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4. CANADA: SOCIAL MOBILISATION, INSERTION AND LOCAL DEVELOPMENT IN CANADA (QUÉBEC)

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1. Historical Overview: Development of The Labour Market and Public Unemployment Policy¹

1.1 The Labour Market and Dualisation

Canada, and Québec in particular, has suffered from unemployment rates of over 10% for a number of years². In certain cities unemployment rates can be over 15%. Young people are the hardest hit (18-20%). Furthermore, since 1990 the level of employment has been dropping: in 1998 it was only 65.7% for Canada as a whole, 62.5% in Québec.

However, the overwhelming feature is that the nature of unemployment is changing. At the beginning of the 1990s there were three times more unemployed people than 30 years ago (4.6% in 1966 against 11.5% in 1998), staying unemployed for three times as long (an average six months now as opposed to two months then³)? Three in ten of them are young people. In contrast with the 1960s there is a complete reversal in the relationship between working ability and age. Even though manufacturing industry's share of GNP remains around 20%, there is an increasing trend

¹ Most of the statistics given in this document deal with Québec, without, however, losing view of its position in Canada as a whole. To reiterate the salient features of the economy of Québec as a region of Canada and as a society: Québec's GDP of \$CDN 173.6 billion accounts for 23.2% of that of Canada, and its 7.2 million inhabitants are 24.8% of the Canadian population. Its main areas of economic activity are production of manufacturing goods, telecommunications equipment, transport equipment and metals, forestry and paper-making.

² After reaching a maximum of 13.9% in 1983, up to 1998 the rate of unemployment in Québec has varied between 10% and 13% (8% and 10% for Canada as a whole). Unlike the USA and Japan, Canada shares the European pattern of structural unemployment, which has been growing since the 1970s.

³ Since 1990, around 400,000 Québécois workers have been receiving benefits annually from the Canadian Federal unemployment insurance programme (369,000 in 1998, 448,000 in 1999); 483,000 others were in receipt of income support under the Québécois programme, mainly the long-term unemployed. This represents 22% of the working population.

towards loss of jobs in the manufacturing sector and big business in general, while job creation occurs most often in the service sector and as part-time work in small businesses.⁴

At the same time, the ever-decreasing room for manoeuvre of the two levels of government (federal and provincial) has put public social measures (health, social services, education, etc.) at risk, in such a way that social and geographical dualisation is tending to grow.⁵

1.2. Changes in Public Policy in the Face of Unemployment: Introduction of Active Measures

The response of public authorities to unemployment and the dualisation it brings with it has been hesitant and contradictory. The first response was the great about-turn that challenged the precepts of the “passive” policies of the “30 glorious years” (1945-75). In the 1970s adult education, compensation for the unemployed and aid for providers of income support, started to be targeted more directly on active employment policies.

Carried along by the growth rate, employment policies prior to 1975 were established on the basis that unemployment was short-term, and operated through adjustments in the labour market to encourage a stable relationship between businesses and the workforce. Imbalances in the labour market gradually made it necessary to take measures regarding increasingly specific groups of the unemployed, including measures for younger and younger able to work groups. Thus, by the mid-1980s new vocational training programmes were coming into operation: vocational training centres were being resurrected; vocational training was taken under the wing of the Ministry of Employment rather than the Ministry of Education; programmes of aid for employment and the improvement of the employability of those capable of work and receiving welfare, following a reform of the welfare system (short-term traineeships); and the creation of the *Société québécoise de développement de la main-d'oeuvre* (SQDM - Québec Society for Manpower Development) in 1993, which marked a turning point in vocational training.

The mid-1980s thus saw the arrival of the first public measures for employment and social insertion. In 1990, as part of the reform of the unemployment insurance scheme, the Canadian federal government moved with the trend by making up to 15% of the balance of the unemployment insurance fund for “productive” purposes. Since 1990 \$CDN 1.3 billion has been made available, more than \$CDN 800 million of which has gone to fund activities in training, integration into the labour market, and aid to employment⁶ In 1997-8 the Québec government

⁴ Between 1976 and 1995, 670,000 jobs were created in Québec, of which 73% can be considered atypical (Matte *et al.*, 1998). The same study notes that this growth in Québec has not been able to create sufficient activity to replace the jobs lost during the recessions of 1981-2, and 1991-2

⁵ Conseil des affaires sociales (CAS) (1989); Conseil de la santé et du bien-être (CSBE) (1996).

