



Transforming the Economy in Canada: Advancing a Social and Solidarity Economy

A Call to Action

Communities across Canada are facing unprecedented social, economic, and environmental challenges – the sense of crisis and polarization is palpable. Overcoming these challenges – rooted in economic systems that divide us, treating people and the planet as commodities – requires more than minor adjustments to current practices. In order to move towards a just and democratic society, we must transform the economy. Different approaches to economic growth are gaining momentum globally, promoting models which build strong, resilient, and sustainable communities and put people and the planet before financial profit – social and solidarity economies.

What is the Social and Solidarity Economy?

The social and solidarity economy (SSE) refers to a diverse range of organizations and enterprises that prioritize social, environmental, and community objectives over profit maximization. It encompasses various forms of economic activity, including cooperatives, mutual societies, associations and nonprofits, foundations, and social enterprises, all which aim to address social challenges, promote democracy and inclusion, and foster sustainable development. The SSE advances community economic development. The SSE also plays a crucial role in achieving the Sustainable Development Goals (SDGs) by fostering inclusive economic growth, reducing inequalities, and promoting responsible consumption and production.

What is the Social Innovation and Social Finance Strategy?

In Canada, the social and solidarity economy has always existed, under different labels. Québec is recognized globally for its leadership in the social economy, and the Government of Canada has started to move in this direction with the Social Innovation and Social Finance Strategy.

In 2018, following a year-long engagement process, the federal government appointed a Co-creation Steering Group (17 social innovation and social finance leaders, practitioners, and experts from community, philanthropic, financial, and research fields) and released a federal Social Innovation and Social Finance Strategy entitled, *Inclusive Innovation: New Ideas and New Partnerships for Stronger Communities*. However, implementation of the 12 recommendations has been slow, with action on only three to date. The 2018 Fall Economic Statement announced a \$755M Social Finance Fund (SFF) and \$50M Investment Readiness Program (IRP); the 2021-22 Federal Budget re-affirmed commitments to launch the SFF and renew the IRP for another \$50M over two years, and in 2023, the Social Innovation Advisory Council (SIAC) was launched and the SFF fund managers were announced.

How can the Social Innovation and Social Finance Strategy advance the Social and Solidarity Economy?

Around the world, momentum is building for better economic practices. International organizations, such as the United Nations (UN) International Labour Organization, the UN Research Institute for Social Development, and the UN observer the Organisation for Economic Co-operation and Development, have declared support for the social and solidarity economy. The European Union supports Social and Solidarity Economy through programs like the European Social Fund. Argentina, Brazil, Colombia, France, Italy, Japan, Portugal, Senegal, South Africa, South Korea, and Spain support the SSE through various policies, programs, and institutional frameworks. And as previously mentioned, in Canada, Quebec has a robust framework for supporting the social economy.

The Social Innovation and Social Finance (SI/SF) Strategy is the primary path by which the federal government could accelerate this transformation in Canada. Social innovation refers to an approach to

better respond to a social need and produces measurable benefits for the community. The scope of a social innovation is transformative and systemic. It constitutes, in its inherent creativity, a break with the status quo. Social finance refers to an approach to make capital, for example, loans, accessible to organizations that deliver a social dividend and an economic return. Social finance is meant to help these organizations grow their earned income from social purpose activities, not replace other sources of funding. It is part of an ecosystem approach to transformative economic change.

These are powerful innovations – business models and activities that create value by providing needed goods and services to all Canadians in ways that transform social and environmental costs into assets, rather than externalizing them. Across Canada, thousands of initiatives, combining economic know-how and social goals, have emerged and are producing important results, at both the social and economic levels, towards building a more democratic and inclusive economy, a social and solidarity economy, through citizen-based action.



Guiding Principles

The shift towards resilient economies that meet people's needs starts with community-driven processes that advance local action to create economic development

opportunities while enhancing social and ecological well-being on a democratic and inclusive basis. Strong, resilient communities are built around the principles of democracy, human rights, social justice, and respect for equity, inclusion, and diversity. Concrete efforts are made to promote participation and include people who are often excluded from decision-making processes that directly impact them re: program and policy design, plans, and implementation.

CCEDNet's efforts are guided by the following principles which promote agency and inclusion:

Acceleration of Reconciliation with Indigenous Peoples

Indigenous Peoples have long been advocating for a new and just relationship. The Government of Canada committed to achieving reconciliation with Indigenous peoples through renewed, nation-to-nation, government-to-government, and Inuit-Crown relationships.

