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Implementation of the new Social Economy Fund at the  
CDEC Côte-des-Neiges/Notre-Dame-de-Grâce in Montreal:  
a tool that could be powerful for the community

PROJECT CONTRACT FINAL REPORT

Submitted to: Michael Swack

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## **I - ABSTRACT**

The project concerns the implemental process of the new Social Economy Fund at the CDEC Côte-des-Neiges/Notre-Dame-de-Grâce<sup>1</sup> in Montreal. The main goal of this project is to bring a discussion in the community concerning the importance of using that fund as a tool to empower the community by starting-up social economy businesses that will create at least 100 jobs on a 3 year basis. The minimum objectives are to form a committee of constituencies that would work with the CDEC CDN/NDG to structure and define the orientations of the fund, prioritize sectors of activity according to the needs in the community and create operational tools. The maximum objectives are to promote social economy in partnership with other organizations, initiate networking between the new social economy businesses, select and start at least one social economy project by March 1999.

## **II - SUMMARY**

### **a) THE TARGET COMMUNITY:**

The low/intermediate income residents and/or the non-profit organizations of Côte-des-Neiges/Notre-Dame-de-Grâce.

### **b) PROBLEM STATEMENT:**

If the CDEC CDN/NDG doesn't initiate the dialogue with members of the community (non-profit organizations, residents, unions)

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<sup>1</sup> Côte-des-Neiges/Notre-Dame-de-Grâce will be replaced by CDN/NDG in the text. The CDEC is the french word for CEDC.

on the potential of using the social economy funds for empowerment, \$900 000 will be lost by the community within three years or else there will be big pressure on the CDEC CDN/NDG to create top-down projects that will decrease the welfare rate and, therefore, apparently improve government's performance, without empowering the community and its members.

**c) GOAL STATEMENT:**

**The goal of the project is:**

- To initiate a discussion on the Social Economy business opportunities in the community and their potential in terms of job creation for unemployed people;
- To implement the Social Economy Fund and use it as a tool to help the start-up of new social economy businesses and the creation of a minimum of 100 jobs within a period of 3 years.

**d) CURRENT AND DESIRED CONDITIONS FOR THE TARGET COMMUNITY:**

Côte-des-Neiges/Notre-Dame-de-Grâce is a sector of Montreal which is very populous (156 000 residents in 1996), multiethnic and having a problematic rate of unemployment (15,1% according to the census of 1996). The creation of at least 100 direct jobs with social economy businesses will also result in the creation of indirect jobs. The partnership initiated in the community will have a dynamic effect on community organizations and CDN/NDG low-income residents.

**e) OBJECTIVES AND RESULTS<sup>2</sup>:****Minimum objectives of the project:**

- 1- Bring representatives of the community "at the table" and familiarize them with the reality of CDN/NDG ;
- 2- Establish a policy that would be a guideline for the allocation of the funds available;
- 3- Form a selection committee that would work on selection process and criteria.
- 4- Determine the better way the CDEC could help the businesses in the start-up and follow-up steps;
- 5- Prepare some tools that will help those businesses to start-up:

**Maximum objectives of that project:**

- 6- Promote social economy projects with the partners associated to the CDEC;
- 7- Promote networking between the social economy businesses so that they can develop all kind of partnership and collaboration;
- 8- Select at least one business project before march 1999 and create 5 jobs.

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<sup>2</sup> The objectives fully reached are written in RED, partially reached in BLUE and the ones for which no tasks have been initiated in GREEN.

## **g) CONCLUSIONS/RECOMMANDATIONS:**

### **What I learned through that project:**

*There is no use to panic; in fact it is totally inefficient. The project planning helped me a lot to structure my work.*

*Informations are not always available when needed. I had to proceed even if some important informations were missing*

*Time goes on; it is very important to use it fully and efficiently. A timetable is very useful to have a complete overview of the project.*

*Use all the resources at their best. We should be realistic about what is expected from an external committee. It should not replace an internal taskforce.*

*We should never presume that our co-workers have the same basic information. I assumed that all the members of the working committee had a good knowledge of the resources of the community; I was wrong.*

*Personal and professional interests should always be taken into account and used in a constructive way. The Social Economy Fund gave me the opportunity to start working with interesting organizations in the community.*

*An important task has to be done during the coming year: the evaluation of the impacts of fund. It was not in my project but I have now the tools to work on it during the coming year.*

### **III- Introduction:**

In may 1997, I was working partly with merchants who have asked support from my CEDC (CDEC CDN/NDG) because they wanted to form merchant's association. During the summer 1997, a survey was made on four commercial streets in order to help the merchants to identify their market and needs. So, when I arrived at the New Hampshire College, in September 1997, I already had a good project in hand.

