

THE ARKLETON TRUST

OUR OWN RESOURCES

*Cooperatives and Community
Economic Development in Rural Canada*

by

Roger Clarke

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THE ARKLETON TRUST

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TABLE OF CONTENTS

ACKNOWLEDGEMENTS

	<i>Page</i>
FOREWORD	1
I INTRODUCTION	3
The purpose of the study	3
Definitions and assumptions	4
The methods by which information was gathered	5
II THE RURAL DEVELOPMENT CONTEXT IN CANADA	7
Regional disparity and the economic base of rural areas	7
Rural community life in Canada	9
Government policies	11
The Cooperative Movement: its traditions and potential	14
The community development approach	17
A reassessment of paid employment	18
The search for alternative technologies and organisational styles	19
III APPROACHES TO DEVELOPMENT: CASE STUDIES	20
i Three cooperative communities (Tignish, Chéticamp, and Hornby)	20
ii Regional Development Associations: the Newfoundland experience	28
iii Development Cooperatives (JAL, SERV, Contact, and Guysborough)	33
IV ANALYSIS AND COMMENT	45
i The genesis of development: objectives and strategies	45
ii The genesis of development: people, structures, and local resources	48
iii The genesis of development: outside help	55
iv Cooperatives and community economic development — a viable strategy?	61
V POINTERS TO FUTURE ACTION	63
i By local organisations and activists	63
ii By "resourcing agencies" including the cooperative movement	65
iii By government	66

APPENDIX A

List of individuals and projects interviewed

68

APPENDIX B

Selected Bibliography

73

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I would also like to thank all those in this country who have helped me in the preparation and completion of the study visit. In particular I would like to thank the Arkleton Trust, through the award of an Ernest Cook Fellowship, for meeting most of the costs of the study visit and for agreeing to publish this report, and John Higgs and John Bryden of the Trust for their advice and encouragement, the Commonwealth Foundation for a travel grant, and my employers, the Scottish Council of Social Service, for a flexible approach to the granting of extra leave.

Roger Clarke

FOREWORD

Roger Clarke was awarded an Ernest Cook Fellowship in Rural Development by the Arkleton Trust in 1980. His proposal involved a study of the role that cooperatives have played in Canadian Rural Development, with a view to identifying the lessons which might be learned of relevance to rural community and cooperative development elsewhere, particularly in Scotland.

From 1969 to 1972 Roger carried out research for a Ph.D thesis on social and economic change in rural communities in Eastern Quebec, and was already familiar with Atlantic Canada when he took up his current fellowship. He joined the Scottish Council of Social Service in 1972, and served as Community Development Officer in Ayrshire and Lanark before moving to Edinburgh as Assistant Director in 1976. He was the first Chairman of the Scottish Cooperatives Development Committee and is currently Secretary of the Scottish Rural Forum Steering Committee.

The study includes detailed reference to nine rural community development projects in Canada which Roger visited during the study tour, and an analysis of their experience and problems. It draws out, for others working in this complex and difficult field, the key lessons regarding objectives, structure, activities and other aspects of local development from "our own resources".

The Arkleton Trust acknowledges with gratitude the support of the Ernest Cook Trust which made this study possible.

John Bryden
Programme Director

I .INTRODUCTION

The Purpose of the Study

This report aims to disseminate some ideas gathered from the experience of community economic development in rural Canada. It is based on two month's study leave spent in Canada during the autumn of 1980.

The theme of the study visit was defined in an outline prepared prior to the visit as follows:

"The objective of the study visit will be to examine the role of the cooperative movement in rural community development in Canada. Community Development may be defined as the process by which local people act collectively to improve and control their economic and social situation.

Cooperatives are an organisational framework which may facilitate this process. Often formed in times of economic crisis, they have provided a means whereby rural people have been able to exert a degree of control over their economic fortunes in the face of an unpredictable commercial world. In rural Canada, cooperatives have been a major force in rural development over the past 50 years."

In the course of the visit it became clear that a number of new initiatives were taking place which, although they were cooperative in spirit, were not linked with the organised cooperative movement. It was also clear that the traditional cooperative movement is rarely an active force in rural development at the local level at the present time. As a result, the focus of the visit broadened to include a range of local projects engaged in community economic development in rural Canada.

The report has five main sections. This introductory section, besides outlining the purpose of the study, explains how the study visit was carried out and defines some of the key concepts and assumptions. The second section gives some — necessarily brief — background about rural development in Canada, attempting to explain the context within which community economic development takes place. The third section presents the "data base": snapshots of nine projects each making an attempt at local economic development. The fourth section analyses this data, drawing out key lessons about the objectives, structure and activities of the local projects. The final section

attempts to translate these lessons into British — and particularly Scottish — terms.

The study is likely to be of interest to individuals and organisations interested in a local approach to rural development.

Definitions and Assumptions

“Community economic development” is the process by which local people act collectively to improve their economic situation. It rests on the assumption that “development” is not solely a matter for governments or private enterprise but is a matter for common concern and action by local people. In this study, the efficacy of community economic development is not questioned; it was assumed during the study visit to be a viable and desirable development strategy. Some of the different philosophical approaches that underlie community economic development, and some of the limitations of the concept, are however discussed.

“Community” is an elusive idea easier perhaps to recognise than define. Key elements of the way in which “community development” is used in this report are that it involves *collective*, as opposed to individual, initiative by local people, that this initiative is *accountable* to local people through a democratic process, and that it is *voluntary* in the sense that is not demanded by government.

“Economic development” implies a *conscious* attempt to bring about improvements to economic conditions. It is not synonymous with “growth”, but rather implies an unfolding or enrichment of what already exists. Because “community economic development” is a *conscious* process of *collective* initiative, it does not include the many “developments” that take place all the time in any community through individual initiative — the introduction of a new crop, the purchase of a new boat, the expansion of a retail store.

Community economic development is also essentially *integrative* in its approach. It attempts to harmonise the development of individual enterprises within the community — farming with fishing, for example. It attempts to integrate economic and social development, or at least to ensure that economic developments do not conflict with social goals. It is also holistic in attempting to make best use of all the human and physical resources of the community.

A *cooperative* is an economic organisation established to provide its members with goods and services. Each member has an equal say in the control of the cooperative, and benefits from the cooperative in proportion to his or her participation in its activities. A set of six "Principles of Cooperation", based on those originally drawn up by the Rochdale Pioneers in the 1840s, has been adopted by the International Cooperative Alliance. Because of its emphasis on collective initiative and democratic control, the cooperative structure is peculiarly appropriate as an instrument for the promotion of community economic development.

The methods by which information was gathered

Carrying out a study visit is an exciting and arduous process. Bursts of frantic activity, of meeting new people and absorbing new ideas and structures, alternate with periods of recuperation, of time spent travelling, making arrangements, writing up notes. As with any independent research, much depends on individual initiative. There are no external constraints or disciplines imposed by office routine or obligations to one's employers. So it is both a refreshing and a challenging experience, and an opportunity to reflect both on the work in hand and on the work left behind on one's desk. Most of the time was spent in rural parts of "Atlantic Canada": in eastern Quebec, Prince Edward Island, eastern Nova Scotia, and Newfoundland. Visits were also made to Ottawa, Toronto, Edmonton, and Moncton, and, at slightly greater length, British Columbia. Previous research experience in Atlantic Canada, coupled with a general knowledge of Canada, was an important factor in speeding up the process of understanding government structures and the main outlines of the local economy and society.

Interviews with staff and volunteers in local development projects formed the core of the study visit. In all, nine projects were visited, spending one or two days with each. The interviews enabled collection of basic data about the project, impressions about its successes and failures, and often included on-site visits to fish plants, forestry plots, and so on. The local interviews were supplemented by interviews with a substantial number of "outsiders" who in one way or another were familiar with the local scene. These outsiders included provincial and federal government officials, the staff of "resourcing agencies" such as cooperative central organisations, university extension depart-

ments, and social planning councils, and individuals knowledgeable about rural development. The outside interviews were vital to gain a picture of the varied resources at the disposal of a local project. They were also vital in providing insights into how a local project worked. A key phrase or comment about a particular initiative or personality would provide more insight into the way a project worked than several pages of documentation. The printed word was, however, an important source of supplementary information. All projects were able to furnish grant applications, annual reports, or evaluation documents which provided basic data about their history and current activities. The accumulation of a small mountain of printed matter became a problem in itself when the time came to move it from one locality to another!

The programme of visits was not prearranged. Although half-a-dozen key contacts had been made, there was no commitment to a detailed itinerary. This ensured reasonable flexibility, allowing changes to be made where new opportunities presented themselves. In general, appointments were arranged by telephone a few days in advance of arrival. Individuals in particular projects then frequently arranged meetings with other workers in the same project.

The study visit was not a formal research programme. There was no attempt to contact a selected sample of local projects, nor to collect a standard set of data about each project. Instead, it was a search for the points of innovation and growth in community economic development in Canada, and a search for ideas and insights which could be applied in Britain. No apology is made for this unscientific approach.

II THE RURAL DEVELOPMENT CONTEXT IN CANADA

Rural development in Canada is not isolated from other social and economic processes. It takes place in the context of particular historical experiences and geographical relationships, of particular institutional frameworks, and of particular hopes for the future. One of the failures of much community development work has been its failure to take into account the historical and geographical environment within which it is being carried out. The various contexts of Canadian rural development find echoes in much of the debates about rural developments in Britain. However, there are significant differences. It is the job of this section to highlight some of the key aspects of Canadian life within which rural development takes place.

A simple diagram may help to illustrate some of these contexts.

FIG 1 THE CONTEXT OF RURAL DEVELOPMENT IN CANADA

Historical/Geographical Dimensions		Institutional Dimensions		Hopes for the Future	
1	Regional disparity and the economic base of rural areas	3	Government policies	5	The community development approach
2	Rural community life in Canada	4	The cooperative movement: its traditions and potential	6	A reassessment of paid employment
				7	The search for alternative technologies and organisational styles

Regional Disparity and the Economic Base of Rural Areas

The rural economy in Canada is based on primary production: the development and exploitation of the resources of the land, the sea, and the forest. Mineral deposits, which also provide an

important base for economic activity in rural Canada, are not a direct concern of this paper. Primary production in rural Canada has been mainly production for export beyond the rural area: the forests, farms and fisheries of Canada have supplied raw materials not only to Canadian cities but also to the United States and Europe.

Most primary production in Canada has traditionally been carried out by small independent producers: the family farm, the inshore fisherman, the man cutting wood on his own woodlot. Primary production in eastern Canada in particular has also had an important "subsistence" element: people have not only produced commodities for sale but also for their own domestic use.

In recent years there has been a move towards the creation of larger economic units in primary production. These include larger farms, the use of large trawlers for offshore fishing, and the development of a highly mechanised forestry industry. These larger units, particularly in the case of the forestry and fishing industries, have rarely been controlled by local people, in contrast to the owner-occupied family farm or the inshore fisherman who owned his own boat. Instead, they are controlled by large companies which are also involved in the processing of these products.

The processing of primary products is rarely fully developed in the rural areas themselves. Instead, the milling of wheat, the packaging of vegetables, the manufacture of furniture from sawn timber, is usually carried out in urban centres — and the finished products sold in those centres or sold back to the rural areas. This means that the rural areas do not receive the benefits of the "value added" to those products, either in terms of jobs created or wealth generated.

Control of most of the productive side of the rural economy is exercised by organisations based outside the rural areas. Major multinational corporations, for example, control much of the forestry industry. The decisions about investment, about the location of production and processing facilities, made by these corporations do not derive from local economic and social needs, but from the financial and organisational needs of the corporation.

Rural areas in Canada, then, in common with rural areas elsewhere including the Third World, suffer from two kinds of "underdevelopment". One is that rural areas do not receive full

value for the primary products produced in the area. The other is that control of the major economic structures of rural areas does not rest in rural areas. Any movement to generate "community economic development" in rural areas that does not tackle these features of underdevelopment is likely to have limited success.

Rural community life in Canada

Much of rural Canada is a long way from major urban centres. In contrast to Britain, distances are vast. Even with differences in the perception of distance — people in Canada are willing to contemplate much longer journeys than in Britain — and the relatively low cost of public and private transport in Canada, many rural areas are still very remote from the cities.

One of the consequences of the big distances is that, with some exceptions around main towns, there is not the same percentage of people living in rural areas who do not make a living from the rural economy — the "adventitious" rural population — as in Britain. Nor is there the same prestige attached to "a house in the country" (as opposed to a weekend cottage) among Canadians as among well-to-do people in Britain.

Rural communities in Canada — particularly Atlantic Canada — tend to have income levels well below the national average. In Newfoundland, for example, incomes in rural areas are little more than half those in Canada as a whole. This contrasts with rural Britain, where because of the wider range of income levels, average incomes in rural areas do not differ markedly from the national average.

The level of cash income in rural areas is not necessarily to be equated with level of prosperity or well-being. The concept of "occupational pluralism" is crucial to an understanding of rural development in Atlantic Canada, just as it is in the crofting areas of Scotland. This "strategy for survival" is based on the idea that, to maintain themselves in rural areas, people carry out a variety of types of work, some of which bring in a cash income and others of which offset cash expenditure. Occupational pluralism has two dimensions:

- a household pluralism: the concept that different members of a household carry out different economic activities in order to permit the survival of the household, and that kinship or neighbourhood networks are an important facet of economic

activity — for example women or school-age children may carry out farm work while the man goes fishing, or father and son may work together, with the paid help of a local tradesman, on the building of a new house.

- b seasonal pluralism: in a climate marked by strong seasonality and in particular a severe winter, it is rarely possible to pursue the same activity in rural areas throughout the year. In the winter, the sea freezes and it is impossible to fish, and large-scale lumber operations cease in the woods. This means that survival requires a variety of skills and activities at different times of the year, and that seasonal unemployment benefits (particularly for fishermen) are an important source of income.

