



# Rural Social Enterprise and Community Ecosystem Development: Policy Leverage Points

Report prepared for OMAFRA,  
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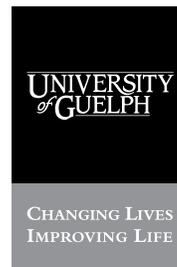
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**Catherine Lang, Mary Ferguson, and Dr. Barbara Harrison**

With Kelly Gillis, Dr. Allan Lauzon and Heather Laird

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Project Partners



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and



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### **Research Team**

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### **Case Study Site Contacts**

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#### **ABBHEY GARDENS**

Heather Reid – Operations Director  
John Wadland – Board member  
John Patterson – President of the Board

#### **CLOVERBELT LIFELINES**

Jen Springett – Consumer / President of Board  
Beth Zurbrigg – Producer / Secretary of Board  
Mel Fisher – Producer, previous board member  
Connie Nelson – Lakehead University Food Security Research Network

#### **COMMON ROOF**

Glen Newby – CEO, Common Roof & New Path  
James Thomson – Vice President, Strategic Initiatives  
Ken Edwards – New Path Foundation

#### **COMMUNITY LIVING SOUTH HURON**

Bruce Shaw – Executive Director  
Dave Farquhar – Manager

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# Executive Summary

## ***Introduction***

This report presents the research findings of “An Ecosystem Approach to Understanding and Informing Rural Policy for Social Enterprise,” a project administered by the Ontario Nonprofit Network (ONN), and implemented collaboratively by Catherine Lang (C. Lang Consulting) Mary Ferguson (Eko Nomos Consulting), Heather Laird (ONN), independent researchers Dr. Barbara Harrison and Kelly Gillis, and Dr. Allan Lauzon (University of Guelph). The research project was made possible by a New Directions grant from the Ontario Ministry of Agriculture, Food and Rural Affairs. Ramona Cameletti acted as OMAFRA policy advisor to the project.

## ***Research Goals***

The goal of the research was to document how social enterprises develop in rural Ontario through a cross-case analysis of four rural or northern social enterprise organizations. Specifically, the research had the following objectives:

- To document and describe the process of rural nonprofit social enterprise development, through a focus on the genesis of successful rural social enterprises and using a comprehensive context-based analysis and documentation of the start-up, stabilization, and growth stages.
- To document and identify the development supports needed or used by rural nonprofit organizations and social entrepreneurs, through a focus on the key elements of effective current and potential systems supporting rural social enterprise development.
- To document the developmental, financial and policy challenges and barriers encountered by nonprofit social enterprises, and how they can be overcome.
- To determine key leverage points for policy change and investment to facilitate effective and impactful rural social enterprise development in Ontario, through a focus on the role of investment and policy in the future of rural social enterprise development.
- Policy leverage points are places in the social enterprise ecosystem, particularly in the policy environment, where a small change could lead to a larger shift in outcomes.

## ***Research Approach and Report Outline***

For the purposes of this research, social enterprise is defined as a business operated by a nonprofit, and directly involved in the production and/or sale of goods and services to customers for the dual purpose of generating income from sales and achieving social, cultural or environmental objectives.

The objectives were achieved by means of cross-case analysis of four (4) rural Ontario nonprofit social enterprises: Abbey Gardens, Cloverbelt Local Food Co-op, Common Roof, and Community Living South Huron. The analysis adopted a “Community Capitals” lens to illustrate the diverse intersections and interactions of factors salient to the development of social enterprises in rural

communities.<sup>1</sup> The lens provided a consistent framework for analyses of the context and impetus behind the social enterprises being studied, the initial ideas and their champions, the structures the enterprises adopted, how their models were tested, and the impacts and outcomes they are achieving. The analysis provided the basis for the description of policy leverage points to enable further activities in the development of the rural Ontario social enterprise ecosystem.

In order to situate the findings of this project's primary research, the report provides a brief description of the changing Canadian rural context. This review and analysis of secondary literature shows how social enterprise has been conceived historically, and framed in the Canadian and international contexts. More than this, it seeks to provide the reader with an understanding and appreciation of the diversity of social enterprise, and its potential in developing place-based economies to the benefit of Canada's rural and remote communities.

The report outlines the research methods adopted for the primary research in this study. The 'Research Methods' section describes how the sites for primary research were selected, and outlines the methods of data collection and analysis.

The methodological discussion is followed by the in-depth case studies. In this section an overview of each social enterprise is provided, including descriptions of the development path, leadership and partnerships that were instrumental in developing each business. Further information is provided about revenue generation, and enablers and barriers to development, including the role of policy. See Appendix 1 for a broader overview of each enterprise's rural community context.

### ***Cross-case Analysis: Findings***

Following the individual case studies, this document provides research findings and conclusions arising from the cross-case analysis of the four case studies. In brief, the findings are as follows:

#### **RURAL SOCIAL ENTERPRISE CONTEXT AND IMPETUS**

Our research shows that rural contexts claim a strong cultural attachment to their geographical region and environment. These may be defined as a place-based cultures of rurality. Although each expressed a strong rural cultural attachment, each rural context was unique. This uniqueness in place produced challenges and opportunities unique to each, and each social enterprise under study responded to local needs and values in unique ways.

We found that a spirit of collaboration prevailed in each region as an indication of strong cultural capital. Further, this spirit of collaboration was cemented in a developmental period, lasting in some cases up to a decade before the incorporation of the social enterprise. In all four cases the social enterprises challenged the way their sector(s), contexts, geographies or clients were perceived. This challenge to assumptions resulted in or contributed to the leveraging of surplus or underutilized capitals to augment others. Significantly, these successful social enterprises were each able to leverage affordable lands and/or buildings to secure long term viability. The acquisition of these real assets, however, was clearly dependent on significant mobilization of

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<sup>1</sup> Cornelia Butler Flora and Jan L. Flora, *Rural Communities: Legacy and Change* (3rd Edition), (Boulder, CO: Westview Press, 2008).

other capitals, most crucially strong social and human capital in the form of skilled leadership, diverse networks and strong community commitment to finding solutions.

## **THE IDEA AND ITS CHAMPIONS**

In each of the cases under study, leadership was a critical factor. We found that successful social enterprise leaders were highly collaborative people, who were able to build relationships to other stakeholder groups, and create new social capital. By extension, the activities of these leaders can be seen as augmenting their entire local ecosystem. Yet in each case a group of leaders was needed for the enterprise to be successful. In three of the sites under study, we found that new migrants to rural areas had been leaders in the development of their social enterprise. Thus, we describe how the presence and utilization of a diverse set of skills, connections and experiences may be instrumental to success. This diversity was complemented by the credibility that the main proponents were able to maintain in their communities and networks. The credibility, commitment and collaborative orientation of core leadership lead in each case to the mobilization of a large number of volunteers. The maintenance of these core leadership attributes will be important over the long term: each case has identified that leadership succession is an issue for the long-term vitality of their enterprise.

## **STRUCTURING THE ENTERPRISE**

Our research showed how the social enterprises selected organizational structures based on local conditions. As more people and networks became involved, more formalized structures became needed. In each case, 'form followed function': all of the initiatives utilized different corporate forms or structures to creatively house and operate their enterprises. Once organizational structures were in place, case study sites were able to access and generate financial and built capital. Intriguingly, none of the enterprises identified as 'social enterprises' in their earliest stages of development; their attention was focused on their mission and how to realize their vision in the long term. Once corporate structures were in place, founders were able to leverage more capital of different kinds to grow their enterprise.

## **MODEL TESTING**

In their current state, each of the case study sites operates at least one incorporated social enterprise. Each of these enterprises is supported from a variety of funding sources. The process of testing and 'tweaking' corporate models and forms means that business launch is often slower than in the for-profit sector. This testing process was necessary, however, for the social enterprises to effectively balance social, economic and environmental missions all together. Access to appropriate business development support is critical to success in this period, and in the long term. In two cases, local Community Futures Development Corporations provided some of this support, and in one of these a CFDC was a founding organizational member. In each case, social enterprises carried out their own comparative research, to better understand their sector, and the how to create and position their unique offerings. This uniqueness necessitated a more 'organic' rather than a linear approach to development, again as a result of the need to respond to place-based challenges. Having been established, and following initial successes, organizations may become 'serial social enterprise developers', developing new offerings in new sectors where they can see a market niche and community need. Initial success and operationalization has also contributes to increased political capital, though this does not come without effort.

## IMPACTS AND OUTCOMES

While a detailed assessment of outcomes was beyond the scope of this paper, the research clearly points to rural social enterprise impacts that are worth noting. The impacts affect the enterprise's partners and participants, their organizations, communities and regions, and touch on all of the community capitals. These impacts give us clues about the potential of nonprofit social enterprise as a rural and northern development strategy.

All nonprofits exist to provide a public benefit and contribute to community health and wealth. The additional market focus of nonprofit social enterprises affords further benefits. Job retention and development is one significant outcome shared by all of the initiatives researched. This outcome contributes financial capital to each region, benefitting the local economy and creating other multiplier effects. In addition, each enterprise has secured real community-owned assets, and has built the momentum and credibility needed to move forward and expand in new ways. It is evident that each rural social enterprise under study has contributed not only to social, but also to economic self-reliance by creating, testing and now growing models for community-owned enterprises that are guided by enduring and important social and environmental issues.

## POLICY LEVERAGE POINTS

Many policies that have supported or inhibited the case study site enterprises are unique to their specific regions or sub-sectors. Yet there are areas where common recommendations can be made. Three of these policy areas are:

- Enterprise development supports
- Legal and regulatory issues related to nonprofit, co-operative and charitable structures
- Land and building use

Federal, provincial and municipal laws or by-laws govern each of these policy areas. Altogether, this creates a complex and shifting policy environment. This study provides significant discussion of these areas leading to a 'General Policy Approach'. In general, policies that support nonprofit social enterprise in the context of rural and northern communities will:

- Support place-based innovation and avoid one-size-fits all approaches
- Enable rather than inhibit the flexibility needed for local cross-sectoral innovation in rural and northern SE northern development
- Leverage and coordinate the mandates and resources of enterprise support organizations, programs and advisors at local and regional levels to further SE objectives
- Grow enterprise development capacity, take advantage of unique community capital, and account for capacity and service gaps in rural and northern communities
- Recognize the community benefit impacts that rural and northern social enterprises can effect in their regions, and the many forms of community capital they can create – social, built, political, financial, human and natural.

## Introduction to the Research

In this paper we report back on the OMAFRA-funded New Directions Research Grant entitled “An Ecosystem Approach to Understanding and Informing Rural Policy for Social Enterprise,” a research project that began in late 2013 and concluded in November, 2015. The research has been a collaborative venture between the Ontario Nonprofit Network (ONN), also the administrator of this grant, Mary Ferguson (Eko Nomos Consulting), Catherine Lang (C. Lang Consulting), Barbara Harrison and Kelly Gillis (independent researchers), and Dr. Allan Lauzon (University of Guelph). The research project was made possible by a New Directions grant from the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). Ramona Cameletti acted as OMAFRA policy advisor to the project.

The goal of this research has been to document how social enterprises develop in rural Ontario through a cross-case analysis of four rural or northern social enterprise organizations. Specifically, the research had the following objectives:

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- To determine key leverage points for policy change and investment to facilitate effective and impactful rural social enterprise development in Ontario, through a focus on the role of investment and policy in the future of rural social enterprise development.

Policy leverage points are places in the ecosystem of social enterprise, particularly in the policy environment, where a small change could lead to a larger shift in outcomes. For the purposes of this research, we have defined social enterprise as a business operated by a nonprofit, and directly involved in the production and/or sale of goods and services to customers for the dual purpose of generating income from sales and achieving social, cultural or environmental objectives.

Much of the research on social enterprise (SE) to date has been directed to organizations in urban settings, where the vast majority of Ontarians live; there is little research on rural Ontario social enterprise. Rural Ontario’s economic and social revitalization depends on its capacity to attract and retain entrepreneurs and social innovators. Any efforts to sustain and grow rural vitality must include rural nonprofits, particularly as they are significant job creators and conduits to much-needed community services in rural areas.

As government and private sector roles change, nonprofits are increasingly providing services and generating earned income through social enterprise. Social enterprise activities enable rural nonprofits to earn unrestricted revenue, to keep and grow much-needed jobs, and to create the conditions for training and accommodated employment for people detached from the workforce.

A better understanding of enabling conditions, policies and supports for rural social enterprises is needed, especially to support Ontario’s social entrepreneurs for the long term. Our research aims to provide information grounded in practice so that rural nonprofits and social entrepreneurs will learn about the important enablers, development milestones and resources needed to strengthen their innovative work in social enterprise. This research aims ultimately to contribute to the long-term sustainability of rural nonprofit organizations and the jobs they create.

This research highlights key leverage points for policy innovation and investment to facilitate social enterprise development in rural and northern Ontario. Concrete examples and analysis can enable rural Municipalities, Business Enterprise Centres, United Ways, Community Foundations, and other stakeholders to design policies and approaches for greater community impact. This may include retaining and growing jobs and supporting entrepreneurial rural nonprofits to innovate in community service delivery. Further, Provincial Ministries will see how current policy directions can better support nonprofit social enterprise, and create conditions enabling rural and northern communities and nonprofits to utilize social enterprise strategies and capitalize on their unique assets and opportunities for development.

The report begins with the background context for this work, with a focus on the current policy and rural social enterprise environment. This discussion is followed by case studies related to the regional context and evolution of each of the rural social enterprise sites researched.

A cross-case analysis of the four rural social enterprise organizations as viewed through a “Community Capitals”<sup>2</sup> lens is then offered. In this analysis we explore the context and impetus for these social enterprises, the ideas and champions involved, how the enterprises are structured, and their models, impacts and outcomes. We conclude with a discussion of political capital and rural social enterprise and policy leverage points and recommendations arising from our analysis.

## The Changing Context for Rural Social Enterprise

### ***Rural Policy Context***

Since the 1970s the economy of rural Canada and rural Ontario has been fundamentally changed by economic globalization, increases in free trade, and the rise of neoliberalism.<sup>3</sup> Neoliberal policy has had a dramatic impact on local economies and communities, and has created or contributed to specific issues facing rural communities in pursuing economic and social development. These issues include, for example, a lack of youth retention, deterioration of services, poor health outcomes, and shrinking economies and communities. Clear solutions remain elusive.<sup>4</sup>

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<sup>2</sup> Flora and Flora, *Rural Communities*.

<sup>3</sup> Stefan Neumeier, “Why do Social innovations in Rural Development Matter and Should They be Considered More Seriously in Rural Development Research? Proposal for a Stronger Focus on Social innovations in Rural Development Research,” *Sociologia ruralis* 52, No 1 (2012): 48-69.

<sup>4</sup> Andrew Atherton and Paul D. Hannon, “Localized strategies for supporting incubation: Strategies arising from a case of rural enterprise development”, *Journal of Small Business and Enterprise Development* 13, No. 1 (2006): 49.

Recent scholarship on topics related to rural development focuses on the development of place-based policies that seek to help communities and regions develop the assets that make them attractive to investment.<sup>5</sup> While rural development efforts may focus on attracting outside investment, and thus lead to competition between regions, there has concurrently been a movement towards place-based approaches and policies that “increasingly work from the ground up to generate solutions rooted in particular concerns of local communities”.<sup>6</sup>

Teasdale and Dey suggest that “welfare is no longer provided directly and unconditionally but transmitted through various program and policies which aim at activating the people while shifting the previous responsibilities of the state onto the individual”.<sup>7</sup> This objective is coupled with “the promotion of competition, entrepreneurship, flexibility and individual responsibility as crucial ingredients for generating action-orientation on the part of the individuals and communities being governed”.<sup>8</sup> In sum, rural areas are changing the way they approach development, and are doing so as a result of the evolution of programs and policies affecting service delivery, and changes in how rural areas’ assets in general are perceived.

Woods describes the history of rural discourse and policy, showing how they were effectively limited to issues of industry and resource extraction.<sup>9</sup> Agriculture and its policy supports historically provided significant social and cultural strength for rural communities.<sup>10</sup> While rural policy has in many ways been synonymous with agricultural policy, this model is less relevant now than it once may have been. Woods maintains that rural communities and regions continue to grapple with significant changes stemming from loss or changing industries, including:

- The decreasing significance of agriculture
- Growing agro/environmental concerns
- A counter-urbanization movement that has seen migration into rural areas
- The disillusionment of small farmers threatened by the dismantling of supports and subsidies<sup>11</sup>

These difficulties have been exacerbated by changes, challenges and declines in both the manufacturing<sup>12</sup> and the natural resources sectors.<sup>13</sup> Although these sectors, continue to play significant roles in the rural Canadian, and rural Ontario economy.

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<sup>5</sup> Sean Markey, Greg Halseth and Don Manson, “Introduction: Foundations for Renewal”, in *Investing in Place – Economic Renewal in Northern British Columbia*, (Vancouver, BC: UBC Press, 2012): 3-21.

<sup>6</sup> Neil Bradford, “Canadian Social Policy in the 2000’s: Bringing Place In” (CPRN Research Report, November, 2008), accessed at [http://vibrantcanada.ca/files/bringing\\_place\\_in.pdf](http://vibrantcanada.ca/files/bringing_place_in.pdf)

<sup>7</sup> S. Teasdale and P. Dey, “Exploring the Spatial and Temporal Dimensions of Micro-Resistance: The Tactical Mimicry of Social Enterprise by English Third Sector Organizations”, (paper presented at Social Enterprise Research Day, Calgary, October 1, 2013): 3-4.

<sup>8</sup> Ibid, 4.

<sup>9</sup> Michael Woods, “Redefining the ‘Rural Question’: The New ‘Politics of the Rural’ and Social Policy. *Social Policy & Administration* 40, no. 6 (2006): 581-582.

<sup>10</sup> Ibid, 581-582.

<sup>11</sup> Ibid, 582-583.

<sup>12</sup> Belinda Leach, “Producing Globalization – Gender, Agency and the Transformation of Rural Communities of Work. In *Social Transformation in Rural Canada – Community, Cultures and Collective Action*, eds. John Parkins and Maureen G. Reed (Vancouver, BC: UBC Press, 2013): 131-147.

<sup>13</sup> Ryan Bullock, “Mill Town Identity Crisis – Reframing the Culture of Forest Resource Dependence and Single-Industry Towns”, In *Social Transformation in Rural Canada – Community, Cultures and Collective Action*, eds. John Parkins and Maureen G. Reed (Vancouver, BC: UBC Press, 2013), 267-290.

As rural communities grapple with the changes that the neoliberal model has created, changing service models and decreased governmental support for community initiatives has resulted in greater interest in social enterprise. Where governments no longer provide many of the services needed in communities, community organizations have ‘taken up the slack’. Some are now pursuing social enterprise to finance their services and activities.

Rural communities face some unique economic and social challenges, which in turn create specific needs that may be far different from those of urban areas. These needs often require ‘made-for-rural’ solutions.<sup>14</sup> A recently updated study on social enterprise in Ontario conducted by the Canadian Community Economic Development Network (CCEDNet) in 2015 demonstrates how rural social enterprises (SEs) in Ontario are distinct from their urban counterparts.<sup>15</sup> The CCEDNet study shows, for instance, that the stated purpose of rural SEs in Ontario is more likely to be cultural or environmental than employment or training related.<sup>16</sup> Indeed, more than half of rural Ontario SEs reported a cultural purpose, and almost three-quarters (71%) of rural SEs targeted a particular [geographic] community, even though they may also work with one or more priority populations within that community.<sup>17</sup> Perhaps unsurprisingly, the average rural Ontario SE is about half the size of its urban counterpart in terms of number of staff, but the ratio of staff to number of volunteers shows that the commitment of rural communities to their SEs is considerable; in rural areas, there are roughly three SE volunteers for each staff person, whereas in urban areas the average falls to 2.2 volunteers per staff person.<sup>18</sup>

Despite the usefulness of social enterprise models in addressing rural needs, there is evidence that social enterprise development in rural areas can be both helped and hindered by the attitudes and attributes of rural communities. On the one hand, Steinerowski and Steinerowska-Streb identify some rural attributes that may help social enterprise to thrive.<sup>19</sup> They identify a rural “culture of self-help”, and see “opportunities for delivering services” in market gaps.<sup>20</sup> Steinerowski and Steinerowska-Streb focus on the capacity of rural people to accurately identify their own community needs, and argue that the small scale and flexible nature of social enterprises can contribute to the satisfaction of specific community needs.<sup>21</sup> On the other hand, geographic isolation drives up costs, a relative lack of a well-trained social enterprise workforce provides a barrier to development, and market size places clear limits on enterprise scale and revenue.<sup>22</sup> The need to avoid conflict with existing local businesses makes it imperative that new ventures provide something unique and currently unavailable in the community. Yet in most – if not all – rural Ontario communities, tailored funding sources remain scarce.<sup>23</sup>

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<sup>14</sup> Izzy Warren-Smith and Catherine Jackson, “Women Creating Wealth Through Rural Enterprise,” *International Journal of Entrepreneurial Behavior & Research* 10, no. 6 (2004): 369-383.

<sup>15</sup> Paul Chamberlain et al., *Enterprising Change - Report of the 2015 Social Enterprise Study for Ontario*. (Simon Fraser University and Mount Royal University: The Canadian Community Economic Development Network, MaRS Centre for Impact Investing, 2015).

<sup>16</sup> *Ibid*, 51

<sup>17</sup> *Ibid*, 52

<sup>18</sup> *Ibid*, 53

<sup>19</sup> Artur A. Steinerowski and Izabella Steinerowska-Streb, “Can Social Enterprise Contribute to Creating Sustainable Rural Communities? Using the Lens of Structuration Theory to Analyse the Emergence of Rural Social Enterprise,” *Local Economy* 27, no. 2 (2012): 167-182.

<sup>20</sup> *Ibid*, 173-174

<sup>21</sup> *Ibid*, 173-174

<sup>22</sup> *Ibid*, 174-175

<sup>23</sup> *Ibid*, 175-176

Given the distinct nature of rural communities, their shared challenges and opportunities, and their need for services and supports, it is clear that social enterprises can contribute to the wellbeing of rural communities in many ways. Not only is social enterprise a model that can be modified to fit a variety of environments and needs, but it is also a model that builds on the strengths of rural communities and rural people.

## ***Developments in Social Enterprise***

The emergence of social enterprise as a concept and practice in Ontario and Canada is related to its emergence globally. Though the term ‘social enterprise’ is relatively recent, social enterprise activities are not new, and in fact have roots dating back hundreds of years. Early examples of enterprises that have a social aim include artisans’ and crafters’ guilds that have existed for centuries. The early co-operative movement demonstrated how individuals and groups can come together to create income-generating opportunities that support their personal and community needs. It is only quite recently that these kinds of activities have been grouped together under the term ‘social enterprise’, and this shift in terminology is mostly due to advances in the UK and US.

In general, the definition of social enterprise “remain[s] unclear”.<sup>24</sup> This is true in Ontario, in Canada, and more broadly; there are various understandings of the meaning and implications of the term. To complicate the matter further, in many cases “social enterprises do not self-identify as such [but] regard themselves as primarily voluntary organizations and not for profit organizations”.<sup>25</sup> This poses a further challenge in researching social enterprise and understanding its true breadth and practical usage. The term ‘social enterprise’ is first documented as being used “in English speaking countries (UK and USA) in the early 90’s”<sup>26</sup>. In Canada, the Canadian Community Economic Development Network (CCEDNET) positions social enterprise within the SSE, or the “social and solidarity economy.” This broader categorization refers to “organizations that have explicit economic, social and often environmental objectives, and involve various forms of cooperation and solidarity”. CCEDNET clearly articulates that the SSE has formed not from proactive activities, or as a result of opportunities, but rather as a “response to social, economic and environmental crises and contexts of vulnerability”<sup>27</sup>

In some international and national contexts clear definitions of social enterprise may be lacking, but there does appear to be considerable consensus on the idea in general.

Social enterprise is strongly attached to the idea of the social economy, “that part of the economy that is not driven by profit”.<sup>28</sup> Shifts in the economy in the late twentieth century, largely stemming from neoliberal forces, have increased the importance of the social economy and have expanded the need for ‘social entrepreneurs’. ‘Social entrepreneurs’ in turn may be defined as leaders of initiatives or groups that have social, cultural, and/or environmental missions, that are often coupled

<sup>24</sup> T. De Mello, *Mapping the Mappers of the Social Enterprise Ecosystem in Ontario*. (Submitted to Office for Social Enterprise, Ministry of Economic Development, Trade and Employment, 2013): 4.

<sup>25</sup> Herefordshire Partnership, *The Social Enterprise Strategy for Herefordshire & Worcestershire 2005-2007*, (2005): 3, accessed at <http://www.worcestershire.gov.uk/cms/pdf/Worc%20Social%20enterprise.pdf>.

<sup>26</sup> Y. Poirier, *Solidarity Economy and Related Concepts – Origins and Definitions: and International Perspective* (Unpublished, 2013): 7.

<sup>27</sup> “About Us”, The Canadian CED Network, accessed Sept. 24, 2014 at <http://ccednet-rcdec.ca/en/about>; para. 5.

<sup>28</sup> John Loxley and Dan Simpson, “Government Policies Towards Community Economic Development and the Social Economy in Quebec and Manitoba”, (2007): 1, accessed July 22, 2013 from [http://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/Government\\_Policies\\_towards\\_CED\\_-\\_Loxley.pdf](http://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/Government_Policies_towards_CED_-_Loxley.pdf).

with market based approaches. Social entrepreneurs, as a specific type of community leader, continue to play a prominent role in economies across the globe; they are starting and operating social enterprises in communities and regions in need of economic and social revitalization.

For this study, social enterprises are defined as businesses operated to achieve social, cultural, environmental and/or economic aims. In addition, the scope for this research is further refined to include only social enterprises that are run by nonprofit or charitable organizations, and collectives led by vision- and value-driven leaders who seek to address the complexities of community development.

Social enterprises are very diverse and many employ marginalized people in addition to earning revenue. They cover a broad spectrum of ventures (e.g. resale of used goods and materials, restaurants and theatres, equipment or space rental, courier services, catering, recycling and repair services). Some nonprofit service sectors and locations are certainly more easily positioned for earning revenue. For example, community sports programs are easier to sustain on fees and merchandise sales than homeless shelters, and social enterprises that succeed in urban environments will be different from those that succeed in rural ones. Exploring ways to earn the revenues necessary to finance mission work is a keen focus of many organizations.

Within our working definition, there are at least four types of nonprofit social enterprises. These basic types include: enterprises that focus on human development (providing people with accommodating employment), enterprises that are mission driven and offer services or goods that align with their mission (e.g. a municipality offering fee for service recreation opportunities), enterprises that are earned revenue driven (operate a business and use the profits for a largely unrelated mission), and co-operative enterprises with social missions.

There is no clear or obvious path to success for social enterprises in general, largely because regional and local conditions have a strong influence on the development of the social economy. In fact, social enterprises are often created through a process of improvisation, and the patching together of motivations and abilities. The funding and economic context for nonprofit activities is changing constantly, requiring constant re-evaluation and re-orientation for success. By necessity, successful social enterprises are united by deep commitment to success combined with a flexible, creative attitude toward the real material circumstances of social enterprise development and maintenance.

Villeneuve-Smith and Chung found in the UK that social enterprises<sup>29</sup> currently have “three times the start-up proportion of traditional small and medium enterprises (SMEs).”<sup>30</sup> Compared to other start-ups in the UK, SEs take more time and energy to launch, are more often operating in healthcare sectors or social service, and more likely to be operating in education.<sup>31</sup> Villeneuve-Smith and Chung also found that social enterprises are more likely than other small businesses to be operating in deprived communities, and more likely to be led by women or minority ethnic groups.<sup>32</sup> This research is compelling; it shows that social enterprises are more oriented to operating in areas where traditional businesses are absent, and more oriented to including marginalized people as leaders.

In early 2016, the Social Enterprise Alliance in the U.S. crowd-sourced perspectives on the state of social enterprise through their online npEnterprise Forum (npE)<sup>33</sup>. Comments focused on the

<sup>29</sup> In the UK social enterprises refer to both for profit and non-profit businesses

<sup>30</sup> F. Villeneuve-Smith C. and Chung, “The People’s Business – State of Social Enterprise Survey 2013,” (2013): 7, 25, accessed Feb. 17, 2014 from [http://www.socialenterprise.org.uk/uploads/files/2013/07/the\\_peoples\\_business.pdf](http://www.socialenterprise.org.uk/uploads/files/2013/07/the_peoples_business.pdf)

<sup>31</sup> Ibid, 7, 18

<sup>32</sup> Ibid, 7, 17, 38

<sup>33</sup> State of Social Enterprise 2016, Blog by Rolfe Larson, January 14, 2016.

rising interest of millennials in social enterprise and their driving a trend toward for-profit social businesses compared with non-profit models. Also noted was the need for mapping of social enterprises to provide greater clarity, cohesiveness and attention to the sector and the uptake in social enterprise mergers as the sector matures. The difficulty in accessing relevant funding and financing for social enterprise and the lack of promise of social impact investing were shared by some as was the need to address racism in the social sector.

Through its modern history, social enterprise has been referred to as an activity, a strategy, a concept, and a form of business. It is clear that the term continues to represent a diversity of opinions and orientations, in the respect that its definitions and uses are multiple. At root, however, it offers a potentially uniting idea for organizations, businesses, communities and individuals to engage in economic activity in innovative ways, and with the intent of bettering society.

### ***The Social Enterprise Sector in Ontario***

Ontario's social enterprise sector, as in other provinces and countries, is emergent and dynamic. In Ontario, business development intermediaries and funders dedicated to social enterprise are largely found to be operating in urban areas, where groups of collaborating funders, typically including different levels of government and the philanthropic sector, have taken the lead for more than fifteen years. One such collaborative is the Toronto Enterprise Fund, established in 2000. This fund supports human development types of social businesses as a poverty reduction strategy in Toronto. Northern Ontario, much more recently, has begun coordinating the work of SE intermediaries and funders through the Social Enterprise Network for Northern Ontario (SENO). As of 2015, few other coordinated systems for support of social enterprise have emerged in rural Ontario regions.