⁶ Before their modification in 1996, in Québec passive measures (compensation) and active measures (vocational training and employment promotion) accounted for nearly \$10 billion in 1995, including \$5.18 billion from the Canadian federal government (for the unemployed) and \$4.45 billion from the Québec government (for those in receipt of income support). Out of this total, only \$1.6 billion go towards active measures: \$835 million from Québec and \$790 million from the federal government. See *L'Emploi, travaillons-y ensemble*, Government of Québec (1995).

reinforced public efforts towards active measures, negotiating an agreement with the federal government for the repatriation of measures targeted on the unemployed. It proposed reforming the entire system, integrating unemployment insurance, training of the labour force, aid and insertion for income support claimants within the framework of local employment centres.⁷

The main stumbling block to those policies and measures is that, despite everything, unemployment is not falling; instead, it has changed in volume and nature. In this new situation that, for a little over a decade, we have been witnessing a remobilisation of civil society and increasing numbers of social experiments (insertion through economic activity and local development), which is pointing the way to a new developmental model.

2. The Voluntary Sector Movement and the Fight Against Unemployment

2.1. Portrait of the Voluntary Sector Movement

The voluntary sector in Québec consists of 90,600 voluntary organisations.⁸ Publicly available data makes it possible to obtain information on a little over 24,500 of these voluntary organisations. These can be categorised along the links of their area of action: 56.6% of the voluntary organisations fall within three divisions of the “social” sector (social and community links, social and cultural leisure activities, social action). The other main area for action is sport (21.6%). Although these data are highly useful, they fail to enlighten us on the voluntary organisations' economic activities. It can, however, be estimated that around 20,000 voluntary organisations in Québec carry out some form of economic activity⁹ Furthermore, the “community organisations” - which generally serve as our best indicator as they constitute the most active kernel of the voluntary sector movement¹⁰ - carry out an economic activity in the vast majority of cases, i.e. they employ staff and produce goods or provide services. Thus, today, in the health and social services sector alone, around 2500 community bodies had nearly 10,000 regular employees, 15,000 casual staff and 340,000 volunteers¹¹

There are three generations of these organisations. The first, which dates back to the mid-1960s, has close ties with occupational trade unionism. It consists of groupings of citizens calling for the public authorities to provide public amenities and services to meet the requirements of local communities. The second generation, which sprang up at the beginning of the 1970s, brings

⁷ MSR (1996).

⁸ Lévesque and Malo (1992).

⁹ Of the 71,500 voluntary organisations registered as charitable bodies in Canada, 85% - 60,775 - employ staff (five or fewer in two-thirds of cases). Pro rata, Québec should thus have 20,000 voluntary organisations employing staff (Leduc Browne, 1996).

¹⁰ Bélanger *et al.* (1994).

¹¹ Bélanger (1995). There are several thousand organisations operating in other fields: more than 1000 involved in popular education, 800 non-profit crèches, 100 or so community leisure centres, 100 or so community media organisations, more than 1000 housing cooperatives, 100 food distribution co-operatives, more than 150 labour co-operatives, 500 community kitchens, some 200 community employment training bodies, around 100 community or insertion undertakings targeted on the service sector (home helps, domestic maintenance, catering, paper recycling, housing renovation, etc.).

together citizens and professionals offering services as an alternative to these provided publicly. The third and final generation started to emerge from the mid-1980s onwards, in the fields of insertion, local development and community economic development. Community organisations belonging to this generation are more explicit in categorising their work as part of the “social solidarity economy”¹² as these wide-ranging experiments satisfied the two criteria defining the solidarity economy, namely the mutual creation of supply and demand by end-users and those working in the organisations (both paid staff and volunteers), and crossovers between the market, non-market (i.e. public) and non-monetary (voluntary and local contract-based) economies. The jobs created along the way by these organisations are usually dependent on the services on offer and on the emphasis given to them by both workers and end-users¹³

2.2. Voluntary Sector (and Co-operative) Integration Initiatives

The last decade has seen the emergence of a new activism, economic in nature, among the social movements (trade unions, voluntary organisations, etc.). This activism is focusing on creating new organisational forms and finding new areas for intervention.