The development of the “industrialised” sectors of the rural economy by large corporations (deep-sea fishing and high technology lumbering operations in particular) tends to conflict with the traditional pattern of occupational pluralism. This conflict arises partly because a high technology approach requires intensive use of expensive plant, so that workers must spend days or weeks at a time at sea or in the lumber camps for as long a season as possible. It also requires centralisation of economic activities into a few locations, such as a major port or a pulp mill, where workers are obliged to adopt an urban rather than a traditional rural lifestyle. In these situations, where the possibility of owning a woodlot or of building your own house is reduced, a higher cash income is needed.

In Canada, as elsewhere in the world, there has been a migration of young people to the cities, a decrease in rural population levels, and a permeation of the rural culture by urban values and lifestyles. Rural Canada — and particularly the Atlantic provinces — is seen in Canadian terms as a backwater where not much happens. Nova Scotians and Newfoundlanders are the butt of many Canadian jokes in the same way as Irish people are the subject of humour in Britain. Yet in Atlantic Canada, as in Britain, rural people, even if living in Montreal or Toronto, have a strong sense of identity with their place of origin. Many people would return to their own area if adequate work was available. In addition, there is a significant movement of young people, often from urban backgrounds, into rural areas, experimenting with

alternative styles of living. The relative ease of acquiring land in Canada makes becoming established in the rural area possible even if the rigours of remoteness and the harsh climate make the "back-to-the-land" movement difficult to sustain.

Rural development policies that are sensitive to community needs must, then, encourage and support new and returning rural residents. They must take account of the importance of the "informal economy" — the domestic production and exchange of goods and services rather than cash — and recognise the significance of traditional patterns of occupational pluralism. They must also recognise the divergence between the goals of particular enterprises in terms of efficiency and centralisation, and the goals of the people in terms of the maintenance of viable rural communities.

Government Policies

Canada is a federal country, and government activity in rural development as in other fields is dominated by federal-provincial relations. Both the federal and the 10 provincial governments have legislative and executive powers in areas relevant to rural development, such as industrial promotion. By contrast, local government in a British sense is weakly developed in rural Canada. Municipal councils in rural areas have limited powers and limited funds. They are primarily concerned with the provision of services: voluntary organisations such as Chambers of Commerce are more likely to take a local role in economic promotion than the municipalities.

Canada is a capitalist country, and the role of governments in rural economic development has, in general, been to provide the infrastructure for private enterprise development, to try to encourage development in peripheral areas through a variety of incentives, and to ensure, through the welfare system, that those who do not benefit directly from development by way of a well paid job can at least enjoy a minimum standard of living.

In recent years there has been an increasing scepticism about this type of government approach, and a questioning of whether private enterprise, in particular multinational corporations based outside Canada, does bring about development in a way that is beneficial to local people. At a political level this questioning is mainly voiced by the New Democratic Party and, in Quebec, by

the Parti Québécois. In its simplest form, the criticism is that governments fail to extract an adequate tax return from corporations exploiting natural resources. The "It's Scotland's Oil" debate is echoed by a vociferous argument between the provincial and federal governments as to who should control oil revenues. More sophisticated arguments are that the multinational corporations, particularly (in the present context) in the forests and the fishery, operate in ways that are environmentally destructive and likely to lead to an exhaustion of potentially renewable resources. The multinationals, because they are not subject to local control in the rural areas, are also said to operate in ways which conflict with local priorities, closing plants or using production techniques that are out of step with local needs. The Quebec government, with its policies for self-determination in the economic as well as the political sphere, seems to have gone furthest in tackling the problem of the multinationals, particularly in their efforts to encourage community enterprise.

Government attempts to promote rural development in Canada date back at least as far as the land concessions to the Canadian Pacific Railway and to individual homesteaders on the Prairies in the late 19th Century. This is not the place to describe the history of these attempts: instead reference will be made to some of the key features of modern approaches.

One approach has been the drawing up of comprehensive planning agreements between federal and provincial governments. Under the Agricultural and Rural Development Act (ARDA) several provinces signed rural development agreements with the Federal government from the mid-1960s onwards. In the East of Quebec, for example, an elaborate study was carried out of the various sectors of the rural economy. Plans were drawn up for the "modernisation" of the economy — for a high technology forestry and fishing industry, for example — and federal funds invested in infrastructure such as port facilities and forestry access roads. However, little attempt was made to see how the various sectors of the economy linked together, or how they would meet the needs of the highly dispersed rural population, most of whom would not be able to participate in the modernised sectors. An extensive process of public consultation was carried out during the preparation of the plan, but the views put forward by local people were largely ignored. This led to widespread disillusionment.

One of the most controversial aspects of the plan for the East of Quebec was a plan for the closure of a number of remote parishes and the resettlement of their populations. The resistance generated by this proposal led directly to local community action and the formation of the local organisations which provide two of the case studies in Section III.

Another approach to rural development has been to try to attract industry into rural areas, through grants, tax concessions, and access to industrial sites. In carrying out this work, industrial development departments of the provincial and federal governments use similar approaches to their counterparts in Britain. This approach, as suggested above, is of questionable value unless it is clear how the new enterprise will fit into the rural economy, and what measure of control local people will have over its operation. In addition, it is rare that new industry will locate in the most remote regions unless the availability of local natural resources provides a strong incentive to do so.

As in Britain, the government departments in Canada concerned with employment and manpower are separate from those concerned with industrial development. The employment department has mounted a series of programmes to create short-term jobs — winter works, Local Initiative Programme, Opportunities for Youth, Canada Works. Characteristically, in rural areas, these programmes have been used to alleviate seasonal unemployment. The more imaginative local projects have involved the improvement of community infrastructure, such as wharves, local access roads, community halls and picnic areas. Another, parallel programme (the Local Employment Assistance Program) has provided funds for training in the expectation that those who have taken part in the training will go on to find permanent employment.

In recent years attempts have been made to redesign parts of these programmes so that they can assist the creation of permanent, viable, enterprises. The Community Employment Strategy, set up in 1975, was an experimental programme set up to coordinate existing government employment-related programmes at a local level, and to provide funds for local initiatives which could not be supported under existing regulations. The project in Guysborough County, Nova Scotia (of which more later) was one of the most successful of these initiatives.

In October 1980 a new Federal programme, the Local Econo-

mic Development Assistance (LEDA) programme was announced. This programme will make available to community organisations in a limited number of rural communities finance for the administration of a LEDA corporation (up to \$100,000 per year for three years) and for enterprises sponsored by the Corporation (up to \$150,000 per year), as well as \$50,000 for an initial feasibility study. The objective of a LEDA corporation will be to develop local business that will create new continuing jobs in the community.

Several provincial governments also run employment creation programmes. Newfoundland's programme of assistance to Regional Development Associations through the Department of Rural Development is one of the most comprehensive, and will be discussed in more detail in Section III.

The Cooperative Movement: its Traditions and Potential

The cooperative sector of the Canadian economy has grown rapidly over the past 75 years and more particularly in the past decade. Four important features of the Canadian cooperative movement distinguish it from its British counterpart:

- a The Canadian cooperative movement is, historically, a *rural movement*. It has grown out of the desire of farmers and fishermen to improve their economic situation. The traditions of the movement are deeply rooted in rural communities in the Maritimes, Quebec, and the Prairies. Only recently have cooperatives become a significant force in the cities.
- b The Canadian cooperative movement is *diverse*. In Britain, cooperatives tend to be synonymous in the public mind with "the coop", which implies a retail store. In Canada, there are several major types of cooperative:
 - i Retail Coops: These are of two kinds. In the "patronage refund" kind (similar to British coops) members buy products at market prices but receive a refund (dividend) at the year's end. In the "direct charge" kind, members pay a standard weekly service fee to cover administrative costs, and buy their goods at cost price. A variant of this is the local buying club, where a group of people form a buying coop and contribute their own

- labour to arrange the distribution of goods. The patronage refund and direct charge retail coops are supported by regional coop wholesale organisations.
- ii Credit Unions: The credit union or "Caisse Populaire" — "peoples' bank", is a finance cooperative which offers savings and loan facilities to its members. Membership in a credit union is based on a common bond of association. In rural areas this is usually residence in a particular community or parish. Credit unions members elect their own board of directors at an annual meeting. There are 3,700 credit unions in Canada with a membership of 9 million people— 38% of the Canadian population. The local credit unions are supported by central organisations. The credit union central organisations also organise other kinds of financial services, such as cooperative insurance.
 - iii Farmers' and Fishermens' Cooperatives: These rural cooperatives purchase, process and market primary products on behalf of individual farmers and fishermen. They include the Wheat Pools on the Prairies, dairy cooperatives, and fisheries cooperatives such as Pêcheurs-Unis du Québec and United Maritime Fishermen.

Other kinds of cooperative organisation include housing cooperatives (mainly in urban areas), and service cooperatives such as day-care or health centre cooperatives. However the workers' cooperative movement is not as developed as in Britain, and there are no direct equivalents to the Highlands and Islands Development Board's community cooperatives in the Western and Northern Isles.

- c The Canadian cooperative movement is *dynamic*. In contrast to Britain, where the market sector held by the retail coops is shrinking, and coop stores often have a depressed or out-of-date air, Canadian coops are improving their share of the market in various fields. In particular, credit unions and, in some areas, retail coops and housing coops, are becoming major middle class institutions, far removed from their traditional rural base. There is also a "new wave" of coop-

erative development in Canada (as in Britain) where young people seeking alternative styles of economic and social organisation see the cooperative as an appropriate model. The "new wave" of cooperators usually place a high value on the social purposes of the cooperative and on democratic structure and are critical of what appear to be centralising and bureaucratic tendencies in the established cooperative movement.

- d The Canadian cooperative movement is *unified*. There is a great variety of types of cooperative but, even though some conflicts exist, there is an acceptance of the common identity of the cooperative movement. Unlike Britain, where the Co-operative Union is predominantly the mouthpiece of the retail cooperative organisations, the Co-operative Union of Canada represents all sections of the movement. The common identity of the coop movement in Canada is likely to be strengthened by the Co-operative Future Directions Project, a three year project established by the Co-op Union and based at York University in Toronto, which is engaging the various parts of the cooperative sector in debate about the future purpose and place of cooperatives in the Canadian economy.

Cooperatives are a major economic force in Canada and constitute the "third sector" of the economy — an alternative to the traditional private and public sectors. They represent a challenge to multinational ownership and have helped to increase and stabilise prices for primary producers. They involve many thousands of Canadians in the democratic process of owning and controlling their own businesses. They act as a brake on the tendency for disparities in wealth to increase: no one becomes a millionaire by being a cooperative member, but many may secure an advance in their standard of living. Because of these benefits of cooperation, the cooperative sector is receiving political support, particularly in Quebec, as a major instrument for regional economic development.

In spite of this hopeful picture at a regional and national level, the cooperative sector is not at present a major force in community economic development at a local level. One reason for this is that the very success of central cooperative institutions has meant an erosion of the independence of cooperatives at a local level. In

addition, the relatively narrow focus of, say a credit union or a retail store means that that organisation in itself is not an instrument for broad ranging community development. Even in communities where several cooperatives exist, these cooperatives do not appear to have developed linkages with each other which would enable them to be a force in development. This means that the initiative for community economic development, though in its aims it shares much in common with the cooperative movement, has grown up largely in isolation from that movement.

The Community Development Approach

Community Development as a conscious process of intervention in Canadian society is at a low ebb. Ten years ago, federal government programmes such as the Company of Young Canadians and Challenge for Change mobilised a generation of young people to bring about social change through community organisation. Now, faced by political indifference, cutbacks in public spending, and a recognition that intractable social and economic problems cannot be solved solely by short-term local intervention, the community development movement is weak and fragmented. While there is a recognition that economic regeneration is in many cases the key to community development, training courses and job opportunities for community development workers do not encourage the development of skills in community economic development.

Yet many of the principles of community development remain relevant to the field of local economic development, and differ from the principles of, say, regional planning or the setting up of a private business. Key among these priorities are an emphasis on collective initiative, on local self determination, and the utilisation of a variety of public and private resources to bring about development.

Governments, educational institutions such as extension departments and community colleges, and independent local projects are the main forces for community development in rural Canada. Social planning councils, the equivalent of Scottish councils of social service, are largely an urban phenomenon. Government departments usually require an independent "mediating structure" at regional or local level through which they can work with the local community: equally, local projects require the support and guidance of outside agencies.

Of all movements for community economic development in rural Canada, that of the Antigonish Movement in the 1930s in Nova Scotia has been one of the most effective. It has also become part of the folklore of Atlantic Canada.

The Antigonish Movement arose out of the concern of a small number of Catholic priests with the social and economic conditions facing farmers and fishermen in eastern Nova Scotia in the 1920s. Prices for fish and agricultural products were low and the systems of marketing were exploitative and poorly organised. Using the Extension Department of St Francis-Xavier University as an instrument, study clubs were organised throughout the region in which local people discussed ways of improving their economic situation. Out of these study clubs sprung hundreds of small cooperatives, engaged in fish processing and marketing, retailing, and encouraging savings through credit unions.

Crucially, the objective of cooperatives was not seen solely in economic terms. Their social purpose, in training people in the basics of collective and democratic organisation and in giving people a new sense of dignity and value, was seen as vital. In this sense the Antigonish Movement was a movement for adult education, which acted as a radical conscience to the emergent cooperative movement in the Maritimes. No movement for community economic development today has yet developed as clear a set of objectives and values as the Antigonish Movement of 50 years ago.

A reassessment of paid employment

One debate about the future organisation of society which will inevitably have an effect on rural communities is that about the future of paid employment. With unemployment rising rapidly in the western world, including Canada, and with technological change reducing the need for human labour in many industrial processes, it seems inevitable that we shall have to redefine our attitudes to paid work and unemployment. In particular, it appears that we shall need to reconsider whether "employment" should be the only means to an adequate standard of living for people of working age.

In rural areas, particularly in Atlantic Canada, people have for generations been engaged in forms of "occupational pluralism" which combine cash income with subsistence activity. The

notion of "employment" as something that happens from 8.30 am to 5 pm is foreign to the rural lifestyle. The "informal economy" is of crucial importance. A pluralistic lifestyle is, in general, tolerant of fluctuations in the economy, and conservative towards natural resources.