Given the lack of a singular definition and unifying policy, there has been no exhaustive census of social enterprise in Ontario or Canada. Yet efforts began in 2010-2011 to document the sector in Alberta, British Columbia<sup>34</sup> and more recently in Ontario. Two successive Ontario studies carried out by the Canadian Community Economic Development Network (CCEDNet) Ontario, have begun the important task of mapping aspects of the social enterprise sector in this province.<sup>35</sup>

The latest CCEDNet report, *Enterprising Change: Report of the 2015 Social Enterprise Survey for Ontario*,<sup>36</sup> was released in 2015. The study indicates that well over 80% of social enterprises in Ontario are not-for-profit, and more earn income to fund their work as a routine part of their operations without using the 'social enterprise' terminology:

- a. Over 45% of revenues for the 55,000 nonprofits in Ontario comes from earned income (as opposed to government grants and contributions, and donations).
- b. Nonprofit social enterprises are increasingly important in this fast-changing world; they act as a bedrock of community stability. Performing arts, recreation and sport, supportive employment, affordable housing and many other kinds of organizations earn income to support their work. Social enterprises constitute one of the fastest growing sectors of the economy.

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<sup>34</sup> Peter R. Elson and Peter V. Hall, "Strength, Size, Scope: A Survey of Social Enterprises in Alberta and British Columbia," (BALTA; Mount Royal University; Simon Fraser University, 2010): 70 pp.

<sup>35</sup> See Chamberlain et al. (2015) for the most recent of these studies.

<sup>36</sup> Chamberlain et al. 2015.

- c. Nonprofit social enterprise has the potential to address growing inequality in communities and play a major role in building community assets and resiliency.
- d. In particular nonprofit social enterprise has large role in creating resilient communities and assisting those at the margins. It is not just about running a business; it is about generating revenue to strengthen communities.
- e. The way we define success must include “top up” social enterprises that can cover 50-90% of their costs but need a baseline of government funding to flourish. The cost savings and social/economic benefits provided to individuals, their families and their communities are enormous.<sup>37</sup>

CCEDNet's 2015 report also provides interesting comparisons of rural and urban social enterprise activity. The average rural Ontario social enterprise surveyed makes less than half what its urban counterpart does in total sales revenue, about a third of its urban counterpart in total revenue, and spends about a quarter of the amount an urban SE is likely to spend on wages.<sup>38</sup>

Although rural social enterprises abound, united efforts to stimulate and support social enterprise activity are very new to rural Ontario. The available literature shows only two rurally- targeted social enterprise interventions in Ontario prior to 2012. In 2009 the United Way of Greater Simcoe County and Nottawasaga Futures partnered with Mary Ferguson (Principal, Eko Nomos) and Catherine Lang (Principal, C. Lang Consulting) to deliver a series of rural social enterprise workshops and to provide customized rurally-focused consultations for social enterprise feasibility and business planning. Fifty rural nonprofits from the geographic region of Simcoe County benefited from this targeted intervention. The funding for this work came from federal economic stimulation resources.

In 2010 the Foundation for Rural Living (FRL), an umbrella organization that served rural non-profits across Ontario, partnered with the same consultants (Catherine Lang and Mary Ferguson) to access Ontario Trillium Foundation funding, and to deliver the Rural Social Enterprise Project (RSEP). The purpose of the project was to build knowledge and support the development of rural social enterprises. In this project, 150 rural non-profits and social entrepreneurs in four regions across Ontario participated in social enterprise workshops. Of these, 39 rural social enterprises at both early and later stages of development were able to access customized business coaching.

From these two rural initiatives, Lang and Ferguson summarized the learning about the state of social enterprise development in rural Ontario:

1. There are a large number of rural nonprofits engaged in social enterprise at various stages of development, from early stage to mature.
2. There is little connection among rural social enterprises, or between them and the growing social enterprise sector in Canada.
3. There is significant latent desire for social enterprise skills training and capacity-building in rural areas.
4. There is a general lack of capacity building and knowledge of social enterprise tools, resources, policies and sector supports available to rural nonprofits.

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<sup>37</sup> Ibid, 116 - 117

<sup>38</sup> Ibid, 51; 54

5. There is little regional infrastructure to support ongoing capacity development and investment for rural social enterprise.
6. There are limited linkages between urban and rural social enterprises.
7. Social entrepreneurs are designing and launching a wide variety of enterprises.<sup>39</sup>

These findings set the stage for more recent activities to support and to learn from the rural nonprofit and social enterprise sector. A provincial collaborative specifically focused on rural and northern Ontario, the Rural Social Enterprise Collaborative (RSEC) was formed in 2012 as an active working group of the Ontario Nonprofit Network (ONN) to support nonprofit SE in rural communities and through CCEDNet to link rural and provincial social enterprises. RSEC has evolved as a group of nonprofit organizations and individual stakeholders in regions across the province. It includes the ONN, CCEDNet Ontario, C. Lang Consulting, Eko Nomos, University of Guelph, Centre Canadien pour le Renouveau Communautaire (CCRC), and four regional social enterprise intermediaries: COIN in Peterborough, Huron Business Development Centre, PARO Centre for Women's Enterprise in Thunder Bay, and the United Way of Greater Simcoe County and the Georgian College Centre for Social Entrepreneurship in Orillia. The collaborative builds on the important work of many rural champions - provincial rural organizations, social enterprises, United Ways, community economic development organizations, Community Futures Development Corporations, municipalities, and co-ops.

RSEC's first project was a 3-year initiative hosted by the ONN and focused on developing an ecosystem approach to rural social enterprise in Ontario. Activities included regional social enterprise capacity building, networking and enhancement of social enterprise practice in rural Ontario. The second project, known as LIAISON, was administered by CCEDNet Ontario. It integrated a rural component into an initiative concentrated on creating networks and strategic linkages regionally and across rural and urban SEs in the province with the ultimate objective of sector development. These twin projects, funded by The Ontario Trillium Foundation from 2012 to 2015, were the basis for the research reported on in this paper. A report on the collective outcomes of the initial two RSEC projects was released in early 2016.

At the 2013 Social Enterprise World Forum in Calgary, the Ontario Ministry of Economic Development and Trade announced the creation of a new Office for Social Enterprise (now known as the Social Enterprise Branch of the Open for Business Division in the Ontario Ministry of Economic Development, Employment and Infrastructure). The following spring saw the announcement of Ontario's Social Enterprise Demonstration Fund, which aimed to invest millions of dollars in Ontario intermediaries to leverage local resources and support the development of social enterprises in Ontario. The plan and rationale for this work is laid out in *Impact: A Social Enterprise Strategy for Ontario*,<sup>40</sup> and a progress report was released in 2015.<sup>41</sup> These documents highlight both urban and rural social enterprise innovations, and illustrate how the social enterprise sector in Ontario has gained critical acknowledgment at the provincial level. In late 2015, the Social Enterprise Branch of the Ontario Ministry of Economic Development,

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<sup>39</sup> Mary Ferguson and Cathy Lang, "Rural Social Enterprise: Documents the Learning," (Ontario: Foundation for Rural Living, 2012), accessed Jan. 22, 2016 from <http://www.ruralontarioinstitute.ca/file.aspx?id=31741c1b-b218-4c13-bfb6-631b51dd719520>.

<sup>40</sup> Ontario Provincial Government, "Impact: A Social Enterprise Strategy for Ontario," (2013), accessed Oct. 6, 2013, <http://www.ontario.ca/business-and-economy/impact-social-enterprise-agenda-ontario>

<sup>41</sup> Ontario Provincial Government, "Making an Impact: Ontario's Social Enterprise Progress Report 2015," accessed January 22, 2016, <https://dr6j45jk9xcmk.cloudfront.net/documents/4468/making-an-impact-ontarios-social-enterprise.pdf>

Employment and Infrastructure (MEDEI) is in the process of developing a new social enterprise strategy to guide provincial social enterprise and social finance policy for the future. The SE Branch is currently holding consultations to support its strategy development process.

Recent provincial government attention to social enterprise, however, has focused on supporting not only social enterprises operated by nonprofits, but also for-profit social purpose businesses. There is no current regulatory regime for social purpose businesses in the province, with the exception of share capital co-operatives. The inclusion of this broader definition of social enterprise in the provincial SE strategy has somewhat eclipsed attention from the unique needs and objectives of nonprofits engaging in social enterprise SEs, in particular those outside of urban areas. It is also influencing the definition of social enterprise success and scale. It is difficult to compare nonprofit SE with for profit businesses given the accountabilities of nonprofits to multiple stakeholders.

The ecosystem for social enterprise in Ontario is dynamic and complex. Both practice and policy development activities are accelerating as are the number of stakeholders defining new roles in the sector, particularly intermediaries and those in the social finance arena. There are now more opportunities to expand and deepen sector with more players than ever before.

Social enterprise practice and policy development activities are accelerating, as are the number of stakeholders defining new roles in the sector. In particular, larger intermediaries and social finance providers are developing rapidly. There are now more opportunities to expand and deepen the sector, and many more players. The complexity of the field is evolving through new relationships, partnerships and collaborations that are forming to support and stimulate the development of social enterprises, with the aim of addressing difficult social, environmental and cultural issues.

### ***The Role of Nonprofits in the Development of Social Enterprise in Ontario***

The vast majority of charities and nonprofit organizations operate locally. Each charity may play a small part, but together they make Canada a vibrant place to live, work and play. Ontario's nonprofit sector is large and robust, and the sector's staff and volunteer leadership play a critical role in Canadian communities.

#### ***CED Guiding Principles***

##### **Some important facts about Ontario's nonprofit sector:**

- 1. There are 55,000 nonprofits and charities operating in communities across Ontario**
- 2. The sector employs 600,000 full-time workers**
- 3. 5.2 million volunteers work in the sector**
- 4. Nonprofits contributes 2.6% of Ontario's GDP; \$50 billion in economic impact**
- 5. 45% of income is earned independently of government funding and donations<sup>42</sup>**

Sustainable and consistent financing is critical to the quality of nonprofits' work, and their ability to serve their communities. Most often, operating funds in nonprofits are garnered from a

<sup>42</sup> "About the Sector", Ontario Nonprofit Network, accessed Jan. 28, 2016, <http://theonn.ca/faqs/about-the-sector/>

combination of revenue sources —fundraising, grants and government contracts, membership fees, or sales of goods and services. A key strength of the nonprofit sector has been its creative resilience in finding a way forward, as each non-profit must cobble together the various revenue streams needed to pursue their mission, and as the available funding mixture changes over time.

Earned revenue is currently the largest area of income growth for the community sector. Increases in memberships and fees for service account for some of the increase, but new social enterprise activity has also grown as nonprofits search for ways to earn revenues to fund their social missions. While nonprofit organizations that are not registered as charities have always earned significant income, we now see between half and three-quarters of Canadian charities relying on earned income. Further, revenue generating activities provide on average a third of charity income.<sup>43</sup>

Social enterprise is thus becoming a key strategy to increase the income available to nonprofits. These strategies support nonprofits' abilities to pursue their community-serving missions. The Social Enterprise Council of Canada (SECC) is an alliance of social enterprise leaders dedicated to enabling social enterprise. It suggests that there is a critical need to identify and value the contributions of social enterprises in creating communities that are socially, culturally, economically and environmentally healthy.<sup>44</sup> SECC also suggests that there is a need for:

1. Enhancing social enterprise practitioner business skills through multiple levels of government that have a role in skill development;
2. Expanding market opportunities through government's role in procurement that favours social enterprise products and services;
3. Supporting intermediaries that enhance leadership in social enterprise;
4. Accessing capital and social investment through tax credits, start-up funds, adding social objectives to infrastructure spending and land transfers;
5. Demonstrating the value of social enterprises by investing in research and knowledge sharing;
6. Educating elected officials and key staff about social enterprise benefits and their role in the economy;
7. Networking the social enterprise sector; and
8. Enabling infrastructure and a supportive regulatory environment by establishing a new legislative framework to create hybrid social enterprises, and provide tax credits for investors in social enterprise.<sup>45</sup>

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<sup>43</sup> David M.Lasby, "Earned Income-generated Activities Among Canadian Charities", (2013), accessed Jan. 28, 2016, [http://sectorsource.ca/sites/default/files/resources/ic-research/earned-income-report-en\\_2013.pdf](http://sectorsource.ca/sites/default/files/resources/ic-research/earned-income-report-en_2013.pdf)

<sup>44</sup> Social Enterprise Council of Canada (SECC), "Creating an Enabling Environment for Social Enterprise: A Draft Policy Framework," (2010): 1, accessed at [http://www.seccouncil.ca/sites/default/files/key\\_docs/roconnor/2010/secc\\_policy\\_framework\\_discussiondocument1.pdf](http://www.seccouncil.ca/sites/default/files/key_docs/roconnor/2010/secc_policy_framework_discussiondocument1.pdf)

<sup>45</sup> Ibid, 2-7

Social enterprises, in particular those operated by nonprofit organizations, are more complicated and layered than traditional enterprises. They have much to gain from enhanced systems of support, participation in strong regional communities of practice, and from dedicated attention to building a supportive policy framework.

In the nonprofit sector, and specifically within the social enterprise sub-sector, there is evidence of positive outcomes arising from peer to peer opportunities, and the ability of nonprofits to work together and problem solve at a more regional level. Reimer and Markey (2008) see place-based policies as potential tools for creating “peer effects, economic role models within [regions], and knowledge spillover effects to have a positive impact on poverty and employment”.<sup>46</sup>

With this knowledge, the Rural Social Enterprise Collaborative (RSEC) in Ontario has been working since 2012 not only to build the capacity of local organizations and social enterprise practitioners, but also to develop the capacity of regional intermediary organizations to support local social enterprises. At the same time, RSEC is linking rural and urban social enterprises in order to build a stronger voice, promoting policy changes to creating more enabling environments for social enterprise development.

RSEC was initially driven by SE sector builders and rural champions who were interested in how rural SE could be more systematically supported through policy and other institutional changes, and how the larger field of SE could better integrate the perspective and influence of rural and northern nonprofits for the benefit of all. ONN and CCEDNet Ontario responded to the challenge by working collaboratively with these champions, providing RSEC projects with an administrative backbone and joint leadership for the next phase of collective work. Funding from the Ontario Trillium Foundation launched the first formal efforts of the group – two three-year field building projects focused on regional SE systems development and sector linkages.

Through a collaborative team approach and multi-pronged strategies, RSEC implements an ecosystem approach to supporting rural social enterprise. This means bringing a rural lens to the work of provincial intermediaries, providing capacity building supports to rural and northern nonprofits and social entrepreneurs and linking them to the larger sector. It also means mentoring regional intermediary organizations ready to take on this place-based work and move it forward.

Saldanha suggests that social enterprises build social capital, and do so using solidarity building activities.<sup>47</sup> These activities can include leveraging social media, broadening and diversifying funding sources, and sharing knowledge and resources among organizations. They may also include activities to ensure that agents of the organization are engaged, informed and trusted in the community.<sup>48</sup> Saldanha finds that social enterprise strategies are similar to nonprofit strategies in general, and suggests that there is a strong link between the mission or greater purpose of an enterprise, and its actual functioning within its community. A policy agenda for the nonprofit sector will of necessity address many key issues related to social enterprise. Ideally, it will also position nonprofit social enterprise with other forms of social purpose business.

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<sup>46</sup> Partridge and Rickman, cited in B. Reimer and S. Markey, *Place-Based Policy: A Rural Perspective*. (Ottawa: Human Resources and Social Development Canada, 2008): 7.

<sup>47</sup> A. Saldanha, “Social Enterprises: Practicing Food Sovereignty in Rural Areas of Ontario, Canada.” (Major Research Paper, University of Guelph, 2013).

<sup>48</sup> *Ibid*, 43, 44, 47

## ***Ontario Nonprofit Sector's Policy Agenda for Social Enterprise***

The Ontario Nonprofit Network (ONN) has been working with the nonprofit sector over a number of years to identify the needs and opportunities related to social enterprise in Ontario. This includes encouraging government to develop programs and policies that allow social enterprise to flourish and stay true to the values that are the foundation of social enterprise work.

Social enterprises are hugely varied and operate across a spectrum of corporate forms, including charities, nonprofits, co-operatives, and some types of for-profit businesses, all of which have their unique roles and strengths. Regardless of corporate form, all social enterprises must exist to provide a public benefit, contribute to and grow community wealth and wellbeing; otherwise, the label 'social' would not apply.

For policy development, it is thus critical to articulate what makes a social enterprise fundamentally different from other businesses. The public, funders, and those working in the government, private and nonprofit sectors need confidence that social enterprises in their communities meet core criteria that demonstrate their commitment to the public good.

ONN has identified the following four criteria as central to the public trust compact that exists between organizations providing social enterprise and their communities, regardless of corporate form or sources of revenue:

- a. Has a public purpose and mission;
- b. Operates for the public good, not personal gain;
- c. Reinvests excess revenue in its public mission; and
- d. Retains its assets in the public domain for the public good.<sup>49</sup>

### ***ONN Policy Directions for Social Enterprise Sector Development***<sup>50</sup>

Alongside its sector partners and stakeholders, ONN has developed a number of policy recommendations related to social enterprise and sector development. These may provide a context for ensuring an effective eco-system of support with enabling policies for the field to develop. ONN's work also provides an important context for this research.

- Approaches to social enterprise development must maintain a clear focus and clarity of purpose and principle. Approaches to stimulating and developing social enterprise should take a holistic approach and should be applied across the spectrum of social enterprises, regardless of corporate form. Too often nonprofit social enterprise and co-operatives have been left out of initiatives or excluded from access to grant programs for for-profit corporations.

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<sup>49</sup> Ontario Nonprofit Network. "Submission to the Social Enterprise Branch, Ministry of Economic Development, Employment and Infrastructure": 2, accessed Jan. 22, 2016 from: [http://theonnc.ca/wp-content/uploads/2015/12/Letter\\_SE-branch2015-12-01.pdf](http://theonnc.ca/wp-content/uploads/2015/12/Letter_SE-branch2015-12-01.pdf)

<sup>50</sup> Please see ONN's *Policy Blueprint for Social Enterprise* at <http://theonnc.ca/wp-content/uploads/2015/04/ONN-Policy-Blueprint-for-Social-Enterprise.pdf> for more information about the policy recommendations mentioned here.

- Research and development funding similar to that received by other fields would be most welcomed by social enterprises. Recent policy development for social enterprise has tended to focus almost exclusively on for profit or dual purpose (private profit and social good) enterprises, resulting in the discounting and neglect of the thousands of nonprofit organizations actually operating social enterprises in Ontario.
- The Government of Ontario should focus on improving access to appropriate capital investment for social enterprise. Social enterprises have special challenges and needs that require different types and structures of investment capital. Enterprises need access to a wide variety of capital and supports at different stages of their development. Key examples include operating lines of credit, slow money, pooled funds, crowd funding, community bonds, loan guarantees, RRSP eligibility for social investments, grants for different ages and stages of enterprises and investment tax incentives.
- The Government should develop a Social Procurement Action Plan. The Government of Ontario has significant purchasing power. Procurement decisions, wherever possible, should provide a direct social benefit to Ontarians and their communities. Targeted social procurement, and the establishment of community benefit criteria for government purchasing, could significantly grow economic wealth creation opportunities for nonprofit social enterprises. A social procurement strategy must be community-driven, and ONN recommends drawing on the resources from community experts in the province's social economy who could provide leadership, guidance and province-wide linkages to help establish the plan.
- A provincial approach means including regional approaches. The government must take into account place-based initiatives and work with local and regional government staff to focus on rural and remote contexts as well as urban ones.
- The Government of Ontario should move forward with enabling amendments to legislation and regulation for the 88% of social enterprises operating as non-share capital organizations, so they may earn income to grow their enterprises, attract capital, and increase sustainability while maintaining the public's trust. Modernizing existing legislation and regulation to improve the ability of these organizations to raise essential operating revenues will also make nonprofit corporate forms more attractive as corporate structures for new social enterprise. Nonprofit legislation and regulation was designed and developed in another era, before earned income was the largest, and growing, source of revenue for the sector. There is a significant opportunity to modernize legislation and regulation to better enable this activity.

## **Summary**

The present study's purpose is to describe the links between SE mission and structure, and to describe successful SE community engagement in some rural Ontario communities. By studying not just the SEs but the communities in which they operate, we hope to describe how SEs in rural Ontario can more effectively position themselves in their communities, and how communities can more effectively adopt SE practices to their own benefit.

## Research Methods

Research for this paper began in 2013 and continued until September 2015. Beginning in September 2013, the research team held regular team meetings to design the research. Our varied backgrounds and exposure to social enterprise organizations allowed us to bring multiple perspectives, but all shared a keen interest in documenting development processes in rural social enterprises.

To provide more information and set the context for the primary research activities, an in-depth literature review of relevant subjects was performed. Topics of inquiry included rural social enterprise, associated policies, and international perspectives on rural social enterprise development. This review informed our thinking as we designed and implemented the primary research interventions, and provided critical information to inform the team's analysis of its findings. The review was completed by Mary Ferguson, one of the authors of this report, as part of her PhD research on rural social enterprise in Ontario.

The research team undertook primary research activities in four case study sites. From the outset, the research team decided to perform one case study in each of four regions that were the focus of previous research for the Rural Social Enterprise Collaboration project. In order to select the most appropriate sites in each region, a list of criteria was established. The criteria were intended to ensure that the sites under study were individually and collectively appropriate to the objectives of the research. It was vital that the sites selected be diverse enough to facilitate comparative analysis, but similar enough that the comparisons would be broadly helpful. As such, sites were selected to reflect diverse sectors, contexts, and organizational focuses, even while the focus on social enterprise was maintained. This diversity created potential for learning about rural social enterprise organizations and their models.

### ***Selection of Case Study Sites***

Case study sites for this research were selected based on the following criteria:

- Recommended by key social enterprise stakeholders in the respective regions as social enterprises worthy of study.
- Under development for 5 years or more and operational for at least 3 years
- Evidence of stability and future plans related to sustainability and growth
- Collectively representing a variety of sectors and business models
- Operating as nonprofit social enterprises, or as divisions of nonprofit organizations
- Have the capacity to participate in the research, and show interest in being involved
- Provided diversity across regions in the type of social enterprise represented types to be considered included:
  - Human Development
  - Mission Based
  - Unrelated, Revenue Generation
  - Co-operative

Once primary a primary contact in each selected site was secured, key informants were invited to participate in the study, and referred to the researchers by the site representatives. Key informants included people from the organization's staff, board, clients, financial or other partners and/or supporting organizations in the communities, and other community stakeholders. Each participant in the research signed an agreement consenting to their participation, including permission to be photographed or quoted for the purposes of the research.

### ***Research Design and Data Collection***

The research was designed to be reciprocally beneficial to all parties involved. Each site used the research process and engagements for their own community and organizational development purposes (e.g. interviewee lists, who to invite to the lifeline exercise, meeting dates to coincide with other organizational activities, location and length of meetings) and was consulted on the best means of collecting data relevant to their site. The research team was committed from the outset that their research products would have an impact not just in the chosen field of inquiry, but also in the sites themselves.

Our data collection process was multi-faceted. We began the research with calls to each case study site to discuss the nature of this research, and to gauge initial interest in participating in the study. These initial calls were followed by a cross-site call to introduce participants from each site to one another, and to discuss what they individually and collectively saw as their research objectives. We sought to engage the participants in a conversation to determine how this research could contribute to each organization, their own sector, and the broader social enterprise environment.

To gain a broader understanding of the sites, their context and their work, site visits were combined with tours, meetings with participants and volunteers, and where appropriate, attendance at special meetings (e.g. an annual general meeting).

Each site then engaged in a facilitated process (see Appendix 2) in which a visual timeline was created on a series of flipchart pages. This timeline process served to focus recollections and conversations on the development history and future plans of the organization. Each case study site's key contact was involved in planning the research. This enabled each site to use the process for their own engagement purposes. Some of the visits were combined with tours, meetings with participants and volunteers, and attendance at special meetings such as AGMs and social events. Participants from each site discussed and determined the crucial moments or events, people, enablers and barriers, sectoral changes/events, and future considerations related to their social enterprise. These events were taken together as creating a "lifeline" or timeline to tell the story of the organization. Each timeline was recorded and transcribed.

Individual and group interviews with case study participants were then conducted in person and by telephone. These interviews were used to gather participant insights on their social enterprise's trajectory, and what had helped or hindered its growth (including policies and funding opportunities). See Appendix 3 for the interview questions. Each site also shared documents that would further assist the research team to understand the structure and practice of the organization, its financial situation and history.

## Data Analysis

Once the key informant interviews were complete, notes on each site were compiled. Using data from the lifelines, interviews, and document analyses, the research team constructed a framework for documenting elements of each case study. This framework adopted categories that applied across all sites in order to facilitate cross-site comparison and analysis. The research team met several times to analyze the data and to discuss what they saw as the pertinent elements and themes arising from the study. Using the cross-case summary tables, the data were then organized by themes across the data sites. The documents related to the sites were analyzed further, to verify and complete the data analysis. The data were then verified by representatives from each case study site, which included their review of the lifeline notes and individual case studies for accuracy and completeness, and verifying the accuracy and legitimacy of themes and insights derived from this study.

## The Data/Themes

Multiple interpretive lenses were adopted in the analysis of the data arising from this study's primary research activities. The *What Makes it Rural?*<sup>51</sup> lens was adopted to ensure a rural perspective in the selection of case study sites, and as a helpful guide for our analysis. The *Social Enterprise Development Path*<sup>52</sup>, and the *Pillars for Social Enterprise Sector Development*<sup>53</sup> were used as guideposts for assessing social enterprise development. The *Community Capitals Framework*<sup>54</sup> allowed the group to explore and understand the multiple community assets enriching each of the case study sites. Each of the sites demonstrated unique development paths that are reflected in our discussion of the results. Of these lenses or frameworks adopted, we found that The Pillars for Social Enterprise Sector development was the least helpful as a lens for the analysis.

The six pillars of social enterprise development were developed over six years by the Social Enterprise Council of Canada, shared with hundreds of stakeholders from across Canada, and refined in a comprehensive policy framework to support social enterprise in Canada. They include:

1. Enhance social enterprise practitioner business skills
2. Expand market opportunities
3. Increase access to capital for social enterprises
4. Raise awareness and demonstrate the value of social enterprise
5. Facilitate networking among stakeholders in the social enterprise sector
6. Ensure enabling infrastructure and supportive regulatory environment for social enterprise<sup>55</sup>

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<sup>51</sup> <http://www.ruralontarioinstitute.ca/file.aspx?id=522a8f34-8718-46d4-8177-5d85f7bd84cb>

<sup>52</sup> Toronto Enterprise Fund, Eko Nomos and C. Lang Consulting materials adapted from enp resources

<sup>53</sup> [https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/pdfs/enpmb\\_se\\_pillars\\_handout.pdf](https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/pdfs/enpmb_se_pillars_handout.pdf)

<sup>54</sup> Flora & Flora, *Rural Communities: Legacy and Change* (2008).

<sup>55</sup> Social Enterprise Council of Canada, 2013

The social enterprise development path is depicted below<sup>56</sup>:



<sup>56</sup> Rural Social Enterprise Collaborative Power Point, 2012

## Community Capitals Framework

Cornelia Butler Flora and Jan L. Flora developed the Community Capitals Framework as a means to explore the resources available in communities. Within their framework, capital is understood as “any resource capable of producing other resources,”<sup>57</sup> and is not limited to capital in the common financial sense of the word.<sup>58</sup> The Community Capitals framework suggests that there are seven distinct kinds of capital critical to community development and sustainability.<sup>59</sup> Although the types of capital can be considered individually, according to the framework they function collectively, enriching and/or detracting from one another as circumstances change. Flora and Flora suggest that community development efforts may be enriched and assisted by concentrating on the interactions among the different capitals. Privileging one capital over another, they claim, may quickly become detrimental to community development; capitals can in certain circumstances undermine one another, leading to some resources being “decapitalized [emphasis in original]... and the economy, environment, or social equity thus can be compromised”:

The Community Capitals Framework provides fuzzy boundaries for the capitals, which all overlap with each other. They can come together to create sustainable communities with healthy ecosystems, vital economies, and social inclusion. Or one capital can be favored to the extent that the others are consumed to maximize the single capital. [For example] the destruction of natural capital to produce financial capital...left... [an] area highly vulnerable to extreme climate events, which have increased in frequency as a result of global warming, but had negative effects on human capital, social capital, built capital, and local financial capital.<sup>60</sup>

In summary, it may be helpful to think of different kinds of capital as functioning much like an ecosystem, each factor influencing and being influenced by the others. This sort of ecosystem approach or conception must, however, account for the wider environment surrounding any specific geographic community. Flora notes that “communities are shaped by three sets of institutions: the market, the state, and civil society.”<sup>61</sup> Communities are affected by regional, national and international policies and the activities of the state; they are affected by broad financial realities and trends; they are affected by the issues and debates taken up in public discourse. These forces are not monolithic, and represent in effect the accumulation of the activity and impacts of different kinds of capital at many different levels, all grounded in local interactions. Flora’s research in essence shows how people in communities can gravitate around shared interests and concerns, and how their actions can have broader influence beyond the community.<sup>62</sup>

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<sup>57</sup> Flora and Flora, *Rural Communities*, (2008), 175.