Alongside the voluntary sector movement and the base-level cooperatives (housing, labour, etc.), the mobilisation that has taken place in the field of integration by economic means has been centred on three types of initiative: territorial initiatives for economic and social regeneration, such as the regional committees for the relaunch of employment and the economy (CRÉE), the community economic development corporations (CDEC), the community development corporations (CDC) and societies for aid for local development (SADC); sectoral initiatives for socioprofessional integration (bodies working in training for employment, community enterprises, integration enterprises), and funding initiatives (development funds and loan associations).

From the trade union aspect, there has been a clear convergence with voluntary organisations in the fields of integration and local development. Indeed, since the 1980s there have been moves towards buyouts of enterprises in difficulty, a number of social innovations at the level of organisation of labour within traditional businesses, and more generally a change of direction towards what can be termed “co-operation in conflict”.¹⁴ At a local level, unions - with the support of their regional and national leaderships - have become little by little more involved in public and voluntary sector structures for integration and social development. We have even witnessed joint efforts by trade unions, voluntary organisations and major co-operatives alongside part of the private sector for action on the thorny topic of employment. Two experiments have proved particularly revealing in this area: the National Employment Forum¹⁵ and the regional and sectoral

¹² A concept that distinguishes them from the powerful and historic co-operative bodies operating in the financial and agricultural sectors. On this topic, see Aubry and Charest (1995); Favreau (1999).

¹³ Laville (1992).

¹⁴ Boucher and Favreau (1994).

¹⁵ The National Employment Forum has been in existence since 1989. After having held forums in the various regions of Québec and subsequently bringing together 1600 participants in a national meeting (500 trade union delegates, 250 delegates from voluntary organisations, 200 representatives of co-operatives, 135 delegates from the private sector and 175 delegates from the two wings of central government), a national secretariat and regional co-ordinating bodies

development funds created by the social economy institutions (the *Mouvement Desjardins*¹⁶ and the venture capital funds of the major trade union organisations).

were set up. Since 1990 the National Forum has regularly hosted, co-ordinated and organised promotional activities in support of employment and the revival of local communities.

¹⁶ It should be recalled that the *Mouvement Desjardins*, the most major financial institution in Québec, is principally based on a network of 1300 savings and loan co-operatives, operating in 625 local communities

A Community Economic Development Corporation in Montréal

Launched in 1985, the CDEST is part of a movement formed in three declining working class districts of Montréal. In 1984 ten or so voluntary organisations in one of these districts put pressure on the Québec welfare ministry and obtained a subsidy to encourage new measures for employment and the revitalisation of the area. Thus the first Québécois community economic development corporation (CDEC) was born. Two others, including that in the east (CDEST) followed closely on its heels. Ten years on, these three first generation CDECs do not merely cover the original neighbourhoods, but have expanded to cover three times the area. Furthermore, other "second generation" CDECs now cover the whole Montréal area. They operate in the following spheres:

Development of the abilities of the resident population through various measures: reference and follow-up services, assistance to job-seekers, and training activities for those excluded from the labour market (raising the educational level, specific apprenticeships).

Active intervention in the labour pool by improving the position of local businesses: support for management and financing of existing businesses and support for start-ups from a community development fund.

Support for the reconstruction of the fabric of society: tackling the distancing of schools from society, and preventing the isolation of families on welfare, etc.

The CDECs benefit from five-year agreements with the public authorities. They exercise certain powers with governmental authority over their area to encourage the birth of local production systems. For this purpose, the first CDECs set up an employment development fund, the *Fonds de développement Emploi-Montréal*, in conjunction with the Québécois workers' solidarity fund (FTQ) and the City of Montréal. Additionally, projects for insertion through economic means have access to other sources of funding such as the Montréal Community Loan Association and the lending circles.

The CDEST has a general operating budget of around \$1 million, drawn from five different public sources. It employs 25 regular staff, mainly as development agents. A few of the most well-known insertion initiatives which have sprung up in the CDEST area are the *Chic Resto Pop*, a community catering enterprise, *Boulot Vers*, a social insertion enterprise for young people aged between 16 and 25, *La Puce Communautaire*, an microcomputer training business whose priority is the returning women to the labour market, and the *Hochelaga-Maisonneuve* network of community kitchens.