But things changed fast and my CEDC was given a new mandate during that year. In February 1998, I was asked to work on the implementation of a new fund for "social economy businesses"; in other words, I was going to be responsible for the development and the financing of a totally different type of businesses which were essentially collective and socially-oriented non-profit businesses and workers' cooperatives. My new job was starting in April; so I had to cope with a transition from my former job to the new one and, in the meantime, to prepare a new project contract. The challenge was important. I did not have too much information, the new mandate of the CEDC still being in negociation. My second project contract was a lot more difficult to write, under those conditions. I thought that everything had to be very clear before I could write it! Time was going on with my stress was going up!... Then I realized very clearly that "the process was the most important thing" and that, therefore, I should go on with the information I had. I would make adjustments later on. I finally wrote my project contract and put it on the internet, in the Swack's conference, the 29th of March 1998 having in mind that it was a "work in progress".

## IV- PROBLEMATIC OVERVIEW

### PROBLEM OF THE COMMUNITY ADDRESSED BY THIS PROJECT

The community of Côte-des-Neiges/Notre-Dame-de-Grâce (CDN/NDG) is located at the western limit of the city of Montreal and is surrounded by four rich cities: Outremont, Town of Mont-Royal, Côte-St-Luc and Westmount. That sector of Montreal is multiethnic and involves a problematic rate of unemployment (15,1% according to the census of 1996). A research made for the CDEC CDN/NDG, during the summer of 1998, evaluated that "to raise the level of employment from 50% to 60%, close to the Canadian level, approximately 12,500 jobs would have to be added"<sup>3</sup> in CDN/NDG.

The CDEC CDN/NDG, aware of this reality, had made huge efforts over the last three years to help unemployed and low income people to start-up businesses. These efforts were not very successful for many reasons:

- ☛ Most of the people involved in the process of starting a business did not have all the qualities that are generally expected from an entrepreneur;
- ☛ Most of them were starting a business because they could not find a job and saw the business creation as their unique alternative;
- ☛ None of them had sufficient cash to invest in their business;

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<sup>3</sup> Progesor (coop of consultants), Concerted Local Action Plan for Economic Development and Employment 1998-2001 for the sector of CDN/NDG, study made for the CDEC CDN/NDG during summer 1998.

- Many of them had problems of low self-esteem;
- Many of them were new immigrants and therefore had no social network and no knowledge on how-to-do-business here.

On the other hand, the CDEC knew that there were a lot of needs and, therefore, potential business opportunities in the community in terms of housing repairs, daycare services, services for elderly like "meals on wheels", computers or furniture renovations, etc.

When Quebec's government created a "Social Economy Fund" in 1996 and, later on, mandated the CDECs to use that fund to create social economy businesses, the board of CDEC CDN/NDG was very happy. That fund might be a solution to help low/moderate income people with somewhat entrepreneurial qualities to get involved in a collective business as cooperative members or as non-profit business employees. But to achieve that goal in a way that would be coherent with the mission of the CDEC CDN/NDG, two issues had to be discussed by the CDEC and solutions had to be found:

1- The government had huge expectations in term of job creation within a very short time. The CDEC CDN/NDG had to get organized rapidly to support the start-up of social economy businesses in the community; but it had to put in the time to do it in collaboration with the community. And that was essential to the success of the future social economy businesses;

2- Community organizations and unions were not too willing to support social economy businesses; because those businesses were seen by the first ones as "workfare", and by the second ones as a first step towards privatization of social services,

that which could potentially result in a loss of jobs in the public sector of social services. Both community organizations and unions had therefore to be involved for the accomplishment of the the implemental process of the fund because otherwise they would fight against it.