<sup>58</sup> *Ibid.*, 175

<sup>59</sup> *Ibid.*

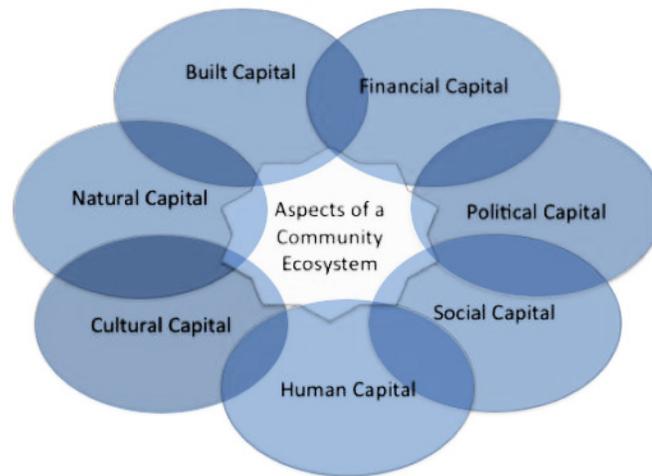
<sup>60</sup> *Ibid.* 17, 19

<sup>61</sup> Cecilia Butler Flora, “Shifting Agroecosystems and Communities,” in *Interactions Between Agroecosystems and Rural Communities*, ed. Cornelia Flora, (Washington, DC: CRC Press, 2001), p 6.

<sup>62</sup> *Ibid.*

## The Seven Capitals in the Community Capitals Framework<sup>63</sup>

### Community Capitals Framework



Source: Community Capitals Framework & Sustainable Communities, Cornelia Butler Flora, Rural Studies Research Seminar, July 4, 2006, University of Guelph

The community capitals are briefly described here, in the order of priority that Flora and Flora suggest for those looking to understand individual communities.

**Natural capital:** These are the attributes that are part of the place, including its natural resources and amenities.

“Natural capital is the base on which all other capitals depend. It is the landscape, climate, air, water, soil, and biodiversity of both plants and animals. It can be consumed or extracted for immediate profit, or it can be a continuing resource for communities of place.”<sup>64</sup>

**Cultural capital:** This relates to how one navigates elements of culture (e.g. power, collaboration, influence) or cultural difference, and what is valued across cultures in the community.

“Cultural capital determines what constitutes knowledge, how knowledge is to be achieved, and how knowledge is validated.”<sup>65</sup>

“Cultural capital can be thought of as the filter through which people live their lives, the daily or seasonal rituals they observe, the way they regard the world around them, and what they think is possible to change.”<sup>66</sup>

**Human capital:** The skills (including interpersonal skills), knowledge, and abilities of people, and the ability to use resources outside oneself to build “promising practices.” This capital also includes leadership skills and skills in working with diverse audiences in ways that build on assets and create an inclusive environment that works across cultural and other differences. Adapting one’s behaviour to the environment is also part of human capital.

<sup>63</sup> Accessed from <http://insights4sustainability.com/>

<sup>64</sup> Flora and Flora, *Rural Communities*, (2008), 17, 18.

<sup>65</sup> Ibid, 55

<sup>66</sup> Ibid, 55-56

“Human capital includes those attributes of individuals that contribute to their ability to earn a living, strengthen community, and otherwise contribute to community organizations, to their families, and to self-improvement.”<sup>67</sup>

**Social capital:** Relates to relationships and how people and organizations work together to get things done. It is understood within the historical context of the community. Within social capital there is bonding social capital, those ties that bring communities “located similarly in the socioeconomic system” together, and bridging social capital, which creates connections to bring people and organizations together in ways that would not otherwise have happened, for example in a “vertical/hierarchical” manner.<sup>68</sup>

“Social capital is interactive. Although some scholars focus on the social capital of individuals, here we look at social capital as an attribute of communities, which is more than the summing up of individual social capital.”<sup>69</sup>

**Political capital:** This is the ability to influence rules, regulations, and their enforcement. It can relate to any level of government, or indeed occur in other environments, (e.g. within an organization).

“Political capital consists of organization, connections, voice, and power. Political capital is the ability of a group to influence the distribution of resources within a social unit, including helping set the agenda of what resources are available. Political capital determines standards, the rules and regulations to ensure those standards are followed, and the degree to which they are enforced. Generally, political capital reflects the dominant cultural capital.”<sup>70</sup>

**Financial capital:** The financial support required for community development, both for current projects and to develop capacity for future development.

“Financial capital represents resources that are translated into monetary instruments that make them highly liquid, that is, able to be converted into other assets. This definition forces us to distinguish between consumption and investment.”<sup>71</sup>

**Built capital:** Includes community infrastructure such as roads, bridges, telecommunications, sewers etc.

“Built capital provides a supporting foundation that facilitates human activity. Rural development policies are often geared toward enhancing built capital, on the assumption that people’s lives will improve, particularly people who are disadvantaged, once new physical structures are in place. Yet concentration on built capital while ignoring social capital has led to the installation of rural water systems that have led to rural sprawl or gentrification of rural areas to the point that the original residents can no longer afford to live there.”<sup>72</sup>

“Built capital can support the life of the community, but it can also exclude certain people (those on “the wrong side of the tracks”) and divert financial capital from other investments.”<sup>73</sup>

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<sup>67</sup> Ibid, 85

<sup>68</sup> Ibid, 138

<sup>69</sup> Ibid, 117

<sup>70</sup> Ibid, 144

<sup>71</sup> Ibid, 175

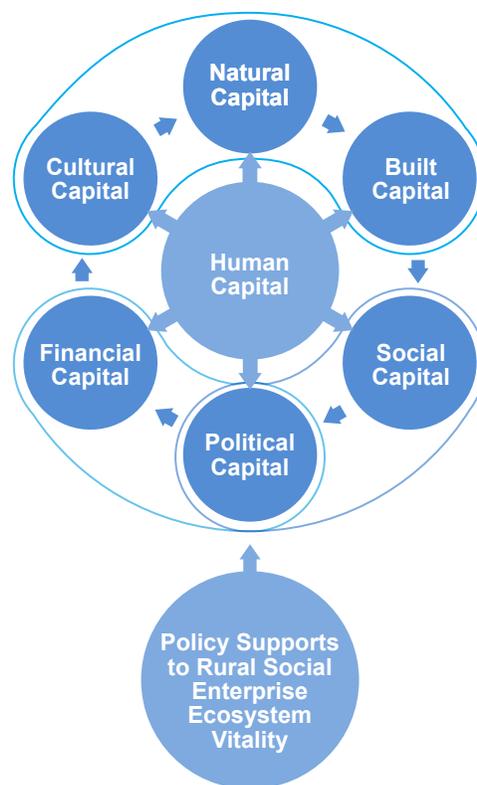
<sup>72</sup> Ibid, 206

<sup>73</sup> Ibid, 207

As noted earlier, each of these capitals influences, and is influenced by the other capitals, in keeping with Flora and Flora's notion of a community ecosystem. Ideally these capitals work in harmony with each other, and contribute to community wellbeing and viable livelihoods. In our cross-case analysis we explore the community capitals framework as manifested in each of the case study sites.

### ***Community Capitals as a Research Lens***

In adopting the community capitals lens for our cross-case analysis we discovered that the capitals could be conceived of as more or less clustered when it comes to social enterprise development. Flora and Flora's diagram suggests that each capital is 'created equal'. While this may be generically true, our findings related to social enterprise suggested a dynamic and integrated interaction among the capitals, but with the human capital, or unique skills, knowledge and passion of the founders, at the centre, as a primary driver for change. We depict this as follows:



Cultural, natural, and built capital tended to cluster, giving a picture of the context and impetus for the social innovations studied. These capitals 'set the stage' upon which new developments would occur. Social capital developed as initial groups of stakeholders formed, and this led to the development of political capital. This social-political transition then led to a further clustering of financial, political and social capitals: political and social capital in this sense being a requirement for the development and utilization of financial capital. All outcomes hinged on the presence of significant human capital. In the final analysis, most of the capitals were positively impacted by the social enterprises, to the extent that the cultural, natural and/or built capitals were eventually impacted.

In the next section we provide an overview of the four case study sites, followed by our cross-site analysis.

## Social Enterprise Case Studies

### Abbey Gardens

<http://www.abbeygardens.ca>

#### ***What Makes It Rural?***

##### ***Collaborative culture***

As a predominantly rural area, people in Haliburton have bridged distances and diverse community interests through a strong culture of collaboration.

##### ***Seasonal economy***

Due to the seasonal nature of the Haliburton County economy, businesses and services need to expand and shrink to address demand fluctuations. The increased population in the peak vacation times is an advantage for retail and tourism related businesses, but can be a strain on rural service delivery (e.g. health care and emergency services).

##### ***Social service provision***

Many social services are available in Peterborough and the Kawartha Lakes area, but the surrounding smaller communities, such as in Haliburton County, have more limited access to services, or services are combined with those of a neighbouring area. For example, housing and social services for Haliburton County are administered by the City of Kawartha Lakes and delivered in Minden (Haliburton) or Lindsay.

According to The Haliburton Community Picture, “the highly rural nature of the community and its dispersed population creates challenges for service accessibility and for initiatives such as ‘active transportation.’ These challenges are exacerbated by the transportation costs for any initiative.”<sup>74</sup>

##### ***Links to higher education institutions***

Students wishing to attend higher education generally need to travel outside the County, although Fleming College has a Haliburton location, and is responsible for the Haliburton School of the Arts. Trent University is located approximately 1.5 to 2 hours away, in Peterborough. There is a history of involvement of faculty and students from Trent University in Haliburton County, and now with Abbey Gardens.

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<sup>74</sup> Prime Time Strategies Inc., “The Haliburton Community Picture,” (2011), accessed Jan. 28, 2016, <http://www.hkpr.on.ca/Portals/0/PDF%20Files%20-%20CDIP/Haliburton%20County%20Community%20Picture.pdf>

## ***Aging population and challenge retaining younger people***

Almost 28% of the Haliburton County population is aged 65 and older. Rural areas commonly experience challenges providing employment for younger residents, and Haliburton County is no exception.

To increase youth employability, the Muskoka-Kawarthas Region has been addressing skills training shortages in part through government funding (for example \$395,000 was received from the federal government for skills-based training offered through Fleming College).<sup>75</sup>

Employment opportunities in general can fluctuate, due to the rural location and the seasonal economy. Service Canada notes that during 2012, for example, there were several business closures and public sector layoffs. Yet there have also been new job opportunities that have arisen such as “a new software development company, three new restaurants, a large animal health care centre, a 4,000 square-foot expansion to the local hospital, and construction of a \$35M trades centre at Fleming College.”<sup>76</sup>

## ***Overview of Social Enterprise***

Abbey Gardens is a local hub for sustainable food production, demonstration and education. It operates on the site of a reclaimed gravel pit site. The property is 290 acres in total with approximately 110 acres representing the remains of the gravel pit. It is located in West Guilford just outside of the town of Haliburton, off Highway 118 in Haliburton County.

The initiative is currently governed by a board of seven community champions and animated by three year round staff (2 fulltime and 1 part-time) and six seasonal employees or contractors including two summer students. Over 50 volunteers support the work of Abbey Gardens.

Their collective mission is to act as a hub to engage and support residents of Haliburton County in the creation of economic and healthy living opportunities that will:

- Grow and distribute safe, healthy and reliable food
- Contribute to meaningful and exciting educational, recreational and tourism opportunities
- Restore, protect and encourage biodiversity and ecological sustainability
- Harness renewable energy
- Provide a year round attraction for visitors

Creating sustainable employment and contributing to regional economic development are increasingly important objectives for Abbey Gardens as it evolves.

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<sup>75</sup> Mark Arike, “Clement Announces Funding for Youth Employment Programs,” *The Highlander*, July 1, 2015, accessed Jan. 28, 2016, <http://www.thehighlander.ca/clement-announces-funding-for-youth-employment-programs>

<sup>76</sup> Service Canada, “Environmental Scan, Ontario Region,” (2013), 10, accessed Jan. 28, 2016, <http://www.esdc.gc.ca/eng/jobs/lmi/publications/e-scan/on/on-escan-201303.pdf>. See <http://flemingcollege.ca/about-fleming/kawartha-trades-and-technology-centre> for further information on centre.

## ***Development Path***

Abbey Gardens began in 2007 with the vision of a community member and retired businessman, John Patterson. Patterson saw the potential to utilize a gravel pit in the area as a community owned resource and respond locally to the global environmental challenges while creating community and jobs. The idea was inspired by visits to Butchart Gardens in Victoria, B.C., and the Eden Project in Cornwall, U.K., both of which are built on former gravel pits.

Prior to this time, the County had a rich history of involvement in environmental issues and resource stewardship initiatives. Efforts such as the Ecotourism program at Fleming College, the operation of the Leslie M. Frost Natural Resources Centre (an MNR educational facility and training centre), Bark Lake Outdoor Leadership Centre, and a Trent University course offered by John Wadland and Tom Whillans on Biorregionalism<sup>77</sup> attest to this. The Province of Ontario divested the Frost Centre and Bark Lake in 1995 and 2004 respectively, leaving many in the community in shock. These losses have become a catalyst for local residents to work together to preserve and revitalize Haliburton's natural and cultural assets.

John Patterson brought community leaders together to found Abbey Gardens. Together, they aimed to create and test models for small-scale sustainable food production and ecological resource management that could be replicated by local citizens. The organization was incorporated as a non-profit corporation, Abbey Gardens Trust, in 2009. Strategic planning support offered by Haliburton Community Futures in 2009 helped to launch the organization. The land base for the current Abbey Gardens operation was purchased by John and Thea Patterson in 2011 and was listed as an asset on loan to the nonprofit, with the intention of gifting the land to the nonprofit at a later date. By 2012, Abbey Gardens had achieved charitable status.

Even before the land was purchased, members of Abbey Gardens began their work related to local food and environmental sustainability. Their initial garden was planted on the property in 2008. Abbey Gardens helped to set up the Haliburton County Farmers Market in 2009. Also formed in 2009, independent of Abbey Gardens, the Haliburton Highlands Community Gardens Network continues to be an important programming partner of Abbey Gardens.

Since its inception, Abbey Gardens has tested a number of initiatives they hope will inspire others to action. These include a 2 acre market garden and demonstration site with composting and hoops, a straw bale building acting as a food hub and community kitchen, and numerous education and demonstration activities that primarily engage youth and seniors in taking an active role in environmental and resource stewardship, and their own food production and preparation. Some of their notable projects are as follows:

- 2009-2010: Greening Churches in Haliburton County
- 2010: Raised Boxes for Community Gardens in Haliburton, Wilberforce, Dorset
- 2012: Community construction project with the Fleming College resulting in the Food Hub
- 2013: Backyard composting demonstration; Stewardship Rangers; Community Living partnership in the gardens; Share the Harvest: Food donation partnerships (including with Special Delivery Club, a program of SIRCH Community Services); Community Orchard development;

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<sup>77</sup> The course is inspired by the 1987 Brundtland Report (UN Commission on Environment and Development – UNCED).

- Dig In! Food Skills Workshops in collaboration with SIRCH, The HKPR Health Unit and The Community Garden Network.

Summer programming in 2015 included Junior Naturalists camps, a Sustainable Planet conference, and hiking in the gardens.

In 2012 Abbey Gardens was awarded the Enviro Heroes award in business by the Haliburton Highlands Land Trust. This award acknowledged Abbey Gardens as a nonprofit enterprise that has excelled in developing “green” business practices and/or providing “green” products/ services that protect the environment.

Inclusion and community engagement are a core part of Abbey Gardens’s vision. They have made significant efforts since their inception to partner with community service agencies around programming to engage the various long time and seasonal residents in their work.

Arts and culture have played a significant role at Abbey Gardens with community and fundraising concerts and dances, ranging from opera to folk music to rock, as well as movie nights.

One key strategy for Abbey Gardens has been the incubation of small food-related businesses on the property. These include a successful microbrewery (Haliburton Highlands Brewing), an apiary for honey production, a fair trade coffee roastery (County Coffee), and a bakery and wood fired pizza business (Into the Blue Bakery). In addition to fresh produce and canned goods from the garden, they donate to SIRCH Community Services. Abbey Gardens sells their own products, some from their demonstration garden, such as salad greens and dressings in season, and organic milled red fife wheat grown in Canada and sourced as locally as possible. Up to five products are now retailed through their food hub/store, at regional farmers markets, and to local restaurants. Staff began attending the Haliburton Farmers Market bringing their own produce in 2013.

In 2012-13 Abbey Gardens saw a major growth in momentum with the hiring of the current Operations Manager, Heather Reid. The Board and staff have expanded and the organization has experienced some success in grant applications.

Abbey Gardens has had continued success with grant applications since that time, with the development of a more intentional fundraising strategy in 2014-15. For example, in 2014 their application to the provincial Local Food Fund for \$31,000 was approved. This allowed Abbey Gardens to conduct important market research for their Food Hub on sourcing, developing, and distributing signature local food products. They received a federal New Horizons for Seniors Program grant in 2015 for programming and infrastructure to accommodate and engage local seniors. The organization also received \$107,000 in funding from the Ontario Trillium Foundation for 2014 and 2015 to develop educational programming. The board spent significant time and effort creating marketing materials and a case statement for Abbey Gardens in 2014.

In 2012, the building of the Food Hub provided a community construction project for the Fleming College Sustainable Design and Construction program resulting in a state-of-the-art straw bale sustainable building on the property. Around the same time, Abbey Gardens participated in student-based research to examine waste management in Haliburton County and identify composting opportunities. Again in 2014, Trent students in the ‘Approaches to Collaborative University-Community Research: Planning and Tracking Sustainability’ course studied the

possibilities for partnership between Abbey Gardens in Haliburton and Peterborough Green Up. In 2015 Abbey Gardens became part of the Rural Social Enterprise Constellation (RSEC) New Directions research project.

The building where the local Haliburton Highlands Brewing has been incubated was built by Abbey Gardens in 2014, and funded by John Patterson. In 2015, the brewery expanded using a traditional Mongolian yurt structure as a temporary retail space. A significant building expansion to accommodate the growing business is planned for spring 2016.

As of the end of November, 2015 the original owner of the gravel pit has moved from the residence on the property, giving Abbey Gardens an additional building asset to utilize for programming and/or social enterprise. In 2017 the pit will fully cease operations. To turn over use of the property for other purposes related to Abbey Gardens's mission, rezoning would be required. They now have a complete site plan prepared by Basterfield and Associates in Peterborough. The rezoning applies to approximately 50 acres of land extending behind the Food Hub to the residential building on the property. The process to achieve a commercial zoning designation for this area, which is currently underway, is complex and requires approvals from the Ministry of Natural Resources - Aggregates, Dysart Township and the Ministry of Transportation. Currently the remainder of the pit is still operational and Hawk River, the aggregate operator, plans to surrender the license, after which Abbey Gardens will rehabilitate this portion of the property.

In the next phase of development, Abbey Gardens will increase their fundraising efforts, continue to build on their inclusive community building and food related programming, explore the potential for the development of innovative healthcare, recreation or tourism services on the property, and strategically increase their business development services through additional small business incubation efforts and wholesaling of their signature products both inside and outside of the County. A retreat in January 2016 will affirm or revise these strategic directions.

Their most recent application to the EODP Collaborative Economic Development Projects fund in 2015 includes a request for funds to support further development of the Abbey Gardens site. This includes expanding the brewery into a new 3000 square foot building, establishing the bakery as a permanent business using the Abbey Gardens kitchen facilities, and expanding in-store and wholesale activities for local products through the Food Hub. They also plan to support at least two other local energy and food businesses. Business planning and the development of proper infrastructure will be a key to further grounding and growing Abbey Gardens's business incubation operations in 2016 and beyond.

### ***Leadership and Partnerships***

John Patterson has continued to play the roles of patron, founder and social entrepreneur, with significant inputs of funding and the negotiation and purchase of the property on behalf of the organization. The land is owned by John and Thea Patterson, with the exception of the lot where the Food Hub stands. As of 2014 the land asset was recorded as a loan in Abbey Gardens' account, but the transfer of the land to the trust is currently underway. The founders' personal and professional networks have been utilized for inputs including for architectural design work, fundraising, government relations, and land use planning since Abbey Gardens started.

The Haliburton County Development Corporation has been an important ally in Abbey Gardens's development even before their incorporation. Staff members Andy Campbell and Jim Blake, have championed the project within their organization and in the community. They have offered business planning and strategic planning in 2008 and 2009, and have supplied or brokered CFDC (Industry Canada) and/or EODP (Fed Dev) funding for various projects since then to support internships, development of the commercial kitchen, product wholesaling, and business incubation. The Ministry of Agriculture and Rural Affairs regional advisor has also shared her expertise on land use planning with the group and linked Abbey Gardens to other key people in the community, and in the municipal and provincial governments.

Key community leaders with backgrounds and expertise in education, business, and environmental issues have populated the Board of Abbey Gardens. These include the founder of the Haliburton School for Fine Arts, founding faculty of the Canadian Studies Program at Trent University, and environmental (water, soil, and biomass) and industrial consultants. As of 2015, Abbey Gardens has brought on new directors who bring strengths in marketing and finance. This group has been knit together by their shared passion for environmental innovation in Haliburton County.

Haliburton Community Co-op, in particular one of its founders Jim Blake, has taken a keen interest in the work of Abbey Gardens. Many of the same people involved in the Co-op are also supporters of Abbey Gardens, and many of the groups incubated by the Co-op are partners with Abbey Gardens. The Co-op has played a role as an intermediary and incubator of community-led economic, environmental, social and cultural development initiatives in Haliburton County since 1998.

Partnerships form a core part of Abbey Gardens's strategy for community engagement.

Some of those partners are:

- Haliburton Forest & Wild Life Reserve
- Haliburton Local Food Groups including:
  - The Grain CSA
  - Harvest Haliburton,
  - the Haliburton County Farmers' Association
  - Haliburton County Farmers' Market Association
  - Haliburton Highlands Community Gardens Network
- Environment Haliburton
- Haliburton County Churches and Faith and the Common Good – Greening Initiative
- Haliburton County Community Co-operative
- Haliburton County in Transition
- HKPR Health Unit
- Minden Food Bank
- SIRCH Community Services – Food Security

Other partnerships include the small businesses that Abbey Gardens has been incubating or discussing this option with. They include:

- Haliburton Highlands Brewing
- Into the Blue Bakery
- Earthways Holistic Health
- County Coffee Corp
- Biothermic

University and College connections have brought numerous people and resources to Abbey Gardens. As early as 2010 Abbey Gardens was involved with Trent graduate students in the Sustainability Studies program through a Community First: Impacts of Community Engagement (CFICE) project. CFICE is co-managed by Trent University, the Trent Centre for Community -Based Education (now the Trent Centre for Community Research), and Carleton University. CFICE is an action research project that aims to strengthen Canadian nonprofits, universities, colleges, and funding agencies to build more successful, innovative, resilient, and prosperous communities.

Heather Reid, Abbey Gardens's Operations director, and John Wadland, Board member, have leveraged their university connections to engage students in community based research with Abbey Gardens. John joined the staff of the Canadian Studies Department of Trent University when it was created in the 1972-73 academic year and taught there until he retired in 2008. At Trent he served as the chair of the Canadian Studies Program and director of the Frost Centre for Canadian Studies and Indigenous Studies. Previous to working at Abbey Gardens, Heather Reid was staff at the U-Links Centre for Community-Based Research. U-Links is a project of the Haliburton County Community Co-operative, and is supported by Trent University and the Township of Minden Hills. U-Links works in co-operation with their program delivery partner in Peterborough County, the Trent Centre for Community Research [TCRC].

Staff leadership has been recognized as a very important contribution to the more recent success of Abbey Gardens. In particular, the role that the current operations director has played, along with her team, is seen as having contributed to the traction that the organization is gaining in the community, and its growing success in business and funding development.

### ***Revenue Generation and Social Enterprise***

Abbey Gardens did not initially identify itself as a social enterprise. Founders recognized that their operations would depend on revenue from a variety of sources ranging from private donations, program grants (government and foundations), fundraising events, memberships, and increasingly on earned revenue. The social enterprise activities currently generating earned revenue for Abbey Gardens are diverse. They are embedded in and accounted for in the budget as divisions of the nonprofit charity.

Given the development path of Abbey Gardens, their social enterprise activities could be classified as still being in the start-up phase. Yet they are moving rapidly to operationalize systems and strategies that would ensure the organization becomes a sustainable nonprofit

charity; social enterprise is one core strategy. The SE activities that Abbey Gardens has tested include: kitchen and event space rental, Food Hub and garden product sales (retail and wholesale), workshop fees, and rental of business incubator space.

As of 2015, Abbey Gardens has incubated and provided rented space to a successful local microbrewery, honey production, a coffee roastery and a gourmet pizza/bakery business. In the food hub, staff also mill and package red fife wheat products as well as their own garden produce for wholesale to markets such as local restaurants as well as retail outlets both inside and outside Haliburton County. The heritage wheat is sourced as locally as possible. Ninety-two percent (92%) of Food Hub products are sourced from within a 100-mile radius. The Food Hub currently operates as a seasonal retail outlet from May to December, with hours reduced from full time to four days per week from September to December. In 2016 they will be opening on Fridays only, from January through April, before resuming regular operations in May.

Abbey Gardens is currently in conversation with two energy businesses about their interest in locating on the Abbey Gardens property. The construction of space for these businesses will contribute to operating costs and/or enable the organization to repay financial investment over time. Abbey Gardens' goal is to fundraise the capital so these efforts will support operations in the longer term. This revenue model for the new infrastructure for business incubation can be replicated as they expand in the future. Abbey Gardens also continues to evolve relationships with the other businesses on-site.

In 2015, Abbey Gardens projected an overall budget of just under half a million dollars. They anticipated generating approximately 35% of their 2015 budget from earned revenue (\$160,000). Significant increases in income are planned for hub sales and incubator services.

The board and staff continue to seek ways to become more financially sustainable and less dependent on individual donations from founding members, which constitute over 30% of their projected revenues for 2015. Donation revenues of almost \$320,000 were reported in their 2013 financial statements as coming from directors, and this followed even more significant director donations of over 1 million dollars in 2012.

Looking forward, Abbey Gardens's major challenge will be to operationalize their efforts sustainably, with a balance between their commercial efforts and their social impact.

### ***Role of Policy***

Abbey Gardens has had success in working with all levels of government - municipal, county, provincial and federal. Given their integrated mandate and long-term vision, they require the cooperation of governments at all levels.

Policies impacting the work of Abbey Gardens have focused on land use, social programming and funding priorities, tourism and economic development, and agriculture and local food.

Federal funding policies that govern the work of the local Futures Development Corporation, Haliburton County Development Corporation, and the formation of the Eastern Ontario Development Program, have positively contributed to the development of Abbey Gardens. Through the EODP, FedDev Ontario collaborates with Community Futures Development Corporations (CFDCs) in eastern Ontario and the Eastern Ontario Community Futures

Development Corporations Network Inc. (EOCFDC Network) to promote the growth of new and existing businesses in rural communities. Abbey Gardens has benefited significantly from business development supports and EODP funding through HCDC since the initiative began.

As a hybrid initiative with both economic and social development among its core goals, Abbey Gardens is constantly balancing their charitable practice with their work in education, regional development, job creation and social enterprise. At this point there is little concern about conflicting objectives that may compromise their charitable status. Their innovative approach to working with nonprofit social enterprise and for profit small businesses is happening parallel to broader policy discussions about social enterprise and hybrid models in Ontario and across Canada.

Abbey Gardens operates in a non-priority agricultural region where there are few operating farms. There are less than ten operational farms in the county (25 are registered with OMAFRA but less than half are actually farming) and less than 1,000 acres currently being farmed. Provincial planning policies drafted in 2014 allowing for more value added production on prime agricultural land do not provide any added advantage for Abbey Gardens. However Abbey Gardens was eligible for, and was successful in receiving, a Local Food Fund grant from the Ontario Ministry of Agriculture, Food and Rural Affairs for market research. The goal of the Local Food Fund, which was created following the passage of the Local Food Act in 2013, is to increase the purchase of Ontario foods and contribute to increased economic activity (investment, sales and jobs).

Abbey Gardens' rezoning application to the Dysart Township is for 50 acres of the property. The proposed area is zoned Extractive Industrial, Rural Type 1 and Environmental Protection. Abbey Gardens is requesting the zoning be amended to Highway-Commercial 27, Rural Type 1 and Environmental Protection. Various policy actors, including provincial and municipal departments, are involved in the rezoning process. Their location on provincial Hwy 118 brings the Ministry of Transportation into the approval process. Policy related to traffic levels associated with the long term development of the site are proving to be restrictive and will be an on-going issue moving forward.

To date, the relationships between Abbey Gardens and the County and Municipality have been very helpful. Both have assisted Abbey Gardens in moving their projects ahead.

Funding portfolios for seniors and social development through the federal New Horizons for Seniors Program and the provincial Ontario Trillium Foundation have opened up opportunities for Abbey Gardens to advance their programming. However, Haliburton is not prioritized for development as a "settlement area" as defined by the Provincial Ministry of Municipal Affairs and Housing in the Planning Act, 2014. This means that Abbey Gardens is limited in what it can consider implementing on their property. The policy has taken projects such as senior's housing development off the list of possibilities for Abbey Gardens.

### ***Other Enablers and Barriers***

Abbey Gardens has been built on the considerable vision and investment of its primary patron and founders. That investment and the passion of the founding directors helped shape a culture of entrepreneurship and experimentation that might not have developed as markedly if Abbey Gardens' assets had grown more modestly or incrementally.

Abbey Gardens' vision and assets have inspired other community leaders to contribute to the development of the enterprise in a rural region. Given the small population in the County, more people know and can more easily reach out to each other, making it possible for Abbey Gardens to solicit local support. This social network and the skills their supporters bring have been important enablers for Abbey Gardens. Directors and champions have brokered various critical inputs to Abbey Gardens, including support for marketing, fundraising events, business development and government relations. These contributions continue to reinforce and expand Abbey Gardens's vision and its entrepreneurial and experimental culture. Future plans, discussed through the rezoning process, involve significant yet responsible development of the property for tourism and/or local economic development.