3. The Experience of Social Integration through Economic Activity

3.1. General Scope of these Initiatives

Voluntary organisations' initiatives in the sphere of integration have often been modelled on co-operative enterprises (although not in general taking on that formal status), and those dealing with local development on the experience of development co-operatives in peripheral regions such as the JAL in eastern Québec, or on the more urban experience of the American CDECs.¹⁷ Carried out on a province-wide scale (not just the most isolated regions), these moves are triply innovative. First, they bring together parties that represent the whole spectrum of society - trade unions, employers, citizens, voluntary organisations and public sector bodies; secondly, they are aiming less at calling for state intervention and more for solving economic and social problems through the action of the bodies mobilised; and finally, they are among the actions searching for new models of development, with a new balance between the "social" and the "economic".

What, in the end, can be said of each of the main elements of this type of initiative? First, the experience of territorially based intervention demonstrates that it is possible to work simultaneously on several problems as a partnership, to encourage the integration of the most disadvantaged members of local communities. Furthermore, sectoral economic initiatives for social integration show evidence of a trend towards responsibility being taken locally to meet the social demand for the provision of local and personal services, which can become both sources of employment and instruments for reconstructing social solidarity: child care, domestic maintenance (gardening, decorating, various repairs, etc.), upkeep of river banks, lakesides and beauty spots, repair workshops (for household goods, bicycles, etc.), catering for neighbourhood schools, home help services, etc. Third, trade unions and voluntary organisations are setting up their own development funds since the traditional financial institutions are reluctant to support these initiatives, which are considered too high-risk and low yield. This funding can in some cases be on a national scale, as in the instance of the trade union funds,¹⁸ or otherwise be funds created by local communities using local personal savings.

Taking the examples presented in this text, it will be seen that for a given geographical area these initiatives are succeeding in setting up a genuine socio-economic network, combining market and non-market aspects within productive initiatives. Furthermore, the prospects for a solidarity-based economy rest, at least in part, on a number of these initiatives. These seek in effect to strengthen both the social ties of a community and job creation, thus refusing to have their conduct dictated purely by market principles.

¹⁷ Favreau (1994a).

¹⁸ Fournier (1993).

Hochelaga-Maisonneuve *Community Kitchens*

Launched in 1997, the *Hochelaga-Maisonneuve* community kitchens consist of ten groups, each of eight to ten people. Since 1990 the groups have formed into a network bringing together women - often heads of one-parent families. The community kitchens help their members to pool money for food, to negotiate good prices with local suppliers, and to get together several times a month to cook a number of meals for the freezer, with on average two to three hundred meals being prepared each month. The kitchens of this locality were also the initiators of a plan to follow the model of Québec City by bringing together a hundred of the five hundred or so catalogued to date. The organisers of these groups are hoping to set up purchasing co-operatives. All of these community kitchens have close ties with their local voluntary sectors. The majority of them are or have been supported by the local CLSC or by a local church.

Other kitchens in Montréal have already launched projects that go beyond mutual aid to create real businesses. This is the case of the *Cuisine des parents*, who chose to launch a small business in 1991, currently seven women hold a regular job preparing hot meals for 680 children attending three local schools. This community enterprise also provides part-time work for 23 people.

In this last instance, intervention by the CDEC encouraged this group of women to move on into the commercial sphere. It provided the assistance needed in the start-up phase, basic vocational training including practical literacy, financial support and lastly but not least backing for the management of the business. After six years operation the business has reached a steady state with an annual budget of around \$325,000 to \$300,000, of which 60-65% is for work with local schools.

Although they allow themselves in some measure to be constrained by market forces, these economic activities - project promotion, occupational training, real manufacturing activity and the funding of projects - seek to introduce a qualitative distinction. This is primarily evident in their origins in initiatives seeking to bring together those excluded from the labour market. Subsequently, distinctions can be drawn because of objectives primarily linked with realising the economic and social capacities of a group or a community in difficulties. They can also be distinguished by their management practices, which are primarily those of a voluntary organisation. A final distinction can be drawn from their reliance on capital, which has a double nature, being simultaneously entrepreneurial and associative. However, the economic fragility of these initiatives often leads to their being set up in a stronger partnership with local economic and social institutions, the latter serving as a form of fallback position. These initiatives thus establish links with co-operative financial bodies (savings banks and credit unions), charitable institutions and voluntary organisations (foundations, religious communities) and certain local and regional

public bodies such as local community service centres (CLSC),¹⁹ city councils and regional manpower training centres, etc.