**THE PROBLEM STATEMENT, AS INITIALLY PRESENTED IN MY PROJECT WAS:**

If the CDEC CDN/NDG doesn't initiate the dialogue with members of the community (non-profit organizations, residents, unions) on the potential of using the social economy funds for empowerment, \$900 000 will be lost by the community within three years or else there will be big pressure on the CDEC CDN/NDG to create top-down projects that will decrease the welfare rate and, therefore, apparently improve government's performance, without giving power and authority to the community and its members.

**THE COMMUNITY TARGETED BY THIS PROJECT IS:**

The low/moderate income residents and/or non-profit organizations of CDN/NDG. In my initial project, I did not specify the revenue of the targeted residents but I realized that it was important to specify it.

## **ASSUMPTIONS MADE:**

- ☛ The non-profit organizations will collaborate, through the community councils of CDN and NDG, to make a needs assessment in term of community-oriented services;
- ☛ Some community organizations and/or cooperatives will be willing to develop economic activities;
- ☛ Some residents will get involved in the implemental process of workers cooperatives to offer useful services to the community;

<h2><b>V- PROJECT GOALS</b></h2>
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Note: This part was very "basic" in my initial project contract; it needed to be completed.

### **A- THE GENERAL OBJECTIVE OF THE PROJECT IS:**

- ☛ To initiate a discussion on the Social Economy business opportunities in the community and their potential in terms of job creation for unemployed people;
- ☛ To implement the Social Economy Fund and use it as a tool to help the start-up of new social economy businesses and the creation of a minimum of 100 jobs on a 3 years period;

### **B- MINIMUM OBJECTIVES OF THE PROJECT:**

- B1- Bring representatives of the community "at the table" and familiarize them with the reality of CDN/NDG ;
- B2- Establish a policy that would be a guideline for the allocation of the funds available;

B3- Form a selection committee that would work on selection process and criteria.

B4- Determine the better way the CDEC could help the businesses in the start-up and follow-up steps;

B5- Prepare some tools that will help those businesses to start-up:

#### **C- MAXIMUM OBJECTIVES OF THE PROJECT:**

C1- Promote social economy projects with the partners associated to the CDEC;

C2- Promote networking between the social economy businesses so that they can develop different kinds of partnership and collaboration;

C3- Select at least one business project before March 1999 and create 5 jobs;

## **VI- Project Results**

#### **A- MINIMUM OBJECTIVES**

**A1: Objective:** Bring representatives of the community "at the table" and familiarize them with the reality of CDN/NDG

**A1: Results:**

The first three months have been used generally in gathering information and meeting people. More specifically, I gathered

datas and prepared a little document with graphs for the working committee concerning:

- the Social Economy Fund and the role of the CDEC CDN/NDG in the process of training people, managing the fund, etc.

- statistical datas of the community and resources involved in traditional sectors of social economy.

At that point, I did not meet with community councils as I intended to do. I called the directors of both Community Councils and asked them to be members of the working committee on Social Economy. Only the director of NDG Community Council accepted the invitation.

I also organized the working committee. I had identified people, mainly from the board of directors of the CDEC, who knew a lot about social economy, had experience with selection of projects, had an accurate knowlege of the needs in the community. I made sure that there was a union representative and a community organization member on the committee. I did not have time to meet with everyone individually, but I approached some of them and discussed on the mandate of that committee. The director of the CDEC approached some others and a committee of 7 persons was finally formed whose mandate would be mainly to define social economy, identify sectors of activity that could be potentially prioritized in the community according to the needs and define strategies to encourage and promote social economy in the community.

We did not have time to work on the last part of our mandate even if I was convinced that it was very important. We will have to work on that this year.

**A2: Objective:** Establish a policy that would be a guideline for the allocation of the funds available;

**A2: Results:**

The working committee met three (3) times and did a good job for the short period of time they had. A final version of the Social Economy Investment policy<sup>4</sup> was made on time and accepted by the board of directors and the general assembly in August and September 1998. Many sectors of activity have been identified, perhaps too many! We did not have sufficient datas to prioritize only two or three sectors of activity.

