

The Honourable Eleni Bakopanos: Social Economy Champion

The Honourable Eleni Bakopanos, Parliamentary Secretary to the Minister of Social Development with special emphasis on Social Economy, has her work cut out for her. Promoting the concept of the social economy is her first task, and her second is to identify and dismantle the federal government policy barriers which hamper social entrepreneurs. The challenges she faces in this work are Herculean; fortunately, her passion and commitment are equal to the job.

Briefly, the social economy represents a third means of addressing economic and social needs through social enterprise. It offers a means of entry to prosperity and community involvement which is an alternative to the market activities of business and the social programming activities of government. Social enterprises are locally owned and create new equity resources that can be reinvested into ongoing development processes. They engage workers and owners from groups that typically are hard to employ (e.g., lone parents). They combine business and personal development to reduce marginalization and expand democratic ownership. Many social enterprises perform impor-



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tant social tasks, such as child care, cultural and recreational activities, community health clinics, recycling, environmental restoration, housing alternatives, alternative cultural productions, and community radio and television [Lewis 2004].

Says Bakopanos: “The best way to describe the social economy is to say that it’s a movement – a social movement – not strictly an entrepreneurial one. It is multi-dimensional, citizen-led, community-based and allows people to create local partnerships. It stays away from a profit motivation. Instead, social entrepreneurs use profits to employ more people. The word profit has been tainted – somehow we’ve labelled things badly when you say ‘for profit.’ Profit isn’t the problem, it’s what you do with the profit that matters.”

The March 2004 federal Budget placed the social economy squarely on its agenda, providing \$100 million over five years in capital funds (credit and “patient capital”) to support social economy and community projects, \$17 million over two years for community capacity-building projects and \$15 million over five years for community-university research funding. The Budget rewarded more than 16 years of work by community economic development (CED) and social economy adherents to define and promote the idea that building community capacity, making community capital available and developing competence offer a solid basis for building sustainable, inclusive communities.

Roots of the social economy

Both CED and the social economy have their roots in Canada’s historic co-operatives movement. Established throughout the 1900s in pockets across the country, they include grain transportation co-operatives in western Canada, people’s banks (*caisses populaires*) in Quebec and fishing, housing and banking co-operatives created by the Antigonish movement in the Maritimes. Co-operatives brought together people with common economic needs who supported

one another through the establishment of marketing and profit-sharing structures.

Beginning in the 1970s, anti-poverty organizations across Canada began to apply the community-based principles of co-operative ownership to address both economic and social needs. CED practitioners adopt a multi-level approach to improving the functioning of communities at risk, including participation from business, community groups, local residents and government. Their focus is on a particular territory – a community.

By contrast, the social economy places its emphasis on the development of enterprises which assist in achieving social goals. It is largely a Quebec phenomenon, built on a groundswell of support for the establishment of a more democratic, pluralist and inclusive economy [Lewis 2004].

The social economy in Quebec grew out of a strong CED tradition and from the increasing involvement of civil society in local and regional development. The Quebec government began to support CED initiatives in the mid-1980s. The government recognized the role of civil society in development issues when it created the Labour Market Partners Commission in 1994. In 1995, the Quebec government initiated a review of its social assistance programs. In 1996, it organized the Summit on the Economy and Employment, which culminated in the establishment of a working group led by representatives of civil society – *Chantier de l’économie sociale* (the Social Economy Task Force).

Chantier president Nancy Neamtan is a Quebec-based practitioner who has been

instrumental in advancing the social economy agenda in Ottawa. Says Nancy: “While CED-supportive events were unfolding in Quebec, the social economy was emerging as a reality in the rest of Canada. Though the vocabulary differs, this sector is emerging more strongly across the country and around the world.”

The Quebec social economy owes much of its success to the continued participation of various sectors of society involved in *Chantier* – a network of networks – and to the investment capital structure it has established (*Réseau d’investissement social du Québec – RISQ*). RISQ also funds technical assistance initiatives. Skills development for workers, managers and administrators in various sectors are delivered by the *Comité sectoriel de la main-d’oeuvre économie sociale-action communautaire* (CSMO-ESAC) and community organizations. *Chantier*, RISQ and the technical assistance providers offer Quebecers the three CED keys to success: community capacity, capital and competence.

Parliamentary Secretary Bakopanos’ task is to help create the conditions of support at the federal government level which will allow the flourishing of social enterprises and further enable communities to help themselves. Establishing a national social economy framework is a horizontal effort, requiring the involvement and cooperation of many departments. The work will affect housing, health and Aboriginal programs. Social Development Canada, Public Works and Government Services Canada, and Treasury Board are other important players in developing policies and frameworks which will encourage innovation and social entrepreneurship.

Industry Canada will have responsibility for administering the \$100 million in capital funds

for community projects through four regional agencies (Atlantic Canada Opportunities Agency, Western Economic Diversification Canada, FedNor and Economic Development Canada). Says Bakopanos: “The advantage of using economic development agencies are twofold: They’re already active at the community level and they know the players. It’s very important to this initiative to have a thorough knowledge of the government financial mechanism. Now we have to fine-tune it and harmonize procedures across the country.”

Nancy Neamtan’s groundbreaking efforts in building Quebec’s Social Economy Task Force have helped guide Bakopanos’ work in establishing a federal, provincial and private sector partnership that will pool resources and encourage greater CED innovation.

