



Estudios de Economía Aplicada

ISSN: 1133-3197

secretaria.tecnica@revista-eea.net

Asociación Internacional de Economía  
Aplicada  
España

BOUCHARD, MARIE J.; FERRATON, CYRILLE; MICHAUD, VALÉRIE  
First Steps of an Information System on Social Economy Organizations: Qualifying the Organizations  
Estudios de Economía Aplicada, vol. 26, núm. 1, diciembre, 2008, pp. 7-23  
Asociación Internacional de Economía Aplicada  
Valladolid, España

Available in: <http://www.redalyc.org/articulo.oa?id=30114081001>

- How to cite
- Complete issue
- More information about this article
- Journal's homepage in redalyc.org

redalyc.org

Scientific Information System  
Network of Scientific Journals from Latin America, the Caribbean, Spain and Portugal  
Non-profit academic project, developed under the open access initiative

## First Steps of an Information System on Social Economy Organizations: Qualifying the Organizations

MARIE J. BOUCHARD

UNIVERSITE DU QUEBEC A MONTREAL

Centre-Ville Montréal (Québec). Canada H3C 3P8 C.P. 8888, Succ.

D. Sociology. Chairholder of the Canada Research Chair on the Social Economy

Telf.: (1) 514.987.3000 (Ext. 4474#). Fax: (1) 514.987.6913

e-mail: bouchard.marie@uqam.ca

CYRILLE FERRATON

UNIVERSITE DU QUEBEC A MONTREAL

Centre-Ville Montréal (Québec). Canada H3C 3P8 C.P. 8888, Suc

D. Economics Researcher with the Institut des sciences humaines,

CNRS. Postdoctoral fellow with the Canada Research Chair on the Social Economy

Telf.: (1) 514.987.3000 (Ext. 2577#). Fax: (1) 514.987.6913.

e-mail: cyrille.ferraton@ish-lyon.cnrs.fr

VALÉRIE MICHAUD

UNIVERSITE DU QUEBEC A MONTREAL

Centre-Ville Montréal (Québec). Canada H3C 3P8 C.P. 8888, Succ.

Ph.D. candidate in Business Administration

Researcher with the Canada Research Chair on the Social Economy

Telf.: (1) 514.987.3000 (Ext. 2577#). Fax: (1) 514.987.6913

e-mail: michaud.valerie@courrier.uqam.ca

### ABSTRACT

Although it has a rich history, the social economy does not yet have a clear, unanimously supported definition. This makes it difficult to delineate and follow the evolution of the social economy for statistical purposes. Some definitions of the social economy only incorporate the non-market components, and others, only market-based ones. This text proposes a new approach which groups together both the non-market and market components of the social economy. Four qualification criteria are proposed which allow us to situate, along four continuums, the degree to which organizations correspond to these criteria.

*Keywords:* Social economy; definition; organizations; statistics.

## Criterios e indicadores de delimitación de las organizaciones de economía social

### RESUMEN

Si la economía social tiene una historia ya rica, su definición no hace hoy la unanimidad, dificultando su delimitación y el seguimiento de su evolución con fines estadísticos. Algunas definiciones sólo integran los componentes no comerciales en el campo de la economía social; otros, al contrario, solamente los componentes comerciales. Este texto propone un nuevo enfoque que agrupa los componentes no comerciales y comerciales de la economía social. Se proponen cuatro criterios de calificación, lo que permite situar, sobre cuatro series, el grado de correspondencia de las organizaciones a estos criterios.

*Palabras claves:* Economía social; definición; organizaciones; estadísticas.

-----  
Artículo aceptado para su publicación en marzo de 2008.

Artículo disponible en versión electrónica en la página [www.revista-eea.net](http://www.revista-eea.net), ref. 26123.

## 1. INTRODUCTION

Over the past twenty years, the social economy (SE) has increasingly become a topic of current interest. Although it has a rich history, the social economy does not yet have a clear, broad and unanimously supported definition. This makes it difficult to delineate and follow the evolution of the social economy for statistical purposes. Some definitions of the social economy only incorporate the non-market components (not for profit organizations), and others, only market-based ones (co-operatives, mutual societies)<sup>1</sup>. Rather than arguing that one definition is better than another or suggesting yet again another definition, we argue that the SE can be looked at through a wide lens, offering different depths of fields depending on which portion of the picture interests most the observer. This text proposes an approach which encompasses SE organizations and activities in a broad perspective (market and non-market components) and enables the identification of subsets of the population of organizations, in correspondence to some of the definitions of the SE currently in use: co-operatives, non profit institutions, social enterprises.

Given its organizational characteristics, its institutional rules, and its particular relationships with the State and the market, the social economy constitutes a specific sector which should be recognized and distinguished from others (Defourny and Monzón Campos, 1992). Nevertheless it remains a difficult sector to delineate. On the one hand, the SE is a phenomenon that is not yet well documented and remains under-theorized, especially with respect to its specific contribution to the dynamics of development. On the other hand, the boundaries of the field are apt to shift depending on how social economy is defined, the historical circumstances, the networks and groups that are created, the institutional environment, the market, etc. It is clear that social economy is a polysemic expression, covering an extremely wide range of practices (Lévesque and Mendell, 1999; Chaves and Monzón, 2007). Methodologies and indicators specific to the social economy are not yet well recognized, whether from a political or a scientific standpoint.