**A3: Objective:** Form a selection committee that would work on selection process and criteria.

**A3: Results:**

The selection committee is almost the same as the working committee, except for one member. They approved two operational tools for the entrepreneurs and the committee. The first one, the "analysis chart"<sup>5</sup> will be used by the selection committee to evaluate the projects. The second one, the pre-project form<sup>6</sup> will be used by the social entrepreneurs to present their project for a pre-selection. The aim of the pre-selection is to make a social analysis and a pre-feasibility study.

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<sup>4</sup> See appendix 2: Social Economy Fund Investment policy

<sup>5</sup> See appendix 3: analysis chart for the selection committee

<sup>6</sup> See appendix 4: pre-project form

**A4: Objective:** Determine the better way the CDEC CDN/NDG could help the businesses in the start-up and follow-up steps;

**A4: Results:**

In last February, when the CDEC was told that it would have a new mandate that was including Social Economy, we thought that it would include the start-up support (business plan workshops and other technical support). But the CDECs had to "sub-contract" that part of the mandate to the SAJE<sup>7</sup>. The SAJE having no expertise to work with workers' cooperatives, we asked them to refer the cooperatives to the CDR<sup>8</sup>, a resource group located in the community whose mandate is to promote and support the development of cooperatives, specially workers' cooperatives.

**A5: Objective:** Prepare some tools that will help those businesses to start-up:

**A5: Results:**

I had to prepare tools that would help the future entrepreneurs to develop their project. I worked on different kinds of tools:

1- A guide to help the entrepreneurs to evaluate if a social economy enterprise is the kind of structure that fits with their goals and values;

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<sup>7</sup> Service d'aide aux jeunes entrepreneurs (Young entrepreneurs support services)

<sup>8</sup> CDR: Coopérative de développement régional (Regional Development Cooperative); it is a resource group that helps the workers cooperative to start-up.

2- A document for the SAJE, that explains also the difference between a social economy enterprise business plan and a standard business plan.

3- A pamphlet that explains "all what you need to know about the Social Economy Fund<sup>9</sup>;

4- A pre-project form.

All those tools are ready except the document for the SAJE and the guide for the new entrepreneurs.

Concerning the SAJE, I suggested to organize an information session on the Social Economy Fund for the consultants; it will prepare them to help groups who want to initiate social economy projects in the preparation of their business plan.

Concerning the guide for the new entrepreneurs, the plan is made out but it has to be worked on<sup>10</sup>.

## **B- MAXIMUM OBJECTIVES:**

**B1: Objective:** Promote social economy projects with the partners associated to the CDEC;

**B1: Results:**

The Social Economy Fund has been officially launched at the beginning of December 1998. Meetings have already been held with the CDR and they agreed to organize information sessions with the CDEC for entrepreneurs interested in starting a social economy coop. The aim of these sessions

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<sup>9</sup> See appendix 5

<sup>10</sup> See appendix 6

will be to present both structures, coop and non-profit organization, so that the entrepreneurs could choose the one that coincides best with their mission and objectives.

**B2: Objective:** Promote networking between the social economy businesses so that they may develop all kinds of partnership and collaboration;

**B2: Results:**

Since no project has been accepted yet, except "La Grande Vadrouille"<sup>11</sup> which exists since a year, that objective has just been partly reached. However, meetings have been held with daycare centers which are "old social economy projects". A development committee has been set up and I will be working with those organizations to realize a good planning of the services for the community of Côte-des-Neiges. A special fund will be requested by the daycare centers' group to realize a needs assessment of daycare services in Côte-des-Neiges.

**B3: Objective:** Select at least one business project before March 1999;

**B3- Results:**

Three projects have been pre-selected in December. The first one is a non-profit organization whose mission is to train young people in woodworking to adapt apartments to the needs of the elderly and handicapped people. Another project is an art center that will include an exhibit center for the artists of NDG and provide workshops on how to recycle furniture into

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<sup>11</sup> La Grande Vadrouille is the first social economy business initiated by the CDEC CDN/NDG with partners of the community. Its mission is to offer affordable cleaning services for the elderly.

art pieces. The last one is a non-profit organization whose mission is to send low-income family children outside of Montreal for vacations.