The conventional wisdom of development policy views a pluralistic lifestyle as outmoded, to be replaced by modern "professional" sectors of the economy. An increasing number of people are suggesting that, far from being outmoded, the pluralistic lifestyle is a pointer to viable patterns of rural development in the future.

The Search for Alternative Technologies and Organisational Styles

"Small is Beautiful" is one of the catch phrases of our times. The notion that finite resources must be used sparingly and renewable resources tended carefully, and that large centralised systems become insensitive to local need, is part of the consensus of liberal thought in both Britain and North America. Movements to ban nuclear power stations, to resist the blandishments of multinational corporations, or to grow organic gardens and to eat "whole foods" have a mass following among "progressive" middle class people.

Just outside Tignish at the north end of Prince Edward Island is an experimental site for wind generated power. The project is sponsored by the Federal Government, and within a year or two 16 different types of windmill are expected to be in operation. Yet the project has no evident links with organisations or individuals in Tignish — the place that might be expected to benefit most immediately from any new discoveries.

The Tignish example illustrates a general point. New thinking about the "conserver society", about better stewardship of the resources of the land, the sea and the forest, might be expected to interest and to benefit rural dwellers above all others. Yet the contacts between the people in universities and research institutions who are developing new technologies and the organisations and people in rural Canada who might benefit from them are weak or non-existent. Much the same is true of thinking about new organisational styles and about "democratic management". Any initiatives in community economic development in rural areas should be able to draw on the resources of information and ideas about technologies and systems appropriate to those areas.

III APPROACHES TO DEVELOPMENT: CASE STUDIES

Community economic development in rural Canada is in an experimental phase, and there is no one road to success. This section examines three main approaches: the "cooperative way", looking at three "cooperative communities"; the "Development Association" approach, drawing on the Newfoundland experience; and the "Development Cooperative" approach which is being tried out in three Quebec projects and in Guysborough, Nova Scotia. Reference is made throughout to the role of "resourcing agencies" and government departments in providing support to the local projects.

i THREE COOPERATIVE COMMUNITIES: TIGNISH, CHÉTICAMP AND HORNBY

Tignish

Tignish is Prince Edward Island's "cooperative village". Located at the north west corner of the island, the village itself has a population of about 1,000; a further 4,000 people live in the surrounding area. Inshore fishing, particularly for lobster, is the main economic activity; there is also some farming, particularly livestock rearing and potato growing. Most households own some land and are able to grow a garden and cut firewood on their own woodlot. Tignish is remote from towns (Summerside, the nearest, is 80 km away) and there is no commuter population. Equally, being comparatively remote, Tignish has been little affected by tourist development in the same way as other parts of the island.

Tignish has eight cooperatives and most of the area's economic activity is carried out on a cooperative basis. Farmers' and fishermen's cooperatives had existed in Tignish since the early years of the century, but the outer ripples of the Antigonish Movement gave shape and direction to the Tignish coops. In the mid-1930s Dr John Croteau of St Dunstan's College (now the University of P.E.I.) organised "study clubs" throughout the island, including Tignish. Each study club was based on a local school district (about 20-30 families) and met weekly throughout the winter. From time to time there would be a general meeting

of the 16 study clubs in the area. During the first winter the study clubs investigated credit unions, during the second winter, consumer cooperatives. The Tignish Credit Union was launched in 1937 and the Consumer Coop in 1938. As one old timer said "People developed themselves. This was the greatest achievement of the coop movement. They changed the feeling people had towards themselves."

Today, the credit union, the consumer store, and the fishermen's coop are the largest cooperatives in Tignish. The *credit union* has nearly 3,000 members, which implies that nearly every adult in the community has a credit union account. The *consumer store* is the only significant retail outlet in the area. Originally set up as a "buying club" for lime, seed, coal, flour, and fertiliser, it now operates a modern supermarket as well as an agricultural supplies section. Prices at the store are comparatively low. A recent consumer survey showed that, in spite of the remoteness of Tignish, the store was the tenth cheapest out of 34 retail outlets in the island, and third once the patronage refund was taken into account. The store has 1,200 members and an annual turnover of \$5million. The *fishermen's coop* buys and processes lobsters and ground fish from individual fishermen and sells fish through its central organisation, United Maritime Fishermen. There are 205 fishermen who are members of the coop and up to 200 people are employed at the fish processing plant at times of maximum output.

There are five smaller, and more recent, coops. An Irish Moss coop, with 13 members, processes and sells the "Irish Moss" seaweed that is collected on the beaches. A blueberry coop, with 20 members, leases blueberry grounds from the provincial government and private landowners: only the cooperative can afford the equipment necessary for blueberry harvesting. A woodlot coop has been formed to develop local woodlots, market lumber, and eventually to open a sawmill, but this has not yet made much progress. Two coops operate in the social services field. The community lacked medical facilities to attract doctors to the area, and the provincial government refused to provide a health centre, so a coop was formed which raised funds and made use of job creation programmes to build a health centre, which is leased to the doctors, dentist and pharmacy. Finally a "normalisation coop" has been formed, which has established a day centre and workshop for mentally handicapped people. The parents and

other interested local people are the cooperators; funds for the centre were secured through government programmes.

Chéticamp

Chéticamp is a French speaking, Acadian town on the west coast of Cape Breton in Nova Scotia. The total population of the two parishes of Chéticamp and Grand-Etang is about 4,000. Chéticamp was settled in the early 1800s and has retained a strong cultural identity based on the French language and the Catholic church. Like Tignish, Chéticamp is remote from major centres. Sydney, the nearest regional centre, is 165 km away.

Fishing is the mainstay of the Chéticamp economy. Good agricultural land is scarce. Traditionally, most households kept a few livestock and grew vegetables on their own lot; now, much land has been abandoned. Forestry, too, is not a major source of employment. Tourism on the other hand is significant, though the summer season is short. Chéticamp stands at the gateway to the Cape Breton Highlands National Park, and there are several hotels, motels and restaurants.

The fishing industry, and through that the economic life of Chéticamp, was until the 1920s controlled by powerful merchants who not only bought fish and supplied the fishermen with gear, but also sold provisions through the company store. Many of the fishermen, receiving low prices for their fish, were in debt to the company over a period of years. The first cooperative in Chéticamp was formed in 1917 to market fish. Drawing on the example of a consumer cooperative at Dominion Mines near Sydney, the coop was able to raise the price for lobster paid to the fishermen from 3 c per lb to 9 c per lb. A similar procedure followed with salmon.

Moses Coady and the work of the Antigonish Movement reached Chéticamp in the 1930s. As a result of the impetus provided by the mass meetings and study clubs, the coop movement was diversified. A "savings club" was organised, based on the church, which became a credit union. Consumer cooperatives were established in Chéticamp and Grand-Etang. The coop store, credit union and fishermen's coop are now firmly established as the main economic institutions in Chéticamp. The *credit union* has 2,800 members and assets of \$3m. An average of 75 members attend the annual meeting and (as in other coopera-

tives) elect a Board of nine members, who may serve for a maximum of two three-year terms. The credit union offers similar terms and facilities to a conventional bank. The manager cited tradition and flexible opening hours as two of the reasons why people preferred the credit union to the bank but said that its local identity was the most important factor. The staff and board members were all local people: "it's a community project", he said. The *coop store* has 950 members and does about 60% of the food trade in Chéticamp; it is also involved in hardware and other household supplies. Total turnover is about \$3m, and 85% of supplies are purchased through the wholesaler, Co-op Atlantic. Interest in the coop is increasing; general meetings are attended by 100-200 people and, with improving levels of education, members are more ready to serve on the Board. >

The *coop fish plant* is crucial to the economic survival of Chéticamp. The linked processing facilities at Grand-Etang (salt fish) and Chéticamp (frozen fish) are the only processing plants in the area. The future of the plant is precarious because of the costs of repaying a substantial loan, yet, if the coop closed, the alternative fish buyer (a multinational company) would be unlikely to maintain a processing facility in Chéticamp, but would truck the fish to Sydney. This would result in a drastic loss of local jobs.

There are two smaller coops in Chéticamp. One is a handicraft coop which markets the hooked rugs which are a local speciality. It has 30 members. The other is a community pasture, where 12 farmers have formed a cooperative which has purchased grazing land. The coop improves the pasture and farmers pay the coop according to the head of stock they graze on the pasture.

Coops are well established in Chéticamp. "You can't take cooperative ideas away from the people now" said one informant. Yet, a few moments later, he added "People forget the reason for the coops". The economic struggles of the 1920s and 1930s, the shared hardships that led to the formation of the first cooperatives, are remembered only by the older generation. The present day coop leaders are conscious of a need for a new impetus in cooperative education and cooperative development. Plans are in hand for a "cooperative conference": a weekend conference for coop managers, boards, employees, and "resource people", to discuss the future of the cooperative movement in Chéticamp.

Hornby

The cooperatives of Hornby spring from roots quite different from those of Tignish and Chéticamp. Hornby Island lies off the west coast of Canada, in the Straits of Georgia between Vancouver Island and the mainland of British Columbia. Permanent settlement in Hornby Island dates back no earlier than the beginning of this century, and most of the present population of 800 arrived during the 1960s and early 1970s. Many of them were refugees from the United States, fleeing the draft for the Vietnam war. A subsistence lifestyle is the main feature of the Hornby economy: inshore fishing, gardening and lumbering provide for many basic needs. Self-built wooden houses are a distinctive feature of Hornby. Residents also engage in craft production and in off island work from time to time to bring in extra cash. Hornby is also in a sought after tourist area, with a major influx of summer visitors.

Cooperatives came to Hornby partly because two residents who settled in the 1930s were active in the cooperative movement in British Columbia. Cooperatives grew because the exigencies of island life, and the ideology of the settlers of the 1960s, made cooperatives an appropriate form of organisation.

The coop store, founded in 1955, is at the island's main crossroads and is the focus of island life. It is a meeting place and community information point as well as selling a wide range of goods. There are 800 members, up to eight staff employed in the store, and the annual turnover is \$500,000. Sales to summer visitors provide an important part of the store's income.

There are no major industries or large employers in Hornby, and most of the other coops provide a social or public service rather than operating as trading enterprises. Most of them, too, are cooperative in spirit rather than in name. When the increase in the school population meant that a new classroom was needed, for example, and the School Board was unable to provide one, the community acted on a cooperative basis. A new parents' cooperative, the Hornby Island Educational Society was formed by the Parent-Teacher Association, and this coop was the focus for a community initiative which raised enough money, materials and manpower for a new classroom to be built. The new classroom has been constructed to a far higher standard than would have been possible through the School Board, and is now leased by the coop to the School Board. In similar vein, the senior

citizens' group has taken advantage of a federal government programme to encourage initiatives by old people and has constructed a "New Horizons Centre" which incorporates a library and meeting place. Nearby, the community hall is owned and run by the community on a cooperative basis, similar to the way in which most village halls in Britain are controlled. There are two further interesting initiatives. One is a coop campsite, where a campsite previously owned by a private entrepreneur was sold to the regular campers (about 150 members) to operate as a coop. The other is a recycling plant, where the community, appalled at the waste and expense of trucking garbage off the island, persuaded the local authority to pay for the wages of two workers to manage a community dump and recycling plant.

Hornby is particularly interesting in two ways. One is the way in which community initiatives have emerged through a common awareness of need, rather than through any conscious attempt to set up cooperative institutions. As a result of this, though, people are not particularly "coop conscious" and do not perhaps value sufficiently their cooperative institutions. The other facet of Hornby life is that, because most residents have flexible working patterns, people were able to give a great deal of time to working together voluntarily on community projects. When the coop store needed an extension, and when the new classroom was built, most of the labour was given free.

Hornby's main problems, however, unlike those of Tignish and Chéticamp, are not to do with jobs and the best use of local resources. The main concern of local people is about the pressure of the outside world, both in terms of the volume of summer visitors, and in terms of the interest of developers in acquiring land and building holiday homes or other tourist facilities. Against these pressures, coops and community initiatives appear to offer little defence.

Conclusions

The contribution of the cooperatives to community development in these three cooperative communities is not difficult to appreciate. In the first place, the coops have brought a financial benefit. Both in their original challenge (for example to the fish merchants in Chéticamp), and in their present day competition with private enterprises, coops have helped to ensure a fair price for producer and consumer. Coops ensure that any surplus

arising from the business is equitably distributed among members, "the only millionaires around here are the coops" said one man in Tignish.

A second benefit arising from the coops is that of providing a local service or resource, and, with that, often making a significant contribution to local employment creation. In some cases, private enterprise would probably provide an equal facility if the coop did not exist. In other cases, as with the school room in Hornby, the medical centre in Tignish, and the fish plant in Chéticamp, the existence of the facility has depended on the cooperative initiative of local citizens.

Thirdly, the coops make significant intangible contributions to community development. Those who had been touched by the Antigonish Movement stressed the role of the coops in developing the organisational skills of ordinary people, helping them to gain greater confidence in their own worth through their developing ability to manage their own economic institutions. The people who were involved in the construction of the senior citizens' centre in Hornby or the management of the credit union in Chéticamp took an interest and a pride in those institutions which would not have existed had the facilities been provided by the Provincial Government or the Bank of Nova Scotia.

The factors which contributed to cooperative development depend in part on the individual personalities and circumstances of each community, but three broad principles may be drawn. Firstly, coops have been formed in response to specific and perceived needs, not because coops in themselves were thought to be "a good thing". Fishermen's coops were created because of the inadequacy of a private enterprise marketing system. The credit unions were created because, according to one man in Chéticamp: "The bank didn't serve ordinary people. It was too stiff. The only way to get money was if you were so well off you didn't need it".

Secondly, the coops were strongest in areas with a solid community identity. All three of these cooperative communities are comparatively remote; in Tignish and Chéticamp there is the additional unifying force of the Catholic Church, in Hornby, the shores of the island define the community.