3.2. Areas Covered by these Initiatives

Territorial programmes for integration and local development The CDEC, the CDC and the SADC have shown themselves to be vital tools in the economic and social revitalisation of communities in difficulties through multiple activities, co-ordinating the forces available to a community and implementing a policy for local development. Such measures to assist integration do however run a risk: local communities can have their development priorities taken over by public authorities attempting to pursue their own agendas. Here there is a clash between two different approaches: the administrative rationale behind public programmes with their own targets and the approach taken by voluntary organisations within these local bodies, tending to put greater value behind the social structures of a community, small-scale operation, etc. Further tension exists between businesses involved in these initiatives, primarily interested in commercial development in certain sectors identified as the most profitable, and voluntary organisations who put more value on employment in connection with local development. There are thus two different approaches: social and economic revitalisation of local areas themselves or development of businesses within these areas.

Sectoral integration initiatives This sub-category includes three types of initiative: insertion enterprises, community enterprises and vocational training bodies. These integration initiatives are mainly positioned downstream from the social and economic revitalisation of communities. There is an awareness that their work all too often finishes at the factory gate, and they are therefore developing an “on the hoof” internal approach to employment, in which they are forced to operate within the ever tighter rules of the public programmes, which were set up to deal with social emergencies. Depending on the area and the type of business, between 30% and 50% of the unemployed and welfare recipients registered with these enterprises end up back where they started, although there have been a number of successes.²⁰

Thus, in a period when the problem is not merely unemployment, but also rising job insecurity,²¹ successes are becoming ever rarer. Like a breath of fresh air in a stifling atmosphere of unemployment and insecure jobs, those running projects within these bodies are restricted in their scope for work; they often have to struggle with the need to plan their projects with no support from the public programmes, or to manage public programmes having continually to find compromises in order to reach a minimum of social effectiveness. In short, for this category of initiative, there are three essential keys to meeting the newest challenge: not merely to rely on the capacity of existing enterprises to handle initiatives; for public programmes, not to limit

¹⁹ The CLSCs, set up in the 1970s, are front-line public organisations providing health care and social services for local communities of on average 50,000 population. They generally employ between 100 and 150 health care and social service professionals (nurses, nutritionists, social workers, home helps, community organisers, etc.).

²⁰ In a recent study of 26 insertion enterprises considered to be innovative and dynamic, researchers found that the rate of placement in jobs or further education or training was 70%, and that 78% of trainees were still employed or in education six months later (Valadou, 1995).

²¹ Castel (1995).

themselves to local solutions, and to take a more direct blanket approach to the revitalisation of local communities (in this instance community economic development).

Chic Resto Pop, a Community Catering Enterprise

Launched in 1984, this community catering business currently prepares over a thousand low-price meals on its premises daily, largely from recovered foodstuffs, and caters for seven local schools. It is a non-profit making body (OSBL) that provides work for 18 permanent staff and 105 others in the process of reinsertion. Its clientele consists in the main of welfare recipients, the unemployed and the low-paid. Its annual budget is close to the million dollar mark: in 1996 it was \$930,000, including \$448,000 in proceeds from its services, more than \$150,000 from sources in the voluntary sector (Centraide and donations) and \$328,000 from various public sources (Health and social services, the income support service, the education council, etc.).

This business is also a venue for mutual aid, social work and training for employment (taking on trainees, literacy training, alternative French language teaching, community psychiatric care and cultural promotion of young local musical talent). It has special ties with the whole voluntary network in the district, including sending a representative to a local development round table. In its early days it was supported by the local CDEC, the CDEST as a community-based enterprise (assistance in the launch, funding and management support), and by the district's local community service centre which provided expert advice on community organisation and nutrition. Additionally the Pop-mobile (a mobile catering service directly linked to *Chic Resto Pop*) employs three permanent staff and takes on around 20 trainees. The *Chic Resto Pop* was also active in the launch of a local music festival (250 volunteers, four days of entertainment and 20,000 admission in its first year, 1992). This led to the creation of a new enterprise operating in the cultural field.

Initiatives for the financing of integration This new provision of funding comes in large measure through non-traditional financial channels and results from the pressure of local demand. It aims at meeting the demands of the SME and microenterprise sector, which includes a number of social economy enterprises (voluntary organisation-based or co-operative). These development funds thus seem to be precious tools for local, regional and community development²² Some of these funds are basically market-oriented, while others aim to combine economic viability and social utility.