The unique genesis of Abbey Gardens and its culture presents certain opportunities as well as challenges. The collaborative culture in the region and willingness of community leaders to work together has been a definite asset. The entrepreneurial focus of the Board and the drive towards finding sustainable financial models and regional economic development opportunities has sometimes eclipsed attention to the educational mission of the organization. There is a tension, healthy at present, between the charitable mission of the Gardens and its regional economic development focus. As Abbey Gardens further evolves there may be a need to explore alternative structures to manage aspects of its operations to separate charitable activities from some income generating strategies.

The beauty of, and concern for sustaining, the natural environment have been key positive factors in the development of Abbey Gardens. While unsustainable development of the region has been held in check, access to land for local community and economic development is significant. These distinctly rural enablers also bring challenges; there is, for instance, a lack of rural transportation infrastructure to enable local people to easily visit the site without a car.

What sustainability means related to specific aspects of the work of Abbey Gardens is an ongoing discussion. The demonstration gardens are unlikely to be financially viable but are important to Abbey Gardens' educational work. The gardens have become a spatial hub around which to build community engagement, and show how land that has been stripped can be reclaimed. One of the early objectives of the Food Hub/store was to generate revenue to support charitable, community service activities at Abbey Gardens. This may not bear out as quickly as hoped, but other business development activities such as facility rental and small business incubation, as well as regular and targeted fundraising, are planned to offset the costs of social programming.

A project with as big a vision as Abbey Gardens' is likely to run into challenges related to community relations and engagement. This is especially true in a rural region and one, like Haliburton, where there are existing tensions between groups in the community. Establishing positive relationships with the different communities in the county, including long time residents, seasonal residents and more recent migrants to the area, as well as between farmers, social agencies and economic development actors, has not been easy. Since it began, Abbey Gardens has also had to work around past tensions, for example between the health unit and farmers. They have made significant progress in their community relations over a few short years, primarily by holding to their vision, taking risks in creating innovative programming, building community capital through partnerships, and intentionally reaching out to specific people and groups to bridge existing tensions.

Links to outside networks have been a strength and enabler for Abbey Gardens. Recently, Abbey Gardens has connected with the Rural Social Enterprise Constellation on their New Direction research, and has begun to identify as a social enterprise within a growing social enterprise sector in Ontario and Canada. In fall 2015, staff at Abbey Gardens presented on rural social enterprise at the Ontario Nonprofit Network's annual conference.

Abbey Gardens' staff also recently sought out support from the Spark Innovation Centre in Durham. Spark Commercialization and Innovation Centre is one of eighteen not-for-profit Regional Innovation Centres (RICs) that form part of the Ontario Network of Entrepreneurs (ONE). The centre works to improve competitiveness and visibility of Durham Region and Northumberland County and is funded in part by the City of Oshawa while. The ONE is supported with funding from the Ontario Ministry for Research & Innovation. Although Abbey Gardens was not successful in accessing funding from Spark, staff did receive excellent consulting assistance in looking at potential markets for their Red Fife wheat products.

Although Abbey Gardens has had some success in applying for grants, access to social enterprise start up grants as well as patient capital for new rural development initiatives has been a challenge.

It is too early to tell, as yet, what abiding impact Abbey Gardens will have on local food security and job creation, regional economic development and the environment. Financial and policy barriers are likely to continue to present creative challenges. Enablers will continue to be the vision, knowledge, skills, commitment and networks of Abbey Gardens's extraordinary board, staff and supporters, their innovative programming, the collaborative community culture in Haliburton, and the balance Abbey Gardens has struck between local engagement and networking beyond its local boundaries.

## **Cloverbelt Local Food Co-op (CLFC)**

<http://www.cloverbeltlocalfoodcoop.com>

### ***What Makes It Rural?***

Dryden's remote location, 3.5 hours from a major city, and its natural surroundings make it rural. Located in northwestern Ontario it has long and often severe winters.

### ***Lack of public transport***

There is no public transit system in Dryden or the Kenora district; however, seniors and people with disabilities can access Dryden's Handi-Transit system. Distances between places of interest can be significant, and winter driving can be treacherous when the weather is bad. Dryden does have its own regional airport, but only Bearskin Airlines flies there, and airfares are very expensive. Greyhound Bus services Dryden, but there is no longer a Via Rail route that would take one there.

### ***Social Services Provision***

The District of Kenora has no regional level government, thus government services are provided by city or town governments or by the provincial government in the case of very small communities. In Dryden, services are provided by the City of Dryden. Migration of people from First Nations reserves south to Dryden changes the type and nature of social services required: there is a need to address these changes by providing more and/or different services.<sup>78</sup> Homelessness is a problem in the region, particularly in Kenora and Red Lake, and there are increased childcare needs as people with young children move from reserves to Dryden and other larger communities in the region.<sup>79</sup>

### ***Social Capital***

A Food Co-op feasibility study<sup>80</sup> noted that innovations related to food security can be challenging in Dryden area because local producers have "either a healthy skepticism about new initiatives, or have become somewhat ingrained in how they view the issues facing local agriculture."<sup>81</sup> Yet the DDC states that "small communities have strong social networks; the perception that "everyone knows everyone" is a significant strength." The Kenora District Service Board notes that the friendly population is a regional asset. There is therefore an environment in which a food co-op or other social enterprise initiative could flourish where community buy-in is secured.

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<sup>78</sup> Kenora District Services Board (KDSB), "2010 – 2014 Strategic Plan: Shaping the Future," (2009).

<sup>79</sup> Ibid

<sup>80</sup> Dungannon Consulting Services, "Towards a Feasible Cooperative: A Study for the Local Foods Coalition of Dryden," (2011).

<sup>81</sup> Ibid, 21

## ***Rural Food Hub***

Due to factors such as its remote location, climate, and short growing season, local food is unevenly available in the Dryden area. Researchers from Lakehead University have conducted ten case studies of food hubs in northern Ontario, including the Cloverbelt Local Food Cooperative. The researchers note that these innovative organizations have self-organized an alternative food system in which a “northern resilient food hub emerges to address food system issues of production, marketing, processing and distribution...This food hub establishes a viable alternative local food movement where more emphasis is placed on accessing food closer to home, where animal and soil health are essential priorities, and people have more say in the origins of their food.”

## ***Social Enterprise Overview***

Cloverbelt Local Food Co-operative (CLFC) is a registered non-profit, multi-stakeholder co-operative that includes food producers, consumers and institutions as members. CLFC operates as an online food co-operative, primarily serving Northwestern Ontario. CLFC strives to foster a thriving local food community by cultivating and facilitating farmer-consumer relationships, promoting the enjoyment of naturally grown, fairly priced, healthy food, and by providing education and resources regarding environmentally sensitive agriculture. CLFC’s free and open source website software can be used to coordinate food ordering and deliveries.

CLFC incorporated in December 2013, following eight years of development. The co-operative’s vision is to become the central hub for production and distribution of local goods in Northwestern Ontario. 95% of goods available through Cloverbelt are produced within Northwestern Ontario. Currently the food supply chain is primarily focused on southern Ontario: food prices can be high, especially in the winter, and sourcing local food not only provides farmers with an increased sources of sales, but keeps consumer prices lower. A local food economy reduces transportation times and costs, provides fresher food, and helps to revive/build a northern agricultural base. Local food, in sum, contributes to the sustainability of northern livelihoods for both food producers and consumers. CLFC’s purpose is to revive the agri-food sector by uniting the local food community and enabling year-round local food sales. In response to a 2011 feasibility study, and with support from the Kenora District Soil & Crop Improvement Association, Patricia Area Community Endeavours (PACE), and the Northwest Training & Adjustment Board, CLFC incorporated as a non-profit, multi-stakeholder co-op and began accepting memberships in October 2013. Cloverbelt boasted 100 members before incorporation was complete. CLFC’s website launched December 2013.

The software the CLFC uses was generously shared by Roy Guisinger of Nebraska Food Co-op. Mr. Guisinger not only donated his pilot upgraded version of Open Source, but also helped a board member/webmaster get the software up and running.

The Co-op is devoted to its multi-stakeholder structure; it welcomes all kinds of members, including institutions, to assist in furthering its mission. Institutional members have been instrumental in providing in-kind and cash contributions. They have also been communicating their enthusiasm for the Co-op with their peers in other communities – this is increasing the enthusiasm for the Co-op throughout the region.

Ongoing operational costs are covered by a sales surcharge to both consumer & producer members, and kept to a minimum by ongoing in-kind contributions. The Co-op currently has 85 producer & around 700 consumer members. It processes 58-120 orders per week in Dryden, Oxdrift, Upsala, Ignace, Sioux-Lookout and Kenora. Producers are located as far afield as Emo and Thunder Bay. In Dryden, an isolated environment, CLFC is demonstrating the power of online brokering between food producers and individual consumers. Members are participating from as far as 400 kilometers away from Dryden.

### ***Development Path***

Leading up to the incorporation of CLFC, a number of studies were conducted. These provided background research to the Co-op stakeholders and included:

- Profile of Dryden Area Agriculture, Soil and Crop Association 2004.
- Fallow Lands/ Livestock Study, 2009/10
- Towards a Feasible Co-operative, Dungannon Consulting, 2011

Although these studies provided a foundation for building a co-op, there was insufficient community interest at the time to start one.

At roughly the same time as the studies were being conducted, there were other events occurring related to local food provision in the Dryden area. In 2008, the Dryden Farmers' Market was started, sponsored by the Dryden Development Corporation, and in 2009 the Northwestern Health Unit (NWHU) took on responsibility for a 'Locavore Box'. That same year, the Dryden Development Corporation provided money and staff time in support of CLFC, however it still took a few years before it was incorporated.

Connie Nelson, a faculty member and director of the Lakehead University Food Security Research Network became involved with CLFC in 2012. She and Sonja Wainiu from the Northern Training and Adjustment Board (NTAB) convened a local meeting to revisit the Soil and Crop Association's (2004) report and discuss possibilities for a local food co-op. Jennifer (Jen) Springett was at that meeting, heard about the feasibility study for the first time, and in March, 2013 hosted a meeting to discuss the formation of a local food co-op. From that group came the CLFC founding board, the majority of whom are still board members, with Jen as president. Farmers of the Kenora District Soil and Crop Association voted to support the incorporation of the co-operative early in 2013.

The Co-op's growth has been very rapid. According to a recently retired board member, who is also a farmer/producer member in the Co-op, the development was at the speed and trajectory of "a rocket ship. We just hope it's not going to explode". This trajectory is due in large part to the enthusiastic response to the Co-op from local consumers and producers, the support of local community-based and municipal organizations, the tireless work of volunteers, and the broader context of the local food movement.

Partnerships have been key to the Co-op's growth. In Fall 2013, as a result of a request by the CLFC to use the Agricultural Society's building, a partnership with the Agricultural Society was formed; this informal agreement to use a building on their property as the distribution centre for the co-op became a formal agreement following the January 2014 Agricultural Society AGM.

PACE provided office and meeting space, plus a start-up grant, in September of 2013. Following incorporation in October 2013, the Co-op held its first AGM in November of that year. CLFC's first online ordering cycle began in early December 2013. Three months into operations, CLFC had doubled its membership numbers, even though there was no official membership drive.

Traditionally, producers in the Co-op's area ship their products to markets outside northern Ontario, and therefore while the Co-op offered local and new outlets for their products, it took a leap of faith to support the Co-op's model. The initial skepticism of many producers waned as CLFC's producers shared how it was working for them.

2014 began with a new partnership with the Dryden and District Horticultural Society, with whom CLFC ran a rain barrel fundraiser and began planning for a root cellar for winter storage.

Until attendance started to dwindle, there had been a spring conference hosted by the Soil and Crop Association; it hadn't been active for a few years. The spring of 2014 saw its rebirth. While past conferences had focused on larger scale farming, the conference now included information pertinent to home gardeners and addressed topics related to local food more generally (e.g. sessions on solar power, harvesting of wild food). 100 people attended and it became an opportunity for the Co-op to sign up some new members, and for consumers and producers to connect.

As news of the Co-op's success travelled, other communities became interested in the Co-op, and by spring 2014 there was a partnership in place for Sioux Lookout to become a new distribution point.

In the spring of 2014, participation from Rainy River Meats (an Emo area producer) was confirmed; this addition represented a broadening of the type of producer included in the Co-op, as Rainy River Meats was both a larger producer than others already in the Co-op and was located outside the Dryden area. At about the same time, restaurants began seeking memberships as both producers and consumers.

Also in early 2014, Connie Nelson introduced the idea of crowdfunding for a greenhouse. This idea was taken up by the Co-op, and resulted in raising \$10,000. That same fall, CLFC received a grant from the Northern Training and Adjustment Board (NTAB), some of which was used for the greenhouse, along with additional funding from another source that was used for greenhouse equipment. A 20-year lease was signed with the City of Dryden for the greenhouse site adjacent to the Agricultural Society's property. The greenhouse was constructed in October 2014. It was built by volunteers and CLFC staff members and is currently used to host educational programs and events, and to provide space for two schools and various community members to grow vegetables in 4x12 plots. A small hydroponics display has been set up by the Co-op to demonstrate this method of growing food.

In November 2014, CLFC members were invited and sponsored by FEDNOR to attend the Royal Winter Fair to provide exposure for the northern producers and highlight the work of the Co-op. This opportunity raised the profile of the Co-op and its northern producers, and gave Co-op representatives a forum to connect with potential producers beyond their current contacts, and to get feedback on elements of their co-op model.

Also in November of that year an Aboriginal group from Kitchenuhmaykoosib Inninuwug (KI) joined CLFC as a producer member, providing handmade crafts, art, and mukluks to

CLFC consumers. Located 435 km north of Sioux Lookout, this group further expanded the geographical and product range of the Co-op.

Initially the Co-op was volunteer driven with only one paid part-time staff member, who co-ordinated the weekly member pick-up. Board members took on various administrative and other roles (such as promoting the co-op at the Royal Winter Fair), and Jen worked more than full-time as a volunteer, in her leadership role. With the rapid growth of the Co-op, this largely volunteer-dependant structure became unsustainable.

Over the course of 2014 several funding applications were written to allow for the hiring of staff. By the end of September, 2014 a Marketing Coordinator had been hired on a one year contract, with funding from the Local Food Fund and the Cooperators Development Fund. Two other staff members would be hired in 2015. The first was an NOHFC-funded intern hired for a year as an Education Coordinator, with a focus on food education and outreach. A Co-op Manager was hired to focus on the regional mapping project to map producers, food business, chefs/retailers and consumers in northwestern Ontario, which includes a transportation study, funded by FEDNOR and NOHFC.

The regional food mapping and distribution project moved forward with support from the Food Security Research Network, Dryden Development Corporation, Northwest Training and Adjustment Board, City of Kenora, and Municipality of Sioux Lookout. The interactive map that has resulted has an active function whereby businesses and individuals can fill out the form with business information, including information about how they interact with local food. The map can now be accessed at: <http://clfc.maps.arcgis.com/home/> The development work in 2014 created the conditions for an extremely busy 2015. In early 2015 the True North Co-op in Thunder Bay closed, and Cloverbelt worked with their producers to provide them with an outlet for their goods. In addition CLFC gained coolers and a refrigerated trailer as a result of the closing, allowing for the transport of goods to other collection or distribution points.

In May 2015 a weekly distribution to Sioux Lookout began; monthly distribution to Ignace and Upsala continued. In November 2015 monthly distribution began in Kenora, at the Kenora Lake of the Woods Discovery Centre, through a partnership with the City of Kenora, bringing together producers and consumers from that area.

Going forward the Co-op plans to expand their connections with local foods, to continue marketing the Co-op and engaging with existing members. The outcome of the regional producer mapping and transportation study, undertaken in conjunction with the FSRN at Lakehead University, will continue to provide insights into potential areas of growth for the Co-op.

### ***Leadership and Partnerships***

As with many social enterprises, CLFC came together because a number of people were working together towards a common vision. They included:

Mel Fisher is a farmer with strong connections to the Soil and Crop Association. Mel's involvement gave the nascent Co-op more credibility among other farmers in the area.

Jennifer (Jen) Springett became involved in 2012; she had just moved to the area and was very interested in accessing local organic food for her family. She is currently serving as CLFC President.

Dr. Connie Nelson, Director of the Food Security Research Network (FSRN) at Lakehead University, is a professor in the School of Social Work. Connie was instrumental in the early organization of the co-op, and in supporting Jen and the board as the co-op became established. She is now intimately involved in the transportation mapping project that the FSRN has undertaken jointly with CLFC.

Beth Zurbrigg, Secretary of Cloverbelt Board, is a producer and an advocate for other producers.

Howard Sanderson represents the Dryden and District Agricultural Society, where he currently acts as President. The Agricultural and Horticultural Organizations Act governs Ontario Agricultural Societies. The mandate of these organizations is to preserve and celebrate the rural way of life in Ontario.

Sonja Wainiu represents the Northern Training and Adjustment Board (a Sponsor of the Co-op). By conducting and analyzing local labour market research, trends and planning processes, NTAB works to develop community partnerships to find solutions to local issues.

Brian Miles represents Patricia Area Community Endeavours Inc. (PACE; a sponsor and a member of the Co-op). PACE is committed to promoting economic growth within the Patricia Region of Northwestern Ontario.

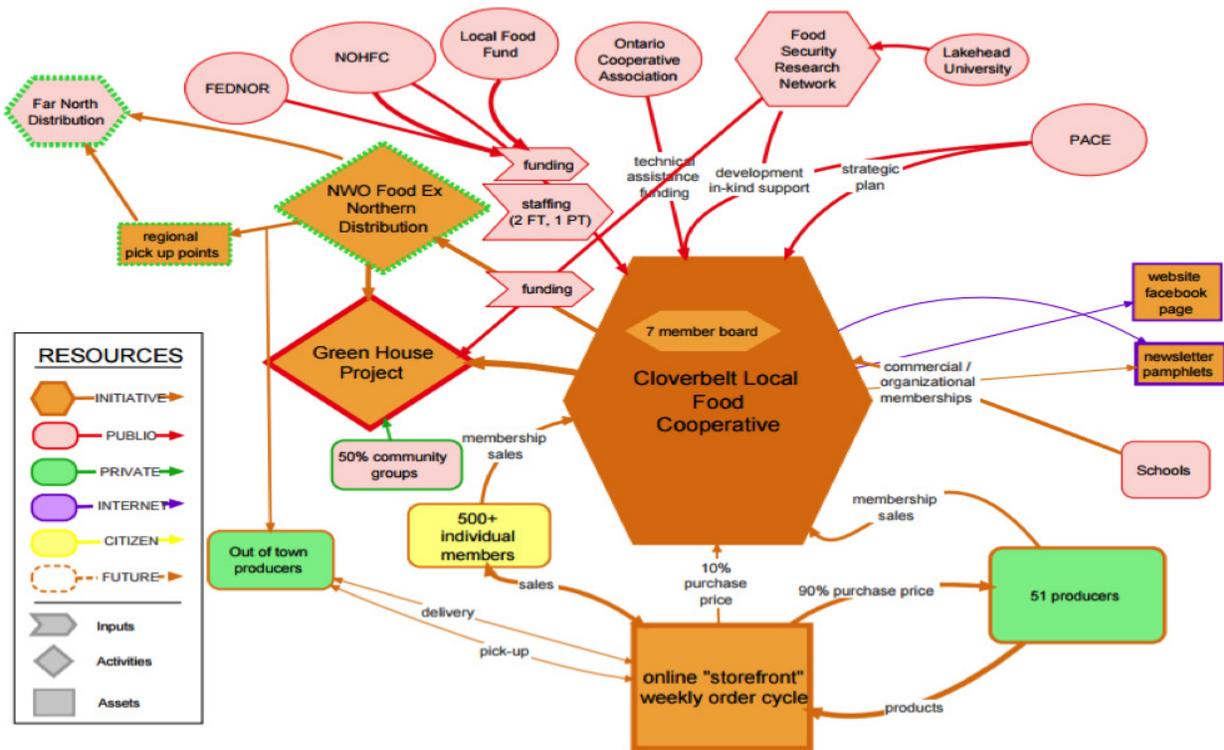
Nicole Gale represents the Dryden Development Corporation (DDC) of the City of Dryden. DDC simplifies and streamlines processes to help establish new businesses within the City of Dryden and surrounding area. This organization is acutely aware of the importance of strengthening the agricultural sector as a means of strengthening local economy generally. All of these key people from the Dryden area were actively involved in the co-op's development, and continue to play a role in its development.

According to an interviewee during the onsite research, Cloverbelt needed to “find the ringleader...[it] need[ed] someone to steer the ship” who was willing to take the time to start something new. Interviewees also thought they needed to understand the legal aspects of their new position, go to the municipality for support, find more potential regional partners, talk with them and find out what's here, what are the challenges, try to capitalize on the strengths. Jennifer (Jen) Springett, in cooperation with others, took on the challenge of “steering the ship”.

Jen arrived in the community at just the right time, when people were interested in moving the idea of the Co-op forward. She became the catalyst who made things come together. According to interviewees, she had credibility with the producer community because her partner became the local veterinarian, she raised animals herself, and she had a way of bringing people and causes together.

Partnerships were also crucial. As noted earlier, CLFC attributes much of its success to its partnerships with other organizations and individuals who were all committed to making it a success.

These partners have included the City of Dryden and DDC, Northwestern Health Unit, Food Security Research Network (FSRN) at Lakehead University, Dryden Agricultural Society, PACE, and many others. Thanks to partnerships the CLFC has been able to, for example, obtain office space, distribution locations, coolers for storage, a refrigerated trailer for transport, free advertising, partners in funding applications, and a network of producers and consumers. A diagram prepared by the FSRN (below) illustrates the connections between partners, funding opportunities, and other resources that have been instrumental in CLFC's growth.



CLFC Vue Map<sup>82</sup> \*

Partnerships with key community institutions have broadened CLFC’s network and facilitated connections that have been critical to its growth. Connections with similar institutions have been made and the co-op has their support as it expands. These include the Ignace Health Unit as another drop-off site. Ignace has a lot of interest and local food education through the Health Centre (e.g. a community garden where there is “crazy interest”). The Executive Director of the Ignace Health Unit contacted Jen to express interest in a partnership with the co-op. CLFC entered the Ignace and Upsala market in March, continuing with monthly deliveries throughout 2015.

The Fort Frances Chamber of Commerce is facilitating meetings about local food and offers free marketing to CLFC.

Jeff (a producer from Thunder Bay) already brings in his flour to the co-op once a month and has proposed making a trip up to Ignace and Upsala on his way to Dryden. This is helpful for the Thunder Bay producers. Jeff says his sale price covers the costs of transportation. Jeff takes produce for other producers as well, and the savings on transportation for the members involved can be significant.

The Sioux Lookout Friendship Centre is also interested in making visits to Dryden during their regular trips. Their ED visited CLFC in March to see the distribution system, and is aiming to have a Sioux Lookout hub operational by May.

<sup>82</sup> CLFC Vue Map from Connie H. Nelson, Mirella Stroink, and Karen Kerk, “Resiliency and the Food System: What we can learn from the Northern Ontario Local Food Hub”, accessed Jan. 28, 2016, <http://casestudies.fsrn.ca/wp-content/uploads/2015/06/CLFC-KK.pdf>. Used with permission; Note that some details such as membership numbers have changed since this graphic was produced.

Transition Red Lake has contacted Jen to set up a monthly pick-up in Dryden.

CLFC has been able to recruit interns through an Internship Program. These 1-year contracts are focused on community outreach, school visits and setting up tour visits for the greenhouse.

Since the CLFC was incorporated in the fall of 2013, a short 2 years ago, it has grown at a very rapid pace. It is clear that there is a keen interest both for local food in the north and for the co-op itself. People are changing the ways that they access their food. Availability of different foods is changing in the north, and CLFC is helping to bring more local control to supply channels. Food grown in the north can now be better distributed in the north, to allow for better quality, pricing and variety.

### ***Revenue Generation and Social Enterprise***

Cloverbelt's sales have increased rapidly. In 2013 gross sales were \$13,546.00, jumping to \$203,479.00 in 2014. By September 2015, gross sales were \$176,689.00, with a forecasted \$270,000.00 gross revenue to the end of December 2015.

Membership in the co-op has grown accordingly. As of September 2015 there are 700 consumer members (people who buy from the co-op), 85 producer members (who provide goods for the co-op), and 19 organizational members (who support the co-op through their membership, and in other ways).

For a \$25.00 lifetime membership, consumer members can place monthly online orders for a wide variety of goods that vary in range and quantity each month based on producer supplies. Available goods may include local vegetables and meat, baked goods, speciality homemade soaps and crafts, foraged goods, and herbal teas. Each Saturday at 2 p.m. the ordering window opens online, allowing for orders until 10 a.m. on Monday. Orders are prepared for pick-up by volunteers and a paid part-time distribution coordinator, and can be collected from the distribution point in Dryden, for example, on Tuesdays between 4 and 6 p.m.

Producer members pay \$50 for a lifetime membership, and 5% of their sales go toward co-op operation costs. Each week, producers post available products on the co-op ordering site, allowing for flexibility in what they provide to the co-op. This flexible process has encouraged small producers to join the co-op and has broadened the outlets for their goods. Producers also set their own prices, allowing them to secure a viable return for their goods.

The Co-op doesn't receive much from the current membership fees and the 5% producer and 10% consumer mark-up. These fee structures were based on the Eastern Local Food Co-operative that has since closed. The prices that were set didn't anticipate the growth; there needs to be communication with the suppliers so they realize they're getting a good deal from working with the co-op despite potential increased fees. A very successful Nebraska Food Co-op charges 30%, which may need to be considered, or indeed become necessary to sustain the co-op.

The interest of smaller producers may wane if the membership fee is increased. There is more acceptance in mark-up changes since last year when producers were shown how much money they were saving by not going through a conventional retailer.

## ***Role of Policy***

Agricultural policies have generally served as a barrier for CLFC producers. With Dryden not being designated as prime agricultural land, it is more difficult for producers to obtain farm credit. The lack of credit means that farmers may not be able to buy the machinery they need or perhaps afford sufficient land upon which to farm sustainably. In addition, agricultural policies largely do not fit the realities of small producers, or life in northwestern Ontario.

Some examples of policies acting as barriers include:

- An egg laying quota that prohibits the sale of ungraded eggs, and requires that the transfer of eggs needs to happen on the farm property. Egg grading stations are financially out of reach for small producers and therefore their sales opportunities for Cloverbelt are limited. Presently CLFC has only one producer with an egg grading station, in Kenora District.
- A quota for meat birds that requires a minimum of 300 birds in order for a licence, a number that is out of reach for many small producers, especially without farm financing.
- A dairy quota that discourages small operators so that the 27 dairy operations that were in the region declined to none, with the last dairy farm in the area closing in 2012.
- Difficulty in obtaining inspections due to the distances that inspectors have to travel.
- A lack of clear information regarding what can be sold at farmers' markets.
- A lack of abattoirs in the area, particularly for poultry. There are two abattoirs in Oxdrift, and they can process poultry but they are at risk of closing; a new producer-lead co-op is forming to take over operations.
- A Ministry focus on innovation, which provides funding for new products only, and requires matching funding that is out of reach for new producers.
- Since this region is no longer a ministry designated agricultural area young people wishing to farm cannot access farm credit.

In general it appears that federal and provincial agricultural policies are set for large producers, and that there is a lack of flexibility in the policies to allow smaller producers to farm profitably and within their financial capacity. If the provincial focus on local food is to be successful there is a need to review policies that currently recognize and/or reward only large scale producers. There is a need for policy that recognizes that small scale is appropriate for small markets. Egg grading and chicken quotas are both good examples of this need.

On the other hand, the municipality has been very supportive. The Mayor and council unanimously approved the 20-year lease for the community greenhouse location in a prime commercial location, adjacent to commercial business park which is undergoing development. The City is also willing to accommodate where they can with zoning. The Mayor and Council are also speaking to provincial and federal government representatives about the prohibitive policies that limit the growth of small scale agriculture.

Cloverbelt representatives feel the attitude of the Province to the north continues to be problematic. Agriculture is the stable of economic development in this area so there is a need

to enhance the ability of young farmers to get land in this area. Suggestions to improve the restrictive farming policies that are tying people up and limiting them to the point where they won't be able to recruit and keep farmers include:

- Lifting quotas
- Focusing on local work (vs. provincial) because it makes more sense financially
- Working closely with municipality, CFDCs, economic development, mayors: tight-knit, do whatever they can to help each other
- More policies that support northern farmers specifically

### ***Other Enablers and Barriers***

The Dryden and northwestern Ontario community's support has been a very important enabler in CLFC's success. This support is clearly shown in the partnerships that have been struck, the Dryden Observer newspaper's ongoing coverage of CLFC related news, and the success of the crowdfunding campaign for the greenhouse.

Cloverbelt has enjoyed ongoing municipal support that has been critical to its success. The City of Dryden has provided land, partnered on funding applications, invited CLFC in on food policy discussions, assisted with co-op advertising and business listings, highlighted the CLFC on the City's website, and provided consulting services through the DDC.

Farmers in the Dryden and Thunder Bay (and now other) areas have worked together in supporting the co-op, fostering a culture of cooperation in the local agricultural sector not always evident in the past. The co-op has provided additional outlets for the farmers' goods, and farmers have been increasingly willing to support this fledgling initiative.