The third factor has been that of outside stimulus. In Tignish and Chéticamp the Antigonish Movement gave a clear philosophy to cooperative development, helping those involved to see

their initiative in setting up a credit union or a fish plant in terms of principles of social organisation which could be applied in other ways, not just as an isolated initiative to provide credit or better fish prices. The presence in Hornby of coop activists played a similar part. The philosophical direction was accompanied by "technical assistance" with the mechanics of running a cooperative business, but this was secondary to the principles involved.

The outside assistance originally provided by the Extension Department of "St F.X.", geared towards adult education and community development, has been replaced by outside assistance from the "centrals" of the main trading cooperatives, geared largely to maintaining the existing structures. United Maritime Fishermen, Co-op Atlantic, Interprovincial Co-op (for Hornby), and the Credit Union Centrals, are crucial in providing economic strength to the local coops, both through their trading activities and in their support and training of management. "Economic problems can no longer be resolved at parish level" said a member of the Co-op Atlantic staff.

Tension inevitably exists, however, between the central organisations and the local cooperatives. Some people in each cooperative community saw strong central institutions as a necessary and desirable part of the cooperative movement. Others saw the centrals as bureaucratic and remote, and by their "management agreements" with local cooperatives effectively taking away the autonomy of local cooperative boards. This tension is a feature of all cooperative movements and, indeed, of other forms of democratic organisation. Another issue for the coops concerned the promotion of cooperative ideology. The central institutions are involved primarily in the business side of cooperative activity. "Member education" tends to mean the education of the members about the operations of the existing cooperative business. The sense of cooperation as part of a social movement, of a process of adult education, which was captured by the Antigoniash pioneers has been largely lost.

At the local level, too, cooperative leaders expressed concern at the lack of awareness of the majority of coop members of the significance of the coops, and of the importance of participation in their management. The basic economic needs that were felt by the mass of the population in the 1930s are no longer so pressing, nor so amenable to local action. In spite of the emergence of

several new coops in each of the three cooperative communities in recent years, none of the three had any conscious programme of community or cooperative development. This crucial issue, of how popular support can be mobilised in today's circumstances for cooperative or community economic development, is one which we shall return to later.

ii REGIONAL DEVELOPMENT ASSOCIATIONS: THE NEWFOUNDLAND EXPERIENCE

The promotion of community initiative as a major strategy for rural development is pursued more actively in Newfoundland than in any other part of Canada. The main instrument for channelling community initiative is the "Regional Development Association".

Some 40 of these associations have been formed, covering most areas of the Province, and they are actively supported by the Provincial Department of Rural Development. In British terms, the Newfoundland experience is strikingly similar to the early work of some councils of social service in the Highlands and Islands of Scotland, at the time when that work was supported by the Development Commission.

Newfoundland has until recently been a predominantly rural province. The fishery has been the mainstay of the island economy, since the agricultural potential of the island is limited. The population has been dispersed in hundreds of isolated "outports", each having a direct relationship with merchants and the Provincial Government in the capital, St John's. A province wide road network has only recently been created, and with it, regional industrial, commercial and administrative centres such as Corner Brook and Grand Falls have begun to emerge.

The political organisation of Newfoundland has been highly centralised. There has been no local government, and few visible expressions of central government at a local level. Relationships between the outports and St John's have been mediated mainly by politicians who have operated a patronage system, promising government finance for projects such as roads and wharves in return for support at election time.

Newfoundland has been a poor province. In the depression years of the 1930s, fish prices were so low that most of the people

depended largely on a subsistence economy. In the mid-1960s, cash incomes in rural Newfoundland were only half of the Canadian average, though in many respects life in an outport was much cheaper than life in a city. At this time, the Federal and Provincial governments began to pursue strategies for the "modernisation" of the provincial economy which involved a centralised and more capital intensive fishing industry, and the concentration of the highly dispersed rural population into larger centres where public services could more effectively be provided.

The attempts to resettle outport people led to a strongly hostile reaction in many areas, and the first Development Associations were formed on the initiative of local people to resist resettlement and to promote the economic development of their own area. The spontaneous moves by local people were paralleled by the issue of a series of papers on outport life by the Institute of Social and Economic Research at the island's Memorial University which criticised the modernisation policy and pointed to the complex interrelationship of cash income and subsistence activity in the "traditional economy" of the outport.

A change of Provincial Government in the late-1960s led to the formal adoption in 1970 of a new rural development policy which placed greater emphasis on the initiative of local people in developing their own resources. Regional Development Associations were seen as the means by which rural people could participate in the Province's development programme. The philosophy of community development which lay behind the Regional Development Association movement in Newfoundland was exactly the same as that which inspired rural community development in Scotland during the same period: community development was explained using a UN definition, as:

"The process by which the efforts of people themselves are united with those of governmental authorities to improve the economic, social and cultural conditions of communities".

The Department of Rural Development defined geographical boundaries within which the Development Associations were expected to be formed. Since 1970, over 40 Associations have been established which cover nearly all areas of the province. The emphasis by the Department was on *regional* associations covering a number of small communities. Areas were expected to have a common identity and to face common problems: one of the reasons for the formation of regional associations was to increase

the interdependence of previously isolated communities. Another reason was that some facilities, such as fish processing plants, could not be established in every individual community, but could be established in every region. However, Associations have varied in their ability to unite all the people within somewhat artificially determined boundaries. Some have amended their boundaries: others have, in practice focussed on particular parts of their region.

The Regional Development Associations are expected to identify new possibilities for the economic development of their areas, and to initiate projects which will use local resources and provide jobs for local people. The Gambo-Indian Bay Development Association, for example, has established four specialist subcommittees on fisheries, agriculture, tourism and blueberries. The fishing initiative has resulted in the setting up of a fish plant. This need was the original impetus behind the formation of the Association, and its construction was financed by a Federal job creation programme (wages) and a provincial government grant (materials). The completed plant was leased to a private entrepreneur, and an estimated 100 people are now able to work as inshore fishermen, and a further 50 to secure seasonal employment in the fish plant. The agriculture committee has campaigned for the rezoning of the area as agricultural land, and has set up a marketing association which has established grading and marketing facilities. Another Association in the Exploits Valley, has also developed fish processing facilities: by acquiring, improving and leasing the community stage (wharf) at Leading Tickle, the Development Association has contributed to a tenfold increase in the volume of the catch landed. The Association has also established a do-it-yourself canning plant for canning or bottling moose, game birds, and vegetables. It has developed an outlet for local craft sales, and has advised private entrepreneurs about the development of their businesses.

Each Development Association employs a full-time paid coordinator whose salary is met almost entirely by a grant from the Department of Rural Development. The coordinators are usually local people with a good knowledge of the local situation, but no formal training in community work. One of the conditions of grant is that both coordinators and committees take part in a training seminar run by the Department of Rural Development. The Department also provides extensive support and advice

through its own Rural Development specialists, some of whom are former employees of the Development Associations.

Creating and sustaining local support and interest is one of the key challenges facing the Development Associations. All have a system of locality representation and some have a system of local committees, but these do not always function smoothly. Overcoming local rivalries and the apathy engendered by a long history of political patronage is not an easy task. In this respect, sustaining a sense of common purpose and identity over a wide area is a particular problem, shared by councils of social service in rural Scotland.

The local Development Associations have, since, 1969, been members of the Newfoundland and Labrador Rural Development Council, which is a federation of the local Associations. The Development Council acts as an intermediary between the Associations and the Provincial Government. It articulates to government local concerns about rural development policy, and is consulted by government on policy matters. It convenes an annual conference for the Development Associations and employs a field worker to maintain local contact with the Associations. It also publishes a quarterly magazine on rural development issues, "The Rounder", of which 5,000 copies are sold or distributed.

The direction taken by the Development Associations in Newfoundland is quite distinct from that of the "three cooperative communities" described in the previous section. The starting point is the same: a desire by local people to take collective initiative to improve their economic and social situation, but the strategies are very different. In the case of the Development Association, a single organisation is making an overall assessment of local needs and opportunities. This overall view was present at the time when the study clubs were set up in Tignish and Chéticamp, but did not survive the establishment of the specialist cooperatives.

In Newfoundland the Development Associations have become part of government strategy for rural development. The funding for their administration — and in particular for the salary of their coordinator — is met by the Department of Rural Development. One of the main functions of the Development Associations is to channel government grants — in particular for job creation projects relating to local infrastructure — into the

community. The Development Associations act as an intermediary between government and local people, in the absence of a dynamic local government system. In the "cooperative communities", on the other hand, the coops are entirely independent of government, deriving their income from their trading activities, and not relating to the various programmes of government assistance for local initiative.

This leads to a further distinction. The Development Associations are primarily concerned with improving community facilities, such as wharves, so that private enterprise may flourish. Few of the Development Associations have, however, engaged in trading activities, though one or two have set up trading ventures such as the agricultural marketing association at Gambo-Indian Bay. This means that the Development Associations, unlike the cooperatives, have no means of retaining collective and local control over the enterprises they have helped to establish. In the case of the fish plant established at Dover by the Gambo-Indian Bay Association, great difficulties were experienced with the entrepreneur, (from outside the area) who had leased the fish plant, and the Association had few sanctions over his operation when it did not appear to be meeting community needs. This lack of local control appears, by comparison with the cooperative model, to be one of the possible weaknesses of the Development Association approach.

Two points may be made about the likely future evolution of the Development Associations. One concerns trading activities. The present constitutional shape of the Development Association is not appropriate to the organisation itself becoming a trading organisation. The structure is too "loose" in the sense of its dependence on voluntary community participation. No significant capital investment or subscription is demanded of the members. The Development Association does not have immediate access to the finance and the managerial skills needed to run a business enterprise. A future line of development, which was under discussion in November 1980, was for the Development Associations to create "Enterprise Corporations", which would develop and manage business ventures in each region. The "Enterprise Corporations" would be supported by a "Provincial Rural Development Corporation" which would attract public and private investment into the rural economy. These interesting concepts will be discussed further in section IV.

A second, and final, point concerns the Development Associations themselves. The Associations were formed at a time when community organisations in the outports were weak and municipal government did not exist. Partly as a result of the success of the Associations in developing local leadership, there is now a much greater range of organisations in rural areas, and public services have been significantly extended. In future it is likely to be unrealistic to see a standard type of Development Association as the focus for all community initiative in a particular area. The pattern of area subcommittees feeding into a single Development Association is likely to become more difficult to sustain. Instead, Development Associations may need to assume a more sophisticated role as a resource and stimulus for community initiative, without expecting that all initiative will be identified with or channelled through the Association. The Provincial Government, too, may need to recognise a wider variety of organisational models for rural development, not placing resources solely at the disposal of a uniform type of Development Association.

iii DEVELOPMENT COOPERATIVES

In a small number of rural communities projects have been created which combine elements of the approaches used by the specialist cooperatives and by the Regional Development Associations which have been described in the previous two sections. There are three key elements to these projects. Firstly, their objective is to generate local employment and in doing so to preserve and enhance the social and economic viability of rural communities. Secondly, they place a good deal of emphasis on the optimum, integrated use of local natural resources according to locally determined priorities. Thirdly, they stress the importance of local control (often collective control) over individual enterprises. These comprehensive projects have each grown up from local roots and in a form determined by local needs. They have all benefitted from government programmes but, unlike the Regional Development Associations, are not the creation of a specific government department. "Development Cooperatives" may be the best generic title for the projects, which in many ways parallel the Community Development Corporations (CDCs) set up in cities in the United States. Some of the Canadian projects have indeed drawn inspiration from the American experience.

The development coops also have much in common with the community cooperatives in the west of Ireland and the Western Isles of Scotland. This paper described four of the projects. Three of those visited were in the east of Quebec, each located in a small rural community — Auclair, Lac-au-Saumon and Escoumins. The fourth was based at Guysborough in Nova Scotia.

Projet JAL, Auclair

JAL operates in three marginal parishes on the south shore of the St Lawrence River, 300 km east of Quebec City. The project takes its name from the initials of each of the parishes — St Juste-du-Lac, Auclair and Lejeune. The total area of the parishes is about 400 km² and the population 2,000. In spite of the remoteness of the area and the small number of people involved, JAL has become widely known throughout the province of Quebec as a symbol of rural regeneration. The JAL parishes were settled during the depression of the 1930s, at a time when the Catholic Church led a movement of people from the mass unemployment in the cities to a programme of resettlement on virgin land. The rural economy in the new parishes was based on semi-subsistence farming and on seasonal forestry work, both in the local forests and elsewhere in the Province. The JAL area was agriculturally marginal with long winters, hilly terrain, and variable soil. By the 1950s and 1960s there was a drift of people away from the area.

In the mid 1960s the federal and provincial governments drew up a planning agreement for rural development in the East of Quebec, already described in Section II. A survey, accompanied by a programme of "animation sociale", led to a series of reports on the economic future of the region. These reports recommended the modernisation of the regional economy, and, as part of the strategy to achieve that, the closure of 87 marginal parishes, including those in JAL.

The proposed closures brought an angry reaction from many of the threatened parishes, while at the same time accelerating the pace of depopulation when people perceived that there was no future for their area. A mass movement, "Opération-Dignité" was launched by rural clergy, and concentrated at first on political opposition to the closure plans. As a result of participation in regional "Opération-Dignité" meetings, local people from the JAL area formed a committee to coordinate action in the

three parishes. One of the first activities of the committee was to set up, in the winter of 1972-73, a series of study classes, which were attended by 220 local people. These classes provided an opportunity for local people to make an assessment of local resources and to plan for their future development. This process was assisted by the secondment of a community worker (animateur) by Laval University. The study classes led directly to the creation of the development cooperative.

Since its formation in 1973, the development coop has pioneered a number of projects which have stemmed depopulation and given a new dynamism to the local economy. These projects include:

- a A seed potato growing project, initially established as a cooperative and now operating as a private enterprise.
- b A maple sugar establishment, gathering and processing maple syrup, operating as a workers' cooperative.
- c A forestry cooperative, where a number of woodland owners and forestry workers have formed a cooperative and taken advantage of government grants to replant woodland and engage in selective felling.
- d A tourism project, including a canoe-camping trail and farm tourism.
- e A plant for producing oil essences from pine branches, for use in cosmetics.
- f A community radio station.
- g The improvement, with the aid of government grants, of most of the housing stock in the area.