4. The Interface between Voluntary Sector Insertion Initiatives and the Public Authorities

Since the mid-1980s the various social actors in Québec have become increasingly aware that the development model which has been taken as the norm since the Second World War is now going into reverse. This awareness is based on a number of observations, the two most important of

²² Lévesque et al. (1995, 1999).

which are the inability of the Fordian production model to find a solution to the problem of unemployment and, in parallel with it, the inability of the consumption model and the welfare state in particular to respond to new needs as it has to those already taken on.

In this new climate, how have public authorities tended to react? Do they support those who are running projects? Two trends have come to light: on the one hand public authorities react mainly to emergencies and hardly at all to development; however, in the current atmosphere of institutional uncertainty, gaps have started to appear: the various initiatives for integration through labour and local development have started to gain a certain degree of recognition.

Montréal Community Loan Association

The Montréal Community Loan Association (MCLA) was set up in 1990, inspired by the American model of community loan funds. It was established on the initiative of a Montréal CDEC. Projects for insertion through economic activity therefore have a locally-based source of funding on hand. With a current capital of \$376 000, the MCLA provides loans over two years to small businesses of between \$2000 and \$15,000. Twenty three loans have been made in four years, to a total value of \$220,000. Two people work for the fund, one - a social worker by training - as a co-ordinator, while the other has training in business administration. Two or three people from various employment programmes monitor the various cases and provide assistance for projects. The MCLA has three accounts: a loan capital account of around \$200,000, a reserve fund of \$70,000 and an operating budget that enables the employment of two staff.

The MCLA defines itself as a coalition of lenders, borrowers and technical advisors, whose aim is to provide loans to business projects which will create jobs in the community, particularly for single mothers, immigrants, and refugees as well as those receiving welfare. The capital comes from a wide range of sources including churches, the City of Montréal, businesses, foundations and individuals. Its loans are repayable at lower than market rates. It is also able to serve as a guarantor to banks and savings and loans during the start-up of a business. The MCLA is autonomous and receives no state funding. Its loan capital comes from various institutions and businesses which have recognised the value of this initiative. Some people are already calling it “the community bank”²³

4.1. Public Policy and Integration Initiatives: The Programmes for Target Group

The majority of public policies for aid to employment are tightly targeted on particular populations and intervene on the basis of urgent need. The primary effect has been to stack up a range of measures designed to shore up the damage caused by “progress” for all sorts of specific categories of the unemployed and welfare claimants. In this context the public authorities' social insertion initiatives have been considered as social palliatives.

²³ Up until 1996 there had been 102 programmes, 73 coming under the Québec government and 29 coming under the Canadian federal government. Since the reforms of 1997-8, public employment services are provided through local development services, which support five large programmes and integrate more specific measures.

The criticism emanating from those working in the field and analysts centres on the following points: these policies and the practices that accompany them are compartmentalised, the sums invested in short-term measures are considerably more than those committed to development projects in communities in difficulty; the programmes are generally too inflexible and involve keeping the beneficiaries under surveillance; and finally, if their initial impact is to respond to immediate needs, their secondary effects tend rather to lend validity to the current process of social dualisation.

Within this framework the interface between voluntary sector initiatives and the public authorities is increasing the risk of a drift towards subcontracting and service provision, due to the low levels of support given to project managers, whose leadership is vital to the programmes' success. In the long run, for every programme that is launched successfully, another fails to gel or ends up reducing its work to mere substitution.

4.2. The Emergence of Horizontal Public Policies

Alongside this very strong tendency, under pressure from local communities and social movements, a local development policy did however, emerge. This second trend gave much greater credit and autonomy to voluntary organisation experience in insertion and to the accompanying development measures such as CDECs, CDCs and SADCs. Rather than simple damage limitation, these programmes were able to encourage the economic and social revitalisation of communities in difficulty. Consider a few examples: in the field of social affairs, *Centres locaux de services communautaires* (CLSCs, community local service centres) are implementing an intervention policy for neighbourhood teams taking an area-based approach, rather than targeting a particular population; in the domain of vocational training and regional development, public programmes in support of local authorities are providing long-term funding to local development agencies including CDECs, CDCs and SADCs.

