



# BuildingPolicy4 the Social Economy

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Social Economy and Sustainability Research Network  
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Bridging, Bonding, and Building / Renforcement des liens et des capacités

## The Municipal context of the Social Economy

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### Research Summary

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#### 1. INTRODUCTION

Adopted in 2004 by the National Assembly, Bill 34 has confirmed the fact that local development is a responsibility of local elected representatives. This responsibility for development manifests itself in the different bodies on which the elected representatives are called upon to sit: the « Conférence régionale des élus » (Regional Conference of Elected Officials), the « Centre local de développement – CLD » (Local Development Centre - LDC) and the municipal council. For this reason, their participation in and the perception they have of local development, and in particular of local development through the social economy, can make the difference between accepting or refusing to finance a project.

#### 2. METHODOLOGY

The objective of the research project is to determine why certain municipalities and the Regional County Municipality (RCM) are more inclined than others to support the development of social economic enterprises. We are seeking to shed light on the perception which Estrie's elected officials have of local development and the potential of the social economy as an added value to this development.

The research has been divided into three sections:

- a) A review of the literature was completed, which did not involve any people because it was done through secondary data.
- b) Surveys will be carried out with all the municipal elected officials in the Estrie Region by means of a structured questionnaire.
- c) Semi-directed interviews will be done with certain key players from the Local Development Centre of the two RCMs chosen following the analysis of the questionnaires. We will proceed with a snapshot of the
- d) management of social economic funding in these two RCMs.

#### 4. RESULTS OF THE 1st PHASE

- ◇ The collection of primary data was completed in two phases.
- ◇ The first one was done by the distribution of a questionnaire to the 636 elected officials in Estrie's seven RCMs. The total rate of response is 20.3%.
- ◇ The second will be done through semi-directed interviews with the staff members of the chosen LDCs. We are presenting the results of the first phase.
- ◇ We have analysed the perception of elected officials by cross-referencing two types of data: their understanding of the social economy and the actions taken to develop or encourage the social economy in their area.

- ◇ 72.9% were elected in rural municipalities; 25.6% live in urban areas.
- ◇ 24.8% are from mayors and 75.2% from municipal councillors.
- ◇ 42.6% have university diplomas; 24% have a college diploma and 30.2% have completed high school.
- ◇ 32.6% are from retirees; 24.8% from administrators; 14% are employees from the community/the social economy sector and 7% are farmers.
- ◇ 34.9% say they are between 56 and 65 years old; 28.7% are between 46 and 55 years old; 19.4% are between 15 and 45 years old; 13.2% are more than 66 years old and 3.9% are less than 35 years old.
- ◇ 21.7% are administrators of an LDC or of a « Corporation de développement économique communautaire – CDEC » (Community Economic Development Society - CEDS). The mayors are the ones who have the best knowledge of social economy funding in their RCM, as they are on the board of directors of their LDC.
- ◇ Officials with a postsecondary diploma are more open to the idea of giving a subsidy to a social economic enterprise. Of the college graduates, 83.3% are ready to give a private contract of less than \$25,000 and 50% are inclined to grant a contract of more than \$25,000 without invitation to tender as required by law. In all cases, those who are less open-minded are the elected officials who have university degrees.
- ◇ Using the same variables, Coaticook is the RCM most willing to grant a subsidy to a social economic enterprise (77.3%), while the Memphrémagog RCM (48%) is the contrasting case.
- ◇ The Coaticook RCM obtains a level of 0.598 for 'the social economy development role'; 0.507 for 'the courses of action the municipality should take to develop the social economy'; and a level of 0.659 for 'the extent to which the elected official is ready to go to promote the social economy'. The contrasting case is the Memphrémagog RCM, which has a level of 0.299 for 'the social economy development role'; 0.165 for 'the courses of action the municipality should take to develop the social economy' and 0.198 for 'the extent to which the elected official is ready to go to promote the social economy'.

## CONCLUSION

- ◇ It is still too early to make definitive conclusions. However, we can suggest certain avenues to explore.
- ◇ There exist a great confusion between the community and the social economy sector.
- ◇ Considering the social economy as a community movement is one of the reasons for which the elected officials are more open to subsidizing instead of granting contracts. This is despite the fact that our interviewees claim that the social economy is linked to economic and social profitability and not to the economics of the poor.
- ◇ Members of a municipal council who have the highest level of education are those who are less interested in supporting social economic enterprises and they do not feel ready to commit to the establishment of a development policy through the social economy.
- ◇ The type of municipality and the involvement of elected officials in the different governing boards is of paramount importance: the urban municipalities are more open-minded than the rural municipalities. In addition, being the member of a governing board of an organization whose mission is local development proves to be a major factor in developing awareness.
- ◇ Neither the age nor the type of work done by the elected official are significant factors in the way they perceive the social economy.