The development cooperative has a membership of 300, drawn from the three parishes. There are 95 associate members from outside the area. Each member has a \$10 share in the cooperative. The cooperative operates through a Board of twelve directors, drawn four from each parish, who report periodically to a general meeting. The cooperative has a headquarters in Auclair, the central village, where it shares premises with the credit union (Caisse Populaire), the municipal council, various specialist projects, and the community hall.

The main work of the development cooperative is carried out through specialist subcommittees. The forestry committee, for example, pioneered the development of the forestry project, while the agricultural committee established the seed potato

project and has been responsible for bringing a large amount of land back into cultivation.

Projet JAL has a small core staff whose salaries are met by the OPDQ (Office du Planification et Développement du Québec). The specialist projects are supported by specialist technical staff (for example the forestry project). One of the main strategies of the development cooperative has been to harness government resources in order to promote local development. The grants for forestry improvements are one example of this: another example has been the use of the salary costs provided by the Local Employment Assistance Programme (LEAP) to construct facilities such as the potato grading and storage sheds.

The financial viability of the development cooperative is hard to assess. It is not selfsupporting in the sense that the trading operations of the different enterprises meet all the overhead costs of the project. Much of the income is derived from a skilful tapping of government programmes. Some is derived directly from local people — for example, local farmers invested \$35,000 in the seed potato project. However, the cooperative workers argue strongly that the existence of JAL actually saves the government money, in the sense that for the government itself to promote local development, or for the government to maintain the population through unemployment and social security benefits, would be considerably more expensive strategies than working with and through JAL.

The attitude of the development cooperative to the enterprises it has created is flexible and pragmatic. Each enterprise develops its own trading identity, in some cases (the maple sugar plant) as a workers' cooperative, in another case (the seed potato project) a private enterprise. The long-term relationship between each of these enterprises and the development cooperative itself remains to be worked out. The fact that the population of the area is small and there is a high level of overlapping membership between organisations means that formal structures appear less important than in an urban context.

The benefits of JAL to the local population are substantial. The project has created about 120 new jobs. Depopulation has been halted and over two-thirds of the houses in the area have been modernised. Better use is being made of local resources, in the sense that land is being brought back into production, the forest improved, and "new" resources such as the rivers and lakes

developed for tourism. More important, the project has clearly given a new sense of motivation, confidence and hope to people who previously saw little future for their area.

La Société d'Exploitation des Ressources de la Vallée (SERV), Lac-au-Saumon

The genesis of SERV was similar to that of JAL. The valley of the Matapedia is an upland area, where the traditional form of economic activity has been a combination of subsistence farming with seasonal work in the woods. The low income derived from these activities, and the lack of alternative sources of employment, lead to a steady decline in population. However, the suggestion by government in the late 1960s that some parishes might be closed brought a hostile response from local people in the Matapedia valley, just as it did in JAL and elsewhere in the East of Quebec.

Organisations and individuals in the Valley took part in the "Opération Dignité" campaigns and, in 1974, the Société d'Exploitation des Ressources de la Vallée was formed, with the primary objective of improving the local economy by taking part in the forest management schemes of the provincial government.

The area covered by SERV is much larger than that of JAL. The 14 parishes of SERV have a total population of 20,000 and include two small towns, Causapscal and Amqui. The valley is about 100 km east of the JAL area, and is agriculturally marginal and remote from major population centres.

The primary activity of SERV has been participation in government forest management schemes. The schemes incorporate the proprietors of small woodlots (33% in the SERV area have opted to join the scheme) as well as those people seeking work in the woods. Government offers grants for the "treatment" of areas of forest, which involves selective cutting and replanting. Some income is derived from the sale of the timber, but negotiations each year with government about the extent of grant for forestry management work is a crucial factor in the financial planning of SERV. The organisation carries out 30-40% of the provincial total of forestry management work on private woodlots, and several hundred people are employed each year in this activity.

SERV has also been involved in agricultural development

work. A farm was purchased and, using federal government job creation funds, buildings constructed for a cattle rearing project. This is now in operation, and has created 5 full-time and 15 part-time jobs. Milk cattle and beef cattle are purchased locally and reared intensively indoors. Hay and other feedstuffs are also locally produced.

SERV constructed several tourist chalets. Demand for these was limited, so they were relocated in the autumn of 1980 close to a ski slope, where there is likely to be more business.

SERV also publishes a free quarterly newsletter about its activities, of which 2,000 copies are distributed.

SERV has a membership of 1,000 with a minimum shareholding of \$50. Because its legal status is that of a company rather than a cooperative, control of the enterprise is in theory linked to the number of shares owned: in practice it has operated on a one person, one vote basis. No dividend is paid on shares, nor does their value increase, but they can be repaid on request. A local meeting is held each year in each parish to promote discussion about the work of SERV, and there is also a two day conference and general meeting. However, there is no doubt that, because it serves a much larger population, the community identity of SERV is much weaker than that of JAL. In addition, SERV does not pursue as conscious a community development or "animation" approach as JAL, giving more priority instead to technical expertise in the development of projects.

SERV has 25 staff of whom eight are "core" staff responsible for the development of the organisation as a whole, and 17 are technical staff attached to projects, particularly the forestry work. Much of the time of the core staff is taken up with negotiations with government agencies about new projects and sources of finance.

The administrative budget of SERV is \$252,000, of which the major part is derived from government grant for the forestry work. However, a recent fund raising campaign raised a further \$222,000 from local people in donations and loans to the Society. Over 150 local people and institutions have now invested over \$1,000 each in the Society.

A recent review of the structure of SERV concluded that its unitary approach, where all development projects were run under the aegis of a single Council, was unsatisfactory. Failure of one enterprise could jeopardise the financial future of the orga-

nisation as a whole. The review recommended that individual enterprises become self managed and self financing, while still linked with the central organisation, and that the core function of SERV was to promote new development projects.

The review also commented on the need for SERV to set job creation as its primary goal, and pointed out that supporting SERV represented a very economical way for government to promote economic development. The report also recommended that SERV take further steps to involve local people in planning and implementing its activities.

A recent proposal by a multinational company to locate a pulp and paper mill in the Valley has created a dilemma for SERV and more generally for local development. If the mill were to come to the area, it would create several hundred jobs and in some senses "solve" the Valley's chronic unemployment problem. However, there would be little chance of the mill being in any significant way under local control, and any subsequent closure of the mill would have immensely damaging effects on the local economy. SERV has not in itself taken a position on this difficult issue.

SERV is the largest of nine members of a regional federation of local development groups, SAIREQ. JAL is also a member. The Société d'Aménagement Intégré des Ressources de l'Est du Québec started as a periodic meeting of the local development cooperatives, in 1975. Since 1979 it has had four full-time staff, supported by a grant from OPDQ and a \$1,300 subscription from each member. The federation promotes new projects (for example research into setting up a forestry nursery) and assists the local development coops with their work. Some of the local coops, such as SERV, are so large that they can afford to be independent of the federation. Other smaller groups depend more heavily on the federation for professional advice and support. SAIREQ has links also with the specialist farmers' and fishermen's cooperative federations.

Projet Contact

Projet Contact is located at Escoumins on the North Shore of the St Lawrence, 265 km from Quebec City. It operates in an area which in agricultural terms is even more marginal than the back parishes of JAL and SERV. Settlement is concentrated in a handful of villages and small towns strung out along the coast,

and linked by a single main road. Fishing and forestry work have been the traditional occupations. Until quite recently most of the local economy was controlled by major forestry companies, which also owned the coastal sawmills and, in one or two locations, pulp and paper mills. A substantial mining industry has developed in the interior since the 1950s, and although this has had no direct local impact, it has provided an alternative source of employment for the coastal people and generated a good deal of through traffic in the villages. In spite of the poor potential for commercial agriculture, a significant subsistence agriculture had developed alongside the fishing and forestry activities which occupied most of the people.

Projet Contact did not arise from an immediate threat to the future of the area, as was the case in JAL and SERV. However, many of the same processes as affected the Bas-St-Laurent were present on the North Shore. Well qualified young people were leaving the area. Most of the sources of well paid employment (for example the mining industry) were outside the area. The old pattern of combining subsistence farming with forestry or fishing had broken down: instead, seasonal unemployment rates had risen to over 30% and the level of permanent unemployment was 12%. In spite of this loss of economic and social momentum, the availability of government funds for job creation projects had given local groups new experience in managing resources.

Projet Contact covers 185 km between the Manicouagan and Saguenay rivers. There are 14 localities with a total population of 23,000 — a similar situation to SERV except that the settlement pattern is linear. The project was created as a result of contact between the local MP and the Federal Minister of Health and Welfare. The Department of Health and Welfare have provided funds for Contact to operate as a pilot project: there are now seven staff. The project was conceived deliberately as a regional level operation. In several of the small communities, there were already Chambers of Commerce or local development committees, largely engaged in traditional industrial promotion work. Contact was established out of recognition of a need for regional level action to promote development, with an emphasis on the creation of new enterprises in a way which was usually beyond the locally based groups.

Projet Contact emerged with a clearly defined philosophy: the creation of a social climate in which local people could take

charge of their own economic and social development. It had used two approaches: to provide special interest groups with the technical resources to define viable projects and to link up with government resources for regional development, and to create an umbrella organisation which would allow experience to be shared between different communities, developing a sense of common purpose and priorities for regional development. The project has given priority to groups organised according to a cooperative model.

In agriculture, Contact has established a greenhouse project, with two permanent and nine seasonal employees. It has created a blueberry project, with ten seasonal workers. A wide range of other agricultural initiatives are under study.

Two forestry cooperatives have been established, which has as their main focus the cutting of wood on crown lands, under contract. This provides six months' work for up to 300 men each year. The forestry groups have not yet developed forest management work in the same way as at SERV and JAL. However, a sawmill has been established with ten permanent and 25 seasonal employees.

A fishermen's cooperative has also been established: this is developing commercial crab fishing as well as fishing trips for tourists. Although the fishermen's coop was started by Contact, it has now severed links with the parent body.

Contact has promoted a successful course for small businessmen through a local college: 200 people attended the course, and follow up is planned.

Project Contact is run by a coordinating committee which includes representatives of the municipalities, of citizens' groups; and of the cooperatives. Initially, development work was carried out on a locality basis. Now, the emphasis is more on technical assistance. As part of the technical assistance, advice and help with marketing, accountancy, legal structures, financial planning, loans and grants are available to coops and private enterprise: these services are charged for by the hour, but 75% of the cost of the charge is underwritten by Federal Government grant.

Project Contact draws its inspiration quite consciously from the American Community Development Corporations. It also has links with the New Dawn project in Cape Breton. As an experimental project of the Federal Government, it is somewhat isolated from the other provincially orientated groups in

Quebec. Within the next two years it will be required to make the transition from being a pilot project to some form of permanent funding: at this stage it is most unlikely that the funding for new development work could be derived solely from the groups which Contact has assisted.

In spite of the relative isolation of Projet Contact, the political climate surrounding all three Quebec projects is markedly different from anywhere else in Canada. The Parti Québécois government is committed to provincial and local control over the economy, and sees cooperative and community based enterprises as a significant means of achieving this objective. The forestry concessions to cooperative groups are an example of this policy. Allied to a high level of political support, there is substantial academic and intellectual interest in cooperatives and community based development. Books and journals available to the public through the commercial bookstores contain reports and analyses of projects such as JAL, and comments on cooperative development. This level of interest is almost totally absent elsewhere in Canada.

Guysborough

Guysborough is one of the poorest and most remote counties in Nova Scotia. It is hilly, with little flat agricultural land, and the settlements cluster around several long inlets of the sea. Communications are exclusively by slow and indirect roads: Halifax, the main city in Nova Scotia, is 300 km away. The population of the county has been falling slowly in recent years and is now about 11,000. Fishing has traditionally been the mainstay of the economy: one of the first "Antigonish Movement" fishermen's cooperatives developed in the county at Little Dover in the 1920s.

Lack of adequate employment opportunities has been the key economic problem of the area. By the mid 1970s, unemployment levels had risen to 50% of the active population. At the same time, many of the better educated or more able people had left the area.

In 1975 the Federal Government's Department of Employment initiated a series of pilot projects designed to create employment, known as the Community Employment Strategy (CES). Guysborough County was selected as one of two areas in Nova

Scotia for a pilot project. CES expected to bring about employment creation in part by achieving a better coordination of the government agencies already working in the area, and in part by injecting new funds through the CES programme.

Guysborough County was, at the time when CES was launched, the base for a community development worker employed by the Extension Department of St Francis-Xavier University, and he was instrumental in setting up a Community Employment Strategy Association (CESA) to act as the local agent for the CES programme. The CESA Board was elected directly by the public in the different parts of the county, though it also developed links with the municipal councils and other community organisations.

The CES programme begun by establishing a "community profile" for the area, assessing existing industries and the available human skills and resources. It also assessed the "capital leakages" from the area, examining ways in which goods and services currently imported into the area could be provided locally.

CESA has promoted projects, principally on a cooperative basis, and has advised existing enterprises, mainly private concerns, about their development. It has, for example, developed a bakery and a silk screen printing shop in Canso (both workers' cooperatives), assisted the fishermen's coop at Little Dover to obtain new equipment and modernise their operation, and helped a boat builders' coop adjacent to the fish plant to become established. 60 proposals from local groups have been considered, of which 16 have been supported: some are still in the pipeline. CESA has also promoted social services: for example, a medical centre coop has been formed in Canso, where premises are rented to doctors and a dentist.

CESA sees itself as a promotional body and does not intend to exercise continuing control over the projects it has assisted. However, CESA has established a subsidiary company, the MGCDIL Corporation, which has the function of investing in projects. MGCDIL makes loans to individual enterprises and, in doing so, shares their development and helps them to achieve adequate financial management.

