Government, a research network is investigating the social, economic and environmental impact of co-operatives on Canadians and their communities³².*

³¹ <http://www.centreforsocialenterprise.com/about.html>

³² http://www.coopscanada.coop/en/info_resources/CURA

New Insights

Based on the background that social enterprise is about using socially and environmentally conscious market-based approaches to concurrently and collaboratively engender economic growth, poverty reduction and environmental sustainability, the following conclusions can be drawn:

Limited awareness about social enterprise across governments and community is a critical challenge for the development of the sector in NS. Conversely, the sector offers strategic opportunities for governments, communities and the private sector to accomplish collaboratively, shared objectives in economic growth, poverty reduction and environmental sustainability.

We learned that *social finance* as a model has a potential to transform social enterprises into sustainable and less-grant dependent organizations. It is also proven as a potent tool for social inclusion and economic empowerment.

Federal, provincial and municipal governments and the private sector in other jurisdictions within and outside of Canada are collaborating with social enterprises to develop socially conscious market-based programming aimed at engendering economic growth, poverty reduction, social inclusion and environmental sustainability. For example in some jurisdictions, stakeholders are adapting procurement policies and legislative structures to leverage the resources of social enterprises.

Social enterprises offer unique opportunities for the Federal, Provincial, Municipal and First Nations governments to collaborate and pursue a common goal of reducing unemployment, homelessness, food insecurity, social exclusion and environmental degradation. This collaboration provides a framework for a bottom-line approach to social and economic development.

In NS, there is limited attention devoted to understanding the influence of gender in policy and decision making processes that dictate resource allocation across government and communities. Perhaps, this is partly attributable to the level of collaboration between academic institutions and government. For example, there is limited research based information that suggests best ways to strategically address the economic needs of women, youth, elderly and people with physical and intellectual disabilities through a gender lens. Social enterprise is a window of opportunity for government to intentionally initiative a gender based analysis project that can strategically inform decision making processes.

Social enterprises are often very clear about their purpose and intended objectives. It is also clear that governments and the private sector need to get involved. What is unclear in NS is how the Provincial Government can strategically play a lead role to support the work of social enterprises in a collaborative and sustainable way. The recommendations on the follow pages grapple with this concern.

Recommendations

The following recommendations are a combination of results from research, a learning day organized by the Atlantic Council for Community and Social Enterprise (ACCSE) and deliberations of the working group³³. They are framed through the Provincial Community Development Policy Lens and the perspective of co-construction between Federal, Provincial, Municipal and First Nations governments, community and the private sector:

- 1 NS should embrace social enterprise as a strategic opportunity for engendering economic growth, poverty reduction, social inclusion and environmental sustainability. The Provincial Government should ensure that social enterprise is integrated into its core priorities.
- 2 NS universities should lead a partnership involving the Federal, Provincial, Municipal and First Nations governments to undertake descriptive research and create awareness about social enterprise in NS. Some of the expected outcomes include an inventory, a description of the needs and skills of social entrepreneurs and the broader social economy context. This is also an opportunity to initiate a gender based analysis that informs decision making processes. Mount Saint Vincent University and Saint Mary's University are excellent institutions for this partnership, as they are currently leading a similar initiative on co-operatives. Federally, the Cooperatives Secretariat and Rural Secretariat are a good fit. Provincially, the departments of Economic and Rural Development and Tourism (ERDT), Labour and Advanced Education (LAE) or Community Services (CS) can fit into this partnership. Overall, the partnership will explore new options and innovation for the growth of the sector.
- 3 The Provincial Government (ERDT or LAE) should lead a partnership with banks, universities and colleges to support training and build social enterprise governance and financial management. The training should take advantage of successful governance and business management models that embrace collaboration. Banks should lead the training for social entrepreneurs on financial management. Universities and colleges should introduce social entrepreneurship into their learning programs. Ultimately, this partnership will strengthen social enterprises' transparency and accountability.
- 4 The Provincial Government should identify an internal champion to function as a focal point for leading a strategic and collaborative agenda on social enterprise with community, the private sector, Federal, Municipal and First Nations governments in the province. ERDT, which implements the Provincial Community Development Policy and chairs this working group, is potentially positioned to function as this champion.

³³ Karaphillis, G. (2009). Financing Social Economy organizations: Research Results and Policy Recommendations

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- 5 The Provincial Government should lead a discussion with the Federal, Municipal and First Nations governments, private sector and community aimed at developing new legislation to create an enabling environment for social enterprises. New legislation could be similar to the UK's Community Interest Company (CIC) model. Under this arrangement, nonprofit social enterprises who wish to generate profits are banned from private profit-making and political activity. Additionally, they are required to develop and adhere to a plan outlining how their activities will benefit community, and how surpluses will be used. There should be new measures of accountability to prevent violations.
- 6 Banks, credit unions and governments should work together to streamline and upscale financial support for social enterprises. In this partnership, the Provincial and Federal governments should provide loan guarantees and tax incentives for new and existing social enterprises. There should be opportunities to fund social enterprises that require funds in excess of \$500,000. For example investment in green energy, housing, transportation, etc, are capital intensive.
- 7 Governments should lead a partnership with community to support the development of stable **patient capital pools** that would operate like bond funds and lend to mature social enterprises for expansion. They should support the concept of a community capital program, with assistance for regional loan pooling and a government guarantee. Regional capital pools could work well as they offer geographic and company diversification to the investors. This may appeal to foundations and other Socially Responsible Investment (SRI) organizations as a good investment vehicle. The *Canadian Alternative Investment Co-Operative*, Toronto, is an example of a pool that invests nationally. The concept could evolve into faster growing regional pools with the help of a partial government guarantee.

Annex 1: Nova Scotia Examples of Social Enterprises

This table contains a few examples of social enterprises in Nova Scotia:

| No | Benefit | Example |
|----|--|---|
| 1 | Promoting a socially, culturally, and environmentally inclusive agenda | <ul style="list-style-type: none"> • Athol Forestry Cooperative Ltd., http://www.atholforestry.com/ • All Nova Scotia Green Christmas Tree Co-op Ltd., http://www.scotiagreentrees.com/ • Marigold Centre, Truro http://www.marigoldcentre.ca/home/index.php |
| 2 | Filling gaps by delivering community development services not provided by the private or public sector | <ul style="list-style-type: none"> • FOCO, http://www.foco.ca/ • Playwrights Atlantic Resource Centre, http://www.playwrightsatlantic.ca/ • Just Us, http://www.justuscoffee.com/ |
| 3 | Responding to local needs through innovation | <ul style="list-style-type: none"> • Ross Farm Museum, http://museum.gov.ns.ca/rfm/en/home/default.aspx • Halifax Seaport Farmers' Market, http://halifaxfarmersmarket.com/seaport/ • Energreen Builders Co-operative, http://ener-green.ca/ |
| 4 | Helping people to enter the market and become active in their community | <ul style="list-style-type: none"> • Forerunner Playwrights Theatre co-op, http://www.facebook.com/group.php?gid=56495254418 • Prescott Group, Halifax, http://www.prescottgroup.ca/ • Elizabeth Fry Society – Our Thyme Café, Dartmouth, http://ourthymecafe.biz/ |
| 5 | Delivering investment and promoting cohesion and social inclusion | <ul style="list-style-type: none"> • Sunrise Trail Community Development Co-operative http://www.nsko-opcouncil.ca/file/Communique%20-%20Summer%202010.pdf • Sustainability Solutions Group, http://www.sustainabilitysolutions.ca/ • CAPRE - Community Assoc of People for REAL Enterprise – Canning, http://www.capre.com/ |

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