## **Common Roof (CR), Barrie and Orillia**

<http://www.thecommonroof.ca>

### ***What Makes It Rural?***

#### ***Access to Natural Assets and Resources***

Simcoe County includes several important physiographic features — the Canadian Shield to the north, the Oak Ridges Moraine to the south, the Niagara Escarpment to the west, and Lake Simcoe to the east. The Oak Ridges Moraine spans 160 km from the Trent River in the east to the Niagara Escarpment in the west. It is a dividing line for watersheds draining south into Lake Ontario and north towards Georgian Bay, Lake Simcoe and the Trent River, and is critical for the region's fresh water supply. The moraine covers a small area of South Simcoe County in the Townships of Adjala-Tosorontio and the Town of New Tecumseth.<sup>83</sup>

Birnbaum et al. note that over 50% of the County's population lives within the Simcoe Basin and is clustered around the lakes (Georgian Bay, Lake Couchiching, Severn Sound, Lake Simcoe).<sup>84</sup> The County possesses a wealth of natural assets and resources.

#### ***Affordable Land***

Simcoe County has been experiencing rapid growth, especially in South Simcoe, due in part to the growth of the Greater Toronto Area (GTA) and rising living costs there which has caused people to look outside the GTA for more affordable housing. Simcoe County offers both urban and rural options. The Simcoe Area Growth Plan<sup>85</sup> recognizes the need for planned growth noting that “the Simcoe County Area continues to experience high levels of building activity, mainly because it is a very attractive location for growth. There is a developed transportation network, accessibility from Simcoe to employment centres in the Greater Toronto Area and Hamilton (GTAH) and a large potential supply of reasonably priced housing within an area with many attractive natural features.”

#### ***Culture of entrepreneurship***

Sectors like agriculture, the creative economy, and small businesses play a large role in the County economy.

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<sup>83</sup> Birnbaum, Nicolet, & Taylor, “Simcoe County: The New Growth Frontier,” (Neptis Foundation, 2004), 9

<sup>84</sup> Ibid.

<sup>85</sup> Hemson Consulting Inc. Simcoe Area Growth Plan, 2008. p. 1. Accessed at <http://www.simcoe.ca/Planning/Documents/Simcoe%20Area%20Growth%20Plan%20May%202008.pdf>

## ***Collaboration within sectors***

To cover the large distances and serve populations in smaller communities, social service sectors have collaborated and tested models for joint service planning and co-locating satellite offices. Examples include the CYFS Coalition of Simcoe County and the Huronia Economic Alliance (HEA – a coalition of towns and townships of Tay to bring prosperity to their region of Huronia on Georgian Bay).

## ***Presence of economic development supports specific to rural***

Examples include Nottawasaga Futures (a Community Futures Development Corporation), the North Simcoe Community Futures Development Corporation (Midland), the Orillia Area Community Development Corporation, 7 Economic Development Offices, and Economic & Community Development Funding for Specific Areas within the County (8).

## ***Overview of Social Enterprise***

The Common Roof is a nonprofit shared space initially led by New Path Youth and Family Services, an accredited multi service children's mental health centre serving youth and families in Simcoe County. Common Roof properties are developed, held and managed by the New Path Foundation, a charitable public foundation governed by a volunteer board of directors.

This board is independent of the New Path Youth and Family Services board although the vice chair of the service agency also serves on the Foundation board.

New Path Youth and Family Services mission is to lead and inspire change through an innovative multi-service approach to meet the mental health needs of children, youth and families. The Foundation's mission is to develop and manage philanthropic investment and mobilize community support to meet the mental health needs of children, youth and families.

New Path Foundation has developed two multi-tenant nonprofit hubs to date, one in Barrie and one in Orillia. Each provides quality, affordable, and sustainable workspace for like-minded human service nonprofits and related organizations serving the whole of Simcoe County.

The Common Roof aims to maximize mission impact for tenant organizations by capitalizing on economies of scale, decreasing facility rental and operational costs, and increasing service collaboration opportunities including a single point of service and an enhanced multi-disciplinary base of expertise for clients. Its mission and vision are as follows:

- Mission: The Common Roof is a community-based social enterprise providing sustainable and professional work space for human-service nonprofit agencies.
- Vision: Building a healthy, growing community for children, youth, and families for today and tomorrow.

New Path Foundation has built a unique funding mechanism into their model that differentiates it from other shared space initiatives. Partners in Common Roof contribute significant capital to the CR projects through the New Path Foundation to offset development costs. Rather than

being owners, the partners are long term (10 Year) lessees who benefit from the opportunity to receive unrestricted sustainability grants amounting to 60% of the basic rent they have paid over a 10 to 15 year contractual period equal to the mortgage amortization period. Those partners that benefit must be a registered charity, an original contributing organization, maintain and occupy the rental space over the contracted amortization period, and must apply in order to receive the grants.

Spaces not occupied in the Common Roof buildings by long lease partners are rented out on the basis of shorter term 5 year leases to other like-minded tenant organizations with New Path acting as the leasing agent and property manager. Rents are based on market rate at the time of leasing.

In terms of governance, each partner organization maintains its own Board, while the New Path Foundation Board oversees the development of the Common Roof initiatives as well as other Foundation initiatives. A partner committee is convened by the Foundation for each of the Common Roof projects. The board of New Path Foundation can override any decisions of the committees or from tenant partners if they believe the decisions go against the fundamentals of the Common Roof, although this is unlikely to happen given the Foundation's high engagement and consultative approach to management and partner relations.

New Path is now positioning the Common Roof initiative for growth. They have fielded inquiries about replication of the model from a number of other communities in Ontario and outside of province. A second social enterprise is currently in a business planning phase through New Path Foundation as well – a social purpose enterprise that will train and employ at risk youth to do maintenance on the Barrie and Orillia buildings. New Path Foundation is also seeking to formalize a consulting arm of their work related to mentoring and supporting shared space service hubs.

### ***Development Path***

New Path Foundation and the development of the Common Roof concept can be traced back through a history of collaborative and entrepreneurial leadership in the founding organizations and a series of partnerships and amalgamations in children's mental health services in Simcoe dating back to 1985. Eleven years after a residential program for boys called Circle R Ranch changed leadership and became the Robert Thompson Youth and Family Centre in 1985, the current Executive Director of New Path Youth and Family Services, Glen Newby, was hired to lead the development of the Thompson Centre Community Foundation. The Foundation held and managed the assets previously owned by Circle R and Thompson Youth and Family Centre including properties for residential treatment of children and youth with mental health issues.

Around 1995, Richmond Youth and Family Centre, concerned about funding, started intentionally building its reserves. As well the agency owned real estate related to their programming. A community based process that took place in 1998-1999 resulted in the amalgamation of the Richmond Centre with three other children's service providers in Simcoe County including the Robert Thompson Youth and Family Centre, the South Georgian Bay Counselling Services, and the children's mental health programs of Catulpa Tamarac Child and Family Services. Richmond Centre sold their Orillia property and transferred the assets to the new Foundation. Amalgamation was completed on April 1, 2000 and Glen Newby was hired as

Executive Director of the organization. At that time, the Robert Thompson Centre Community Foundation was decommissioned and their assets were also transferred to the newly formed New Path Foundation. The New Path Foundation adopted a broader mandate to ensure the availability of human and financial resources for innovative programs within Simcoe County. The Richmond Fund Advisory Committee was formed at the time of amalgamation to provide oversight related to the Richmond Youth and Family Centre assets and ensure that they were used to benefit the Orillia community.

The innovative Child, Youth and Family Services (CYFS) Coalition of Simcoe County was formed around the same time marking a significant trend in, and culture of, collaboration in child and family services in the region. The Coalition evolved from a commitment by children's service providers to find ways to establish a streamlined, unified planning process that would lead to improved outcomes for children. This vision expanded into a strategic, collaborative and integrated planning infrastructure allowing members to work both together and independently to meet the shared vision of improving the present and future well being of children, youth and families. Work began on made-in-Simcoe action plans after the official launch of the Coalition in September 2003.

On formation New Path Foundation absorbed the assets of their founding partners. These included physical assets in the form of residential buildings as well as reserves, although New Path Youth and Family Services continues to own one property, a residential farm that acts as a treatment centre. Based on their experience in real estate the Foundation decided to continue to pursue a real estate investment strategy.

In the early 2000's New Path began to participate in conferences of the Social Enterprise Alliance in the US and to learn more about, and network with, shared space social enterprises.

In 2004 new head offices were needed for the four founding organizations behind New Path Child and Family Services. Their commercial real estate agent, Linda Loftus, who had negotiated creative leasing arrangements for the group of agencies in the past, supported the New Path Foundation to do a feasibility study and take the lead in purchasing a building. In 2005 they created and developed the Barrie Common Roof at its current location. The building opened in the fall of 2006 with five long term lessees contributing a total of \$500,000 towards purchase and development costs. The Children's Treatment Network, which launched in 2005, the Canadian Mental Health Association Simcoe County Branch, Catulpa Community Support Services, New Path Youth and Family Services, and New Path Foundation are the founding partners. Simcoe Outreach Services (SOS) was also a founding partner but subsequently amalgamated with Canadian Mental Health Association, Simcoe County.

In 2006, New Path Foundation joined the Nonprofit Centres Network (<http://www.nonprofitcenters.org/>), a learning community on nonprofit shared space and services. Their mission is to increase the capacity and effectiveness of the nonprofit sector by supporting the development and ongoing operations of multi-tenant nonprofit centers and other quality nonprofit workspace. New Path Foundation has taken an active role in the network since that time presenting at conferences and playing leadership roles. In 2015 Glen Newby is co-chair of the network that has members throughout the US and Canada.

Conferences of the Nonprofit Centres Network in Denver and Vancouver were significant milestones for Common Roof and New Path Foundation. The Vancouver conference was co-sponsored by the Social Purpose Real Estate Collaborative in Vancouver.

Once the Barrie Common Roof was operational sights were set on creating a similar project in Orillia to address the needs of partners in their previous amalgamation as well as to house new partners. The Richmond Fund Advisory Committee played an active role in ensuring that previous assets are used to support Orillia based organizations. The timing was less than ideal with a period of economic downturn starting in 2008, reductions in government funding, and nonprofit donor fatigue.

New Path had previously invested in two properties in Orillia – one for office space and another for low income rental housing. In 2011 after significant outreach and discussions with prospective partners the Foundation began development of the Orillia Common Roof with three long term lessees as partners including the Simcoe Muskoka District Health Unit, Catulpa Community Support Services, and New Path Child and Family Services. The building was open for operation in 2011 to house the three partners. The hub now has seven tenants including local nonprofit housing and home care organizations and a private foot clinic, and tenancies are still being marketed in 2015 to fill the space available.

Although market timing was challenging, the Foundation and its partners found the timing was opportune for application for infrastructure funding. They were successful in receiving just over \$2.5 million to support a portion of the \$3.8 million capital expenses for the Orillia Common Roof. These funds came through the Ontario Ministry of Agriculture, Food and Rural Affairs as part of the Infrastructure Stimulus Fund, a joint Federal and Provincial initiative.

In 2012 New Path Foundation did their due diligence and amended their charter (articles of incorporation) to enable them to realize their plans for distributing grants to partner charities. The Foundation sees a future where they will be positioned to offer grants to other charitable organizations in the region, in addition to the sustainability grants planned into their Common Roof model. In 2012, New Path also trademarked the “Common Roof” brand name.

New Path Foundation continues to lease other spaces for the Child and Family Services satellite offices in collaboration with their Common Roof partners to provide services in other areas around Simcoe County and York Region. For instance in 2015 they rented 2000 square feet of space with Catulpa in Newmarket.

Common Roof became involved as a case study site in the Rural Social Enterprise Constellation Network’s New Direction research in 2014.

In 2015 the Foundation has begun to move forward on the development of other social enterprises including consulting services for other communities seeking to use the shared service real estate model, and a maintenance social purpose enterprise to provide training and employment skills and experience for some of their at risk youth clients. Both of these businesses are still in the planning phase. Meanwhile, staff at the Foundation have continued to promote the model, respond to requests for information, and look out for new replication opportunities.

New Path Foundation continues to work with its current partner organizations to explore possible expansion opportunities as needs and service demands increase. Presently the approach has been to maximize the current available space to ensure operational efficiencies. New Path Foundation is also exploring new social finance options for capitalizing new development including social impact bonds and community bonds.

As of 2018, the first sustainability grants will be issued to the long term leasing partners in Common Roof Barrie. And in 2022, partners in the Orillia Common Roof will be positioned to apply for and receive their sustainability grants.

## ***Leadership and Partnerships***

Common Roof and New Path Foundation have benefited from the significant commitment, passion and expertise of several key people and organizations. These include staff, Board members, and professional service providers as well as nonprofit collaborators and networks.

Previous director of the Robert Thompson Centre, Neville Twine, who was CEO of the Foundation before Glen Newby and served later as vice president of New Path Foundation, set the stage for entrepreneurial and innovative approaches to developing children's mental health services that have come to characterize the collaborations New Path has been involved with.

Glen Newby's keen interest in real estate and his capacity to inspire and lead collaboration have been vital inputs into the development of Common Roof. Glen is a founding member of the cross sector Coalition of Children, Youth and Family Services in Simcoe County, and just recently retired from the Board of Directors of Children's Mental Health Ontario (CMHO) where he served as President. As well Glen has been the mastermind behind other social entrepreneurial initiatives including some in social tourism.

Members of his core team include James Thomson, Vice President of Strategic Initiatives, and Ken Edwards, Vice President of Finance & Administration for the Foundation. James has a long history of service and leadership in the nonprofit charitable sector focusing on program/service development, strategic planning, community development, fundraising and advocacy. Ken has broad financial, technical and operations background as well as expertise in business administration, real estate/housing, and agriculture. He operates his own business services company. Both James and Ken have made important contributions towards the evolution of the model as well as ensuring its effective operations in Barrie and Orillia to date.

Community leaders have worked with staff and Board to play pivotal roles on the "design team" for the Common Roof model and developments over the years. New Path's commercial real estate agent, their lawyer who served as the Foundation's Board Chair for many years, their space designer, several bankers, and real estate appraisers have all worked together or independently with New Path's staff to strategize and develop New Path's collaborations and the shared space model. While they relied on internal networks for most of their design and planning, New Path did consult a well known charity law firm in Orangeville to ensure that their foundational documents keep up with CRA guidelines and regulations.

The model for Common Roof originated from collaborations between New Path, Catulpa, the Children's Treatment Network, and Canadian Mental Health Association – all partners in the Barrie Common Roof. Without the vision and collaborative values of leaders of these organizations, the model would likely not have gotten off the ground. The existence of the Child, Youth and Family Services (CYFS) Coalition of Simcoe County and the Children's Treatment Network attest to the keen focus of nonprofits in the region to collaborate, plan and coordinate their efforts especially to meet the needs of children and their families in the region.

New Path Foundation staff credit their involvement in the US based Social Enterprise Alliance and Nonprofit Centres Network in helping them to recognize the uniqueness of their Common Roof model and to see its potential in the context of the nonprofit social enterprise sector.

The development of the Common Roof continues to depend on sustaining and growing their partnerships with nonprofit service agencies and identifying appropriate opportunities for replication.

### ***Revenue Generation and Social Enterprise***

The core business model for the Common Roof social enterprise is a multi-tenant nonprofit real estate and shared service centre. Leases are based on two schemes: long-term lease (10 years fixed rate) or a short-term lease (five years). All full partners are long term lessees who both co-capitalize the initial development of their Common Roof and pay a monthly charge towards their exclusive space, shared space and services, and administration.

Rental charges are established at market value then reassessed at the end of lease term. They are commensurate with the amount of space each tenant or partner organization requires for their exclusive use. As well they cover a prorated portion of the shared spaces and services. The monthly charges are split into base rent and MIT charges (Maintenance, Insurance, Taxes and Utilities). The MIT charge is calculated each year while the base rent is consistent from year to year based on the partners' leases with Common Roof. The MIT also includes coverage for evening reception and other basic costs.

The Foundation provides the Common Roof with full property management and building maintenance services. Not only does New Path Foundation manage the finances related to the two Common Roof projects, but three of the core partners also purchase their financial services through New Path Foundation. This involves an extra purchase of service agreement.

Lower interest rates in the market have helped to ensure that Common Roof mortgages can be paid down in a timely way with much of the rental fees contributing to pay principle rather than interest charges. Although the need for a new roof meant at the Barrie Common Roof that the payment of the mortgage had to be postponed by two years, the low interest rates have ensured that partners in Common Roof can access unrestricted grants sooner.

Another benefit of the Common Roof model for both partners and tenants is that each charitable organization that fits the requirements for the rebate can claim back 40% of their property taxes on an annual basis. All current partners fit these requirements and Common Roof provides them with statements as a landlord. This would not be possible if those same organizations owned the property.

From time to time tenant organizations seek support outside the Common Roof to benefit everyone. For example, some leaders sought legal and policy advice regarding an accessibility debate for the Orillia location. Advice was used to see how accessibility has worked for other organizations and how it could work for the Common Roof.

The unrestricted sustainability grant is core to the Common Roof model and one of the key benefits of partnership. This grant comes into effect once the mortgage on a specific Common Roof property is discharged. Those organizations that are partners in the model will receive up to 60% of their current in-year leasing charges back in the form of a grant as part of a long term sustainability model through the reinvestment of dollars back into the organizations. The 40% difference is held by New Path Foundation for staffing, lease management, legal expenses, and

risk management. The property tax rebate is still available to Common Roof partners once the sustainability grants are paid out.

Estimates of the return on investment for the Barrie Common Roof have been re-evaluated several times. A collective savings of approximately \$200,000 has been calculated for the five founding partners based on efficiency of space and stable rent over a 10 year period. After 10 – 12 years the partners will also receive their unrestricted sustainability grants, though they will still be charged for rents based on fair market value at the time their leases are renegotiated. It is important to note that the sustainability grants are not considered rent rebates. Partners can use the funds to cover any aspect of their operations or programming.

Currently the gross annual revenue from Common Roof initiatives is approximately \$934,331.00 from leasing charges and recoveries from maintenance, insurance, taxes and utilities (known collectively as MITU). The MITU costs are charged back to Tenant/Partner organizations based on the actual costs that the Foundation is billed on. Overall Common Roof is currently not in a revenue positive position due to ongoing vacancies at the Orillia site.

As of the end of 2015, the Foundation has an initial outline for consultation services that is provided to interested parties on a case by case basis. They have generated some funds through their work in North Bay providing consultation services to a group of organizations interested in setting up a Common Roof model there. The youth social enterprise was approved by the board in 2014, however as of late 2015 it is on hold pending funding investigation.

### ***Role of Policy***

Policies at all levels of government have impacted the Common Roof in its development to date. Government funding cutbacks for nonprofits and social services in the 1990's created a context for the innovation that led to Common Roof. Partners identified the need not only to collaborate on service delivery but also to build reserves, seek efficiencies in operational costs to compensate for losses in funding, and identify strategic ways of generating unrestricted revenue.

One challenge that New Path Foundation and its partners have faced in their collaboration is that of the different Ministry funding and policy silos that support their work. In response to a funding turndown, Glen and partners had to figure out the silos and “knit them together” on an organizational level to successfully make the case for funding.

Partners in the Common Roof initiative are influenced by policies and protocol developed through the provincial Local Health Integration Network (LHIN) in the region. LHIN's plan, integrate and fund local health care, with the aim of improving access and patient experience. They were formed as part of a wide ranging and ambitious reform of the Ontario health care system. Coordinated planning and delivery of children's mental health services in the Common Roof model fits squarely within the LHIN model for health care. Partners in Common Roof were paving the way for collaboration and systems transformation in the children's mental health sector before the pressures of LHIN policy were felt by others in the health sector. The Common Roof approach leaves New Path and its partners in a good position in the future as the LHIN requires more collaboration in the sector.

The Orillia Common Roof project benefited from significant capital funding through the Federal- Provincial Infrastructure Fund. The Government of Canada announced the creation

of a \$4-billion Infrastructure Stimulus Fund in 2008, aimed at getting shovels in the ground for infrastructure projects across Canada over two years. Ontario agreed to match federal funding and to work together with the federal government to ensure that these funds were delivered expeditiously and efficiently to municipalities in the province. Funds were focused on the rehabilitation of existing assets, but new construction was eligible provided it was fully completed by March 31, 2011 and represented an incremental investment on the part of the municipality or nonprofit applicant organization. The timing was right for the Orillia Common Roof partners and for New Path to take advantage of the funding opportunity.

Common Roof is a real estate social enterprise. As such, municipal land use policies have influenced the development of both the Orillia and Barrie Common Roof projects to date. Some areas where these policies have come into play are around location of parking, sidewalks and transit stops. New Path Foundation made the case to the Municipality for sidewalks and a transit stop for their clients to access services in the Barrie location and this added value for others located on the same street. As well municipal zoning restrictions did lead to a reduced selection of sites for Common Roof development, and environmental concerns of selected sites led to additional “clean up” costs.

Common Roof’s development also predated the current interest of the provincial government in community hubs. In 2015, the province formed a Community Hub Framework Advisory Group that has recently submitted its report to the premier. A community hub has been defined by them as a school, a neighbourhood centre or another public space that offers co-located or integrated services such as education, health care and social services. Predating this provincial process and throughout the more recent consultations, New Path Foundation has been educating policymakers about their unique model and seeking opportunities for provincial support and enabling policy to replicate it. Policies that result from the work of the Advisory Group relating to planning, integrated service delivery, and community infrastructure/public properties will no doubt intersect with the work of New Path and its current and future partners in Common Roof.

The Office of Social Enterprise operates under the Ministry of Economic Development, Trade and Employment. MEDTE also administers programs related to employment development which could impact the new youth employment social enterprise New Path is developing. The focus of the Office for SE on private sector social businesses and the rigidity of some employment related programs managed through the Ministry related to quantitative outcomes have meant that New Path has yet to receive support from MEDTE.

Other provincial policies that currently impact Common Roof focus on property tax assessment and nonprofits/charitable tax rebates. For New Path each new municipality where Common Roof locates has a different property tax rate. For instance in Orillia property taxes are 40% higher than in Barrie. The assessment is an issue that involves MPAC and not the Municipal Council directly, though the Municipality collects the taxes based on those assessments. MPAC is an independent, not-for-profit corporation funded by all Ontario municipalities whose role is to value and classify all properties in Ontario according to the Assessment Act and regulations established by the Ontario Government. Property tax rates influence the financial model, pricing and marketing of Common Roof initiatives.

Other policies related to the Assessment Act govern the conditions under which nonprofits and charities may be eligible to receive property tax rebates. One of the benefits of the Common Roof model is that New Path Foundation retains the ownership of the property and partners as

tenants can claim a property tax rebate, even after they receive a sustainability grant.

Recently the government departments involved in funding real estate purchases of nonprofits and charities have discussed the issue of legal ownership stake in those properties. New Path Foundation has been in discussions with ONN and other nonprofits about this new development. To date, New Path Foundation has not been required to have the government retain interest on title, prorated to their share of costs. The Ontario/Canada infrastructure grant did demand a legal commitment for the Foundation to utilize the Orillia site for purposes as described in the grant application. After ten years (2021), there will no interest on title of either the provincial or federal government, allowing New Path to liquidate the property if it wished to and retain all proceeds. New Path Foundation has structured their mortgages to account for this.

In future both Infrastructure Ontario and any new Infrastructure program announced by the newly elected federal government may also positively impact New Path Foundation and its Common Roof model. Infrastructure Ontario plays a role in supporting the Ontario government to modernize and maximize the value of public infrastructure and real estate, manage government facilities and finance the renewal of the province's public infrastructure. ONN's work with the province to ensure the community benefit sector has access to information on surplus government properties could enable New Path in the future to learn about properties that could be redeveloped using the Common Roof model.

### ***Other Enablers and Barriers***

To develop Common Roof a core group of champions brought together advisors and partners with a depth of knowledge and experience in social services as well as real estate and finance. The founding partners and their champions shared an entrepreneurial spirit, collaborative values, and a high degree of trust. The Foundation noted the importance of their experience in developing leadership and their knowledge of good leaders who were team players as contributing to the development of the enterprise. These enabling factors were nurtured over time through a close network of relationships.

The initial partners in the Common Roof initiative shared a long term vision and a clear and passionate focus on their joint mission to improve the lives of children and youth with mental health issues and their families. Key players had extensive experience with joint service planning and successful amalgamations within the service sector in Simcoe County that fed the CR initiative. Geography also played a role as a key factor here. Agencies operating in the region have fostered innovative ways to work together to cover a wide service area with dispersed population. Over time this has contributed to a county system of service. More recent shifts in population in the county - more people - and increasing demand for services coupled with funding cutbacks has led to increasing pressure within the nonprofit sector to collaborate and consolidate. The Common Roof enterprise has turned these barriers into opportunities.

The financial model built into Common Roof is a fit in a region where, in general, there is access to reasonably priced real estate, the rents are commensurate with costs of developing and maintaining the building, and the cost of rental is affordable for social service agencies. It is interesting to note that some partners in the initiative had experience in purchasing and managing real estate assets prior to developing Common Roof. This experience and their entrepreneurial focus enabled the Foundation and its Common Roof partners to act quickly when the property in Barrie became available.

Common Roof partners brought creative approaches to accessing financing and revenue to develop the properties. Utilizing funds granted to partners for the collaborative initiative, as well as the capital created through shared space and collaboration enabled the Foundation to successfully retrofit the first Common Roof in Barrie, and to leverage funds to develop the second Common Roof in Orillia. Ultimately the prospect of unrestricted grants for the partners, in addition to the affordable space and service collaboration built into the model, has been an important enabling factor in the success of Common Roof and a unique feature in the model.

Over a relatively short period of time, the Orillia Common Roof has grown to become a significant hub that has generated its own social capital that continues to enable the project's success.

One of the barriers faced by Common Roof and New Path Foundation is funding fatigue in the region. With reduced funding to the nonprofit sector relative to need and demand, and increased competition for funds, it is difficult for the Foundation to identify new sources of funding to continue to develop, evolve and grow their enterprises. To date, this gap has delayed the development of their youth social enterprise. Enabling new policies impacting social enterprise and community hubs may effectively advance the Foundation's work with service hubs and social purpose enterprise.

Challenges in identifying leadership and tenant-partners for their Orillia Common Roof attests to the fact that the model must be a close fit with the needs and current context of nonprofits in a region to be successfully implemented. A cookie cutter approach to replication will not work. The factors animating the significant success of the Barrie enterprise should be carefully documented to develop a checklist of characteristics for feasibility assessment.

Common Roof has already demonstrated considerable success with their Common Roof model with the development of two hubs within ten years. Enablers will continue to be the talented core team and committed partners who continue to breathe life into the model. Between now and 2018, succession may present a challenge in keeping the legacy of co-operation and the mission focus in tact as key founders may move on. The trends and context for real estate in Barrie and Orillia as well as mortgage interest rates will also be ongoing factors to be watched. It will be interesting to check back to document the impact of Common Roof as of their 2018 milestone when the initial partners in Barrie will be eligible to receive their unrestricted sustainability grants.

## Community Living South Huron (CLSH)

<http://www.clsh.ca>

### ***What Makes It Rural?***

#### ***Lack of adequate services***

With its small tax base and low tax rate, the County is continuously challenged to provide quality services such as health care and education. The relatively small population is aging and highly dispersed, leading to higher demand for services, but only limited ability to deliver them in an accessible manner to all residents (i.e. some areas enjoy close proximity to diverse services while other areas are far from many services).

#### ***Seasonal economy***

The agricultural and tourism sectors are very active in Huron County's economy. Both these sectors are effectively seasonal. The County experiences large seasonal population fluctuations as people summer in lakeside cottage communities. This influx increases demand for many services such as health care and emergency services and in key sectors like hospitality and retail.

#### ***Transportation infrastructure***

The County is well served by a network of Municipal, Provincial and County Highways, with large metropolitan areas in Ontario and the United States within an easy distance. A key industrial seaway depth harbour on the Great Lakes - St. Lawrence Seaway is located in Goderich, the County seat and largest town. Three airports and a private short line railway provide Huron County's industries and businesses with timely and customized carrier services.<sup>86</sup>

Huron County is a 20 to 40-minute drive from Stratford, Kitchener, London, and Sarnia; Toronto is a 2.5-hour drive away. There is no public transportation and limited private transportation in the County, although there is one bus line which runs from Owen Sound to London three days a week. Due to its large geographic area, transportation is a major County issue and residents are vehicle dependent. The residents of the south have easier access to urban centres, and therefore to employment, education and training, health care, and other services compared to those living on the County's northern edge. There are also more transportation options in the south of the County.<sup>87</sup>

Both ONE CARE Community & Support Services (adults with disabilities – South Huron) and Community Living (people with intellectual disabilities - Central Huron, South Huron, and Wingham & District) have set up transportation systems to provide for the travel needs of people with disabilities in the County.<sup>88</sup>

<sup>86</sup> "Economic Development," County of Huron (2016), accessed Jan. 28, 2016, <http://www.huroncounty.ca/econdev/>

<sup>87</sup> "What Huron County Offers," County of Huron and Economic Development Services (2012), accessed Jan. 28, 2016, <http://www.makehuronhome.ca/getting-to-know-huron/what-huron-county-offers/>

<sup>88</sup> Marr, Procter & Smith (2014). "Huron County Rural Lens: A tool to promote rural equity and inclusion."

## ***Overview of Social Enterprise***

Community Living South Huron (CLSH) is a 40+ year old charitable organization that is dedicated to providing support to people with intellectual challenges through education, advocacy and innovation. While their main office and activity centre is located in Dashwood, just outside Exeter in the municipality of South Huron, CLSH serves people with intellectual disabilities throughout a large region that includes Huron, Lambton and Middlesex counties. Based on the housing, transportation and support services needed for people with intellectual disabilities CLSH began to develop in these three key areas. CLSH currently operates three enterprises: a transportation system, non-profit housing, and two social purpose enterprises - a woodworking shop that specializes in building pallets and shipping crates and contracting services to small businesses in the area. As of early 2015, 100 clients are served by CLSH and the agency has an operating budget of 3.2 million dollars.