Now the public authorities, as well as the key players in the system, have formulated requests to both measure the sector and evaluate the contribution of the social economy. At the international level, two satellite accounts manuals have been developed, one for the non-profit institutions (United Nations, 2003), and another for the market social economy —mutual societies and co-operatives— in Europe (Barea and Monzón, 2006). Studies are being conducted on European social enterprises (Borzaga and Defourny, 2004; Nyssens, 2006; Spear and Bidet, 2005). Closer to us, in many regions in Canada as well as by many actors in Quebec, regional and local portraits of the SE are being undertaken. Methodologies vary from one initiative to another, showing for the specific needs or choices ma-

---

<sup>1</sup> Some even cover a very wide spectrum including socially responsible capitalist enterprises. In this text though, we will use the term social economy to include associations, cooperatives and mutual benefit societies, as well as organizations for community economic development, worker unions' funds, and other non capitalist types of enterprises.

de. None, however, has beforehand defined an inclusive population of SE organizations, covering both the market and the non-market SE. Therefore, it is not possible measure the size and scope of the SE in the economy.

The database project of the Canada Research Chair on the Social Economy aims to build an information system to collect and analyse data on the social economy sector and follow its evolution over time. In delineating the field of the social economy, the database must take into account the diversity of organizations that make up the sector, and describe the characteristics of these in such a way that they can be grouped according to different definitions of social economy. The database must also be able to identify the activities in which the SE is involved in a coherent classification. Two principal ideas are brought forth by this approach. 1) The first is that the SE organizations can be identified and distinguished from non-SE organizations by empirical criteria. 2) The second is that the economic activities undertaken by the SE organizations can be classified in a one and unique classification system. Each of these ideas, although not revolutionary in itself, offers, when brought together with the other one, a new tool for portraying the SE. The Information System on the Social Economy Organizations (ISSEO) of the Canada Research Chair on the Social Economy is based on two main pillars, a qualification system of organizations and a qualification system of economic activities. This text explains the qualification system of SE organizations. We will give some indications about the classification system of economic activities of the SE but this matter will be developed with more details in another paper.

We will begin by presenting different definitions of the SE and position the rating system we have adopted for our database on social economy organizations in Québec. Four qualification criteria are then proposed which allow us to situate, along four continuums, the degree to which organizations correspond to these criteria. We then compare our qualification criteria with those used in other studies. We conclude with some remarks on the utility of having consistent data on the social economy over time and how the methodology presented in this paper can help conducting studies in this direction.

## 2. SOCIAL ECONOMY: A BRIEF OVERVIEW OF DEFINITIONS

Different definitions of the social economy have been put forward and still co-exist today: Co-operatives (Angers, 1975; Vienney, 1980; etc.); nonprofit sector or third sector (Ben-Ner and Van Hoomissen, 1993; Anheir and Ben-Ner, 2000; Salamon and Anheir, 1998, etc.); social economy (Gide, 1890; Desroche, 1983; Vienney, 1980; Lévesque and Malo, 1992; Quarter, *et al.*, 2003; etc.); solidarity based economy (Eme, 1991; Eme and Laville, 1994; Laville, 2007; Enjolras, 2002; Evers and Laville, 2004; etc.); social enterprise (Borzaga and Defourny, 2004; Nyssens, 2006; Spear and Bidet, 2005; etc.). We observe that the SE covers a relatively heterogeneous set: various juridical forms, large spectrum of activities (primary, sec-

ondary and services sectors), diversity of social missions (of mutual interest or for the general good), etc.

Three (classic) European definitions of the social economy in the literature are often recalled in Québec (Lévesque and Côté, 1995): the definition by components (Desroche, 1983), by rules of operation (Vienney, 1994) or by values and principles (Defourny, 1992). According to Desroche (1983: 204-6), the basic components of the social economy sector are: 1) the cooperative, 2) the mutual society, and 3) the association. In addition to these central components, there are four peripheral ones: the communal enterprise (bordering on the public sector); the community, or popular, enterprise (bordering on the community sector); the joint enterprise (bordering on the trade union sector), and the participative enterprise (bordering on the private sector).

Vienney's (1980; 1994) definition is based on the **rules of operation** which characterize the dual relationship of membership and of activity within the SE. These four rules are: 1) the rule regarding membership: democratic functioning (one member, one vote); 2) the rule linking members to the enterprise: members determine the enterprise's activity; 3) the rule linking the enterprise to its members: the distribution of surpluses (profits) is limited or prohibited; 4) the rule regarding the enterprise: reinvested surpluses remain indefinitely collective property.

Finally, a third definition, based on the **values** of solidarity, autonomy and citizenship, was proposed by Defourny (1992) for the Walloon Council for the Social Economy. Specifically, this definition is derived from four principles: 1) objective of service to the members and the community rather than of profit; 2) management autonomy (the primary element distinguishing it from the public sector); 3) democratic decision-making process; 4) primacy of persons and of work in the distribution of revenues and surpluses. It is largely from this definition that the *Chantier de l'économie sociale*, in Québec, has taken inspiration for its own, but with the addition of a fifth principle: that of participation, empowerment, and responsibility<sup>2</sup>.

