



SOCIAL ECONOMY AND TERRITORIES : THE QUEBEC MODEL

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First I want to thank ACEESA for this invitation to present the Quebec's experience on social economy and local development. It's my first stay in Azores and I'm very pleased to be here.

Second, I must apologize for the low quality of my English. Even if in Northern America English is the common language, Quebec is a French speaking state and in every day life, I work in French and I have few occasions to improve my English.

I was asked to talk about Quebec's Model and I think it is essential to say first that we use the term model not in the meaning of what should be done elsewhere, but to refer to a set of characteristics we can find when we look back to our experiences. These characteristics are relatively fixed and sufficiently institutionalized to be presented as so, but they are also moving according to conjuncture. So we don't think we know what should be done, but we can share what succeeded in our experiences.

I will first make a flash back on the last two hundred years to make clear on what basis the Quebec Model has been developed and also to show that first it is an heritage. Then I will try to present shortly what we are talking about and what are the forces and the limits of the model. And I will conclude with a word about the perspectives which we are right now working on.

1. An historic perspective on Quebec's economy

It is first important to recall that Quebec is a French-speaking nation and the only state in North America where French-speaking people are the majority. During 19th century, capital, business and finance where English and it was difficult for the

French Canadians, as we named ourselves at that moment, to get capital or credit to buy what is necessary to produce neither in industry nor in agriculture.

In towns where industrial revolution was in full development, workers and their families began to use mutual insurances to improve their life conditions and unions to negotiate their working conditions.

In rural communities, cooperatives were created to buy what is needed to produce and to sell what is produced. Mutuality was also a way to prevent the consequences of farm fires, illness and death.

Two names are associated with this period: Jérôme-Alphonse Chicoyne (1840-1910) and Alphonse Desjardins (1854-1920). They worked so hard that at the beginning of 20th century, Quebec Parliament adopted two important laws, one for the unionization of farmers and the second for the creation of cooperatives.

2. Access to credit and inter cooperation

Around 1900, Desjardins organized credit unions in a large number of parishes with the help of Roman Catholic priests preoccupied by the economic problems of the families. Promoting saving was a way to prevent families' problems and a hope to collectively get access to business. In 1932, Quebec government adopted a law creating the provincial federation of credit unions. In the countries, the government put together a lot of small cooperatives to create "La Fédérée" which will become Quebec's first producer in food and agriculture.

This expansion of cooperatives has been sustained by the creation in 1939 of the "Conseil québécois de la coopération". Father Georges-Henri Lévesque, a sociologist who developed social sciences in Quebec, was the initiator of that Council who gave to co-operators a way to pressure public administration to get public policies in favour of cooperation. Workers unions also which began to create organizations to help their members not to be caught by the sharks of finance, supported the Council.

These actions prepared a major shift in the Quebec society, which occurred in 1960 and was called the “Quiet Revolution”. The Quebec state developed large economic projects nationalizing hydroelectric production, creating a society in partnership with Desjardins to support industrial projects and the “Caisse de dépôt et de placement” to capitalize the funds coming from the new retirement programs. All these initiatives created conditions to stimulate Quebec entrepreneurship and promote the creation of consulting engineers firms, hydro equipment producers and even industrial innovations as Bombardier did at its beginning. Quebec also developed an important public sector in social and health services as well as in education. This major development of the public sector became a Quebec’s trademark associated with a progressive perspective in favour of collective ways of doing: thus Quebec has become very different from other North American states.

3. The transition years: 1970-1990

The 1970s were marked by the emergence of new cooperatives: housing, consumers, funeral arrangements, etc. During this period over 300 consumers cooperatives raised 120 000 households and a network of technical support was created to implement housing programs for cooperatives. This new generation of cooperatives questioned the cooperative established movement. Large cooperative organizations were forced to question themselves and had to face the requirement to revitalize the participation of their members. In 1992, the “Conseil de la coopération du Québec” convene the “États généraux de la coopération” to address these issues.

During that period, associations working at local level developed wealth creation and economic activities in local communities. Strategies for community economic development, local development and community development inspired a new generation of social economy based on associative formula. This new sector sought public support and funding. Women’s movement was deeply involved claiming for a program to support what they called “social infrastructures”. A march of women for *Bread and Roses* was organized across the whole country and the government responded by creating regional committees for social economy.