Using MGCDIL finance as a means of leverage to attract other, outside, resources is a key strategy. The finance for MGCDIL has been provided through the CES programme: it is

available to MGCDIL on condition that *loans* are charged at prevailing interest rates, and that *equity* investment is always done as a "third party" to the promoters of the enterprise and the bank.

CESA has so far helped to create 138 permanent and 670 temporary jobs. Like the other "development cooperatives", one of its main functions is as a "promoter" of new projects. As a locally based and independent agency, it does this far more flexibly and cheaply than would ever be possible for a municipal or provincial government. Another significant, linked, function is that of a "broker" between outside sources of help, such as government departments and banks, and local people. CESA has developed great expertise in attracting resources into the area in ways helpful to local development.

Like all the other development cooperatives I visited, CESA has relied heavily on the vision and energy of a small number of local people to promote the organisation and its ideology of self-help development. In all four cases, the leading figures were forceful and imaginative men, locally born, in their 30s and 40s who grasped the possibilities for development and who understood how to make the system — the local political system and the government — bureaucratic system — work. Their highly individual approaches complement, rather than conflict with, the democratic structure of the organisations they serve.

The future of CESA depends at the present on its "translation" to a new government programme, the Local Enterprise Development Assistance (LEDA) programme, which has succeeded CES. Like the other development cooperatives, it is probable that individual projects (and the MGCDIL fund) can become self-sustaining, but that the core function of development and promotion will need continuing outside help.

IV ANALYSIS AND COMMENT

i THE GENESIS OF DEVELOPMENT: OBJECTIVES AND STRATEGIES

An understanding of the objectives of organisations engaged in community economic development is crucial to an understanding of the structures they adopt and the activities they undertake. Conventional private enterprises have the maximisation of profit as their primary motivation. While private enterprises undoubtedly bring a great deal of benefit to local communities, for example by creating jobs, the interests of local communities and those of private enterprises are not necessarily identical. As the saying goes, "what's good for General Motors is not always good for the U.S.A." Organisations which engage in community economic development, on the other hand, do so in order to benefit the community. In cooperatives and development associations alike, the trading activities of the organisations are subservient to their social purposes.

The Canadian projects had three broad categories of social purpose, and within these categories several lesser themes. The emphasis laid on each category varied from project to project. The social purposes of the Canadian projects were similar to those of community economic development ventures in Scotland.

a Creating New Jobs

The creation of employment is the single most important objective of most of the community economic development projects. Working in remote rural areas where traditional forms of activity no longer provide an adequate livelihood, the projects have been searching for new, more rewarding, sources of income and employment. Most of the projects have had considerable success in creating short-term jobs, principally by harnessing government make work programmes. Some of the projects have also been able to create significant numbers of long-term jobs.

b Local Resources, Local Control

The promotion of local control over local resources has been

an objective for most of the projects, most conspicuously in the case of those in Quebec. Here, the projects have been based on an assertion that existing government policies and the activities of large corporations have not developed local resources in a way which benefits local people. Strategies have been developed which have attempted to make better use of natural and human resources, in ways more in keeping with locally perceived priorities. The awareness of the importance of local control is also present in the "cooperative communities" — for example in the debate over the future of the fish plant at Chéticamp.

c A better Deal

Community and cooperative enterprise is also seen as a means of providing better services to local people than would be available through the private sector. The principles of consumer control on which many of the enterprises in the cooperative communities are based are the best example of this. For instance, Tignish has medical services which would not have been present without cooperative effort. The same might be said of the new classroom at Hornby School, or the relatively low prices offered by the coop stores to members in Hornby, Tignish and Chéticamp.

Organisations engaged in community economic development frequently pursue other objectives alongside their main goals. Other common social purposes are

- production of "socially useful" products, such as organically grown food, which may not be readily available on the open market

- provision for "special needs" groups, such as the employment of disabled people (the normalisation coop in Tignish)

- generation of a surplus on trading activities which can be used for other purposes in the community: most coops allocate a percentage of their trading surplus to community projects as a matter of principle.

The pursuit of a wide variety of social goals may be socially desirable but economically inefficient. For example, creating the

maximum number of jobs may not be compatible with giving the lowest possible price to the consumer or generating a surplus for community purposes. Reconciling or accommodating a variety of goals in a single trading enterprise is one of the challenges of community economic development.

Behind the specific objectives which the community economic development projects defined for themselves lay another, more general objective. This was the "moral force" which was particularly evident in those areas which had been touched by the Antigonish Movement and the Roman Catholic church. Its practical expression was to see economic organisation as a means to human development, as a way in which individuals could fulfil their potential through working together in collective enterprise, and as a way in which communities could grasp fresh hope in renewing their economic and social life.

The strategies of community economic development will have been evident through the case studies, but one or two general points may be made at this stage.

- a The first is that community economic development is about enterprises. Some organisations achieve their objectives through political means, by putting pressure on governments. Others rely on voluntary labour and are geared to self-help activities. Community economic development projects achieve their social objectives in the market-place, by producing and selling goods and services. The enterprises must therefore be in some sense "viable" in order to survive. These social objectives are not just achieved through a socially aware distribution of surpluses, but through the trading activities themselves.
- b The second point is that there is a crucial division in principle, even if not always in practice, in attitudes to private enterprise. Some projects — the rural development associations most obviously — see their objective as being to make the private enterprise system work more efficiently for local needs. To do this, they improve the infrastructure and help local entrepreneurs to develop their businesses. Other projects — and particularly the cooperative movement — see the creation of an alternative economic system, based on collective ownership and control, as being their basic purpose. Private enterprises may coexist with cooperatives, but

the cooperative movement has no role in promoting the private enterprise system. There are, of course, many difficult questions within the cooperative movement about what the "community" dimension signifies in practice, but the distinction between private and collective ownership is vital.

ii THE GENESIS OF DEVELOPMENT: PEOPLE, STRUCTURES AND LOCAL RESOURCES

Community and People

Contemporary initiatives in community economic development are taking place in relatively few areas. They are not widespread in either Canada or Scotland. Only in Newfoundland, where the Regional Development Associations have sprung up in most rural parts of the province, can community economic development be said to be a major social force. Historically, of course, the formation of cooperatives through the Antigonish Movement was widespread throughout Maritime Canada. This section looks at the social conditions surrounding community economic development, the structures through which it is pursued, and the local resources on which it draws.

The existence of pressing social need, and a perception by local people that there is action that they might take to meet that need, is a prerequisite to any successful community development. In the 1930s a decline in the price paid for primary products, and the existence of widespread unemployment and poverty, created an urgent need for adequate jobs and adequate income. The organisation of cooperative marketing was seen by local people as a means by which those needs could be met.

In present day Atlantic Canada, the high levels of seasonal unemployment and the loss of population and services from the more remote areas remain pressing needs. However their impact is not as sharp as in the 1930s. Seasonal unemployment benefits and "welfare" have removed the immediate threat of starvation. Economic life is more complex: changes in technology and the increasing centralisation of commercial organisations in farming, fishing and forestry have made it harder to envisage how problems can be tackled at the purely local level.

Initiatives have received greater popular support in areas

where there has been a direct threat to the community's continued existence. The creation of JAL in Quebec, where three parishes were faced with closure, is the most striking example. The other areas have all been ones remote from main centres and with high levels of seasonal unemployment. A question remains, however, about the effectiveness of purely local action. The social and economic problems that stem from the economic and physical marginality of many rural communities cannot be resolved by local people acting alone, however aware of the problems they may be. This issue will be explored again later in this chapter.

A high degree of community solidarity has been another important ingredient in community economic development. In Tignish and Chéticamp, for example, the Roman Catholic church has been an important unifying force, and has given moral support to the cooperative movement. In Hornby, the island identity has undoubtedly helped the cooperative store.

In areas with larger populations, however, mass participation is less easy to achieve and divergence of economic interests between, say, businessmen, labourers and landowners is likely to be more apparent. In these cases it is unrealistic to expect mass involvement in all aspects of a project. The difficulties facing SERV in generating support over a wide area are an example of this. While there is likely to be general support for the objective, say, of alleviating unemployment, only those likely to derive economic benefit from a particular enterprise are likely to become deeply involved in that enterprise.

Community economic development projects require a number of specialist skills among their committees and staff, in addition to a general level of popular awareness and support. The first skill is that of "animation", of being able to see the potential for community initiative, to assist people to work out common goals, to act collectively, and to establish the appropriate formal organisations. Successful animation also involves an appreciation of the various resources available within the community and outside it, and ways in which those resources can be harnessed. The second skill is that of the entrepreneur: the ability to identify a product or service which could form the nucleus of a viable business, and to know how to get that business established. The third skill is that of the manager: to be able to organise one or more enterprises, to establish effective systems for production,

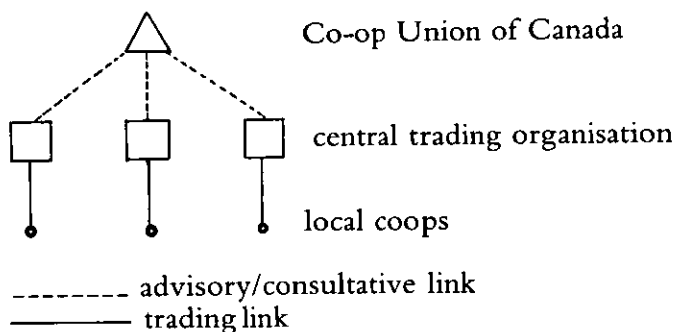
marketing, and financial control, and to be able to work with a supervisory board or committee. The fourth skill is that of the technician: to know how best to grow a particular crop or to use a new piece of equipment. It is unlikely that all these skills will be combined within a single person. Even so, as we have seen, several of the projects — particularly the three in Quebec and the one at Guysborough — revolved around individuals of considerable energy and vision who had most of the necessary abilities. All these four key people shared several characteristics: that they were locally born but with substantial experience of the outside world, that they were all in their 30s and 40s and had a great deal of energy and dynamism, and that they were skilled at understanding and manipulating the political and administrative systems as well as grasping the need for profitable enterprises. They were all men.

Structures

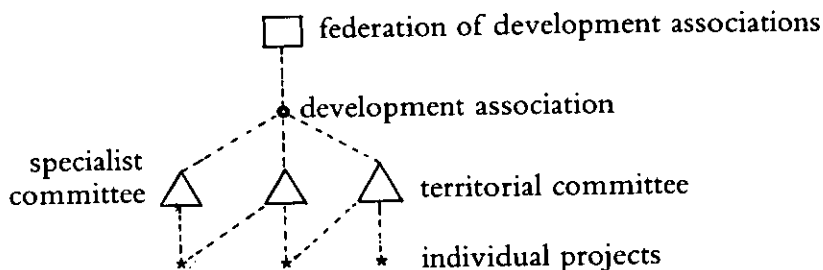
Two basic general points may be made about the structures through which community economic development were pursued. One was that all the organisations rested on some form of democratic accountability to the community, either to members (in the case of cooperatives) or to the community as a whole (in the case of development associations). The level of participation in the democratic process was substantial (although only JAL claimed to involve a majority of local people in its affairs): more important was the principle of democratic control on a one person, one vote basis. The other general point was that all the organisations were autonomous. Although some of them had strong links with Federal Government funding programmes, and others with their own central trading organisation, none was directly under the control of a government department or a subsidiary of a larger business enterprise.

A cooperative is formed on the principle of providing its members with a service. All the cooperatives had a similar constitutional structure in which an Annual General Meeting of members elected an unpaid Board of Directors who employed a manager to run the cooperative. The manager was then responsible for the cooperative's other staff. The local cooperatives had strong trading links with their own central organisations — for example the fishermen's coops with United Maritime Fishermen

— which provided them with supplies, management and financial support, and, where appropriate, marketing services. It was striking to note that the formal links between cooperatives and their own central organisations were much stronger than their links with other cooperatives in the same community. The position of the coops may be summarised diagrammatically in this way:



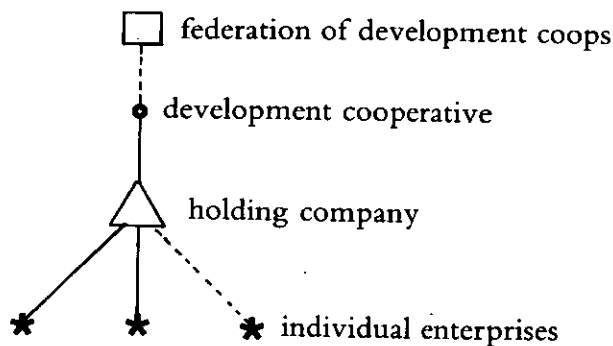
The development associations were created as community based organisations aiming to create jobs by improving the local economy. This they have done primarily by projects designed to improve the infrastructure and attract private entrepreneurs rather than by engaging in trading activities themselves. The development associations are accountable to the population of the area through local representatives elected from each area to a central Executive. In some cases, local committees have been formed to support and guide initiatives in each place, but the effectiveness of these local committees is variable. The central executive has usually developed specialist subcommittees on, say, fishing or agriculture, which are more effective in the promotion of new projects than the locality based committees. The development association structure can therefore be described as follows:



The development cooperatives (principally the Quebec groups and that in Guysborough) took the direct promotion of new trading activities as their main priority. This being so, their structure was particularly interesting and complex, evolving in the light of experience as the organisation developed. Membership of the development cooperatives was open to the community as a whole, but often required a substantial financial commitment — a \$50 share in the case of SERV. The development cooperative then established individual enterprises, with their own financial and managerial identity. The individual enterprises required a financial commitment from their supporters and potential employees — for example a sawmill set up by Projet Contact employs 10 people but has 63 shareholders each with a \$1,000 investment. Individual enterprises might also receive funds from the development coop, as well as from banks and government sources. In these cases a managerial link with the development coop would be retained. In other cases, where the development coop had no direct investment in the individual enterprise, the link would be purely advisory.

The Guysborough project had developed a further distinction, implicit in the other projects, between its “development association” function — the loose knit gathering of local people meeting together to plan development projects — and the “holding company” function, where a subsidiary company was set up to channel funds and managerial expertise to individual enterprises.