While the European —mostly the Latin and the French— traditions of social economy has left its mark on Québec (Evers and Laville, 2004), the dominant approaches in other provinces in Canada have been, until quite recently, threefold: 1) that of the co-operative sector, well represented by the work of the Center for the Study of Co-operatives in Saskatoon; 2) that of the «non-profit» sector, inspired by the United States and the international comparison studies carried out at the Johns Hopkins University (Hall *et al.*, 2005; United Nations, 2003); and 3) that of community economic development, (CCED-Net; Shragge, 1993). Within this later perspective, large pan-Canadian studies have focused on non-profit and volunteer organizations (Berdhal *et al.*, 2005; Statistique Canada, 2004), defined institutionally by the criterion of being non-profit-making (with the associated legal status), without reference to the criterion of democratic decision-making inherent in to the Québec definition (Vaillancourt, 2005: 8). The non-profit approach does not allow

<sup>2</sup> We can notice that these values have much in common with those enunciated by the International Co-operative Alliance.

us to understand the social economy adequately; it is at the same time too broad and too restrictive<sup>3</sup>. For example, cooperatives and mutual societies, which are definitely clear components of Québec's social economy, are not considered in a strict non-profit approach<sup>4</sup>, whereas not all non-profit organizations belong to the social (economy) as they do not have the purpose of producing goods or services. Furthermore, for purposes of international comparison, it is useful to keep in mind certain European studies looking at more market-oriented components of the social economy, such as the (social enterprise) (see the E.M.E.S. European Research Network<sup>5</sup>), or the (market) social economy, that covers co-operatives and mutual societies (see the European Manual for drawing Satellite Accounts for social the market social economy (Barea and Monzón Campos, 2005).

There is no need to expound further on the fact that definitions of (the social economy), of which there are many, vary according to context, and over time, and sometimes even depending upon the will of the government programs aimed at supporting its development. A summary table presented in Appendix 1 allows us to see the differences between certain definitions used in studies on the social economy and related domains, while highlighting some common features. We believe that an information system on the social economy should make it possible to draw different perimeters of the social economy according to the definitions employed, thereby covering an area that is broader rather than restrictive, which we can later restrict or enlarge upon, according to comparisons and dialogues required between different concepts and studies. Moreover, such a system should make it possible to understand the evolution and the shifts taking place within this sector.

This brings us directly to the question of **indicators**. The five characteristics of the international definition of non-profit institutions (United Nations, 2003) do not make it possible for us, *a priori*, to position organizations in relation to each other. In fact, the organizations which fit into this definition satisfy five criteria: they are organized largely as non-profits; do not distribute surpluses; are non-governmental, autonomous, and volunteer-based. While some of these criteria (e.g. the non-governmental character and the formal legal constitution) can be decided with a yes/no response, we believe the three others would be better expressed along a continuum, which is the advantage of our proposal. In the following section, we will examine the four criteria that we propose, and how they can become operational.

---

<sup>3</sup> The definition of the social economy provided by Quarter *et al.* (2003) illustrates the former case, where the social economy is made up of three types of organizations: public-sector non-profits; market-based social organizations; civil society organizations.

<sup>4</sup> With the exception of solidarity co-ops.

<sup>5</sup> <http://www.emes.net/>

### 3. QUALIFICATION CRITERIA AND THEIR INDICATORS

The contours of the social economy vary in accordance with the definitions employed. We have put forward, above, a number of problems presented by different visions of the social economy as held by theorists or as adopted by certain major studies of the sector. Furthermore, those definitions or the contours of what they capture may vary with time. For instance, many organizations formally constituted as associations (non-profit organizations) who did not initially have an economic mission, may yet develop economic activities in order to support their social mission, or even just to survive. The social characteristics of organizations in the social economy may also be adopted by other organizations created as companies, but who wish to assume a social, responsible and civic mission. (Social enterprises) can just as well be for-profit companies that redistribute a portion of their profits in the community (such as Community Interest Companies in Great Britain), as they might be non-profit organizations that develop economic activities (as in the definitions applied in English Canada, the United States and many European countries). In fact, many volunteer organizations may likewise be seen as contributing to the economy (in the substantive sense), even if the resources involved and the services produced are (free). This is, of course, an indication of the dynamism of the social economy, but it can also lead to confusion when it comes to delineating the field and evaluating its specific contribution. Thus, we are attempting to develop criteria which will allow us to describe organizations in the social economy across a set of continuums. This should facilitate an interpretation of the field which is more inclusive than exclusive, and provide some indicators of change in order to monitor its evolution.

Four qualification criteria are proposed for organizations in the social economy. These are inspired, in part, by the social-economic approaches of Claude Vienney (1980; 1994) and Henri Desroche (1983), presented earlier. These criteria allow us to identify and classify organizations. First, however, we should emphasize two preliminary comments: The first is that cooperatives, mutual societies, non-profit associations that produce goods or services<sup>6</sup> (e.g. work integration enterprises, etc.) have, by their very nature, a high probability of satisfying all four criteria. Nevertheless, these criteria are not discriminating, to the extent that there is not always a clear boundary between social economy organizations and other organizations in the etc. And, the second comment comes as the corollary of the first one. Those four criteria do not represent a definition of the social economy as a (sector). The social economy is often reduced to a (third sector) obtained by deduction after having excluded the for-profit enterprises which make up the (market) (market sector), on the one hand, and the public administration and organizations (public sector), on the other hand. In fact, organizations in the social economy do not constitute a homogeneous group, as do, for instance, for-profit enterprises. Some are fully engaged in a social economy process, i.e., they will perfectly satisfy the four quali-

<sup>6</sup> Also called in Canada (social enterprises).

fication criteria. Others conform to the criteria to varying degrees. This is also true in the case of for-profit enterprises. We will see later how we can draw different perimeters of the field of social economy, depending on the continuums of correspondence to the criteria.