CLSH is an entrepreneurial organization that has been managed in a manner that has allowed it to accumulate assets through business activities to complement the resources that it is able to access through the Ontario government. CLSH operates as an agency under the purview of Developmental Services Ontario (DSO), a body “created to streamline the process of supplying service to those people and families who require Government supporting dollars to secure or maintain a decent quality of life”. Under the current model, agencies may not recruit directly from their communities but must advise DSO of any “vacancy” in order to be provided with potential candidates whom DSO believes “appropriate”. The candidate provided by DSO “may or may not be a ‘local’ candidate”. The relationship between DSO and its agencies is governed by the 2008 Services and Supports to Promote the Social Inclusion of Persons with Developmental Disabilities Act, which among other things is intended to include “person-directed planning... [to] allow people to receive direct funding... [and] increase accountability”. In the case of Community Living South Huron, this relationship is further mediated by the organization’s membership in Community Living Ontario and by extension the Canadian Association for Community Living and Inclusion International. All of these organizations and associations are united in their mandate to improve the dignity and quality of life of people with intellectual disabilities.

CLSH is committed to making the lives of people with intellectual disabilities as rich as possible. In addition to providing housing for some of their clients, through the seven homes that are owned and operated by CLSH, they provide day programs which include educational, social and work opportunities, transportation to their programming in their own buses, and one-on-one tailored coaching and support. While working within this provincial mandate to cover the ongoing expenses involved in operations and client support, through fundraising campaigns, bequeaths, and community support (such as through the Arc Angels Thrift Shop which donates a portion of its profits to CLSH), CLSH has been able to raise money to provide additional resources and infrastructure that would not have otherwise been available.

On a daily basis clients attending the day program can choose to join the social and educational activities on the calendar for that day or work in one of three areas. Calendar activities include, for example, a trip to a baseball game, art programs or involvement in a local community event. Work opportunities are provided under three umbrellas within CLSH. There is a “contract” area which takes in piece work from a variety of local businesses and can include orders such as making fire starters, stuffing envelopes, and piecing together door closure systems; on average 77 people work to fill ongoing orders and are paid an hourly wage for doing so. There is also a self-standing social enterprise, Dashwood Wood Products, operated as a subsidiary

of CLSH, where 11 clients work at stations to build pallets and stakes and participate in profit sharing from the business. In addition clients can assist with food preparation on a daily basis for the two breaks and lunch for day program attendees, as well as assisting with periodic catering contracts. Associated with CLSH is an outside cleaning business, where clients are paid minimum wage to clean local offices thereby providing another much sought after work opportunity. Staff provide training and supervision for all CLSH activities.

For job opportunities outside CLSH, clients are referred to Partners in Employment (PIE), a job placement and support organization that CLSH helped to start and co-funded along with other local agencies, providing \$23,000 in start-up funds. PIE is responsible for the Huron Perth area and works with clients with intellectual and other challenges that might make them more difficult to employ. The Manager of DWP is on the PIE board, providing an ongoing connection between PIE and CLSH.

### ***Development Path***

In 1968 a group of dedicated parents of young children with intellectual disabilities and the then public school inspector incorporated a nursery school, responding to the lack of educational facilities available for children with disabilities. For the first two years the expenses of the school were paid through donations and fundraising. In 1970 the school was taken over by the Huron County Board of Education. The school moved seven times before it was established at McCurdy Public School in Huron Park. In 1984, children who were high school aged moved to the Exeter high school as “students,” a key milestone in the provincial and local recognition of the need for education for children with disabilities and a step toward inclusion. The principal who pushed for the inclusion of these age-appropriate students to become part of the secondary school experience is the Executive Director of CLSH today. The provincial Bill 82, promoting integration was key to increased educational opportunities.

In 1972, after two years of fundraising for their own location, the organization that later became CLSH bought a 3.5 acre property from Dashwood Industries, a window manufacturer that was moving to a larger premises elsewhere, for a dollar. The property included a large brick house, used as the office, a 37,000 sq. ft. workshop and a storage warehouse across the street that burned down in 1982. Although CLSH was originally intending to locate in the more built-up area of Exeter, this opportunity led to the choice of location. The organization needed financing to pay for renovations and had a lot of trouble accessing it but was able eventually to get a mortgage that was still short of the amount they needed. Several board members agreed to loan the organization money. Within five years the mortgage and the personal loans were all paid off.

By this stage the original children from the nursery school were growing up, and the parents and Board saw a need for providing work experiences. With the purchase of the Dashwood property, CLSH had access to a large space for a variety of recreational, educational, and work activities that at the same time also provided an employment opportunity for many staff members, largely from local areas. The property therefore allowed for expanded programming, which was much needed for the young people with intellectual disabilities once they left high school as there were very few supports that these young people could access. The lack of supports was also an issue for their parents/guardians, some of whom were prepared to drive their children long distances to access the services and work or day program possibilities.

In 1974, under the name of ARC Industries (as CLSH was then known), the woodworking business began. Later, as Dashwood Wood Products, the products made by clients grew to include lawn furniture, with the product mix changing over time to fit the skill level of the clients better and to provide a workplace that was less stressful and output driven.

At roughly the same time as the woodworking business started, ARC Industries leased and later was given the first of seven homes that would become client group residences and at the same time purchased a van to transport clients to the day program. Community support was instrumental in both cases, with a local church purchasing the home and leasing it to ARC and the Lions Foundation providing funding for the van. The remaining homes were purchased by CLSH with funds raised from various sources.

In 1982 Arc Industries became Community Living South Huron, joining the network of Community Living organizations across the province. In the same year they bought a bus.

They now have three buses, which they now operate in addition to a van and three bus routes to pick up and drop off clients coming to the day program.

In 2003 the house on the CLSH property that served as an office and client space was torn down, and the current office building was erected to serve the staff and clients better and provide adequate space for the services provided by the organization. CLSH had a \$450,000.00 mortgage to cover the new construction, an amount that was paid off through fundraising and other sources of revenue in just over two years. According to the Executive Director of CLSH, the support from the community has always been exceptional as illustrated in the quick retirement of the 10-year mortgage.

The organization has continued to grow, both in the number of clients served and in the work and other opportunities offered to clients. There are currently two corporations operating under the name Community Living South Huron:

“South Huron Handicapped Services Inc. operates a non-profit organization and registered charity which provides accommodation and services to individuals with developmental challenges.” This branch of CLSH operates the housing and personal supports needed by residents.

“Community Living – South Huron is a non-profit organization providing support to individuals with developmental challenges to participate and contribute to all aspects of family and community life. It is a registered charity under the Income Tax Act.” This branch operates the day programs including the social purpose businesses.

Over its 40+ year history, CLSH has achieved many outcomes of note:

- **CLSH has social enterprises in housing, transportation and employment that fill gaps in provincial policies and funding**  
CLSH is involved in providing housing, transportation and work for people with intellectual disabilities. This is being done in an environment where provincial attention and budgets focussed on these areas of the lives of people are waning. It is through the dedication of the parents, community and CLSH staff that make it possible for CLSH to offer its clients all that it does. This rural community is well networked, and CLSH is well integrated into its fabric in many ways. The entrepreneurial spirit and financial support from community helps CLSH to survive.

- **CLSH is a major local employer**  
CLSH provides full and part-time employment to 75 people. This is a major contribution to the workforce available in this low population rural community. The economic spin-offs of this employment are substantial and have an impact throughout the community.
- **CLSH fills a gap for disabled people**  
In its early years CLSH was filling a large gap and addressed the shortfall in how youth with disabilities were treated/recognized. The founders saw the potential of having a place where their children could go that no matter their ability they would feel some success in what they were doing. It is always important to get people with disabilities to be part of society, and CLSH makes sure they get out and get socially involved in a lot of areas and are learning the skills to do that.
- **CLSH's social enterprises are sustainable but not necessarily profitable**  
CLSH is striking the balance between operating sustainable businesses and giving the clients a meaningful life. Work/recreation combination and wellbeing are outcomes that CLSH works for. Where previously there was an emphasis on work outputs, CLSH changed the mandate to be more moderate regarding obtaining contracts so that there is more time for teaching people and getting them into the community. "Most of them can't wait to come in everyday and do a good job. This is their life and they can't wait to come in every morning and start."

### ***Leadership and Partnerships***

Originally a high school teacher then a principal for 23 years in the Exeter area, Bruce Shaw volunteered as a fundraising treasurer for the local chapter of the "Association for the Mentally Retarded" and later became a board member of the local ARC Industries, again with a focus on fundraising. For various reasons ARC Industries had a series of executive directors and in 1997, when the organization was facing financial difficulties, Bruce in his role as board member proposed some possible ways forward. The Board asked him if he would be prepared to lead the organization in implementing those possibilities. Recently retired from the school board and feeling underprepared as he lacked a background in social services, he took up the challenge on a short-term basis, telling the board that "if at any time along the line anyone is unhappy with my performance I'm gone." What started out as a six month commitment has now lasted for 18 years. Bruce remains the Executive Director today and describes his job as being in many ways like a "principal's job" and says he loves it!

CLSH has a history of staff staying for the long term. Several staff members have worked for ARC/CLSH for over 25 years, and seem committed to continuing on there for the foreseeable future. There are connections among the staff that go beyond the workplace, with many of them being local residents and several of them having been Bruce's students many years ago. When staff members were asked what they enjoy most about working at CLSH, they consistently said it is the clients that make their work so enjoyable.

At present there are 37 full-time staff employed by CLSH, 40-45 part-time staff, and 7 staff members who assist in the resource centre. Staff cover administrative duties and run programming and work opportunities within CLSH as well as providing oversight and support in the seven group homes. Bruce Shaw is the Executive Director of the organization, there is a manager and supervisor assigned to Dashwood Wood Products, and a lead staff member for

the contracts and social/educational areas. The organization depends on the flexibility of its staff members with people covering off areas for each other when there is an illness or need. CLSH is a unionized workplace.

There are currently 13 directors on the CLSH Board. While originally the Board of Directors was primarily comprised of parents (now there are only 3), the majority of Board Members are now from the local community, some of whom were Bruce's former students. In addition to his management skills, Bruce has been skilled at attracting both funds and people to the organization; he is a valuable connection to communities beyond CLSH. Two of the board members were once staff members at CLSH, one of whom was a special education teacher both within CLSH and in the local school board.

### ***Revenue Generation and Social Enterprise***

Over the years CLSH has had various social enterprise businesses, some of which no longer exist as they were not viable for the clients and/or CLSH. One of the enterprises was a cake baking operation where members of the community could buy cakes baked by CLSH clients. The baking was the idea of a local resident who approached CLSH with the idea. In the end it turned out to be too labour intensive for the staff who very often had to do a most of the baking in order for CLSH to meet the demand. The catering, which is still ongoing, was scaled back to make it more manageable. CLSH has a willingness to try new ventures, but if they are not working for the clients, or if the staff can't fulfil the additional commitments while also meeting their broader range of responsibilities, the venture folds.

One of the most sustainable of the social enterprises has been Dashwood Wood Products (DWP), operating since 1983; it currently has \$250,000 in annual sales, and \$195,000 in expenses. Money is set aside for equipment replacement and repairs, and clients working in this area are paid a profit share in lieu of salary. The workshop is supervised by a qualified school teacher, Larry, who started with a temporary contract to find contracts for the workshop and who became a woodworker himself. He has now been with the organization for 37 years. The workshop is also supported by a manager, who also started on a temporary contract when he was just out of university; he oversees the business side of the workshop as well as working with clients at CLSH in various capacities.

Another social enterprise is CLSH's real estate holdings; it owns and operates seven homes that provide housing for people with intellectual disabilities. Six house CLSH clients and one provides housing for another agency at the request of the Ministry. CLSH would own and operate more houses for this purpose should government policy provide the funding required to operate them.

CLSH's enterprising activities have stood the test of time. Those contracts, woodworking, kitchen area were all in place 35-40 years ago. They seem to have found a niche. The woodworking area is not taking away from any other businesses in the area. This is also true of the contract area.

The DWP business depends on social programming to break even. If DWP had to pay for all its expenses it wouldn't break even. This is consistent with many other social purpose enterprises in the province. So CLSH leverages the social supports work in the organization to keep the social enterprise activities functioning. The organization supports this work so that clients have skill building and wage earning opportunities.

## ***Role of policy***

CLSH's development path in many ways mirrors and has been fundamentally influenced

by the changes in societal attitudes towards, and government policies dealing with people with intellectual disabilities. Based on newspaper and verbal accounts from staff and board members CLSH is well thought of within their broader geographical and social communities, and the agency management feels that it has managed itself and its finances well. As noted earlier, CLSH began due to a gap in government policy for providing formal education pathways for children with intellectual disabilities. It then developed to address other gaps, supported and often challenged by the government policies of the day.

Many significant policy developments and shifts have occurred over the 40 years of CLSH's history. They include:

- **Change in words used to describe disabled over many years**  
CLSH has scrapbooks of newspaper articles written about the agency, clients and fundraising events over the years that provide not only some of the history of ARC/CLSH but also illuminate how people with intellectual disabilities were referred to and considered in the society and government policies of the time. Article titles use the word "retarded" from the 1960s to about 1980 when the term became "handicapped." An upside to the move to a more individual approach to support, and a shift in how public policy situated people with intellectual disabilities, was the official removal of the label "retarded" from public references although the "Homes for Retarded Persons Act" governed the operations of group homes until approximately ten years ago.
- **Integration into mainstream schools was a major step**  
Educational Bill 82, enacted in 1985, required that students with various "disabilities" be integrated into mainstream schools. As of 1984 CLSH clients were for the first time considered to be students of the local school board, and this Bill further integrated them into the mainstream school system. At around the same time a teacher was provided by the school board for CLSH, to provide educational opportunities for its clients (students) onsite.
- **Move to more people out of institutionalized care**  
In 1987, a government document called "Challenges and Opportunities: Community Living for People with Developmental Handicaps"<sup>89</sup> called for a process to "gradually phase out institutional placement of people with developmental handicaps and [the] establishment of [a] comprehensive service system to give them all the support they require to stay in their home communities." As part of this policy change there was a move away from "sheltered workshops" such as DWP. While this community-based approach was well intended, CLSH pushed back on the provincial direction, arguing that not all of its clients were well suited to this approach to care, and that through the group homes provided by CLSH and others, clients had a great deal of independence and support, as well as the daily work and social activities provided by CLSH. With the move towards integrating clients back into their home communities, the government cut back funding for institutional care such as provided by the group homes and

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<sup>89</sup> Ontario Ministry of Community & Social Services. *Challenges and Opportunities: Community Living for People with Developmental Handicaps (1987)*.

programming through CLSH, and where DWP used to get 60-70% of its funding through the government, it was now less than 10% funded. It was therefore up to CLSH to raise funds to address the shortfall, and to keep their programming going through, for example, attracting outside business contracts. As a person from CLSH noted though, funding cutbacks “force you to be more creative.”

- **Provincial government support of unions challenges salary grids in Community Living organizations**

CLSH is supported in part by the Ministry of Social and Community Services. There have been cuts in government social services funding for each of the last six years which has significantly affected CLSH. In addition to potentially affecting service provision capabilities, there have been no salary increases for non-unionized staff.

- **Provincial government formulae and intake process make Community Living organizations vulnerable**

There is government control over how new clients join day programs such as CLSH provides. CLSH is assigned clients, based on space within CLSH's programs that fits the government formula of how many clients they can serve. Organizations such as CLSH are viewed as an iron-clad box. In reality it's a balloon. CLSH could take more people. People could come and go. CLSH could provide that without hiring extra staff. There has been a vacancy at CLSH for nine months but because of the Ministry's controlled placement it is still unfilled. This creates a threat for organizations such as CLSH since their staffing is linked to the number of funded clients.

- **“Passport Program” problematic for community agencies**

In October 2014 the Ontario Development Services announced the “Passport Program” which allows for recipients to receive government support payments themselves (rather than the money going to an agency like CLSH to provide programming and perhaps housing) or to allocate it to an agency. The program is said to provide more flexibility and an individualized approach for people with a developmental disability but is potentially problematic for both the clients and agencies like CLSH. It brings with it a level of financial instability for agencies like CLSH that are dependent on government funding for program provision. Clients and their parents/caregivers have more responsibility in spending the money, and agencies like CLSH could lose government funding as a result of it potentially being spent elsewhere (such as on bringing in caregivers, etc.) Parents of clients at CLSH have expressed concerns about the government's new approach and usually pass on the funds to CLSH as before. The new funding approach is also problematic for planning purposes. If a client chooses to leave CLSH's programs it is uncertain how much money was assigned to that person for CLSH's services and how that might differ with the next client filling the space. In the last 10 years CLSH has added close to 10 clients with no extra money coming in from the ministry.

- **Municipal planning processes do not support group homes in existing neighbourhoods and apartment buildings**

Planning and development at the municipal level does not support group homes in residential areas. Once homes are established and the residents get to know their neighbours that can change. One interviewee reported that “residents kicked up a fuss when we were planning a home and now the neighbours are helping residents out.” The municipality was forced to accept the fact that these are people who need a place to stay and that the place needs to be near other facilities—not out of town where residents can't walk anywhere. CLSH has a lot of clients that are on “independent living” but are

still part of a residence. There are people who need group homes, who need one-on-one assistance. Current policies won't let CLSH house many people in the same apartment, because the building would appear to be an institution.

- **Provincial policy on segregated workshops a difficult issue**  
The Province didn't want CLSH to operate a "segregated workshop". It was a very thorny time when the Province mandated closure because they weren't going to fund these workshops. Most workshops closed as a result. The CLSH board said "we're going to keep it open, if we have to run ourselves." They did run it themselves on fundraising money for quite awhile but eventually brought some of the expenses, such as salaries back into the provincial budget. Today, the Agency is in the same position it was 18 years ago – fighting the prospect of ARC having to close its doors.
- **Provincial policy on pay equity and unions needs appropriate budgets**  
Provincial policy froze salaries and at the same time included mandates such as pay equity where over ten years organizations such as CLSH had to increase the level of pay to employees. This all worked well while budgets allowed increases to cover pay equity, but then the Ministry froze the budget, but pay equity carried on. What can organizations such as CLSH do to shave off their budgets when they are still responsible for pay equity with no additional money from the province? The provincial government also wants to placate unions and so provides extra funding for salaries. This money is for frontline staff, but there is nothing for agencies or managers. Managers at CLSH haven't had a pay increase in five years. The frontline salary is getting close to managers'. There is an unfairness about that, and it leaves agencies with heavy responsibilities.
- **Province no longer pays for transportation**  
Situated in a rural area without public transit options, CLSH buses people (3 routes, 3 buses) to their facility. The Ministry no longer pays an allowance for transportation vehicles. They won't pay for the capital costs for buses and vans. That position leaves the onus on CLSH to figure out how to provide that service in three counties.

### ***Other Enablers and Barriers***

Community support is frequently referenced as being core to CLSH's growth and success.

A community of parents started this organization, and the broader communities in Exeter, Dashwood and surrounding areas of Huron County have been instrumental in supporting the work of CLSH through fundraising, creating community-based opportunities for CLSH clients, considering CLSH when outsourcing business contracts and placing catering orders through CLSH. Three volunteers support the work of the organization; one helps in the kitchen, one assists clients to make crafts and a third leads singing, reads and engages in puzzles and games.

ARC Angels is another example of community support that has been instrumental in providing volunteer opportunities for CLSH clients and financial support for specific CLSH needs. CLSH has also been able to connect in with other organizations, such as Big Brothers and Big Sisters, a mental health program and local boards of education to expand the opportunities and programming offered to clients.

While the organization has tended to be self-reliant regarding grants and business operations, Bruce meets regularly with the Huron Perth Providers Group, comprised of executive directors or other representatives of local agencies, where they discuss difficult situations and needs, share resources and find opportunities to cooperate across agencies. There is also a group focusing on programming for children in the county, and Bruce meets with them on a regular basis, as well as with the director of education for the local school board.

CLSH staff have networked with other Community Living organizations and there have been opportunities within the contracts, kitchen/catering and woodworking areas to share approaches with or receive contracts from other nearby Community Living organizations; however, it appears that, overall, Community Living organizations tend to run fairly independently of each other.

Due to staff business acumen, fundraising successes and the financial support from various Ministries, CLSH has been able to grow and remain sustainable for over forty years. Contracts for DWP and the contracts area tend to come from repeat clients; the relationships built between CLSH and local businesses have lasted for long periods of time and through word of mouth new business opportunities have been created.

While there are some younger clients joining CLSH's programming, in general the population served by CLSH is aging. Over time the interests and skill level of clients is shifting.

Transportation is a potential barrier. Huron County is a large, predominantly rural county and CLSH has clients sometimes travelling great distances to attend the day program. Ministry funding does not cover the purchase of vehicles, and therefore it has been up to CLSH and its supporters (such as the Lions Clubs, golf tournaments and ARC Angels) to provide the vehicles. Without transport it is likely that many clients who are currently attending the day program could not do so, and it limits the possibilities for creating work and community-based opportunities for individual clients. A lack of transport also limits clients in getting jobs outside CLSH as, unless private transport can be found, they lack a way to get to and from work. Public transport options in rural areas are generally very limited or non-existent, and Huron County is no exception.

Developing a new business plan for all of the social enterprise activity with CLSH would be an advantage. The business activities provide significant opportunities for clients; yet a regular review of business operations might lead to a plan that would strengthen all aspects of the businesses.

# Rural Social Enterprise and Community Capitals: Cross-Case Analysis

## The Context and Impetus

What we learned about the background context and impetus for the social enterprise's (SE's) studied for this research demonstrates how human capital (skills, knowledge and "know-how", etc.), cultural capital (community collaboration, entrepreneurial "just do it" attitudes, regional pride of place, etc.), natural capital (the land and its unique features), and in some cases built capital, contributed to or supported the development of the initiatives. Some of these capitals have distinctly rural characteristics.

### *Rural place-based cultures*

People involved in the four case studies have a strong cultural identity within their region. They demonstrate co-operative values and a predisposition to collaborate - co-operative cultural capital - as well as a typically rural attitude of self-help based on community and civic pride. The researchers often heard from site representatives "we are different"; this was because people related to their farming community, or to the past history of the region, or expressed their love of the land. In the case study sites there was also a high degree of civic engagement and volunteerism.

Built and natural capitals are embedded in the context of each case study site and these capitals also demonstrated uniquely rural or place-based characteristics. Natural capital, the land, was leveraged in all of the case study sites as a foundation for the enterprise; that is, for farming, land regeneration and environmental sustainability, and/or as new sites for built capital. Land in northern and rural areas is more available and may be underutilized or in need of stewardship and present opportunities for social entrepreneurs to innovate for community development.

### *The context for each Social Enterprise is unique*

Each case study site operates in a unique context. All of the initiatives mobilize existing capitals and build on them. For example:

- New Path Foundation is situated in a service region and human services sector that required co-operation to effectively address the needs of families living across communities throughout the County. Collaboration was built into the Common Roof partners' service approaches and trust among like-minded agencies has been fostered over time. They were not as geographically isolated as were other case study sites, making shared working space a viable strategy. They were also in a region where there was little or no conflict with existing social purpose real estate and/or other businesses offering co-working opportunities. New Path Foundation and some of their partners had experience in leasing, purchasing, and developing real estate and created a fit-to-purpose hub facility for the founding partners.
- Abbey Gardens is in a mid-northern region with an environmentally conscious history where farms are commonly hobby farms; the topography makes large scale farming unviable. The organization started from an ambitious vision for an iconic project rather

than an expressed community need, yet it focused in on various social, environmental and economic goals that connected with the local community. These goals included providing a venue for environmentally-oriented work, growing crops in demonstration gardens that showcased small scale growing/farming techniques, and building a sense of community across the different distinct groups of people living in the area (residents, seasonal dwellers, tourists).

- Cloverbelt Local Food Co-operative was developed in an area in Northern Ontario that had good soil but was not zoned agricultural. The farmers needed to generate more income from their land assets and local residents wanted more access to local food. The link to the Kenora District Soil and Crop Association and the local Agricultural Society was strategic, assisting in gaining farmer buy-in so that the concept of the distribution co-operative would be well received by producers.
- Community Living South Huron (CLSH) has a distinct rural culture with a conservative attitude towards service provision. Drawing on personal and business relationships in the region, and working within rural networks, parents and staff were able to provide people with intellectual disabilities with housing, transportation, and work opportunities.

### ***Social enterprises respond to place-based challenges and opportunities***

The four rural social enterprise development case study sites responded to place-based challenges and opportunities. Each initiative was led by social entrepreneurs with a vision to address specific issues in their region in an historical context. The challenges or opportunities they responded to related to the various capitals; these included building inclusive economies and growing the human capital of people with disabilities or those without jobs, increasing the financial capital of farmers, regenerating the natural capital of a gravel pit and utilizing more northern land for growing local food, teaching people how to engage in environmentally sustainable practices thereby increasing human capital through skill building, or providing meeting places and co-operative service environments through strategic use of built capital. When local leaders developed their visions for their community enterprise they sought to leverage other capitals in the process - cultural, built, natural capital, and in some cases local financial capital.

- In Haliburton, the vision and passion behind Abbey Gardens stems in part from their experience of past Provincial governments eliminating local built capital assets by selling off valued environmental education institutions. This history and cultural capital in part inspired a group of people committed to regional development and environmental causes to support the vision of revitalizing a gravel pit and restoring it back into a valued and sustainable natural asset, while creating a site on which to enhance and strengthen social, cultural, built and financial capital.
- Cloverbelt Local Food Co-op was focused on supporting area farmers' access to local markets, and building consumer access to local food and producers. A co-operative model was most viable given the distances and the multiple stakeholders in their social/capital networks required to make it work. The enterprise also capitalized on a northern identity or culture characterized by collaboration, valuing of resilience and a desire to be less dependent on outside resources that manifested in an interest in supporting regionally grown or produced food.

- Community Living South Huron wanted people with intellectual disabilities to be included in, and contribute to, society and for them to be able to earn income and have the dignity of a job. To do so they needed an education, independent places to live where they could still be supported as needed, and suitable opportunities to earn an income close to home. Through this vision CLSH aimed to impact cultural capital through their social enterprise activities by showing the value of persons with disabilities. They also drew on and boosted their political and social capital, and generated financial capital including income for their clients, staff, and the community of Dashwood.
- The Common Roof model was conceived by New Path Foundation and their partners when they were tenants in the same rented building. With no involvement in the management of their leased building, they saw an opportunity to improve their working environment and potentially lower their costs (immediately or in the longer term) by developing their own unique hub model combined with social purpose real estate. It was envisioned that this would free up financial capital for operations, while creating opportunities for synergies and greater service impact through collaboration. Developing built capital (the vacant building and its municipal services), New Path Foundation drew on political, social, cultural (organizational and County), and financial capital to realize their goals of buying a building, and later a second building, and offering a financially viable model for co-working and sustainability grants for partners.

The case studies thus show how rural, place-specific, cultural, natural and/or built capital can be put to work to address community issues such as employment for people with disabilities, local food literacy and distribution, co-location and service coordination, and environmental education and land reclamation. The enterprises were able to lever community wealth by seeing opportunity where others might see only deficits. The case studies challenged assumptions about people, food, the use of real estate, and nature.

### ***All case study sites used a clustering of capitals***

In each case study site there were clusters of capitals available for mobilization. The dynamic between capitals was activated by and dependent on the people present - the human capital. This knowledge and experience decreased the risk, and increased the opportunity for the SE.

Engagement of people and their skills in the study sites focused on a shared vision for local development. Each site demonstrated high degrees of existing human, cultural and social capital, with some building on or building up natural, financial, political and built capital, much of which was directed towards achievement of the development vision.

- Abbey Gardens had an economic and environmental vision built on natural capital. The key people involved had business acumen, personal networks, and financial means. The idea was initiated by the founder who then shared the vision by bringing together friends and other potential champions through local events and presentations. They brought the Community Futures Corporation and the owner of a gravel pit onsite. Together they began to envision the opportunity, and developed the plans for the site to become the location for a number of ideas as economic drivers as a hub for regional economic, social and environmental change.

- Cloverbelt Local Food Co-op accessed significant human, natural, and built capital. Farming communities have a specific culture that is wary of change yet key players in the initiative were able to build trust and capitalize on the opportunities afforded by other cultural capital such as the values of self help and co-operation. The co-op came together through the alliance of a long standing member of the farming community, and Jen, who was viewed as a part for the farming community because her husband is a vet, and they raised farm animals themselves. A faculty member from Lakehead University, added academics credibility to the idea of the co-op by providing a broader context and impetus for the co-op's formation. Other business leaders championed the idea of a co-op, and the municipality was also very supportive. Collectively, they developed a virtual financial model for moving food across the north through an online farmers' market. Cloverbelt co-op's physical assets were mobilized as a result of social capital/networks; that is, their location and office spaces were provided at no charge by local associations and businesses.
- Community Living South Huron started with the social capital among people who had intellectually challenged children in the region and their belief in the capabilities of persons with intellectual disabilities which is also characteristic of the Community Living movement. Over the last 40 years they have leveraged their human capital (knowledge and skills), political capital (ability to work with the local municipality, County, and various Ministries), built capital (the buildings and renovated offices), and social and cultural capitals to develop an organization that provides housing, care, and economic opportunities to its clients.
- New Path Foundation and Common Roof leveraged significant built and financial capital throughout its history of development. Buildings changed hands, real estate from multiple organizations was sold, and organizational budgets were tapped to generate capital, creating a financial foundation to develop and operate the Barrie Common Roof building. Significant social and positive cultural capital were evidenced early on in the networks of people engaged and their level of support for collaboration. Human capital was present in their entrepreneurial and business savvy to create a flourishing co-working environment and real estate assets that will appreciate in value.

### ***Enterprise sites leveraged capitals that were surplus or underutilized***

The case study sites had access to capitals in their regions that were underutilized or ready to be utilized. The founding social entrepreneurs identified the opportunities to build on one or more of these capitals.