The emphasis therefore is on a territorially based public programme, backed up by a multi-partner approach relying on multi-activity methods of intervention that are likely to fit in far better with insertion initiatives. These programmes are, however, still at an experimental stage, and their budgets are very small compared with other programmes.²⁴ However, these emerging policies may have a more lasting impact. Their initial effect is to impose an imperceptible shift in the way problems are predominantly presented. A second effect is they allow a medium-term intervention process to be introduced (funding over five years, for example). Third, these policies are representative of a broader trend towards regionalisation involving all the social actors (businesses, trade unions, community organisations, citizens). Here we are faced by a different policy that calls for a more interventionist state likely to have more structuring effects for local authorities. This latter type of policy is based on a double dynamic that is already operating: a grass-roots economic and cultural movement built around concepts of partnership, community, local development, social contract, etc. In fact this dynamic permeates all the major players in Québécois society - not merely bodies with social aims (trade unions, cooperatives, voluntary organisations) but also many businesses and public institutions, alongside an increasingly

²⁴ Until 1996, insertion measures linked to local development, provided by the two levels of government for Québec (Provincial and Federal) did not exceed 10% of the total budget for Québec, and 15% for Ottawa.

significant proportion of those in the social professions, in both the public and voluntary sector sectors who are questioning the traditional forms of social intervention that have come out of the local authority mechanisms set up for social transfer.

5. Conditions for the Success of Insertion Initiatives

Research on the conditions for success in Québec, Canada and the USA has managed to identify a number of preconditions for successful project startups.²⁵ They can be summarised as follows:

- (a) A local population that has a certain level of social cohesion. Insertion initiatives get results where a feeling of belonging to a local community is already widespread.
- (b) A significant level of active voluntary organisation membership. A pre-existing active voluntary organisation membership favours the emergence of insertion and local development initiatives. The ability of voluntary organisations to home in on new needs and appropriate strategies is just one of the vital ingredients.
- (c) Scope for collective entrepreneurship. Above and beyond the presence of voluntary organisations, an enterprise culture facilitates the emergence and development of initiatives for insertion by economic means; the ability to make proposals, an organisational culture (bringing together the objectives of economic viability and social requirements, rigorous management and strategic planning).
- (d) Local institutions (local government, etc.) that are in favour of the new area-by-area partnership approach are another factor in encouraging the launch of projects.
- (e) National-level public authorities who are open to experiment: insertion initiatives need state financial support without constraints.²⁶ The limited nature of certain aid, the inflexibility of many programmes and the increasing uncertainty of agreements demotivate project leaders. The fragmentation of responsibilities between different ministries and services is also a very major obstacle.

6. Voluntary Organisations, Insertion and the Social Economy: Prospects

6.1. Social Mobilisation, Insertion and Local Development: from the 1960s to the 1990s

During the 1960s and the 1970s social mobilisation in Québec was basically oriented around the state, within the two-pronged structure of the nation state, under the impulse of a movement - which crossed class boundaries - to win Québec national status within the Canadian confederation, and the welfare state propelled by strong demand from social movements. During the 1970s and

²⁵ Favreau and Lévesque (1996); Fairbairn (1991); Christenson and Robinson (1989); Perry (1987).

²⁶ Valadou (1995).

1980s this broad movement, in the worst cases, fragmented into a multitude of groups with category-based interests.

However, with the arrival of the 1990s state-based concepts and national spaces seemed to be losing headway to regional space as a framework for reference or belonging. A society fragmented by the slump started to rebuild itself from the bottom, through local communities and the regions. This new dynamic certainly raised a new type of challenge to those running projects within the voluntary sector, such as the partnership method, rigorous business management, efforts towards self-funding, the creation of economic information networks, and the promotion of services, etc.

In a more general fashion, the voluntary sector movement, which is active in the fight against unemployment, has a place at the heart of the new solutions to the crisis in unemployment, the welfare state, and local communities in difficulty. It lies at the intersection of the relationship between the state and civil society, the relationship between local communities and development, and the new relationship between the “economic” and the “social”. This new dynamic also falls within the more general framework of a social contract that is coming into effect - at enterprise level between management and the trade unions, at regional level between local authorities and central government, and at local (village or urban community) level between citizens, their local community and the state, and in environmental issues between local communities, the State and businesses. The voluntary sector and the social economy enterprises that it promotes, are finding themselves at an ever-increasingly sensitive point in a society which is in the process of constructing itself. It is at the intersection of the “local” and the “global”; and it operates in spaces where the new techniques of social transformation are emerging, a space that no other sector of society really occupies.