CCEDNet urges all orders of government to respond to the following calls and principles from the Truth & Reconciliation Commission (TRC), National Inquiry into Missing & Murdered Indigenous Women & Girls (MMIWG), and United Nations Declaration on the Rights of

Indigenous Peoples (UNDRIP) Act, while also aspiring to do likewise:

- Recognize treaties, agreements, and other constructive arrangements between Indigenous Peoples and the Crown as acts of reconciliation based on mutual recognition and respect
- Recognize and respect Indigenous Peoples' right to self-determination including the inherent right to self-government in the pursuit of economic and social development which will require: a renewed fiscal relationship, developed in collaboration with Indigenous nations, that promotes a mutually supportive climate for economic partnership and resource development; economic and social progress and development on an equitable basis; community-based supports and solutions designed to improve social and economic security; and long-term, sustainable funding
- Commit to meaningful engagement/consultation, build respectful relationships, and obtain the free, prior, and informed consent to actions which impact Indigenous Peoples and their rights, including land, territories, and resources, before proceeding with economic development projects
- Ensure Indigenous Peoples have services and infrastructure that meet social and economic needs, and have access to safe housing, clean drinking water, and adequate food
- Ensure Indigenous Peoples have equitable access to jobs, training, and education opportunities, and Indigenous communities gain long-term sustainable benefits from economic development projects



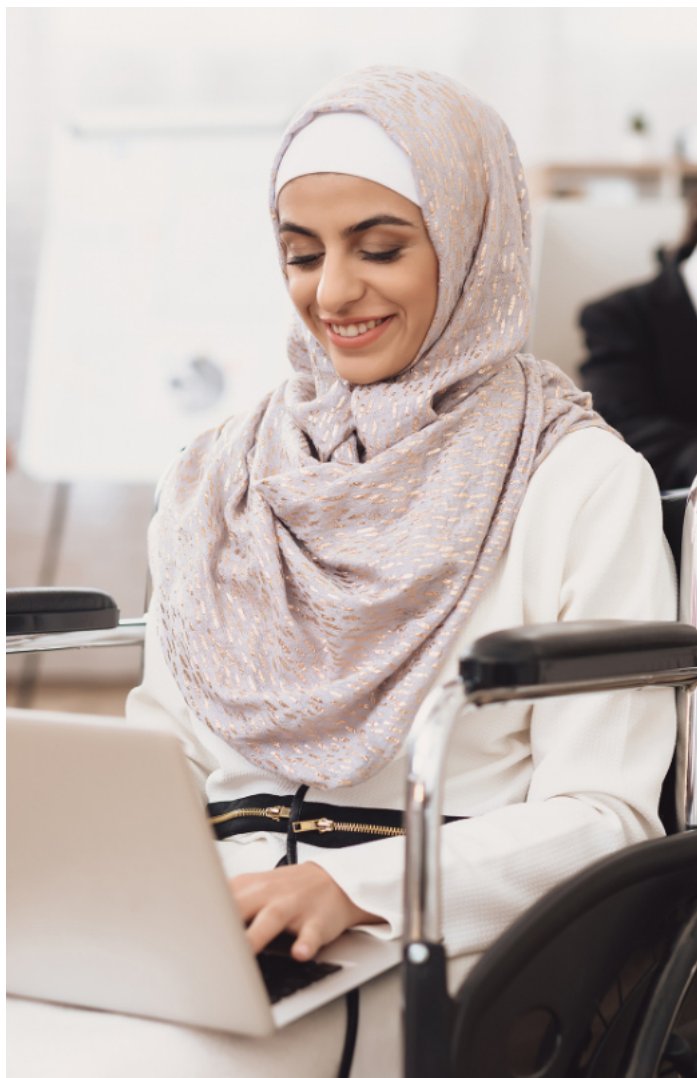
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Integration of an Intersectional Approach

Intersectionality is concerned with institutional and systemic barriers to equality. In 1989, Kimberlé Crenshaw coined the term “Intersectionality” in “Demarginalizing the Intersection of Race and Sex”, to help explain the oppression of African-American women arguing the experience of being a Black woman cannot be understood independently of being either Black or a woman, but rather include intersections and interactions between the two identities (race and gender). Today, the analysis has expanded to include (but is not limited to): class, sexual orientation, gender identity, ability, age, culture, and language.