4. The 1996 *Summit on economy and employment*

In 1995, a referendum for Quebec sovereignty was lost and the government chose to turn his action to reduce the budget deficit. Social movements, especially workers unions, asked for a national summit to discuss these issues and propose alternatives so as to avoid a massive loss of jobs especially in public sector. This event called the *Summit on economy and employment* and celebrated in such a moment shows how cooperation of social actors is based on an identity issue.

The Summit was the occasion to develop a triple support system for social economy components:

- The “Chantier de l’économie sociale” received a mandate to support thirteen sectorial projects (home care for elders, childhood centers, etc.) to create jobs and develop collective tools to improve the skills and the expertise of the sector. In 1999, the “Chantier” which was a working party responsible to Premier’s Council, became a non profit organization federating social economy initiatives with a funding from Quebec’s government;
- The non profit organizations called “community movement” which are working on a lot of social and collective issues were recognized in a public policy on community action contribution to citizenship and funds for financial support programs were increased to improve their means;
- The cooperative movement was also confirmed as a vital contribution to Quebec’s economic and social development and a new policy was formulated in 2003.

This shows how social economy development in Quebec is an institutionalized compromise between state regulation and civil society claims. It also shows that social and solidarity economy is a plural reality organized in diverse national federations.

5. The Quebec Model: the players

Quebec now has a solid private sector often called “Quebec Inc”. For example, SNC-Lavallin in engineering and Bombardier in railroad transportation and aircraft

building are multinational companies able to compete with other giants in manufacturing.

It also has an important public sector even on the market place: Hydro-Quebec in electricity production and Caisse de dépôt et de placement in financial sector are public entities on the market place. Quebec also has a public society whose mandate is to support investors and develop new production files. These institutions add to the public services centers. Globally Quebec state produces 48,6 % of the gross domestic product.

The social economy sector opens Quebec to a plural economy in three different ways:

- Cooperatives legally constituted since 1906;
- Community economic development since 1984;
- Associative community action has its own policy since 2001.

6. The Quebec Model: the supports

Social movements —trade unions, women movement, youth movements, farmers unions, etc.— played and are still playing a significant role in the development of social economy:

- Trade unions developed new forms of credit unions with their members who agreed to receive less interest on their funds so as to allow this money to collective issues, be it when an union is in strike or to develop new collective businesses;
- They also created workers funds to save or create business providing employment or new technologies environmentally safe;
- Farmers unions have built an integrated supply management system in the major productions;
- They also created an organization to promote rural development which has special relationship with the government.

Governments also committed themselves in civil organizations dealing with public funds to support local development:

- Community Futures Development Corporations (CFDC) (Ottawa, *Community Futures Program*, 1983)
- Quebec: Local Development Centers (1997)
- Quebec *Rural Development Program* (2003)

7. The Quebec Model: two large families

Social economic sector in Quebec is organized in two distinct families.

On one side, the Conseil québécois de la coopération et de la mutualité includes all components of cooperation and mutuality sector. It is organized on a federative and sectorial basis: 15 federations grouping 3 239 cooperatives and mutual insurance companies generating a turnover of 22 billion canadian dollars.

On the other side, the Chantier de l'économie sociale is a centralised structure issued from the 1996 Summit grouping voluntary sector businesses and some cooperatives, mainly issued from the sectorial projects of the origin: children care centers, housekeeping services for elders, recycling of clothes and domestic equipment, employability, etc. The Chantier has also developed with the help of social movements and governments major collective tools: a social investment network (RISQ), the Sectorial manpower committee for community action and social economy and a trust (La Fiducie du Chantier) to lend patient capital to social economy businesses.