- The parents and advocates who founded **Community Living South Huron** believed in the undervalued and underutilized contributions that people with intellectual disabilities can make. This belief led to the development of the CLSH community that offers many opportunities for intellectually challenged people to be civically engaged. CLSH was also able to leverage local financial capital when they were approved for a mortgage. This financing was just short of what was needed to complete their redevelopment of the Dashwood site. To fill in the gap in the construction financing, each board member put in \$5,000 of personal funds. They mobilized their own capital, which was paid back within a year.

- **Cloverbelt Local Food Co-op** garnered significant local political capital given the traction of the local food distribution idea had and the people they brought onside who were in a position to make decisions for the different stakeholder groups involved. Various capitals were mobilized and directed through their incorporation as a multi-stakeholder co-operative. There are now many organizational members who support the co-op and are actively linking the organization to other initiatives throughout the north.
- Through the **Common Roof** model, New Path Foundation found a means to mobilize and reinforce social, human, political and cultural capital to create built capital. Common Roof was able to seize an opportunity in its community to take over and renovate an unused community asset - the building that now effectively houses their service partners in Barrie. It did so by leveraging their knowledge and expertise, and the social and political capital readily available through the culture of sector collaboration pervasive among the like minded organizations. Bringing these groups together in a co-sharing office space, they facilitated and bridged social capital and enhanced their partners' financial capital, resulting in affordable fixed rents for tenants, long building tenure, shared office equipment and services, a venue for sharing ideas, and a collaborative environment for building joint ventures together.
- **Abbey Gardens** was founded to develop an unsustainably utilized natural asset - rural land on the edge of a regional highway. In doing so the founders created bridged social capital by bringing groups together that might not otherwise have connected. Their vision to revitalize a gravel pit into renewed natural capital that connects the community with environmental issues aims to expand social and cultural capital in the region. Through the generosity of the benefactor, Abbey Gardens leveraged existing local financial capital to grow more financial capital to sustain the SE and to work towards realizing its multi-pronged regional development vision.

### ***Access to affordable land and buildings makes it easier***

Land is generally more available and cheaper in rural areas than in urban areas, even to the extent that rural areas often possess poorly utilized or under-utilized land or vacant buildings. The SEs in this study took advantage of affordable land and/or buildings for their ventures.

- **Cloverbelt Local Food Co-op** is creating avenues for farmers to sell their produce and livestock locally, to build a more viable income from their farming. The co-op producers are using agricultural land that is not designated by OMAFRA as agricultural land, thereby generating an income from underutilized land. These farmers, foragers and other food producers are working under the auspices of agricultural and other policies that do not support local food production on a small scale. Cloverbelt's offices are in a building that was under-utilized and could thereby offer space at no cost. Their Dryden distribution point creates additional usage for the Agricultural Society's building. Their greenhouse is built on City land that was unused. The farmers and other co-op stakeholders (consumers and institutional members) are highly motivated. CLFC is therefore leveraging excess built, natural, cultural, social, and political capital.
- **Abbey Gardens** has established a retail food hub and vegetable gardens, served as a business incubator, and is in the initial stages of revitalizing the gravel pit on what was unsustainably utilized rural land. Thanks to a benefactor that made the initial purchase

and funded start-up costs, Abbey Gardens is able to fulfill a community need for reasonably priced space to launch small business ventures, as well as to regain natural capital in the area.

- The offer of a manufacturing facility, house, and land for \$1 provided **Community Living South Huron** with sufficient space to provide work, skills training, and a day program for people with intellectual disabilities. There may have been few other prospective buyers for the one-time manufacturing facility when it came for sale in a rural area. A prominent local family who owned the property made what could have become vacant space available to CLSH.
- New Path Foundation and its founding partners saw an opportunity to buy a vacant building to create a shared working space. Partners contributed financial capital to purchase the first **Common Roof** building. New Path relied on their significant human and social capital and the partners' financial capital to create the financial model, formulate the offer, secure the mortgage, complete the legal transfer, and develop the building. They recognized that government funding likely would not be enough to sustain the partners' organizations in the long term. Rather than sit back, they took ownership of the situation and realized that with their innovative model they could provide a better working environment for social service nonprofits, while controlling operational costs and generating financial capital in the form of unrestricted grants to cover future services.

### ***A developmental period led up to the launch of the social enterprise***

Most of the case study sites had a history of experiences and expertise leading up to the formation of the social enterprise. This included involvement in precursor social enterprises, experience with the purchase of buildings, programming and community interest in food literacy and food box programs, pre-existing collaborative relationships, and/or a background of environmental activism in the area.

- More than 40 years ago parents of young children in South Huron County wanted to have educational opportunities for their disabled children. They originally formed a nursery school and as their children grew up they developed further services and supports for them to be engaged young adults and adults, to build skills, and to have a community in which to belong. They needed housing, transportation and work and **Community Living South Huron** eventually grew into an organization that offered all of these opportunities through their social enterprises and programming.
- The original partners that formed **Common Roof** had a previous history of collaboration that helped to lay the foundation for their co-working model. They had experiences with shared leasing of offices, ownership of property, and mergers in their sector. They had dealt with their own real estate and service planning challenges. The mental health services sector in the County had a history of collaboration. The founders of **Common Roof** demonstrated an entrepreneurial bent in their past service development and operational efforts. New Path Foundation formed a Board that brought together talented and entrepreneurial people with real estate, legal, banking, and social services experience and the local contacts that provided the financing and approvals needed for the first **Common Roof** venture to go ahead.

- **Cloverbelt Local Food Co-op** started in 2013, yet the background work for the co-op started several years before with studies of the local land and livestock, and a feasibility study on operating a local distribution co-op. There were also other proceeding efforts including an annual Kenora Soil and Crop Association conference that brought local farmers together, a farmers' market and a "Locavore Box." Community groups were therefore already working on how to access more local food for the Dryden community, but there hadn't yet been the leadership and momentum to launch a co-operative distribution service. That changed with a community meeting in 2012, and the arrival of a knowledgeable and connected newcomer to town who offered to take on the leadership to launch the co-op along with a group of committed volunteers who were willing to be hands-on Board members.

### ***All case study sites challenge common assumptions***

In all four cases the social enterprises are challenging the way their sectors, contexts (geographic or other), or clients are perceived; in doing so they have been intentional at the outset in their efforts to counter negative cultural capital or values and to effect positive change in specific capitals and in the dynamic between the community capitals over time.

- **Cloverbelt Local Food Co-op** is challenging what is available in their local food chain. By linking producers and consumers through the co-op they have positively affected revenue sources for farmers and provided local people with access to food from their region. Their producers are impacted by many agricultural policies that are designed for large scale agriculture. There is also significant interest in traditional foods harvested or produced by aboriginal people and other northerners but foraged food, fish and wild meat can't formally be distributed without licenses. These foods remain part of the informal food chain in Northern Ontario, passed among families and acquaintances.
- **Community Living South Huron** is challenging the role of people with intellectual disabilities by assuming that they can all be valuable contributing members in society. CLSH is building a community and supporting people to have a home, friends and work. They are intentional in providing housing, transportation and work to improve the quality of life for their clients.
- **Abbey Gardens** challenges assumptions about land use, environmental sustainability, and local food. They have fostered the bold idea of transforming a gravel pit by turning it back to uses that will feed, teach, and nurture the community and provide employment in region that is not traditionally a farming region. The connection to the broader environmental movement, regional economic development, and sustaining the natural capital of the region are all core to their mission and the evolution of their social enterprise activities.
- **Common Roof** challenges the assumption that real estate models can't be structured to benefit charitable organizations and their clients, to improve service delivery and non-profit operational sustainability. By creating a viable financial model where organizations pay market rate rents and agree to lock into a ten-year rental agreement, New Path Foundation has been able to develop and maintain two service hubs to date that house like-minded organizations in Barrie and Orillia, with other possible sites to come. The financial model is an innovation that promises to provide sustainability grants back to partners thereby enhancing their financial capital.

## **The Idea and its Champions**

The social enterprises studied began with a small cluster of people who had an innovative idea and took on the role of leadership as community champions and social entrepreneurs. They were able to identify local/regional issues and opportunities and leverage community capital to bring their idea to life and make positive change in their communities.

### ***Key people leveraged their knowledge, connections***

Human capital, or the knowledge, talent and skills of the core leaders of each initiative, was central to idea generation and the initial development of the enterprise. The right people were present for the early stages and the launch. These were community members with credibility, skills, and knowledge of how to get things done.

The founders engaged a core group of champions in their work, and through these close networks (bonding social capital) they leveraged other supports including bridging social capital. In Ontario and in rural regions there aren't significant systems for support for social enterprise development. Yet the founders and champions were truly entrepreneurial in their efforts. They pulled together their own tailor-made support systems, drawing on skills and networks of trusted others.

### ***Initiatives led by innovation and vision***

The founders and leaders led with vision. Their enterprises started from a 'here's what we want to do' proposition, for example, a vision for saving money, creating a hub, developing an iconic community project, providing employment, then figured out how to do it. The leaders' views on the opportunities or challenges they wanted to accomplish were much bigger, more integrated and longer term than a single project or program. Passion, resilience, and workarounds were all needed to make the enterprises a reality. The systems or integrated view of change shared by the enterprise leaders is a good fit with the cross sector, multiple bottom line approach of social enterprise.

As the founders challenged assumptions, they also opened up new opportunities. Cloverbelt Co-op and Abbey Gardens, while both challenging assumptions about local food systems and land use, have capitalized on their local natural assets to prompt more production and distribution of local food. New Path Foundation through their Common Roof initiative and Community Living South Huron have a long view of sustaining services and contributing to the livelihoods of their clients. This is breakthrough work with far reaching objectives.

### ***Leadership teams were made up of highly collaborative people***

In all of the case studies the development teams involved at the outset were characterized by "bonded" relationships based on mutual respect, collaborative values, and trust. These champions used their collaborative values and leadership skills, knowledge and connections to bridge to and engage other individuals and organizations.

## ***Human capital leverages social capital***

Champions brought links to other organizations and individuals helped to build up a unique network of support across sectors.

- At **Cloverbelt Local Food Co-op** a key representative from Lakehead University was part of the leadership team. Her commitment to the co-op was very personal because of her interest in and motivation for food security in the north. She became an ally to the Chair and together they built a beneficial relationship bringing university resources and credibility to the work of the co-op. She also knew about various funding opportunities and acted as a partner in several successful applications.
- At **Community Living South Huron**, the Executive Director became involved when he was the principal of the local high school at the time when there was a movement to include people with intellectual disabilities into the high schools. He later joined the Board and brought his knowledge of how to work effectively with people with intellectual disabilities, their parents, guardians and advocates. Bruce was also instrumental in developing a Board that has on it the kinds of expertise that makes the programming and financial operations of the organization successful.
- The founder of **Abbey Gardens** pitched his idea to several key people in the region and garnered the support of the gravel pit owner, the local Community Futures Corporation staff, and a core group of talented and connected community leaders who championed the idea to its launch, some of whom joined the Board, while others continue to contribute in other ways.
- New Path Foundation has had visionary leadership in their Executive Director. With his collaborative skills and professional and service networks he recruited a design team and service partners to develop the **Common Roof** concept, and later brought in the Foundation's talented staff team including the Director of Strategic Initiatives and the Finance Director to operationalize the model. The New Path Foundation Board has demonstrated business acumen and connections that assisted in designing the SE model, organizing the purchase of a building and its mortgage at short notice for a concept that didn't quite fit traditional financing models, and creating a financially sustainable model for a collaborative service hub and shared working spaces. The new location in Orillia has tested and stretched the model, in that the Orillia context is different from Barrie, and the partners and tenants bring different cultures and connections to the workplace.

## ***Credibility and track record improve success***

The human capital and core networks in each site included rural people who all had a high degree of credibility and skills. These were people with a track record and resources needed to make the initiative work. They had sufficient human capital and supportive social networks such that when they encountered barriers, for example naysayers, feelings of competition, grant or financing turn-downs, and unsupportive policies, they were able to keep the development of the enterprise moving forward.

## ***Newer residents were some of the drivers behind the SE***

The core leaders in three of the initiatives studied included “rurban”<sup>90</sup> folks, newer migrants to the particular rural or northern community, who were recruited into and/or became central to the initiatives. They came to the region for many reasons including quality of life, past history in rural, living closer to nature, being committed to the environment. All of the key champions, regardless of whether they were originally from the area, demonstrated a pride of place that led to civic engagement and a desire to bring greater good to that community.

The people “from away” who settle in rural communities are often well educated and come with resources and other networks outside the region that they can leverage to build a successful enterprise or initiative. There are very few studies about “in migration” to rural areas yet this research has identified that these newer rural residents can contribute and leverage capitals for the development of innovations like social enterprise.

Leaders who migrate from urban to rural communities may find there is more room to influence change in a smaller community and a more mutually supportive environment than in urban areas. In the research case studies there was a sense from the “rurban” leaders that they would take the risks, even challenge local norms or cultural capital, where other locals might not have so readily.

- At Cloverbelt Local Food Co-op, two of the core leaders resettled in Dryden from Southern Ontario. The president of the co-op came to town with her veterinary husband, her children, and an expressed desire to access organic local food. Jen offered her leadership as a volunteer with a “why don’t we just do this?” attitude. She leveraged her own contacts in the local organic food co-op network. She was also accepted by the community given that her husband is a veterinary who has credibility with the agricultural sector.
- The founder of Abbey Gardens was from a more southerly rural town and a cottager in the Haliburton area, who had been living in Asia for several years where he operated a very successful business. He purchased land while still overseas, and built his retirement home and an international retreat centre in Haliburton County. After resettling he soon came up with the vision for Abbey Gardens. The Board of Abbey Gardens has been a mix of people who live in the area, cottager in the area, or live in Peterborough, bringing a variety of networks to bear on the project.

## ***Social enterprise activity engages volunteers***

Each of the case study sites mobilized a large number of volunteers to engage in aspects of the business development process. At start-up the social enterprises were characterized by a high engagement of volunteers. For the longest standing enterprises studied, volunteers were involved in more limited ways.

- At Cloverbelt Local Food Co-op the participation of volunteers continues to be essential and the co-op could not function without them. Board members work on many aspects

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<sup>90</sup> A term used by the research team to refer to people with a strong affinity to rural regions who had moved to the rural community from an urban centre.

of the co-op including managing the on-line ordering system, and the president of the Board has a very hands-on role in running the co-op, along with the newly hired manager. Volunteers also fill orders on the delivery days. Until the spring of 2015 Cloverbelt had only one, ten hour per week employee. The remaining work was done by volunteers. In 2015 Cloverbelt has been successful in accessing a number of grants that are time limited but pivotal in the growth of the co-op by providing them with funds for dedicated staff and projects.

- Abbey Gardens has large volunteer contingent, currently at 60 volunteers. They see volunteer engagement as community development, as a way to reach out into the region and/or to draw diverse people to their hub to create community and learn about local food and environmental transformation.
- Community Living South Huron does not involve many volunteers, aside from Board members. A few come into the centre to assist in the kitchen or contribute to programming. The used clothing store adjacent to the Centre is run entirely by volunteers and a major portion of the revenues generated by that nonprofit is donated to CLSH.
- Common Roof is operated as an enterprise by the New Path Foundation, which does not provide direct services to client groups. Therefore their need for volunteers, aside from the board of directors, is fairly limited. Currently volunteers do assist with event support at the annual signature event, “Not Just Jazz” and periodically they help with administrative duties at the reception desk in Barrie. However each of the partners in Common Roof engage volunteers in a variety of ways. Their youth clients are actively involved including in taking the lead on planning annual meetings.

## Structuring the Enterprise

More formal structuring of the initiatives happened at a time in their evolution when champions wanted to build more sustainable and impactful projects. For most of the projects studied the formality of the structure ensured the long-term legacy of the development and expressed the founders’ intentions to make their vision a reality.

### ***Organizational structures evolved to respond to local conditions***

The process of giving form to the idea involved capitalizing on and further reinforcing the local cultural capital, such as self-help and collaborative values, civic engagement and service, and appreciation and commitment to preserve the land, while at the same time leveraging the significant human capital and core networks of the founders.

- Collaborative values in the northern region were built into Cloverbelt Local Food Co-op’s co-operative structure.
- Civic engagement and inclusion of persons with disabilities was part of the DNA of the Community Living South Huron enterprise.
- Love of the land was the common interest of people involved in Abbey Gardens’s case.
- The service and collaborative culture in Simcoe County and specifically in the youth mental health sector were built into the mission of the Common Roof in Barrie.

## ***Formalizing structure enabled expansion of human and social capital***

All of the sites designed their structures using the significant knowledge and skills of their core teams, and grew their capacity by inviting other highly knowledgeable people to become involved.

The enterprises expanded their social networks, or social capital, by recruiting new Board members, program participants, customers, partners, tenants, donors and volunteers as they launched and developed. While social capital helped in the formalizing of the initiatives it has also been a significant natural outgrowth of all these projects. Formalizing their structures helped the study sites to achieve greater reach and set the stage for more impact.

For some the structuring of the project meant building in more community engagement and accountability, bridging their “bonded” social capital or more closely knit network of champions to a larger group of people to share and animate their vision.

- The founders of Abbey Gardens, for instance, had already formed partnerships and tested the ground for their gardens before they incorporated as a nonprofit trust and applied for charitable status, but their incorporation consolidated their vision and enabled more partnerships and community engagement to happen.
- Several of the people and organizations involved in Cloverbelt Local Food Co-op had been working together for some time on food insecurity and local food distribution before they rediscovered a feasibility study for a co-operative distribution hub that had been commissioned several years prior and followed through on its recommendations. Formation of the multi stakeholder co-op allowed them to engage with all of the key stakeholders groups in testing and expanding the ground for more local food production and distribution.
- For Common Roof, formalizing and developing the first project in Barrie allowed them to engage more actively with their partners, their clients and other community members, and laid the ground for the partnerships and tenant relationships built into the subsequent Orillia project.
- Once Community Living South Huron’s pallet business was operational it developed a local customer base and provided work and earning opportunities for people already involved in housing or support services operated by the organization. It also attracted clients from neighbouring counties.

## ***Corporate structures fit the functions of each social enterprise***

In each case, “form followed function”. All of the initiatives utilized different corporate forms or structures to creatively house and operate their enterprises; most applied several.

- Community Living South Huron had years of experience managing housing as an enterprising strategy, and had already tested social enterprise as a means to employ persons with disabilities in the past in the form of a local bakery. Given their multi service approach and history of managing multiple assets to address the developmental needs of their clients, they organized their palette business as a division of the parent organization.

- New Path Foundation became the structural home for the Common Roof enterprise. They contracted partners through long-term leases, and revised their charitable objects to enable them to be able to pay out the unrestricted sustainability grants after 10 years.
- Cloverbelt Local Food Co-op used a unique multi stakeholder co-operative structure that was an excellent fit with their purpose and with the northern culture and practice of collaboration and integrated planning.
- Abbey Gardens started as a nonprofit and soon applied for charitable status recognizing that part of their mission involved charitable objectives.

### ***Organizational structures led to growth in financial and built capital***

With structures in place, the initiatives studied were able to access as well as generate financial and built capital that was not previously available to them.

- New Path Foundation now provided a structure to direct partners' resources towards development of the Barrie Common Roof project. As well they were able to capitalize on funds held in trust from the sale of another property in Orillia, and leverage the value of the Barrie building in part to develop their Orillia Common Roof. They also were in a position to apply for further Infrastructure funding to complete that project.
- Abbey Gardens could now access a variety of grants to begin educational programming and build up their garden and built facilities.
- Cloverbelt Local Food Co-op was offered space by the municipality to build a greenhouse and they utilized a crowd-funding platform that leveraged their social capital to generate additional funds to build the greenhouse.
- Community Living South Huron bought a building that was originally a woodworking shop so were able to use that asset to equip it for production of saleable wood products.

All of the initiatives began to generate revenue as nonprofit enterprises.

### ***The organizations had hybridity built into their structures***

Interestingly the initiatives studied did not identify as social enterprises at this early stage of their development. Their attention was focused on their mission and how to realize their vision in the longer term.

Each of the case study sites demonstrate how nonprofits are using existing structures, including their nonprofit incorporation and letters patent, their charitable registration, and various other accounting and contracting tools, to creatively address their integrated purpose and hybrid social, environmental, and economic goals. Hybridity is embedded in these enterprises. One form of enterprise model is unlikely to have been a fit for all of the enterprises studied.

## ***Structuring is first step towards succession***

Structuring the initiatives also began the process of moving beyond the founders' own vision and capital – their skills, resources, and close networks – to engage others in making the enterprise a success. This meant spreading the risk by not relying on only a few key individuals. Without this distribution of risk, if the founders moved on, all of the other capitals – social, built, cultural, political, financial and environmental – might be at risk.

## **Model Testing**

### ***Social enterprises now have traction***

As of 2015 all of the case study initiatives have operationalized their mission through programming and enterprising activities for at least five years, with the exception of Cloverbelt Local Food Co-op, which had a 10 year development timeline and has been incorporated for two years. In doing so they have set in motion a change dynamic where all of the interconnected community capitals are at play.

Each initiative has moved beyond the status of a project to become a full scale enterprise or organization.

- Cloverbelt Local Food Co-op and Abbey Gardens are growing rapidly though they might still be considered in the launch phase.
- Common Roof has consolidated its Barrie enterprise operations and has replicated the model in Orillia.
- Community Living South Huron's Dashwood Wood Products (DWP) has been in business now for more than 20 years.

### ***Enterprises rely on support of founders and other sources***

All of the initiatives studied have paid staff dedicated specifically to the enterprise. While earned revenue is growing, they have relied to varying degrees on the value of other contributions such as grants, in kind support, the infrastructure of parent organizations, and volunteers to address their multiple missions. Even as financial, social and built capital grow, the founders continue to draw on their own core capacities including their skills, knowledge, financial capital and core networks to ensure success.

- Cloverbelt Local Food Co-operative hired a part time co-ordinator after incorporating. Since start up they have counted significantly on volunteer hours as well as contributions from the City of Dryden, the Agricultural Society and the Community Futures Corporation to sustain operations. The engagement and investment of these partners and volunteers in the Co-op has deepened commitment to the mission and has, in turn, resulted in new financial, social, built, and political capital for the Co-op and the surrounding community.
- Community Living South Huron's Dashwood Wood Products enterprise employs the resources of the parent organization for financial management, and job coaching which is a contribution for the social aspect of the business.

- Abbey Gardens is generating revenue from sales and has had progressively more success with their funding proposals, but the early stage of their work has meant that they continue to rely on the financial and moral support of its founder and other champions, volunteers and donors to operate.
- For Common Roof, while the Barrie project launch was very successful initially in generating the revenue required to be sustainable, the need for a new roof meant that their formula for paying back partners through sustainability grants had to be pushed back two years. The Orillia project has drawn significantly on the resources of the Foundation due to the time it has taken to engage new tenants and partners without the depth of relationship and trust of those who came together in the flagship Barrie building.

### ***Social enterprises face challenges in breaking new ground***

The launch and consolidation of any enterprise is a risky and creative process of testing and “tweaking” the business model to achieve the desired outcomes. Entrepreneurship requires considerable investment from founders and their champions and a capacity to adapt and flex to address changes in the market, the policy or political context, and access to financial capital. For nonprofits whose enterprise models must balance social, financial, and environmental missions, the proposition is even more complex. Each of the rural social enterprises studied have experienced both successes and challenges in balancing their financial needs and goals, with their social, environmental and cultural missions.

Just as some businesses break into new markets, as social entrepreneurs the founders of the rural enterprises studied have taken on a social and economic challenge as part of their *raison d’être*.

- New Path Foundation and its partners, for example, by building more collaborative spaces and processes into their Common Roof model, are challenging a system of service that has become exceedingly siloed.
- Cloverbelt Local Food Co-op aims to address food insecurity and a lack of access across the North to local food while supporting the livelihoods of local farmers. They’re breaking new ground in the local food field.
- Community Living South Huron is creating inclusive employment for people with disabilities – something the mainstream market has not been able to do.
- Abbey Gardens is remediating land and putting it to the service of the community while educating about healthy food and incubating local businesses to create jobs. They are challenging the status quo in doing so.

In all of these cases the organizations are utilizing a social enterprise model to address local needs and specific gaps in the marketplace that are not currently being met by private businesses or government. This has made their development paths all the more demanding and their missions more compelling.

## ***Economic model serves mission goals***

The social enterprises studied did not prioritize their financial model over the social or environmental aspects of their enterprises. Feasibility assessment was built into pre launch decision-making and business model development, yet in all cases the initiatives were not started solely or primarily on the basis of their promise of financial return. Long-term community benefit, as expressed in their vision and mission, drove development. Most rely on mixed revenue models that enable them to apply for grants or use the resources of a parent organization to support them while they test their models to determine whether and when they will indeed be able to achieve business break even.

In fact the economic models used by the case study sites serve their community benefit purpose. This is what makes a social enterprise.

- For Community Living South Huron seeking integration of persons with intellectual disabilities into the community was a primary aim. Their market trading employment model provided clients with productive work and daily social interaction while giving customers an opportunity to interact with and support the participants with their purchases.
- Cloverbelt Local Food Co-operative, the introduction of a financial model legitimized the effort and enabled a new source of income for northern farmers while also providing local people with access to local food.
- New Path's unique Common Roof financial model was clearly intended to serve their mission of better addressing the needs of youth with mental health issues and their families.

## ***Access to appropriate business supports leads to successful social enterprise development***

One of the pillars of a successful and thriving social enterprise sector or ecosystem is access to appropriate business development supports. In each of the rural case studies, there has been a marked self reliance or DIY approach to the development of their models in the early stages of development. The founders put together their own close group of core advisors to launch. While each of the initiatives started with an unwavering social mission, their development teams were drawn from across sectors and included persons with specialized knowledge of business and finance, real estate, agriculture, food, the environment, as well as the social sector. They did not seek out grants for start up or tap into the expertise of formal business enterprise development services with one exception.

- In two of the case studies, the local Community Futures Development Corporation, a uniquely rural business development support service, was engaged in important ways. The Haliburton Community Development Corporation provided both planning and financial support to launch Abbey Gardens. PACE, the Community Futures Corporation located in Dryden and serving the surrounding regions, was a founding organizational member of Cloverbelt Local Food Co-op, paid for some of the pre studies and currently offers space at no charge to the co-op.

## ***Case study sites researched comparator social businesses within their sector***

Case study sites were more likely to look to comparative initiatives within their sectors but in other jurisdictions to find clues for their model development.

- Cloverbelt Local Food Co-op consulted actively within the local food co-op sector in southern and eastern Ontario and in the U.S. on model development. They replicated a model in use in the Ottawa Valley that in turn was evolved from models used in local food systems work in the U.S.
- Abbey Gardens was inspired by initiatives further afield involving land reclamation, though none shared their unique mix of objectives so did not offer significant inputs into their enterprise model.
- While New Path also innovated in the creation of their Common Roof model they referenced the work of other shared space initiatives in the U.S. and Canada through their contacts with the Nonprofit Centres Network.
- Only Community Living South Huron did not seek out either model development or business development supports from within the disability or Community Living sectors or from their local CFDC. This is in spite of the fact that a number of other Community Living branches have created social enterprises over the years.

## ***The development of the social enterprises is more “organic” than linear***

The social capital and involvement of more stakeholders in the initiatives and the dynamic interplay of the various capitals have contributed to a more organic rather than linear evolution of the enterprise models. Some have not experienced the financial growth they had planned for in the first years of operation and they have been adjusting their models to address this.

- Abbey Gardens had hoped for better returns from retail and wholesale Hub sales but recognized that this could take more time. In the meantime they have identified an opportunity to incubate small businesses that are a fit with their mission on their site to generate additional income and promote local economic and job development.
- New Path Foundation achieved considerable success and promise of sustainability with their Barrie Common Roof project; however the Orillia project has been slower to develop and has required more inputs and a longer time frame to operationalize and animate.
- Cloverbelt Local Food Co-op based their model on other online food co-ops, yet their unique northern location and characteristics have led to growth beyond their initial target area to include multiple locations now.

## ***Rural and place-based challenges led to ‘serial social enterprise’***

Place-based considerations, in particular distinct rural and northern factors such as lack of transportation, distance from markets or between producers and markets, access to staffing, and policy impacting land use, have presented unique challenges for the case study sites in operationalizing their models. As the enterprises have developed, and had to address some of these unique challenges, they have innovated and initiated multiple social enterprises.

- Community Living South Huron has over many years creatively addressed the needs of their rural clients as they have aged out of school, home and into the community. CLSH built transportation, housing and employment social businesses to meet the many needs of people with intellectual disabilities not typically available in their rural community. CLSH has operated two social enterprises, a bakery (now closed) and their current pallet business as well as contract (piece work) contracting, nonprofit housing, and transportation services in addition to their social service programming. Their success in serving this population has meant that families from further afield in Huron, Lambton and Middlesex Counties have asked to become involved in CLSH's programming.
- New Path Foundation has already replicated their Common Roof model in Barrie and Orillia and is creating a consulting social enterprise to respond to requests to set up CR developments in other communities. At the same time they have developed a business plan for a youth social enterprise that will provide training and employment for youth with mental health issues within the maintenance services at their Common Roof locations.
- Cloverbelt Local Food Co-op has initiated a number of satellite locations to address demand, and reduce the distance between northern consumers and producers thereby reducing distribution costs.
- Abbey Gardens, as noted, not only operates and is expanding the hours of their retail food hub, but they are also exploring markets throughout the county for their products and incubating a number of local small businesses at their site.

### ***Success in social enterprise builds resilience and grows social capitals***

This “serial social enterprise” activity is a significant indicator. It demonstrates how the different social capitals can work together to build resiliency and nimbleness of a nonprofit community initiative in the face of challenges and opportunities. Successes in social enterprise and social entrepreneurship build skills, experience, and confidence, or human capital, which in turn is reinforced by growing networks of support or social capital. Larger networks contribute to the growth of financial and built capital, through enterprise sales and growth in assets, and growth in jobs and income generated by employees, and other stakeholders, such as the farmers, small businesses and Community Living clients. Ultimately growth in these capitals enhances credibility and builds political capital that can result in leveraging of additional sources of financial support.