Intersectionality:

- Starts with practicing equity, inclusion, and diversity
- Moves from merely describing similarities and differences distinguishing systems of oppression to focusing on how these systems interconnect and interact
- Sees privilege and power as an interactive system: a matrix of domination, exploitation, and oppression where, depending on the context, one may benefit, be penalized, or (most likely) both benefit and be penalized by a system of oppression



Pursuit of a Just Transition

Community economies can be sites of transformation and offer practical opportunities to address the ecological and climate crises in ways that enhance equity and well-being for all. Transformation can include creating new and stronger relationships to foster innovative and sustainable economies. While a focus on physical infrastructure is necessary for the transition away from fossil fuels, a lack of focus on social infrastructure may exacerbate underlying inequities in the labour market and the broader economy, undermining the potential to deliver on a physical infrastructure agenda.

Hadrian Mertins-Kirkwood outlined five guiding principles for a just transition in Canada (2021):

- Recognizes and respects rights including human, labour, Indigenous, and those of future generations
- Involves affected workers and communities as partners in determining their own paths forward
- Expands the social safety net to ensure affected workers and communities don't bear an unfair burden
- Creates new economic opportunities for affected workers and communities
- Includes workforce development and integrates historically marginalized and equity-seeking groups to ensure the economic benefits of transition are widely shared



Recommendations

CCEDNet calls on the Government of Canada, guided by principles related to Indigenous reconciliation, intersectionality and co-creation:

1. Launch a Social and Solidarity Economy (SSE) Ecosystem

Program which:

- Is based in Innovation, Science, and Economic Development Canada (ISED) and includes activities related to access to business development programs and capital, capacity building, research and evidence, knowledge mobilization, and awareness - components included in ISED's Aboriginal Entrepreneurship Program (AEP), Black Entrepreneurship Program (BEP), and Women's Entrepreneurship Strategy (WES).
- Builds on the successes and lessons learned from the Investment Readiness Program (IRP). Ending the ecosystem and capacity building IRP just as the Social Finance Fund (SFF) was launched reduces the pipeline of viable investments available for SFF capital. A viable and growing SSE sector requires co-ordinated and simultaneous skills development finance provision, market access, impact measurement, and networks.
- Provides long-term funding for ecosystem-building in order to:
 - Improve SSE organizations' access to federal innovation, business development, and skills training programs which accelerate the development of Canada's SI/SF ecosystems.
 - Coordinate a national SI/SF awareness campaign to increase understanding of Canadians' roles as innovators, volunteers, donors, consumers, and investors to create better outcomes in communities, for example, highlight social innovations, foster cross-sector partnerships and multi-sector involvement, and support and reach youth and marginalized groups.
 - Create a research and knowledge mobilization initiative



to expand the evidence base and coordinate data, research, and information-sharing across SI ecosystems in Canada.

- Advance the Treasury Board Directive and Public Services and Procurement Canada's policy shift from lowest price to best value, by supporting education, technical advice and intermediary services to SSEs, SPOs and purchasers.
- Support business succession to co-op and non-profit models through access to existing funding programs and amendments to policies, legislation, and regulations. In particular, ensure any tax or other incentives provided to the new Employee Ownership Trust model are also provided to worker-owned co-operatives and multi-stakeholder cooperatives with substantial worker control.
- With many small business owners preparing to retire, employee or community buyouts would preserve jobs and services as well as avoid disruptive closures of many small businesses. A level-playing field would enable employees buying the company employing them to have a choice regarding various models of employee ownership.

2. Implement framework legislation with specific mechanisms and measures to strengthen the SI/SF ecosystem in Canada, following the lead of jurisdictions around the world and in Canada advancing an SSE agenda.

3. Integrate a social and solidarity economy approach into the Government of Canada's housing policies which:

- Ensure housing policy is both good social and economic policy and financial investments
- Challenge the commercialization of housing, given it is a fundamental human right
- Prioritize nonprofit, cooperative, community, and public ownership models
- Ensure communities have access to high-quality social infrastructure
- Ensure public land development includes more affordable housing and community benefit.



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The Canadian Community Economic Development Network represents a national membership of people and organizations committed to strengthening communities by creating economic opportunities that enhance social and environmental conditions for all.