In clear, we suggest to describe organizations based on their practices, and according to the institutionalization of these practices<sup>7</sup> (particularly in terms of rules of operation), rather than by their legal status or by characteristics that do not call for a strict yes/no answer. The four criteria we propose correspond to the principles or rules of management common to social economy organizations that generally appear in the laws, statutes or internal regulations governing these organizations. Well established norms of a non social economy organization or of its parent organization can also institutionalize an economic behaviour of a, as shown in.

These rules may be modified marginally or substantially, then requiring us to re-qualify the organizations concerned. Several indicators can be associated with each of these four criteria, providing detailed information on how the concerned organization conforms to the qualification criterion. Each criterion can be given a weight in order to assign a percentage value to the degree of conformity in question.

### 3.1. Carrying on an Economic Activity

We first ascertain the existence of a production of goods or provision of services. Resources can come from multiple sources: market, public, non-monetary. This is why not all organizations that sporadically carry on an economic activity satisfy this first criterion for qualification (for example, an advocacy association whose only economic activity is organizing an annual fundraising dinner), as well as those whose economic activity is limited to collecting dues or membership fees. In itself, an organization's mission or function (protection of rights, representation, leisure activities) provides no indication as to whether it satisfies or not this criterion. It is only when this mission or function is not accompanied by any economic activity that we can draw conclusions regarding conformity to the criterion<sup>8</sup>. One indicator can be the type of economic activity as defined by international conventions between national statistical institutes<sup>9</sup>. Another can be the fact that the organization mobilizes economic resources, whether those come from the sale of goods and

---

<sup>7</sup> An institutionalized rule of operation is more likely to be reproduced through time than a discretionary and optional one. E.g. making donations to the community organizations on a year to year basis VS reinvesting in the organization or redistributing to users the eventual surpluses under a juridical constraint.

<sup>8</sup> Nevertheless, non-profit organizations that develop a social economy project (in accordance with programs currently in place in Québec, for example) can be identified according to the proportion of their economic activities.

<sup>9</sup> We propose, in a further discussion a classification of SE activities based on the NAICS codes (see Bouchard, Ferraton, Michaud and Rousselière, to come 2008).



services onto the market, from subsidies or public transfers, or from volunteer work, donations and gifts.

### **3.2. Prohibition or Limitation of Profit Distribution to Capital**

Organizations of the social economy do not pursue profits as their main objective, i.e., whenever a return on capital among the members is authorized, it is limited. Once such a return on capital has been carried out, any surpluses are either reinvested in the organization or distributed to the community. One indicator can be the legal status of the organization containing an asset-lock constraint or a limitation to distribute the surpluses to shareholders. Another can be the actual portion of the surplus earned that is distributed (after necessary reinvestments) to members or to other collective enterprises (coop, mutual, non-profit or public) on another basis than shareholding (patronage, use, collective not for profit venture, etc.).

### **3.3. Formal Voluntary association of Persons and/or of Collective Bodies**

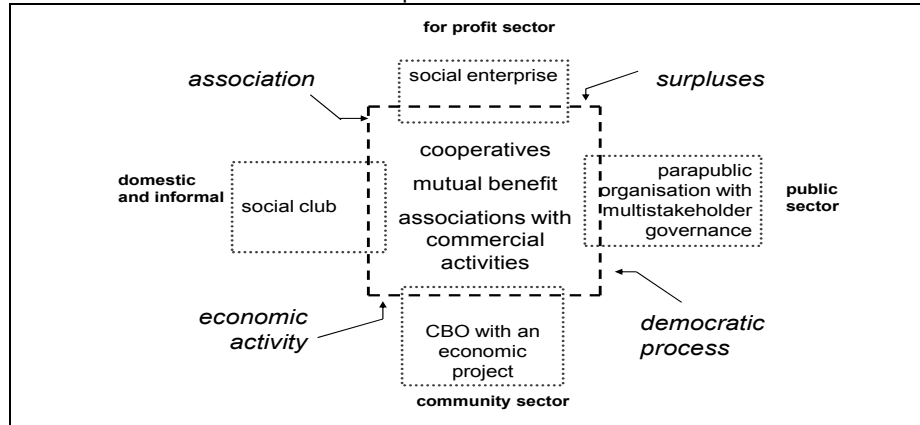
The creation of a social economy organization is the result of initiatives on the part of either individuals or collective bodies that are independent of the public authorities. Generally, membership in a social economy organization is open to any person who wishes to join, subject to certain conditions (the payment of a membership fee, for example). One indicator can be the legal status of the organization (collective ownership). Another can be the type of members (physical persons or collective organizations).

### **3.4. Democratic Governance Process**

Social economy organizations grant decision-making powers according to use and not to the share of capital held. Generally they allocate each member equal status in the collective decision-making process (i.e., in democratic proceedings constituted by the annual general meeting and board meetings), whatever their contribution to the organization. There may be exceptions, as in the case of agricultural cooperatives that have a proportional voting system according to the volume of transactions, or the cooperative housing confederation that allocates seats to the regional federations in proportion of their membership numbers. Indicators can be the conformity to a legal obligation or internal rule (e.g. one person, one vote), the attendance to general meetings, etc.