At least three other projects will be presented at the end of January for pre-selection. The three projects include a request of fund for preliminary studies. The first one is a request for a needs assessment in order to develop different types of daycare services in CDN. The second one concerns equipment which is required for a natural health center. The third demand will consist in having a market study and preliminary plans made, in order to evaluate the possibility of "recycling" an old monastery into appartments and rental space for community organizations.

It is realistic to think that one business plan will be presented to the committee by the end of March 1999.

## **VII- LESSONS LEARNED**

I have learned a lot through the project planning process at the New Hampshire College, for example:

**There is no use to panic; in fact it is totally inefficient.** It took me a certain period of time before I could sit down and decide to work systematically on my project. When I started in February 1998, I was worried concerning the outcome. The project planning helped me a lot to structure my work, to analyze the situation and to focus on my objectives.

**Information is not always available when you need it.**

I had to proceed even if some information was not available at all or became available later on in the process. For example, the kind of support the CDEC CDN/NDG would provide to the new social entrepreneurs and the way the funds would be managed became clearer only at the end of June 1998. Another example: the last census datas (1996) were only partially available during the summer. The old datas (1991) were irrelevant because the population had changed so much between 1991 and 1996. 23 000 immigrants arrived in CDN/NDG during that period, thus considerably changing the image of that community of 156 000 residents.

**Time goes on; that is why it is very important to use**

**it fully and efficiently.** I had not prepared a timetable for my project because the deadlines were very short and strict. I had essentially one deadline: the end of July. But a timetable is not only useful to respect the deadlines; it also helps to organize activities, and to evaluate the time needed for each activity. So, even if the lenght of time is not crucial, the organization of the activities in the time allotted is always very important. I did not prepare a timetable as I should have, but since I had prepared one for my first project, I had a rough timetable in mind.

**Use all the resources at their best.**

In most of Montreal's CDECs, an internal committee formed with staff members had been put in place in April to work on social economy's financial and operational aspects. The external committee had been put in place only in the Fall to discuss the orientation of the fund. At the CDEC CDN/NDG, I was the only person working on that fund. Because there were no discussions at the internal level, therefore the role of the external working committee became a lot more important to

support my work. But even if the members were very dynamic and interested, we met only 3 times during the summer. An external committee can't do the same job as an internal team. If I had to do that again, I would insist on working with other staff members.

**We should never presume that our co-workers have the same basic information.** Seven (7) persons had accepted to be on the Social Economy working committee and attended the meetings. Of that group, three members knew almost nothing about the resources existing in the community. So we took a lot more time than I expected to discuss the needs of the community. Consequently, we did not realize the last part of the mandate of the committee which was to define strategies to encourage and promote social economy in the community.

**Personal and professional interests should always be taken into account and used in a constructive way.** The Social Economy Fund gave me the opportunity to start working with interesting organizations in the community. I learned how to identify the interests of those organizations and convince them to collaborate; I also accepted the fact that interests are not always a negative thing.

## VIII- CONCLUSION

That project is the beginning of a process; the orientations of the Social Economy Fund may change following to the evaluation made after the first year of operations. Evaluation criteria will have to be prepared in order to measure the impacts and the effectiveness of that fund:

a) quantitative criteria as the number of demands made and accepted, the number and quality of jobs created, the time necessary for the start-up of a social economy business from the beginning;

b) qualitative criteria as social and economic impacts of the social economy businesses in the community as local hiring, local buying, partnership, development of specific skills, etc.

My project was relatively successful but I still have some doubts about the way the Social Economy Fund will be used. Actually, the conditions necessary to use it to create good jobs and, at the same time, improve the quality of life in CDN/NDG are not necessarily met. In fact, even at the general assembly of the CDEC CDN/NDG that took place in September 1998, very few members asked questions about the Social Economy Fund and the type of projects that would be prioritized by this fund. Even if the director of the CDEC was very satisfied with that situation, I would personally have preferred good discussions instead of what I perceived as indifference or misunderstanding.