The development cooperative structure might look like this:



It may be seen from this brief consideration of structures that the relation between the “development” function of the organisation and the individual trading enterprises is of critical importance.

Some of the Quebec literature, making the same point, identifies the "association-enterprise" distinction as being crucial. The "development" part of the work involves identifying new projects and assessing their feasibility, and gathering the resources to establish them. It is the part of the work where broadly based community involvement and support are essential. The three cooperative communities are striking in that they have no formal means through which the development function can be pursued. In the early days, the study clubs and general meetings of the Antigonish Movement met the need for a forum to consider new developments. They have not been replaced.

The trading enterprises have a variety of relationships with the core "development" function. In some cases (the forestry work of SERV) they are an integral part of the main organisation. At the other extreme, they are wholly autonomous and have only the most tenuous links with the association. Frequently they move along the continuum as they grow and evolve towards independence.

One or two general points may be made. If the "development" part of the organisation becomes preoccupied with the management of individual projects, then its capacity for a broader view and for new promotional work will be diminished. Equally, if the association and the individual enterprises are part of the same structure, then the financial failure of an individual enterprise may jeopardize the association as a whole.

If, on the other hand, the trading enterprises are completely independent of the association, then any sense of community control over them will quickly be lost. The difficulties experienced by one of the Newfoundland development associations with a private entrepreneur in the fishing industry is an example of this. Further, if an association has hived off all its projects and there is, in the immediate future, no scope for new developments, then its role may be lost and its energies dissipated.

Clearly individual circumstances are likely to make a pragmatic and flexible approach vital. It appears, however, that relations between an association and the individual enterprises which give the association a continuing managerial "say" in the enterprise coupled with a continuing but defined financial commitment to it, are likely to be the most viable. While each enterprise should have an independent legal and financial identity and an opportunity for its work force to be involved in its control, both association

and enterprise seem likely to benefit from continuing links which are stronger than simply "advice" and "consultation".

Local Resources

Local resources for community economic development include the natural resources of land, sea and forest, the imagination, skills, and commitment of local people, and the resources of money and materials that are indispensable to any enterprise. The way in which most of the Canadian projects placed a high value on the proper use, in local terms, of local natural resources has already been described. They were often highly critical of the ways in which these resources were used and exploited by outside organisations. The involvement of local people in community economic development needs no further elaboration at this stage. Drawing on their skills and interest is fundamental to the whole process. Several further points may be made, however, about local financial resources.

The first is that most of the organisations engaged in community economic development placed a good deal of emphasis on raising cash locally. The cooperatives, for example, all began with share capital contributed by their members. The development coops attracted investment both in their overall activities (for example the \$222,000 raised by SERV) and in the individual enterprises they established. The willingness of local people to contribute funds in circumstances where their investment would be unlikely to bring them a return through a substantial dividend is very striking.

In rural Canada, credit unions have now been a focus for local investment for 50 years. We have seen how, in Tignish and Chéticamp, the credit union was identified as a community project quite unlike the local commercial bank. Credit unions have, however, been legally restricted in their ability to invest directly in local enterprises. In Quebec, new organisations known as "Caisses d'Entraide Economique" (banks for mutual economic assistance) have been set up to perform just this function. Their growth has been rapid and they have had a high success rate. It may be that organisations engaged in community economic development could develop the Caisse d'Entraide model, perhaps through the existing credit unions, as a more formal means of channelling local savings into local development.

iii THE GENESIS OF DEVELOPMENT: OUTSIDE HELP

One of the axioms of community development is that it involves a blend of local initiative and outside assistance. All the Canadian projects depended in differing ways on outside help. The outside help included money, technical advice, training and educational work, and stimulus to new development. It was provided by government departments, by federal and central organisations set up by the local projects themselves, and by "independent" organisations such as university departments.

Government Assistance

The recent history of government support for community economic development in Canada has been parallel to that in Britain. The department of the Canadian Federal Government concerned with employment has for many years promoted schemes to relieve unemployment, providing, at various stages, money to employ those seasonally out of work during the winter, to create opportunities for young people during the summer vacation, and to support ventures designed to improve community life. The key characteristic of these schemes has been their short-term nature. They have been designed to help people return to the mainstream of permanent economic activity. In achieving this objective, they have wholly met the salary costs of workers for a limited number of months. Small amounts of money have been available for overhead costs such as materials and administrative expenses. The schemes have not been designed in themselves to create permanent employment. These Federal Government schemes have paralleled almost exactly the Job Creation Programme and its successors in Britain: indeed, the British schemes have been based in substantial part on the Canadian experience.

The Federal Government's Department of Manpower and Immigration (and to a lesser extent the Department of Health and Welfare) has experimented with a small number of projects designed to create longer-term employment through a "community economic development" approach. The Guysborough project, for example, was one of two in Nova Scotia sponsored by the Department of Manpower under its "Community Enterprise Programme" which was designed to bring about

economic development by making better use of the resources of government provided for the area. The Department of Health and Welfare's support for Projet Contact was of a similar nature although had less specific objectives. In both cases the main contribution of the government department was to meet the salaries of project staff for three to five years. In the case of Guysborough, some money was also available for new business ventures. Little advice was given about how to promote community economic development, although there was some help in contact with other government departments.

The Community Enterprise Programme has been replaced by the local Economic Development Assistance (LEDA) programme. This, like its predecessor, is only available in a few specific localities. In addition to meeting staff salaries, it provides substantial sums for feasibility studies and for equity investment in new enterprises. Broadly speaking, it is comparable to the Community Business Ventures programme under discussion by the Manpower Services Commission in Britain.

The Provincial governments have also been active in this field — most notably the Newfoundland government's support for rural development associations, in meeting the salary and administrative costs of their coordinator and in providing some capital for the projects they develop. The Newfoundland experience is also interesting in that the Provincial government's Department of Rural Development has a network of field staff who provide training and professional support for the Development Association. Newfoundland is the only province to have a comprehensive scheme of this kind.

Several points may be made about the nature of government involvement in community economic development. Firstly, in Canada as in Britain, this approach is peripheral to the main strategies of government in industrial and economic development. In none of the Canadian case studies is the local project supported by the government department directly concerned with economic development. Instead, the support has come from departments concerned with employment and with social development. This means that the technical expertise available through, for example, departments of agriculture, has had to be sought by local projects themselves rather than forming a part of government policy for support. There is no Canadian scheme comparable to the Highlands and Islands Development Board's

backing for community cooperatives. The government promoted Development Corporation in Cape Breton, for example, did not see a community based approach as part of its strategy.

A second point concerns the objectives of government policy. Canada is primarily a free enterprise country, and the approach to development is one that sees government providing short-term help to assist communities and individuals to take part in the mainstream of economic activity. Any suggestion that government may be "subsidising" community enterprises which enter into unfair competition with private enterprise is politically unacceptable. Government policy towards sustaining economic activity in regions that are remote from main centres or which have a limited resource base is at best ambivalent.

A third point concerns the political system. For local groups, securing and organising resources to meet local needs is not simply a matter of applying to the correct department. In particular when resources are limited, political interest and support is important. Local groups such as those in Guysborough and on the North Shore have shown a high level of sophistication in negotiating with politicians and the administrative system.

Finally, there is the problem of the extent to which a local project is shaped by the requirements of a particular government programme. The short duration and rigid guidelines of some programmes have clearly distorted the work of local projects. The more successful projects have been able to use a variety of sources of government finance, both for their "core" operations and for their trading activities.

Federations and other Central Organisations

All but two of the projects had active links with federations or central organisations which supported their local work and which were in some measure accountable to local groups. The development cooperatives in the Bas-St-Laurent area of Quebec had formed SAIREQ (Société d'Aménagement intégrée des Ressources de l'Est du Québec). The development associations in Newfoundland were members of the NLRDC (Newfoundland and Labrador Rural Development Council). Most of the specialist cooperatives in the three cooperative communities were members of a secondary cooperative — the Hornby Store

of Interprovincial Cooperatives, the Tignish fish plant of United Maritime Fishermen, and the Chéticamp Credit Union of the Nova Scotia Credit Union League. Only the development cooperatives in Escoumins and Guysborough, each unique in its own area, had no such outside links.

The central organisations all provided advice and support to the local groups in their work, both by the deployment of field staff who visited and advised the local groups, and by bringing local staff and board members together to share experience and to take action on common problems — for example to negotiate with government. These central functions were welcomed by the local organisations although not necessarily accorded a high priority: it was recognised that the central organisations helped the local groups to build up a sense of common purpose and to create the space and resources within which local work could be carried out.

The links between the specialist cooperatives and their central organisations went considerably beyond advisory and deliberative functions. In the case of the cooperatives, the links were primarily of a trading kind. The key ingredients in all cases were that the central organisations acted as wholesaler for the supply of inputs and the marketing of outputs for the local cooperative — for example Co-op Atlantic provided supplies for the coop stores in Chéticamp and Tignish, and United Maritime Fishermen marketed the fish from the coops in the same places — and the central organisation provided some measure of financial guarantee to the local cooperative. The most obvious example of this was the financial backing offered by the credit unions centrals to local credit unions. These trading links were cemented by various types of “management agreement” where the central and local organisations entered into a contract about the way in which the business would be conducted.

The relations between central and local cooperative organisations were clearly a source of tension within the cooperative movement in Canada, as elsewhere. The central organisations tended to see the rural coops as small, conservative, and somewhat outdated, while the local coops feared increasing control from the centre and loss of local autonomy.

There is no simple solution to these tensions, but they do illustrate a number of general issues. Firstly, central organisations are essential if movements to create community based

economic development are to generate significant economic financial and political power. Central organisations can offer access to markets, access to supplies, and financial and managerial backing, all under cooperative control. They can also provide a source of political power, exerting pressure on government policies as they affect rural areas. Without these, groups in marginal areas are bound to be subject to large economic institutions over which they have no control as soon as they are involved in trading outside their immediate area.

Secondly, cooperatives have a distinct economic and social purpose which is often ignored, particularly by those involved in the management of cooperative institutions. This purpose is to give people a greater measure of control over their own lives, not simply in the sense of a better financial deal as coop members, but also in the sense of collective ownership and control of a local business, with all that means for the development of organisational skills and confidence. A dispersed network of small coops is not, therefore, a luxury for the coop movement; it is its very essence.

A third point concerns the relationship between cooperatives and local development. We have seen how, in the three cooperative communities, the coops were not a vital force for new development. This is in part because the coop movement has not promoted common action among coops at a local level. Cooperative models of organisation have tended to see local coops primarily in relation to their own, specialist, central organisations rather than in relation to other coops and community organisations at a local level. Stronger horizontal links are needed if coops are to make an effective contribution to community development.

Independent Organisations

The Extension Departments of local universities have been the main independent agencies making a conscious contribution to community economic development in rural Canada. Several universities located in rural areas have seen the university's outreach into the community in more active terms than any British university. By contrast, the network of rural based voluntary organisations active in social development, such as the councils of social service in Scotland or the Rural Community

Councils in England, does not exist in Canada. Canadian Social Planning Councils are largely a urban phenomenon.

The Extension Department at St Francis-Xavier University at Antigonish has a long and honourable tradition of extension work, since it was the department which acted as a base for the "Antigonish Movement" of the 1930s. The Extension Department at Memorial University of Newfoundland has had a shorter, though active, history of local involvement. The key feature in both cases has been a strong commitment to adult education through community organisation. This work has been informed by an approach which encourages local people to adopt a questioning or critical approach to the existing structure and organisation of society, and to take action to build up their own organisations and resources. The focus of this work has traditionally been in remote areas or with disadvantaged groups. "Masters of their own Destiny" was the original slogan of the Antigonish Movement: the Extension Department at St F.X. is still seen as being the conscience of the Maritime cooperative movement today.

The Extension Departments of universities do not have programmes of support for specific kinds of activity or organisation in the same manner as government departments or federations of local groups. Their distinctive contribution to rural development is likely to continue to be a focus on adult education work, raising the awareness of groups at the margins about their position in society and about the kinds of action that might be possible to improve that position.

Established organisations such as the specialist cooperatives in the Maritimes, expressed considerable concern about education. They saw educational work as being primarily about encouraging members to participate actively in the management of the cooperative, and expressed disappointment that more members did not become involved. Nevertheless, effective education is inextricably linked to change. There is never likely to be much educational interest in a static system: a high level and quality of educational participation is only likely in connection with genuine attempts to create a momentum for new development.

iv COOPERATIVES AND COMMUNITY ECONOMIC DEVELOPMENT: A VIABLE STRATEGY?

A few salient points may be made, in concluding this section, about the viability of cooperatives and community economic development as a means of promoting local development in rural areas.

The projects visited saw a better use of local natural resources as the main means of creating local enterprises. They attempted to generate viable local businesses on the basis of new or improved ways of using the products of the land, the sea, and the forest. Part of their concern was to ensure that local products were locally processed — for example by creating local fish processing facilities. Other approaches included the improvement of local services, whether of commercial services such as retail stores or banking facilities, or of social services such as community halls, schools and medical facilities.

All the projects had a significant effect in creating local jobs. In the case of the Development Associations, many of the jobs created were temporary. In other cases many were seasonal. However, with each of the projects, a core of permanent jobs had been initiated or stabilised through local initiative.

The coops in the three cooperative communities were, with a few minor exceptions, wholly viable as trading enterprises without direct government assistance. The Development Associations and the development cooperatives, on the other hand, depended on government help for their work in pioneering new projects. There was no immediate prospect of them being wholly supported by the enterprises they had helped to create. The groups recognised this criticism of lack of viability in conventional economic terms, and advanced three arguments to meet it. First, they claimed, their work was cheaper and more effective than other types of industrial development or promotional work. Second, the projects were able to mobilise other resources, of local capital and of other government programmes, to tackle local problems in ways which would not have happened had the projects not existed. Third, the projects were in some respects saving the government money by reducing unemployment and by increasing the tax base of the area.