These four indicators of qualification (a summary table of which appears in Appendix 2) define the rules of operation of social economy organizations. The following figures are based on a figure developed by H. Desroche, which we have adapted to illustrate the permeability of the boundaries between the (hard core) of the social economy and other organizational forms that can, according to certain definitions, enter into the field of social economy (Figure 1).

**FIGURE 1**  
Components of the SE.



Modified from: Bouchard, Ferraton, Michaud (2006).

Adapted from: H. Desroche (1983).

Thus, social economy organizations (in the central rectangle of the figure) are differentiated from:

- Groups or organizations that do not carry out an economic activity produce no goods and/or services, by carrying out an economic activity (1st criterion);
- For-profit organizations that distribute their surplus to share owners (2nd criterion);
- Informal groups or domestic units that do not constitute a formal voluntary organization (3rd criterion); and
- Public enterprises and governmental agencies that are not governed democratically by a group of persons (4th criterion).

Those frontiers are not impermeable and it is common to see a group or an organization take some of the traits of a social economy organization, for some time. Those can be named (uncertain) or (hybrid) components of the SE and they can be seen as overlapping with the core field of the SE:

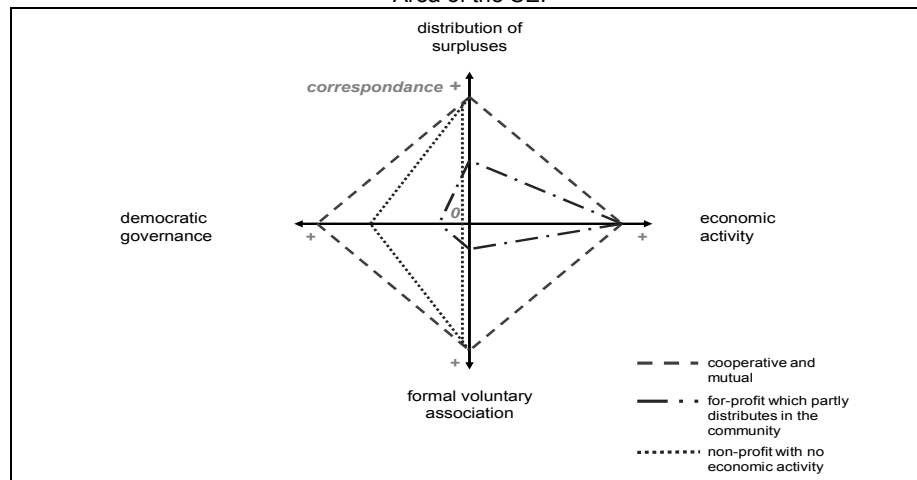
- Groups or organizations that carry out some economic activity by sometimes producing no goods and/or services, (overlap with 1st criterion);
- For-profit organizations that operate under certain social rules or distribute part of their revenues with the community (social enterprises<sup>10</sup>) (overlap with 2nd criterion);

<sup>10</sup> The notion of (social enterprise) such as developed by Borzaga, Defourny, Nyssens, Spear etc. is somewhat closer to the core of the SE as presented in this paper. But in Canada and the US, the no-

- Informal groups or domestic units that function as voluntary organization (overlap with 3rd criterion); and
- Public or para-public organizations that adopt a multistakeholder democratic governance structure that includes some representation of the civil society (overlap with 4th criterion).

Figure 2 illustrates what is meant by (continuums) using three hypothetical examples of organizations positioned according to indicators of correspondence to the four criteria.

**FIGURE 2**  
Area of the SE.



Modified from: M. Bouchard, C. Ferraton, V. Michaud (2006).

It can be seen that the area occupied by the cooperative is much greater than that of the non-profit organization that does not undertake an economic activity, or that of the for-profit enterprise that distributes some of its profits to the community. This attests to the greater institutionalization of the qualification criteria in the cooperative than in the for-profit enterprise, where the decision to give profits to the community arises from the goodwill of shareholders, rather than any legal rule or operating principle. It also enables to sort out two types of associations, those who produce goods or services, and those who do not.

tion is often utilized to refer to corporate entities that distribute some their profits into the community (e.g. First Nations community owned firms) or even to private firms that produce a Social and Environmental Responsibility Report.

#### 4. CONCLUSION

Social economy organizations are called upon to assume an ever-increasing role in the production and delivery of goods and social services in the public interest. The difficulties encountered by economies in pursuing full employment and the inadequacies of the social state have had major consequences on the landscape of social economy organizations. New needs emerge linked to regional development, unemployment, exclusion, population aging, breakdown of the family model, and difficulty in reconciling family and work life. Growing privatization and commercialization of public services have introduced competition in areas of activity which until now had been outside the free market. Services which have traditionally been public services have become new «markets» for social and collective entrepreneurs. Delocalizations and shutdowns of large businesses raise the issue of regional redevelopment based on local activities geared towards a global market. The pace at which social-economic organizations are being created is therefore accelerating, thanks in part to public policies that recognize them and support their development.

However, the social economy is also an older phenomenon. Mutual benefit societies, cooperatives and associations have been part of the economic landscape since the end of the 18th and beginning of the 19th centuries. Also born out of necessity and ideals, they emerged in clusters, each time in response to major socio-economic transformations. They developed activities which were predominantly economic and which had, in turn, considerable economic and social impacts: modernization of agriculture and fisheries; creation of a broad network of financial institutions on a territorial scale; development of the regional economy and of employment, for example in forestry; organization of funerary services; establishment of grocery stores; construction and renovation of a large stock of community housing units, etc. The social economy is thus a far-reaching network of organizations whose missions account for both change and continuity<sup>11</sup>, as much in the realm of economic development as in social development.