6.2. The Current Period -Transition

The last decade (from 1990 to today) can primarily be seen as a period of social experimentation. First because the state is looking for new avenues to counter social exclusion, and second because the social movements are also looking for new avenues. This period has given rise to a vast proliferation of experiments, a multiplicity of areas for intervention, methods and forms of bringing people together. This period is also characterised by a certain effervescence: strong motivation of those involved, a call for more “economic” expertise, proliferation of activity-based projects, local development, enterprises for social integration by economic means, and community development funds, etc. All developing in a somewhat chaotic fashion, in such a way that “networking” has become a vital necessity.²⁷ In brief, we are witnessing a move, little by little, into a new phase dominated by the synchronisation of initiatives around a core of local development. In all likelihood this will ease the passage of experiments and developments²⁸

²⁷ The Québec government is indirectly encouraging this. It has opened a social economy workshop, calling on various associative networks involved in the fight against unemployment within the framework of a socio-economic summit held in 1996 with its group of partners (employers, trade unions, voluntary organisation movements and women's organisations).

²⁸ In 1996 and in 1998, two consecutive colloquia of the Institute for Training in Community Development (IFDEC) brought together all the networks engaged in insertion and local development work, thus revealing the state of current transitions.

6.3. Conditions for the Widespread Implementation of Insertion Initiatives and Local Development

On the macro-social level two conditions seem to us to be essential for further progress by the social economy in the field of insertion. The first is tied in with the relationships that these initiatives will have with the public authorities; the second is their relationships with the trade union movement and the big co-operatives.

The voluntary sector movement, insertion and the public authorities After ten years of experiments, are matters progressing or has a plateau been reached? In the first instance, as a general rule, it has been a struggle to obtain public funding. Central government support for these initiatives has tended to confer a largely experimental and localised nature on them. However, the arrival of new public measures for insertion and local development has raised some hopes that this will change.²⁹ At the least, to project organisers and to many of those doing research into the relations between the voluntary and public sectors, this seems to be the most appropriate strategy.³⁰

Second, the recognition of insertion and local development initiatives by public authorities is currently a central issue of social thinking: if they get significant levels of support from the public authorities these experiments could come to fruition in new bodies for assistance to development across all the neighbourhoods and regions in difficulty. Here we are thinking of the model for local development set by the CDECs.³¹ The public authorities cannot provide ad hoc assistance (the “shadow state”), but must commit themselves to long-term support not confined to aid for start-ups, since in the case of development the duration of support is more important than the level of finance committed to launching initiatives.³² Public authorities also need to get rid of their centralising attitude and recognise these experiments by opening the way to their institutionalisation. Our hypothesis is that when these experiments become institutions, they will be able to generate innovative solutions to the crisis of employment and the welfare state “by occupying an intermediate space at the intersection of the links between the state and civil society with those between local communities and development and the relationship between the economic and the social³³.”

The voluntary sector movement, insertion, and trade unions and cooperative bodies New ties between the voluntary sector movement and the trade union movement have sprung up at local and regional level with the new CDEC and SADC groupings serving as intermediaries to lead the fight against unemployment and exclusion. On the one hand trade union activists serve on the managing bodies of these local development agencies, while on the other the unions have set up venture capital funds to maintain and create employment.

²⁹ Ion (1990).

³⁰ Vaillancourt (1999).

³¹ Favreau (1994c).

³² Diaz (1994).

³³ Favreau (1994b).

The *Fédération des travailleurs du Québec* (FTQ), the most important trade union confederation, has set up a fund that now has shareholders measuring in the tens of thousands, investments in more than 100 businesses (SMEs in Québec), thus maintaining or creating more than 40,000 jobs since it was set up in 1983. The *Confédération des syndicats nationaux* (CSN)³⁴ followed the FTQ's lead in 1996 by creating its own fund specialising in support for social economy enterprises.

Among the co-operative financial institutions the stress is not on local development and the fight against unemployment, but a certain number of local savings banks have taken this line with support from the general management of the Mouvement Desjardins. The latter, more over, has released substantial sums to support local and regional development funds together with funds from trade union organisations. Beyond insertion, the bridge the great institutions of the social economy and the new initiatives allows a restoring of the “social” in the former, and in the latter an economic base that it often lacks. For lack of a consolidation of this bridge and lack of a recognition of such partnerships by public bodies, the insertion initiatives and local development initiatives set up by the voluntary sector movement, which have so far tended to develop in terms of the solidarity economy, risk being ghettoised as just an element of “neophilanthropy”, or as mere subcontractors for certain public employment aid policies.

³⁴ The CSN is the cousin of the French CFDT, in terms of its origin, its Christian culture, its social composition and its left-wing orientation.

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