Says Bakopanos: “One of the first things I did after my appointment to this position in December 2003 was to convene a Roundtable on the Social Economy which brought key stakeholders from across the country to the government table, along with Ministers, Deputy Ministers and public servants from key departments.” In preparation for the March 2004 Budget, Roundtable members had two months to put together the financial framework within which to move forward the social economy agenda.

In the intervening year, government department employees and representatives of the Regional Development Agencies have worked through details of distributing the \$100 million in capital funds, looked for ways to provide better access to funding for small- and medium-size programs and investigated how to dismantle funding barriers identified in Canada’s Small Business Financing Act and the Not-For-Profit

Corporation Act. Roundtable members have provided regular feedback on these initiatives.

Why the roundtable? Says Bakopanos: “I could have talked to everyone individually, but if the social economy is going to be a movement, the whole process has to be conducted that way. We must become sustainable and accountable if we are to build strong local economies in a world which is truly becoming a global village.”

Generating excitement

One of Parliamentary Secretary Bakopanos’ first exposures to the possibilities of the social economy came through her association with a social enterprise in her riding of Ahuntsic. *Atelier de Meubles Recyclés Ahuntsic-Cartierville* (AMRAC) restores and sells used furniture and reintegrates workers who have left the job market for a variety of reasons. One side of the operation sells higher-end merchandise at market prices while the other side makes serviceable pieces available at lower cost.

Says Bakopanos: “This operation is typical of the many social enterprises operating in Quebec. Many start with one good idea – the *Cirque du soleil* began as a small street performance troupe in Saint-Michel, for example, and it continues to reinvest funds in that area of the city to train people into the circus arts. Repayment statistics prove that social enterprises are a good financial risk – more than 80 percent pay back their original capital loans. Devising reasonable payback schedules is one of the issues we must address. Small businesses are offered flexible payback periods and we must make sure we create a level playing

field for both small business and social enterprise. We must not allow the rules to favour one type of enterprise over another.”

Bakopanos’ work has strong links with the federal government’s Cities and Communities agenda. Ongoing discussions with Treasury Board officials are aimed at accelerating the approvals process which will allow the four regional agencies to release the first \$30 million in project capital. Bakopanos’ eager determination to speed up the slow wheels of government has earned her Minister David Emerson’s assessment as “a thorn in my side and the wind at my back.”

Though at first she was taken aback at the Industry Canada minister’s description of her leadership style, Bakopanos admits that she is passionate in her pursuit of a project which will have a direct impact on people’s lives. Says Bakopanos: “If we do this work right, we will have made it possible for many people to discover opportunities for themselves and to find where they belong in truly vibrant communities.”

Social economy roundtable member Ted Jackson is chair of the Centre for Community Innovation at Carleton University in Ottawa. He has witnessed first hand Bakopanos’ dedication to promoting the social economy. Says Jackson: “The Parliamentary Secretary’s approach to the social economy file is informed by her impressive record of community activism in Montreal and Quebec, where she has been a builder and connector of social and cultural causes and groups. She also is a superb role model for young Canadians, especially young women, who are beginning careers of public service. She is a remarkable Canadian leader.”

Before her election to Parliament in 1993, Bakopanos worked as Vice-Chairperson for Cultural Communities at the *Conseil des communautés culturelles et de l'Immigration*. From 1986 to 1990, she was policy advisor to Quebec ministers responsible for Cultural Communities and Integration. She became interested in a political career during the 1980 Quebec Referendum after which she was appointed provincial coordinator for the Ethnic Groups Commission for the Quebec Liberal Party and regional coordinator for the ridings in the western part of Montreal. She was a board member for *Centraide Montréal* for more than ten years – an experience which let her witness the difficulties that nongovernmental organizations experience in securing funding for their work.

Bakopanos' parents emigrated from Greece and operated a family-owned restaurant to provide for their children. They taught her to be proud of her roots and to be self-reliant. Lifelong friend Susan Papadionissiou, who is Director of Agency and Community Services at United Way of the Lower Mainland, BC, says: "Eleni's life experience has taught her about resilience, about entrepreneurial spirit and about compassion. She is the friend who always takes the time to keep in touch, no matter how busy. She has a big heart and an even bigger smile."

The Parliamentary Secretary's favourite book in high school was introduced to her by an innovative, engaging teacher in the 1970s who encouraged her students to think creatively. *The Fountainhead* by Ayn Rand is built on the conflict between an innovative architect and a society that is either indifferent or hostile to his new ideas. In many ways, the work Bakopanos has undertaken

to move forward a social economy agenda parallels the struggles of the book's central character. He overcomes his detractors on the strength of his good ideas. Eleni Bakopanos' determined efforts to combine responsive government policies with the tenets of the social economy will surely be equally successful.

Says Bakopanos: "As more enterprises are established, interest in the social economy will grow. My goal is to trumpet the accomplishments of this movement – the jobs it creates, the communities it enriches and the improvements it makes in the lives of Canadians."

Anne Makhoul

Anne Makhoul coordinates the 'real leaders' series for the Caledon Institute of Social Policy.

Reference

Lewis, M. (2004). "CED and the Social Economy – Sorting out the Basics." *Making Waves*, 15 (1): 7-11.

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