We have been able to verify, in various theoretical texts and from certain studies, the variety and heterogeneity of definitions and organizations of the social economy and related domains: co-operative sector, non-profit sector, third sector, voluntary sector, even civil society. These various definitions nevertheless have points in common. The difficulty in delineating the field of the social economy is due to its double roots, both in the civil society and in the economy. The different definitions of the social economy emphasize one or another of its principal characteristics: organization of economic activity; non-capitalist rules of distribution and accumulation; legal and decisional autonomy; democratic powers of users or their representatives. The choice of emphasis is likely due to different ideas of the social economy's contribution: as a producer of goods and services; as an alternative and

---

<sup>11</sup> By way of example, we note that the number of reporting cooperatives increased by 5.3% between 1999 and 2003 (MDEIE, 2005).

sustainable form of development; as an organization of the civil society; as a means of social and economic democratization.

We believe that in combining these criteria we can develop a picture of the social economy that encompasses all of these contributions and allows them to be measured. The qualification method we presented in this paper aims at defining the various domains that make up the social economy without limiting oneself to any overly-constraining definitions.

This logical model has been tested in recent study conducted in Canada. The survey was administered to a representative sample of for-profit companies and organizations drawn from the Statistics Canada Business Register (BR). The survey was undertaken to assist HRSDC researchers in answering the question: (If HRSDC conducts a comprehensive survey of all community-sector organizations (CSOs) in Canada, can the BR be used to construct a sample frame that would include those CSOs which have a for-profit legal form?) (McDougall, 2007:1). The results showed that some for-profit subsidiaries of community sector organizations, some companies that are collectively owned by Aboriginal (national) organizations of one kind or another, and, more marginally, some (social purpose businesses) (e.g. a golf club) (McDougall, 2007), had the characteristics of the social economy<sup>12</sup>. Although the questionnaire and the sampling method used in the study would need to be refined, it is remarkable that only 24 of the 5,052 organizations that completed questionnaires were judged to be (in-scope).

The Canada Research Chair on the Social Economy has created a data base on the social economy organizations in Québec. We have inventoried the social econ-

<sup>12</sup> The instrument was based on the assumption that among for-profit companies, the essential characteristics of a CSO include the following six properties: **Collective or community ownership:** the company had to be directly (or indirectly through a parent company or organization) owned by members (as in a co-op) or by one or more community-based organizations, community based groups or by the whole of a community; **Social purpose:** the company had to be neither a conventional for profit geared towards benefiting private owners or shareholders (e.g., General Motors) nor a conventional non-profit (e.g., the Red Cross), but rather the type of organization that seeks to make a profit, in order to benefit its employees, serve its members better or to improve the social, economic, environmental or cultural conditions of a community based group or the whole community; **Promoting the community sector:** the company had been responsible for creating other types of CSOs; **Distribution of all profit in support of a social purpose:** the company had to distribute all its profit to either a collective group (e.g., all employees, all members), to one or more community-based organizations, community-based groups or the whole of a community, or to a parent company or organization that was itself a CSO; **Distribution of assets:** the company had to indicate that, in the event of dissolution, it would distribute all its assets to either a collective group (e.g., all employees, all members), to one or more community-based organizations (or community based groups), the whole of a community, or to a parent company or organization that was itself a CSO; **Decision making authority:** the company had to indicate decision making authority with regards to major issues, rested with members, employees, community-based organizations, community-based groups, the whole of a community, or with a parent company or organization that was itself a CSO; **People rather than property based rights to participate in decision-making:** the company had to make major decisions in a democratic fashion, where the right to participate was not based on the magnitude of property ownership, but on the principle of one person, one vote.

omy organizations across the whole territory of Québec and in all sectors of activity. We used the qualification methodology presented in this paper. We also developed a classification method in order to assess the weight of the SE in the economy (Bouchard, Ferraton, Michaud, Rousselière, 2008<sup>13</sup>). A first portrait of the SE in the most populated region of Québec (the Montréal Island region) has been undertaken in 2007 (Bouchard *et al.*, to be published 2008).

This database allows us to draw an exhaustive picture of the sector. It allows us to define the more or less narrow perimeters of the social-economic sector and to delineate different areas or subsets, in accordance with the various definitions of the social economy and their evolution. This study, alongside with that undertaken by Statistics Canada (McDougal, 2007), have proven the robustness of this methodology. It will be used further on to analyze the results of future studies, which will have a consistent field of reference, and will make it possible to follow the evolution of the sector over the long term. We also hope to create data warehouses with other studies, for instance on employment, household income, regional investments, etc., to better understand the contribution of the social economy to the dynamics of development.

---

<sup>13</sup> This classification approach will be discussed in another paper.