8. The Quebec Model: research and innovation

The Quebec Model also includes innovative tools linked to universities and research centers:

- The CRISES (research center on social innovations) grouping professors and searchers from different universities and the CIRIEC-Canada (International research and information center on public, social and cooperative economy) and his journal *Economy and Solidarities*;

- Community-universities research alliances a program of Social Sciences and Humanities Research Council of Canada allowed three research groups: one on social economy (1999-2009), one on social innovation and community development (2006-2011) and a third on territorial development and cooperation (2007-2012).
- There are also Canada Research Chairs dedicated to social economy:
 - Research Chair on Community Development (UQO) since 1996 (CRC 2002-2008) (<http://www4.uqo.ca/CRDC-GERIS/>)
 - Canada Research Chair on Social Economy (UQÀM) created in 2003 (<http://www.chaire.ecosoc.uqam.ca/ChairederechercheduCanadaenéconomie sociale/tabid/53/Default.aspx>)
 - Canada Research Chair on Rural Development (UQAR) since 2001 (<http://chrural.uqar.qc.ca/apropos.htm>)

An interesting note about these research features is that they operate on an interdisciplinary basis, working in partnership with civil society and having an influence on public policies development.

9. Globalization and Social Economy

Quebec social economy networks are preoccupied with North-South solidarity in different ways:

- Desjardins International Development (DID) acts with growing credit unions in many South countries. It offers the Quebec know how to cross the growth gaps and develop data processing networks in banking. DID has organized an international association with all his partners from South. They have a meeting at least once a year so as to develop inter cooperation.
- Fifteen cooperative federations have joined their means to offer a one to one support for sectorial cooperative projects in 26 different countries. For example a forest worker can go in a South cooperative to help forest workers to implement a forest development plan.
- Quebec cooperatives are also present in the *Rencontres du Mont-Blanc* with many large European cooperative or mutual organizations

Quebec social economy networks are also partners in solidarity economy networks:

- The Women's World March is an initiative from the Quebec Women Federation which is still fully committed to the project;
- The GESQ (Quebec Solidarity Economy Network) is one of the first partners of the RIPESS (Intercontinental Social and Solidarity Economy Network). We organized the second International conference on Solidarity Economy in Quebec in 2001 and helped Senegal to organize the 2005 one. We were also in Luxembourg in 2009 (Lux') and we prepare the next meeting to be held in Philippines in 2013.
- Quebec is also an important partner of the Social and Solidarity Economy Area in each World Social Forum since 2002.

10. Determinant achievements

Now in Quebec we can say that:

- The tradition of cooperation and association for economic goals is an heritage;
- There are pluralistic strategies to develop solidarity economy. It's important even if often difficult to manage: debates are important to forward innovation;
- Social movements —trade unions, community action, ecologists, etc.— are committed to the development of alternatives to an economic system that does not operate for people;
- All social economy initiatives are grounded on a local territory where the future is to build. They develop identity and sense of belonging to a community and allow a development of democracy, a real issue in the actual period.

11. A rough time

Since 2000, conservative governments have been elected in Quebec and at the federal level, giving a priority to centralised decision making rather than local development and working with big business better than with local organizations. They favour privatization instead of social economy initiatives to supply services.

- For example, the provincial government closes eyes to illegal opening of private nurseries and assigns permissions to private children care center rather to social economy ones;
- In the sector of housekeeping services as well as in home support and elders accommodations, the private sector is preferred to public or social economy initiatives.

Public sector have been weakened by these privatizations and the dominant ideology of the better know how of private sector to manage organizations. Civil society is reduced to damage control.

Furthermore, social movements mobilization capacity is weaker than in the precedent decade. People are more ready for short-term issues than for long-term development.

12. Eco development issues

Local territories are the best place to develop the kind of integration needed for sustainable development: social economy initiatives are grounded in their communities. This should be an opportunity to deal with.

In this perspective social economy organizations are in good place to participate to ecological development projects in the communities in which they are active.

13. Short term outlooks

In Quebec, two events will mobilize social economy networks:

- Preparing the celebration of 2012 Year of Cooperatives according to United Nations Organization, the Quebec Council of cooperation and mutuality convened an international conference in Lévis last September and is preparing regional actions to foster collective thinking on a societal solidarity project (<http://www.coopquebec.coop/>).
- The Chantier calls for October 2011 an International Forum on Social and Solidarity Economy on government and civil society relationship (<http://www.fiess2011.org/>).

Thank you.