It was not possible to test the economic force of these argu-

ments during the course of this study, but clearly the projects were achieving some economic success, and, equally significantly, were building up local skills and organisational ability. The projects were all working in remote areas and most were proving of direct benefit to disadvantaged groups in society, such as unemployed people.

The tentative conclusion of this study would be that co-operatives and community economic development do represent a viable strategy for rural development, but that the way in which the strategy is applied needs careful consideration. The final section considers these questions in greater depth.

V POINTERS TO FUTURE ACTION

i BY LOCAL ORGANISATIONS AND ACTIVISTS

The first step for anyone engaged in a community economic development project is to define the goals of the project. These goals may appear to be simple and self-evident, but in fact most community enterprises pursue several overlapping goals simultaneously. Failure to clarify the goals and to define an order of priority among them is likely at some point to lead to conflict and dissipation of effort.

There were three main goals of Canadian community enterprises: to create permanent jobs, to make optimum use of the natural and human resources of the local area, and to promote collective or community control over economic activities. Subsidiary goals included generating a financial surplus to be used for community benefit, providing a local social service, and employing disabled people. Community economic development projects need to be skilled in holding the various goals in a creative relationship to each other, but even so are unlikely to be able to pursue all the goals with equal vigour.

Definition of the goals of a project is closely linked to a definition of the people likely to derive benefit from the project. Experience in Third World countries has shown that cooperative or collective initiatives do not automatically benefit the poorest groups in society. In Canadian terms, a fishermen's cooperative may bring considerable financial benefit to the fishermen who are members of the cooperative, but the workers who are employed by the coop in the fish processing plant may be comparatively poorly paid and may not be eligible for the benefits of coop membership.

Canadian and British community economic development projects operate in a free enterprise economy, and achieve their objectives by trading in that economy. It follows that the individual enterprises must be viable and profitable, even though profit is a means to achieve the goals of the project rather than an end in itself. Efficient and imaginative business practices are therefore vital to the success of community economic development.

Community enterprises in rural Canada are, however, trading at the periphery, remote from major suppliers and markets and

often in a difficult social and physical situation. They enjoy certain advantages over private enterprises, notably through community commitment of capital, labour, and ideas, and through eligibility for certain forms of government assistance, but they suffer from the handicap of working through a form of social organisation which is unfamiliar to most people and which is greeted with hostility by some. Community enterprises are unlikely in themselves to transform the economy of peripheral regions: action is needed not just at the community level but also by regional and national economic and political organisations.

The experience of Canadian community economic development projects demonstrated the importance of each project differentiating the development function of the project, identifying opportunities for new and expanded enterprises and helping them to become established, and the management function, of running individual enterprises once established. In organisational terms, this usually implied some separation of the core "development" functions from the individual trading enterprises. Groups which failed to make this separation suffered from a loss of impetus in new development.

Closely allied to this was the question of the relationship of individual enterprises once established to the community economic development project as a whole. While there was no blueprint for success, it appeared that the two extremes, of total independence for enterprises on the one hand and of total integration with the project on the other were unsatisfactory. A relationship which allowed for some measure of independence for the enterprise and some measure of continuing involvement of control for the project appeared to be best.

Canadian and Scottish experience has shown that it is possible for community enterprises to raise substantial sums of money from local people in share capital. Appropriate structures for channelling local savings into local development do not yet exist in either country. The Canadian Credit Unions, which appear to be the most appropriate organisational form, are restricted by their emphasis on loans to individuals rather than to enterprises. The *Caisses d'Entraide Economique* in Quebec would repay more study in this context.

Maintaining a high level of community involvement is a perennial problem for all cooperative and community based organisations. This involvement is closely linked to the concept

of adult education which has been such an admirable strand of the cooperative tradition. Much might be said about how to run organisations in such a way as to maximise member participation. One or two points may be made here. Involvement, firstly, is likely to be greatest at a time of change: people are likely to participate actively where new projects are being developed. Linked to this, committees exploring development in particular sectors (eg agriculture) appeared to have more success than committees representing particular geographical areas. Professional staff such as coop managers have a critical role in promoting education and involvement, crucially by seeing opportunities to act as "animateurs" of a lively dialogue between members, committees and staff, rather than seeing themselves, at one extreme as the slave of the committee or, at the other, as its master. As has been said earlier, education can only take place when there is a willingness to experiment and to change on the part of all those taking part in the educational process. There can be no genuine education in a static system.

A final pointer to local projects concerns the role of central organisations, which may include their own federations, government departments, and other bodies such as universities. The most successful projects had tapped a wide range of these agencies for their human and financial resources. While retaining a healthy scepticism about the tendency of power to accrue to the centre, several projects had a creative relationship with central organisations. If development at the periphery cannot come about solely through the self-help efforts of people at the periphery, then a constructive relationship between people in rural communities and central organisations is vital.

ii BY "RESOURCING AGENCIES"

"Resourcing agencies" — central organisations which serve local coops and community economic development projects — are vital to the success of local development. In the Canadian context, they include the coop "centrals" such as the Co-op Atlantic and UMF, the federations of local projects such as SAIREQ in Quebec and the NLRDC in Newfoundland, and independent bodies such as the Extension Departments at Memorial and St Francis-Xavier Universities.

A precondition to the successful functioning of the resourcing

agencies is that they recognise and accept the valuable role they can play in local development. This is particularly true for the cooperative movement, where there has been a tendency to regard community based coops as small and old fashioned. In practice, the key ingredient in the support of central organisations for local development is a recognition of the objectives of the local group in working for broad ranging community economic development, and that it is not simply a narrowly based trading agency. The local group is not only a "client" of the central organisation, but is likely to have a range of "horizontal" relationships with other local projects, as well as relations with government departments, which are not mediated through the central organisation.

An effective "resourcing agency" will respect and encourage the autonomy of local projects, providing them with the trading links, information, training, administrative support, and advice they need to do their work, but not seeking to control them.

Resourcing agencies also have an important "development" function in creating awareness in other areas about the possibilities of cooperative and collective initiative, and of the experience that has already been gained.

In addition to their direct support for local groups, resourcing agencies have an important part to play with regard to government, ensuring that political and administrative backing is available for initiatives in community economic development. In Canada, the Co-operative Union is well equipped to play this role with respect to cooperatives, but there is no comparable lobby for other forms of community economic development. In Britain, there is no single resourcing agency which draws together the various interests, though the creation of Community Business Scotland is likely to consolidate the community economic development lobby in Scotland.

iii BY GOVERNMENT

The contribution of government to community economic development depends firstly on political recognition of a cooperative or community based approach as a viable and desirable development strategy. In Britain, cooperatives have for 60 years had strong links with the Labour Party, and in Canada the co-operative Commonwealth Federation (CCF) was the precur-

sor of the New Democratic Party, but elements of the community economic development approach, particularly those relating to local self-help, are attractive to nonsocialist parties also.

The practical expression of political support is not best thought of in terms of general grants or subsidies for community based enterprises. Effective help needs to be more precisely directed. The key points where financial help is needed seem to be in support for the *development* work of local projects, helping them to identify viable enterprises, and in meeting some of the *management* costs of new enterprises until they can be fully viable. The Highlands and Islands Development Board's community cooperatives scheme includes both these elements as well as providing some start-up capital.

Governments can also assist by ensuring that the legal and taxation frameworks within which community enterprises work, and their access to grants and loans for business development, are at least as favourable as the position of small private businesses. There are often numerous hidden legal and administrative obstacles which community enterprises have to overcome in order to operate on the same terms as private enterprises.

In addition to assisting individual community economic development projects, government support is vital for "resourcing agencies", particularly for their development function. In Britain, government assistance for the Industrial Common Ownership Movement and the Scottish Co-operative Development Committee is a small example of this. In Canada, the Quebec government has embarked on a much more extensive partnership with the cooperative movement in Quebec which is likely to lead to further significant cooperative development.

APPENDIX A

LIST OF INDIVIDUALS INTERVIEWED AND PROJECTS VISITED

DATE (1980)	NAME OF INDIVIDUAL	DESIGNATION AND PROJECT	LOCATION
September 16	Jack Craig	Director Co-op Future Directions Project	York University Toronto
17		Co-op Housing Federation of Metro Toronto	Toronto
17 & 18	Ed Pennington	Executive Director Metro Toronto Social Planning Council	Toronto
18	James Riordan	Consultant Youth Ventures Project	Toronto
18	Bob Doyle & David Sherebim	Director of Neighbourhood Services and Head of Policy and Research Division, Planning and Development Department, City of Toronto	Toronto
19	Karin Hill	Programme Director, Canadian Council on Social Development	Ottawa
19	Bruce Thordarson	Executive Director Co-op Union of Canada	Ottawa
20	Sue Wismer & David Pell	Community economic development workers, rural Ontario and authors of book on community enterprise	Ottawa
22	Hayden Roberts	Associate Professor, Faculty of Extension, University of Alberta	Edmonton
22	Glen Eyford	Associate Professor, Division of Community Development, University of Alberta	Edmonton
23	Gerald Schuler	Director, Rural Education and Development Association	Edmonton
23	Lynn Hannley	Director, Communitas Inc.	Edmonton
25	Andria Spindel	Executive Director, Social Planning Council of British Columbia	Vancouver

29	Hilary Brown and about 20 others	local residents and community activists, Hornby Island	British Columbia
30	Alex and Margaret Gordon	local residents and community activists, Coombs	British Columbia
October 1	Hume Compton	President, Hub Co-op, Nanaimo	British Columbia
3	Walter Paetkau	Director, Abbotsford Community Services Centre	British Columbia
3	Bill Nicholls	School of Social Work, University of British Columbia	Vancouver
3 & 6	Herb Barbolet	Co-op activist	Vancouver
7	Tom Dent and Jack Taylor	Director and Assistant Director, Local Employment Assistance Programme, Employment and Immigration Canada	Ottawa
8	Doug Kane	former officer of LEAP programme	Ottawa
8	Glenn Haddrell	Executive Director, Co-op Housing Federation of Canada	Ottawa
8	Terry Hunsley	Director-Designate, Canadian Council on Social Development	Ottawa
9	Jean-Bernard Daudelin	National Welfare Grants Section, Health and Welfare Canada	Ottawa
9	Art Stinson	School of Social Work, Carleton University	Ottawa
10	Luc Bureau	Associate Professor, Department of Geography, Université Laval	Quebec City
10-12	Eric Waddell	Associate Professor, Department of Geography, Université Laval	Quebec City
14	Jean-Marc Lapointe	Director, Projet Contact, Escoumins	Quebec
15	Flore Fournier	Development Officer, Société d'Amenagement Intégré des Ressources de l'Est du Québec	Rimouski, Quebec

16	Suzanne Morin and others	Agent d'Information, Projet JAL	Auclair, Quebec
17	Tracy Tremblay and others	Agent d'Information, Societe d'Exploitation des Ressources de la Vallée	Lac-au-Saumon, Quebec
18	Gary Briand	Lecturer, Gaspé CEGEP	Gaspé, Quebec
21	Lynden Bechervaise	Director of Adult Education, Regional School Board of Gaspesia	New Carlisle, Quebec
22	Keith Russell	Public Relations Manager, Co-op Atlantic	Moncton
23	Kenneth MacLean	Managing Director, Co-op Union of PEI	Prince Edward Island
24	Gerald Handrahan	retired co-op activist, Tignish	Prince Edward Island
24	John Joe Sark	Community resource worker, O'Leary	Prince Edward Island
25	Wilson Shea	retired co-op activist, Tignish	Prince Edward Island
25	Valmore Arsenault	Provincial Supervisor, United Maritime Fishermen, Tignish	Prince Edward Island
27	George Topshee	Director, Extension Department, St Francis-Xavier University	Antigonish, Nova Scotia
27	Duncan MacIntyre and Vivian Campbell	Assistant Director and development worker, Extension Department St Francis-Xavier University	Antigonish, Nova Scotia
27	Marinus Van de Sande	General Manager, Eastern Dairyfoods Co-op	Antigonish, Nova Scotia
27	Steve MacKinnon	retired agricultural adviser, Nova Scotia Department of Agriculture	Antigonish, Nova Scotia
28	Terry Hanlon	St Francis-Xavier field worker and Chairman of MGCDIL Corporation	Canso, Nova Scotia
29	John Capstick	Assistant Director, Extension Department, St Francis-Xavier University	Sydney, Nova Scotia

29 & 30	Steve Rankin and Hal Norton	President and staff member, Cape Breton Development Corporation	Sydney, Nova Scotia
29	Greg Macleod	Chairman, New Dawn Enterprises	Sydney, Nova Scotia
29	Peter Dawson	Lecturer, Cape Breton College	Sydney, Nova Scotia
30	John Hanratty	Development Worker, New Dawn Enterprises	Sydney, Nova Scotia
30	Bob Briscoe	Lecturer, Cape Breton College	Sydney, Nova Scotia
31	Denis Aucoin	retired co-op activist	Chéticamp, Nova Scotia
31	Edmond Aucoin	Manager, Caisse Populaire	Chéticamp, Nova Scotia
31	Raymond Doucet	Manager, Co-op Store	Chéticamp, Nova Scotia
31	Wilfred Aucoin	President, Co-op Store	Chéticamp, Nova Scotia
November 3	Tony Collins and Denis	Executive Director and field officer, Newfoundland and Labrador Rural Development Council	Gander, Newfoundland
4	Carl Budgell	Development Co-ordinator, Exploits Valley Development Association	Grand Falls, Newfoundland
4	Genevieve	Development Co-ordinator, Gando-Indian Bay Development Association	Newfoundland
5	Gordon Inglis	former Director, Centre for the Development of Community Initiative	St. John's, Newfoundland
5	Dave Curran	Assistant Director, Extension Service, Memorial University	St. John's, Newfoundland
5	Terry Healey	Assistant Deputy Minister, Department of Rural Development	St. John's, Newfoundland
6	Mike Keys	Canada Employment and Immigration	Halifax

6	Jim Lotz	Community Development Consultant	Halifax
7	Peggy Prowse	Co-op Activist	Halifax

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