**APPENDIX 1**  
Summary of our proposal and comparisons.

Definitions/ Frames of reference Criteria	International definition from the <i>Handbook on Non-Profit Institutions in the System of National Accounts</i> (UN, 2003)	<i>Social Economy Framework</i> by Quarter, Sousa, Richmond and Carmichael (2001)	Quarter, Mook and Richmond (2003)	EWES European Research Network	Satellite account for social economy enterprises (methodology developed by Barea and Monzón Campos, 2005)
Carrying on an economic activity.		"Market reliance"/ entrepreneurial activities.		Ongoing activity of production of goods and/or services.	Production intended main- ly for market sale at eco- nomically significant prices (> 50% of production costs financed on the market).
Existence of rules or policies prohibiting or limiting the sharing of potential surpluses among members.	"Not-for-profit" (and "non-profit distributing").	Social property ("owned socially or, arguably, by no one", neither individual nor governmental, p. 354) AND constraint of non-distribution of profits (2 basic conditions; the fo- llowing "criteria" are in fact charac- teristics).	"Social ownership", i.e., generally no shareholders; assets do not belong to any particular individual; reinvestment of surpluses into ser- vices; in case of dissolution, assets are awarded to an organization with similar goals.	Limitation on distri- bution of profits.	Allocation of surplus, if one exists, in proportion to the activity.

**APPENDIX 1 (Continuation.)**  
Summary of our proposal and comparisons.

DEFINITIONS/ FRAMES OF REFERENCE CRITERIA	HANDBOOK ON NON-PROFIT INSTITUTIONS IN THE SYSTEM OF NATIONAL ACCOUNTS	SOCIAL ECONOMY FRAMEWORK	QUARTER, MOOK AND RICHMOND (2003)	EUROPEAN RESEARCH NETWORK, EIMES	SATELLITE ACCOUNT FOR SOCIAL ECONOMY ENTERPRISES
Formal voluntary association of persons or collective entities.	Non-compulsory: participa- tion is not mandated by law or other conditions of citi- zenship. Organizations with a cer- tain degree of internal or- ganization structure: goals and activities; organiza- tional boundaries or a legal charter of incorporation.	"Volunteer participa- tion" in the sense of volunteerism).	Minimal formal struc- ture, even if they are not formally incorpo- rated, AND "Volun- teer or social parti- cipation."	Initiative arising from a group of citizens.	Formally organized, i.e.e.g., endowed with its own corporate status.
Democratic decision- making process.		Democratic decision-making.		Decision-making power not based on the holding of capital.	One person, one vote. Members have majority or exclusive control over the decision-making process within the or- ganization.
Other criteria.	"Institutionally separate from government." "Self-governing."	Social objectives. "Government depen- dence"/partnership.	"Civic engagement."	Initiative of a group of citizens Minimal number of paid positions Significant level of economic risk Explicit objective of service to community. Multi-stakeholder dynamics.	Self-help.



## REFERENCIAS BIBLIOGRÁFICAS

- ANHEIR HELMUT K. and AVNER BEN-NER. (2000): *Advances in Theories of the Nonprofit Sector*.
- ANGERS, FRANÇOIS-ALBERT (1975): *La coopération, de la réalité à la théorie économique*, Montréal, Fides.
- BAREA, JOSE and JOSE-LUIS MONZÓN CAMPOS (2005): *Guidelines for development of a satellite account of social economy enterprises (cooperatives and mutuals)*, Response to a call for tenders by DG Entreprises of the European Commission, Ciriec International, September 13.
- BEN-NER, AVNER et TERESA VAN HOOMISSEN (1993): "Nonprofit organizations in the mixed economy" in Ben-Ner and Van Hoomissen (eds), *The nonprofit sector in the mixed economy*, Ann Arbor, The University of Michigan Press.
- BERDHAL, L., K. BROCK, G. CUCUMEL, I. DAVIES, T. EVERS, S. FRANKEL, M. HALL, C. JOHNSTON, L. JOLIN, M. L. DE WIT, D. LASBY, J. MCAULEY, D. MCIVOR, V. MURRAY, R. NICOL, R. ROACH, P. ROWE, K. SCOTT, (2005): *Cornerstones of community: Highlights from the national survey of nonprofit and voluntary organizations*, Statistics Canada, catalog, n° 61-533-XWE.
- BORZAGA CARLO and JACQUES DEFOURNY and (eds), (2004): *The emergence of social enterprise*, London, Routledge.
- BOUCHARD, MARIE J., CYRILLE FERRATON and VALERIE MICHAUD, (2006): *Qualification of Social Economy Organizations*, Montréal, UQAM, Chaire de recherche du Canada en économie sociale, R-2006-03.
- BOUCHARD, MARIE J., CYRILLE FERRATON, VALERIE MICHAUD and DAMIEN ROUSSELIÈRE (2008): *Classification of Social Economy Activities*, Montréal, UQAM, Chaire de recherche du Canada en économie sociale, R-2008-01.
- BOUCHARD, MARIE J., LAETITIA KOENIG, VALERIE MICHAUD and DAMIEN ROUSSELIÈRE (2008 tbp): *Portrait de l'économie sociale de la région de Montréal*, Montréal, UQAM, Chaire de recherche du Canada en économie sociale/ Conférence régionale des élus de Montréal, Comité d'économie sociale, à paraître.
- CCED-Net: Canadian Community Economic Development Network, <http://www.ccednet-rcdec.ca/>
- Chantier de l'Économie Sociale du Québec: [www.chantier.qc.ca](http://www.chantier.qc.ca)
- CHAVES, RAFAEL ET JOSE-LUIS MONZON CAMPOS (2007): *L'économie sociale dans l'Union européenne*, Liège et Bruxelles, Ciriec international et Comité économique et sociale européen.
- DEFOURNY, JACQUES (1992): "Le secteur de l'économie sociale en Belgique", pp.225-52 in J. Defourny and J.-L. Monzón Campos (eds), *Économie sociale : entre économie capitaliste et économie publique / The Third Sector: Cooperative, Mutual and Nonprofit Organizations*, Brussels, CIRIEC and De Boeck-Wesmael.
- DEFOURNY, JACQUES AND JOSE-LUIS MONZON CAMPOS (1992): (eds), *Économie sociale: entre économie capitaliste et économie publique / The Third Sector: Cooperative, Mutual and Nonprofit Organizations*, Brussels, CIRIEC and De Boeck-Wesmael.
- DESROCHE, HENRI (1983): *Pour un traité d'Economie Sociale*, Paris, Coopérative d'information et d'édition mutualiste (CIEM).
- DUSSUET ANNIE et JEAN-MARC LAUZANAS (2007): *L'économie sociale entre informel et formel*, Rennes, PUR.
- EME, BERNARD (1997): "Aux frontières de l'économie, politiques et pratiques d'insertion", *Cahiers internationaux de sociologie*, Paris, PUF, CII, juillet-décembre.
- EME, BERNARD et JEAN-LOUIS LAVILLE (1994): *Cohésion sociale et emploi*, Paris, Desclée de Brouwer.
- E.M.E.S., European Research Network: [www.emes.net](http://www.emes.net)
- ENJOLRAS, BERNARD (2002): *L'économie solidaire et le marché*, Paris, L'Harmattan.

- EVERS, ADALBER and JEAN-LOUIS LAVILLE (2004): *The third sector in Europe*, Cheltenham, UK, Northampton, MA, USA, Edward Elgar.
- GIDE, CHARLES (1900): *Économie sociale*, Rapports du Jury international, Exposition universelle de.
- HALL, MICHAEL. H., C.W. BARR, M. EASWARAMOORTHY, S. W. SOLOLOWSKI and L.M. SALAMON (2005): *Analyse comparative du secteur sans but lucratif et bénévole du Canada*, Toronto, Johns Hopkins University and Imagine Canada.
- HAMDAD, M. and S. JOYAL (2005): *Satellite account of nonprofit institutions and volunteering*, Statistics Canada, catalog, n° 13-015-XWE.
- LAVILLE, JEAN-LOUIS (dir.) (2007): *L'économie solidaire, une perspective internationale*, Paris, Hachette Littératures (nouvelle édition revue et actualisée).
- LÉVESQUE, B. ET M.-C. MALO (1992): "L'économie sociale au Québec" in : J. Defourny et J. L. Monzón Campos (eds), *Économie sociale, entre économie capitaliste et économie publique*, Bruxelles, Ciriec et DeBoeck, pp. 384- 446.
- LEVESQUE, B. AND M. MENDELL (1999): *L'économie sociale au Québec : éléments théoriques et empiriques pour le débat et la recherche*, Montréal, CRISES, Collection Working Papers, n° 9908.
- LEVESQUE, B. AND D. CÔTE (1995): *Le changement des principes coopératifs à l'heure de la mondialisation: à la recherche d'une méthodologie*, in Zevi, A. and J.L. Monzon Campos (editors), *Coopératives, marchés, principes coopératifs*, Brussels, De Boeck-Wesmael/CIRIEC, pp. 1-14.
- MCDUGALL, BRIAN (2007): *Results of the 2006 Feasibility study on the for-profit segment of the community sector*, Ottawa, Human Resource and Social Development Canada, unpublished, June 9.
- MDEIE (2005): *Coopératives du Québec. Données statistiques (Édition 2005)*, Québec, Ministère du Développement économique, de l'Innovation et de l'Exportation.
- NYSENS, MARTHE (eds) (2006): *Social Enterprise*, London, Routledge.
- QUARTER, JACK, JORGE, SOUSA, BETTY JANE RICHMOND and ISLA CARMICHAEL (2001): "Comparing member-based organizations within a social economy framework", *Nonprofit and Voluntary Sector Quarterly*, n° 30(2), pp. 351-75.
- QUARTER, JACK, LAURIE MOOK and BETTY JANE RICHMOND (2003): *What is the social economy?* Centre for Urban and Community Studies, Research Bulletin, n° 13.
- SALAMON, LESTER M. et HELMUT K. ANHEIR (1998): "Social origins of the civil society: explaining the non-profit sector cross-nationally", *Voluntas*, vol. 9, n° 3, pp. 213-248.
- SHRAGGE, E. (ed.) (1993): *Community economic development: in search of empowerment and alternatives*, Montréal, Black Rose Books, p. 141.
- SPEAR, ROGER and ÉRIC BIDET (2005): "Social enterprise for work integration in 12 European countries: a descriptive analysis", *Annals of Public and co-operative Economics*, vol. 76, n° 2.
- STATISTICS CANADA (2004): *Canada Survey of Giving, Volunteering and Participating (CSGVP)*, Chronological Survey: 1997, 2000, 2004.
- UNITED NATIONS (2003): *Handbook on non-profit institutions in the system of national accounts*. New York: United Nations Organization, Department of Economic and Social Affairs, Statistics Division.
- VAILLANCOURT, YVES (with S. Chartrand) (2005): *Le tiers secteur au Canada, un lieu de rencontre entre la tradition américaine et la tradition européenne*, Text of a communication in the context of the First Conference of the International Society for Third-Sector Research (ISTR) and the EMES European Research Network, Paris, April.
- VIENNEY, CLAUDE (1994): *L'économie sociale*, Paris, La Découverte.
- VIENNEY, CLAUDE (1980): *Socio-économie des organisations coopératives*, Paris, CIEM.