For all of the enterprises, the quality of their work, the culture of commitment to their cause, and the financial assets they have garnered through their enterprises, have made them all the more likely to be sustainable. At the same time they have continued to reinforce the positive cultural capital in their rural and northern regions by tapping into and further promoting cultures of entrepreneurship and innovation, civic engagement, inclusion, environmental stewardship, and collaboration.

### ***Case study sites focus on a region rather than single community***

The enterprises studied in this research continue to take a regional rather than a singular community focus. Their reach has expanded even further as they have established roots, put their visions into practice, and tested their models. In effect they have applied to their work a regional development model that has been influenced by the imperative of the need or opportunity they have responded to combined with their rural and northern locations or service

areas. Utilizing nonprofit social enterprise strategies the case study sites have attempted to create change not simply for their organization and participants in their programming but also in the dynamics of the community capitals in the region.

- Cloverbelt Local Food Co-op is aiming to effect positive change in the local food system and create economic benefits that would extend across the northwest.
- Community Living South Huron is changing how employment for persons with disabilities is viewed not only in Huron County but also Middlesex and Lambton Counties, advocating for a more inclusive economy.
- Abbey Gardens encourages visitors to think and act more sustainably about land, food, energy and economy while also creating jobs and prompting the development of sustainable small businesses.
- Common Roof is changing the way youth mental health services are delivered in Simcoe County while at the same time contributing to the sustainability and resilience of their nonprofit partners.

### ***Succession planning requires attention***

Each of the case study sites is at a stage where they need to develop a succession plan. In rural areas it is assumed that people will volunteer to keep key institutions in place but there are limits to how long people in key leadership positions can continue their work.

- New Path Foundation is interested in recruiting new directors to replace the founders and champions who helped develop the Common Roof model. Finding younger directors in the region is a challenge. They are also seeking entrepreneurial and collaborative people to direct the initiative in keeping with their values and the strong cultural capital of entrepreneurship and co-operation that launched Common Roof.
- Cloverbelt Local Food Co-op's president has been a full time volunteer since it launched. The Co-op's sustainability rests on its ability to take on all of her responsibilities should she choose to step down.
- At Community Living South Huron the long-time Executive Director and the Board have been able to develop a solid foundation for the organization's sustainability. All of these champions and founders are aging. It will take the right types of people and expertise to manage all of the complexities of CLSH into the future.
- Abbey Gardens has been highly reliant on its benefactor for funds, vision, and business acumen and input. They now have an excellent Executive Director and Board who are all acutely aware of the need to be less reliant on the founder and to be self-funded. This is a priority for the SE.

### ***Political capital is advancing through the SE work***

There is evidence of advancing political capital in all of the rural social enterprise case studies as they have operationalized and tested their models, though this has not come without effort.

- Cloverbelt Local Food Co-op was given access to municipal land for a greenhouse for their educational and food literacy work.
- New Path Foundation manoeuvred through a series of land use issues for their Barrie and Orillia Common Roof projects and convinced the municipality in Barrie to put in a bus stop and sidewalks for clients coming to their Barrie hub. They have also consulted with the provincial government more recently on their model as the provincial Community Hub Framework Advisory Group continues its work to activate their recent report recommendations hoping for greater receptivity to further replication of their model.
- Abbey Gardens is in the process of rezoning the land. While this process has been challenging they expect success that will build on the positive relationship they have developed to date with the municipality. They have also been experiencing some success in accessing provincial and federal government grants.
- Community Living South Huron is facing potential changes to the funding model for support of persons with disabilities to an individualized funding model and this may impact their capacity to service people in their region.

## Impacts and Outcomes

While a detailed assessment of outcomes was beyond the scope of this report, the research clearly points to social enterprise impacts worth noting. The impacts affect the enterprise's partners and participants, their organizations, communities and regions and touch on all of the community capitals. They suggest potential policy leverage points for rural and northern social enterprise outlined in the next section. As well they give us clues about the potential of nonprofit social enterprise as a rural and northern development strategy.

### ***Social enterprises contribute to skills and job development and retention***

All nonprofits exist to provide a public benefit and contribute to community health and wealth. The additional market focus of nonprofit social enterprises affords further benefits. Job retention and development is one significant outcome that spans all of the initiatives researched.

- Community Living South Huron used social enterprise to create 88 inclusive jobs, and to house persons with disabilities and provide them with much needed transportation. At the same time their significant job retention record with their own staff, is evidence that the organization is contributing to the livelihoods of nonprofit workers in the region.
- Cloverbelt Local Food Co-op has used their enterprise model to increase the income and enhance the livelihoods of 73 northern farmers and producers. They have also leveraged financial resources to provide work for several people within the enterprise.
- Abbey Gardens has facilitated sustainable business development that has produced jobs for rural entrepreneurs while providing employment for 9 seasonal and ongoing staff.
- New Path Foundation is currently conceiving of ways to link employment for youth at risk to the physical maintenance of their Common Roof initiatives. They are also creating creative, collaborative and impactful work environments and contributing, with their financial model, to the sustainability of their partners' organizations. How this has impacted their job retention was not noted in the research.

We can speculate that skills and knowledge, or human capital, increases as a result of job development and retention in these social enterprises and becomes yet another positive resource or asset for the rural and northern communities studied. The financial capital generated through employment also circulates within the region and benefits the local economy creating other multiplier effects.

### ***Community ownership through social enterprise enhanced financial and built capital***

The social enterprises studied have enhanced community ownership over land and built capital as they have increased their financial capital.

- New Path Foundation has developed two Common Roof projects worth millions in assets.
- Community Living South Huron owns numerous physical assets such as housing facilities, buses and their office and industry buildings.
- Abbey Gardens's Food Hub, hoop houses, and business incubator building are all put to the service of their mission while adding to their assets.
- Cloverbelt Local Food Co-op's physical assets are few, but their greenhouse has afforded them a public space to host the community and engage them in their educational programming. Access to healthy local food and more productive use of land assets are additional outcomes shared by Cloverbelt Local Food Co-op and Abbey Gardens, which were particularly built on and aimed to sustain the natural capital in their regions.

### ***Positive cultural capital has grown with expanded initiatives***

The initiatives would not have launched let alone succeeded without building upon the cultural capital unique to their projects and regions. This includes entrepreneurialism, commitment to inclusion, environmental values, self-help, civic engagement, collaboration and self reliance. It appears that with the momentum and credibility that comes with success of the social enterprises these cultural capitals are reinforced and expanded.

- Cloverbelt Local Food Co-op is now expanding, based on demand, to additional satellite drop off points throughout the north and they're growing their cadre of volunteers.
- Abbey Gardens continues to incubate new small businesses while engaging more and more of the community in their work.
- New Path Foundation continues to grow its own entrepreneurial approaches as an outgrowth of the Common Roof model, with a youth training social enterprise and a consulting business in the works, and their collaborative model is gaining traction with others.

## ***Social enterprise development led to networking beyond rural regions***

A few of the initiatives have connected well beyond their regions to knowledge and support networks that help them to further evolve their ideas, as well as to share their own visions with interested others and inspire change beyond their initial regions. This is part of their expanding social and human capital. The Rural Social Enterprise Constellation is one network that is further bridging the enterprises to the SE sector and resources in Ontario and encouraging reflection on their work as rural social enterprises through this New Directions research. Linkages to RSEC and other networks means learning is now flowing outward from the enterprises and their experiences are informing the larger social enterprise and nonprofit sectors as well as subsectors and communities further afield.

The greater the social capital in a rural region, the easier it is to mobilize support to address problems, embrace opportunities, and capitalize on assets. Social capital builds self-reliance and mutual aid. It is evident that each of the rural social enterprises studied have contributed not only to social but also to economic self reliance by creating, testing and now growing models for community owned enterprises that are guided by enduring and important social and environmental missions.

## ***Access to financial capital still a challenge***

Access to financial capital continues to be an issue for three of the enterprises that have not had as many years to consolidate their efforts. And yet the success to date of all of the enterprises studied has resulted in leveraging of grants and support from municipal, provincial and federal levels of government as well as local investors and foundations.

The social enterprise sector as a whole in Ontario still does not have sufficient political capital to ensure that rural enterprises such as the case study sites can garner the support they need to sustain their efforts and maximize their impacts. The research has identified some of the common areas where policy could provide or improve access to this support. With the significant growth in community capitals prompted by these enterprises, as evidenced in the research, it may be that they will rally and command a greater voice to further dialogue with government about the resources they need to successfully continue along their development paths.

# Building the Rural Social Enterprise Ecosystem: Policy Leverage Points

## ***Rural Social Enterprise Success Factors and Policy***

Through the research we have identified human capital as being imperative to the development of social capital in social enterprise development. Human capital leads to identification of underutilized capitals and to the further development of other forms of capital. This is consistent with research by Flora and Flora,<sup>91</sup> which found human and social capital to be directly responsible for the development of other forms of capital. In this section of the report we look at how policy can support this dynamic of the intersections of community capital in rural and northern social enterprise development.

Other Canadian research on rural telecommunications provides insight into how and why some community initiatives do not succeed while others do, utilizing the same policies and programs.<sup>92</sup> The research concluded that while motivation was present and the human capital was sufficient in unsuccessful communities, it was deficient social capital that resulted in failure.

Ramirez identified important principles that cut across successful case studies in rural telecommunications.<sup>93</sup> He described the context as a rich learning process and the stimulating elements were:

- A team of champions that offers vision, management and facilitation.
- Workable informal relationships between champions and policy-makers.
- Community-based organizations that
  - respond to a community vision and serves its interests,
  - are flexible to change,
  - are able to take on risks, and
  - are willing to review services on an ongoing basis.
- Community trust in the organization earned over time.
- A continuum of policy incentive programs that a community group or partnership could access as their specific capacities and needs were identified and developed. This included small grants to mobilize community resources to do the work.

Ramirez notes that these elements must be “grown locally” and cannot simply be imported.<sup>94</sup>

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<sup>91</sup> Flora Flora, *Rural Communities*, (2008).

<sup>92</sup> Lauzon, A., Milne, W., & McCallum, M., “FACTS: Setting the Research Agenda,” (2003), submitted to SRC Research Program, OMAF.

<sup>93</sup> Ramirez, Ricardo, A model for rural and remote information and communication technologies: A Canadian exploration,” *Telecommunications Policy*, 25.5 (2001), 315-330.

<sup>94</sup> Ibid.

In our rural social enterprise case studies a number of similar foundational characteristics were evident as success factors or enablers that leveraged the success of the initiatives. Those are as follows:

1. Necessary human capital
  - a. All of the enterprises were launched by entrepreneurial leaders who contributed significant and valuable skills and experience.
2. Human capital that leverages and bridges social capital
  - a. In the case studies the founders and their champions exhibited strong bonding social capital and community identity which they then bridged to include more stakeholders over time to spread risk, enhance capacity, and grow their social enterprises.
3. A capacity to identify underutilized community resources or capitals
  - a. The enterprise champions in the case studies identified opportunities that represented gaps in the mainstream economy in their regions. Yet they found ways to utilize existing place-based cultural, financial and built capitals to successfully address the gaps through their initiatives.
4. The development or securing of other forms of capital as needed
  - a. The social enterprises all built on and further developed cultural, financial, built, and political capital.

These enablers, independent of the sectors in which the enterprises operate, can be further leveraged through policy to foster true place-based social enterprise development.

### ***Political Capital Influence on Social Enterprise Development***

The case study sites encountered existing policies that enabled or limited their progress as they moved along their enterprise development pathways. Their champions developed an understanding of the systems and sectors in which they were operating and applied this understanding to launch the enterprises and effect change in their communities. In each case they developed strategies for using policies to their advantage. They also identified and are addressing policy barriers and/or gaps, some more significant than others, that could significantly affect enterprise sustainability.

As the social enterprises operate in environmental, economic and/or social service sectors, many of the political enablers or barriers noted were unique to those sectors and to the rural or northern places in which they were developed. It is evident that the social enterprises are being enabled or limited by policies and programs at all levels of government – municipal, county, provincial, and federal. The enterprises were also influenced by the informal political and human capital and close networks that champions brought to the table.

Through the entrepreneurial development process each case study site grew its political capital by leveraging other community capitals. As they engaged more people, mobilized more local talent and built more facilities, they developed more credibility and influence. They used their human and social capital to identify and build the political capital needed to challenge the status quo, launch their innovative initiatives, address local or regional policy barriers, and access other forms of capital (e.g. by-law amendments, access to physical resources, funding).

### ***Leveraging Policy to Support Rural Social Enterprise***

Policy for rural social enterprise may be considered as multi-tiered; the foundational tier includes policy leverage points that ensure key success or enabling factors are in place or supported; the second tier includes leverage points that relate to specific social enterprise and nonprofit sector policy that allow for the structuring, model development and growth of rural and northern social enterprise and the social enterprise sector; and the third relates to specific sectoral or local policies that impact individual social enterprises. These tiers attest to the importance of understanding the life cycle of a particular social enterprise within its own unique community context as well as in the context of its industry sector and the broader nonprofit and social enterprise sector.

The chart below provides a sampling of the various acts and policies at municipal, regional/county, provincial, federal and institutional levels that influenced the development of the case study social enterprises by site. It illustrates the complexity of the policies at multiple levels that nonprofits need to be aware of and adapt to or work around for the effective development of social enterprise.

### ***Common Roof***

Municipal By-laws

- Zoning and transit

Provincial Ministry of Municipal Affairs and Housing (arms length)

- Assessment Act Property Tax Assessment – MPAC
- Canada Revenue Agency
- Policies impacting charities and Community Economic Development Activities

Various Provincial and Federal policies of:

- Local Health Integration Network
- Federal and Provincial Infrastructure Funds and Programs
- Ministry of Children and Youth Services

### ***Cloverbelt Local Food Co-operative***

Municipal By-laws

- Municipal supports for greenhouse location
- Zoning support

Municipal Economic Development

Agricultural Policies related to

- quotas
- access to food inspectors
- Farmers' Market policies

OMAFRA focus on innovation

Ontario Co-operatives Corporations Act

Various Provincial and Federal policies of:

- Community Futures Development Corporations (Industry Canada)
- Ontario Ministry of Agriculture and Food - Local Food Fund
- Ontario Trillium Foundation
- Canadian Food Inspection Agency

### ***Abbey Gardens***

Municipal by-laws

Municipal and provincial social programming funding priorities

Tourism and Economic Development

Agricultural policies

Various Federal, Provincial and County policies of:

- Community Futures Development Corporations (Industry Canada)
- County Economic Development Corporation
- Eastern Ontario Community Futures Development Corporations Network (Eastern Ontario Development Program (EODP) Collaborative Projects Fund)
- OMAFRA's Local Food Fund
- Ministry of Municipal Affairs and Housing
- Environmental Protection
- Federal New Horizons for Seniors Program

OMAFRA's Local Food Fund

- Ministry of Municipal Affairs and Housing
- Environmental Protection
- Federal New Horizons for Seniors Program
- Ontario Trillium Foundation (arms length provincial government)
- Canadian Food Inspection Agency

### ***Community Living South Huron***

Municipal By-laws

Municipal and provincial social programming funding priorities

Employment Equity Act

Not for Profit Corporations Act

Various Provincial policies of:

- Ministry of Community and Social Services
- Ministry of Education

## ***Policy Leverage and Enabling Factors in Rural Communities***

Our cross case analysis focused primarily on policy leverage points for rural social enterprise development rather than on foundational enabling or specific sectoral policies. Yet it is worth noting some of the potential leverage points identified that could support the fundamental enablers for social enterprise in rural communities. For example, those leverage points might focus on:

- Supporting human capital: Helping to build skills and knowledge of local leaders for social entrepreneurship, informed by practice, as well as supporting leaders to use their skills and knowledge for integrated regional development.
- Leveraging and bridging social capital: Assisting in bringing people together and making linkages across sectors to support community and regional development initiatives; providing spaces, tools and facilitation for people to come together, connect, identify opportunities and work on community issues.
- Supporting informal linkages between rural social entrepreneurs and policy makers: Brokering informal relationships between policy makers at all levels and rural based community enterprise leaders to jointly identify and address issues and policy gaps and barriers.

As suggested in the research on rural development completed by Ramirez in 2001, a continuum of policy incentive programs with small amounts of funds attached could be used flexibly by communities to address the specific needs and capacities of that community. In the case of social enterprise, those funds might be used to build entrepreneurial skills of social leaders, identify and assess social enterprise opportunities, facilitate collaborative approaches and networking with specific initiatives, and make those positive links to policy makers to engage them in enterprising projects.

## ***Common Policy Leverage Points for Rural Social Enterprise Development***

While we've seen the many policies that have supported or inhibited the case study enterprises are unique to their specific regions or sub-sectors, there are three common areas that point to current policy leverage points specifically for rural social enterprise and sector development.

They are:

- Enterprise development supports
- Legal and regulatory issues related to nonprofit, co-operative and charitable structures
- Land and building use

These are discussed below.

## ***Enterprise Development Supports***

In Ontario there is no cohesive system or consistent set of supports for social enterprise within or across regions. There are, however, business resources and services mandated by government. Nonprofit social enterprise should be able to access these services. Some of these

efforts are designed as rural place-based approaches to local business and regional economic development. Community Futures Development Corporations (CFDCs), regional development funds and municipal economic development offices are three such place-based approaches.

In three of the four case studies, CFDCs played a role in business development, in mobilizing human, social and financial capital. At least two of the sites benefited from grants from FedNor and the Eastern Ontario Development Program. These are regional development funds that were created based on the recognition of the need for targeted investment in rural regional development. Both of these rural-specific supports reflect federal rural policy that will continue to be important to rural and northern social enterprise development.

While other business development and entrepreneurship supports are in place in some of the case study site regions the case study site leaders were more likely to rely on their own personal contacts or networks in business and industry to develop their social enterprise model and structures. None of the SEs accessed other business supports through provincially funded Business Enterprise Centres (SBECs)<sup>95</sup>. One of the social enterprises accessed the support of a Regional Innovation Centre (RIC) later in its development. Some RICs are located closer to rural communities in northern Ontario, and most are focused on Information Technology (IT) and entrepreneurship. RICs are funded through municipal, regional and provincial governments. These and other supports for entrepreneurs (Sector Innovation Centres (SICs), accelerators, and incubators providing advisory services, sector expertise, events) are generally not accessible or relevant to nonprofit social enterprise, and most offer no specific support for nonprofit social enterprises.

Policies supporting these centres in being open, accessible and relevant to rural and northern nonprofit social enterprise would be helpful. This would extend to ensuring that staff are trained in, and ready to advise nonprofits in the development of their social enterprises. Such support would level the playing field, offering equitable services and development supports to both social entrepreneurs and those pursuing private economic benefit.

Recently, new social finance tools and vehicles, and new government agencies and funds have been developed as specific supports for social enterprises. The Ministry of Economic Development, Employment and Infrastructure (MEDEI) launched the Social Enterprise Demonstration Fund with investment and financing tools through the Office for Social Enterprise. In late 2015 the Ministry launched a Social Enterprise Branch which is, at the time of writing this report, designing social enterprise policy and program development based on multiple consultations across the province. These policies and programs should be assessed not only for their relevance and accessibility to nonprofits, but also using a place-based lens that takes into account distinct rural, northern and urban social contexts and realities.

This research identified that a number of provincial government field staff working as regional advisors may not be aware of how they can best support rural and northern nonprofits in social enterprise development. One of the case study sites accessed the OMAFRA business advisor in their region. A social enterprise lens could be applied to the work of OMAFRA field staff, and regional staff assigned through other Ministries, to leverage support for rural and northern nonprofits in business development and strategic planning, including providing information and linkages to government funding programs.

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<sup>95</sup> A network of 57 small business enterprise centres around Ontario funded collaboratively through municipalities and the province of Ontario, MEDEI

## ***Legal and Regulatory Structures***

There is no single regulatory regime for social enterprise in Ontario or Canada. Nonprofits have a number of options for structuring their social enterprise activities in response to their missions. As we have seen the case study sites each employed different structures and tools building in hybridity to their models. One site created a division within an existing nonprofit charity, another incorporated as a non-share capital co-operative. One site began operating its social enterprise out of a charitable foundation, and the fourth incorporated as a nonprofit, then applied for charitable status.

None of the site representatives commented on the lack of legislation in Ontario enabling incorporation of social enterprises as “hybrid structures” as a barrier. Most were not aware of this development. In B.C., the United States and the UK corporate structures are available. The case study groups used existing regulatory and legal tools to their advantage when developing their operational and legal structures.

Provincial and national research exploring social enterprise hybrid structures may have some relevance to the SE sector. Yet it is unclear whether a hybrid structure would benefit the rural and northern nonprofit social enterprises that this research focused on. New regulatory models may be of greater interest and value to individual social entrepreneurs interested in setting up private businesses with a social purpose. ONN’s ongoing research into hybrid structures is essential in helping assess their relevance and the potential impacts of regulatory changes on nonprofits and charities in Ontario. ONN’s current stance is that, while a hybrid regulatory structure is not needed, an update to the Ontario Nonprofit Corporations Act is very much required.

Both non-share capital and share capital co-operative structures are significant tools for rural and northern communities in creating democratic, locally owned and controlled enterprises. These are part of the larger social enterprise landscape and the social economy in Ontario. Co-operative sector organizations play an important role in monitoring and advocating appropriate co-operative legislation and regulatory regimes at both the federal and provincial levels.

It will be important to monitor other emergent regulatory policies for their applicability to and impact on nonprofit social enterprise, especially in rural and northern contexts. Of particular interest would be changes related to provincial and federal taxation of charities engaging in community economic development and/or business activities. The CRA Charities Directorate has issued its policy statement determining whether an applicant organization or an existing registered charity is carrying on an acceptable business (a “related” one) or an unacceptable business (an “unrelated” one) and the impact on charitable status.<sup>96</sup>

## ***Land and Building Use***

In rural and northern Ontario, surplus, underutilized, or unsustainably used natural and built capital are being put to use for public benefit by nonprofit social enterprises. For the social enterprises studied, land and built capital were essential building blocks for success. Case study sites used buildings and land in diverse ways: to house people with disabilities; create

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<sup>96</sup> Canada Revenue Agency, “Community Economic Development Activities and Charitable Registration,” Issued July 26, 2012, accessed Jan. 28, 2016, [http://www.cchwebsites.com/content/pdf/tax\\_forms/ca/en/cg014.pdf](http://www.cchwebsites.com/content/pdf/tax_forms/ca/en/cg014.pdf)

small businesses that employ people at risk; provide counselling and services close to where people needed them; grow, distribute and add value to local food; incubate small businesses; and enhance collaboration among service providers and create hubs for services and community events.

Policies that relate to land and building use are therefore clearly relevant to rural and northern nonprofits and can, if designed well, leverage greater positive impacts for those communities in which the nonprofits work. This is particularly the case in rural and northern regions where these assets may be more available or less likely to be earmarked for private speculation and development. Provincial and municipal policies regulating land use can also either support or inhibit a community's capacity to capitalize on social enterprise opportunities. ONN is engaged with the provincial government in developing policy to regulate or encourage access to and use of public lands by community benefit organizations. It would be helpful to apply a place-based lens to this work that would take into account the different ways that land and buildings might be used for rural and northern social enterprise.

Nonprofits creating social value from built capital often access government funds to develop these buildings. Ownership of and equity in buildings partially financed by the federal and provincial governments is an area of policy that should be monitored for its impact on the nonprofit and social enterprise sectors. This will be of interest in particular to those in or serving northern and rural communities where land value differs significantly from urban locales, enabling enterprising nonprofits in those regions to think about purchasing and developing property. Recent developments suggest that policy is shifting to ensure some return on investment is delivered back to government on the sale of buildings capitalized in part by them.

Provincial government interest in community hub models and related policy frameworks may also be relevant to nonprofits engaged in social enterprise. These discussions are particularly on the radar of New Path Foundation, as their Common Roof model represents an innovative approach in line with Community Hub models.

Community hubs closely align with provincial policy priorities on integrated service delivery: hubs may provide a central access point for a range of needed health and social services, along with cultural, recreational, and green spaces that enhance community life. The province's Community Hub Framework Advisory Group will carry forward work to remove policy barriers to the development of community hubs. No 'cookie cutter' approach will lead to the development of successful community hubs. Common Roof is an example of how rural and northern communities have innovated, and will continue to be creative, in adopting collaborative approaches to service co-ordination and delivery. New policies designed to encourage or enable the development of a more integrated approach to service delivery must enable place-based approaches that are built to account for local community attributes and capitals as these are more likely to be effective.

### ***The Role of Government in the Social Enterprise Ecosystem***

The appetite for social enterprise in Canada, both nonprofit and private sector models, continues to grow. Further, the potential role for social enterprise in increasing the resilience of Ontario's rural nonprofits and economies is gaining some limited attention. This has occurred despite inadequate and confused policy at various levels. In some cases policy-makers are pursuing policies and programs to support social enterprise development without a deep understanding of its role or its

relationship to the specific needs and contexts of diverse communities and regions of Canada. Research into social enterprise in Canada and Ontario is still very much at an early stage.

The ecosystem of support for social enterprises is not well developed in Ontario. Our rural research showed that all levels of government are involved in one way or another in social enterprises, whether in the form of programs that supported, or policies that inhibited their development. There is little or no coordination between the levels of government with respect to these programs and policies. Despite this, local organizations and their champions must engage at each level, expend social and political capital at each level, in order to reach their objectives. The cost associated with having to manage social and political capitals at so many different levels is comparatively high for social enterprises in general, and for small rural social and northern enterprises in particular.

The links between federal, provincial and municipal policy related to social enterprise therefore need both definition and coordination. Alignment of multi-level and multi-sectoral funding and investment is an important ingredient for rural social enterprise ecosystem vitality. Partridge et al. claim that “a full rural policy evaluation is long over-due”<sup>97</sup>. How social enterprise should fit into high-level policies is not yet clear.

### ***Place-based Policy for Nonprofit Rural Social Enterprise***

Although there is a role for multi-level government supports and co-ordination, it is critical that social enterprise be defined and pursued in a manner consistent with the values of the nonprofit sector, including place-based understanding and local control.

The Ontario Nonprofit Network (ONN), in their recent policy recommendations to the Social Enterprise Branch of the provincial Ministry of Economic Development, Employment and Infrastructure, reinforce the need to account for place-based initiatives. They call for adaptation of provincial policies and approaches to local conditions with the recognition that policies designed for urban centres must be complemented by those designed for and with rural and remote community stakeholders.<sup>98</sup>

Other research focusing on federal government policy design underlines this point. Bullock cautions the sector to maintain its connection to place and to its values when expanding into policy development. Bradford<sup>99</sup> echoes these concerns; the “challenges of economic innovation, social and cultural inclusion and ecological sustainability” are most effectively met when federal bodies “engage local government networks.”<sup>100</sup> This “spatially-sensitive perspective” may be an appropriate antidote to “traditional approaches” that too often “ignore local voices and devalue community and municipal assets”.<sup>101</sup> These claims are reinforced by the claims of both the Federation of Canadian Municipalities, and community-based organizations more broadly.<sup>102</sup>

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<sup>97</sup> M. D. Partridge, M. R. Olfert, and K. Ali, “Lessons from the Evaluation of Canadian and US Rural Development Policy,” *Journal of Regional Analysis and Policy* 39.2 (2009), 109-125.

<sup>98</sup> Ontario Nonprofit Network, “Submission to the Social Enterprise Branch”, (2015)

<sup>99</sup> N. Bradford, “Canadian social policy in the 2000s,” (2008).

<sup>100</sup> *ibid*, 2.

<sup>101</sup> *Ibid*, 2

<sup>102</sup> *ibid*, 4

## Conclusion

Rural and northern social enterprises respond to place-based opportunities. Social enterprise ideas are conceived by a collaborative of community leaders (social entrepreneurs). These collaborators work to capitalize on underutilized rural capitals and thereby solve social, economic and environmental problems. Their ideas are actualized to address social isolation and market gaps within unique historical, geographic, political and social contexts. Rural social enterprises also play an important role in regional development; their work builds on and enhances local community specific and regional community capital.

The policy leverage areas discussed in this report represent only a few of the intersections between rural and northern nonprofit social enterprise and policy at different levels of government. In general, policies that support nonprofit social enterprise in the context of rural and northern communities at any level, whether it be federal, provincial, regional, municipal or institutional, will:

1. Support place-based innovation and avoid “cookie cutter” approaches
2. Enable rather than inhibit the flexibility needed for local cross-sectoral innovation in rural and northern SE development
3. Leverage and co-ordinate the mandates and resources of enterprise support organizations, programs and advisors at local and regional levels to support and encourage the adoption of SE objectives and strategies
4. Grow enterprise development capacity and take advantage of unique community capitals to account for and address capacity and service gaps in rural and northern communities
5. Contribute to align municipal, provincial and federal policies that impact nonprofits and social enterprise in rural and northern communities
6. Recognize the community benefit impacts that rural and northern social enterprises can effect in their regions related to the many forms of community capital - social, cultural, built, political, financial, human, and natural capital

Given the lessons that have been learned through this rural social enterprise research we can begin to imagine how the vitality of rural and northern regions of Ontario could be enhanced through a vibrant social enterprise ecosystem supported by policy aligned at various levels that is place-based and recognizes the unique value of the nonprofit sector in local and regional economic development. In this ecosystem the many stakeholders, including all levels of governments, academics, foundations and provincial and regional intermediaries would be able to identify the innovative social enterprise work led by creative rural champions. Then they can bolster that effort through collaborative research, learning and knowledge transfer and targeted rural and northern investment.

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## APPENDIX 1: Case Study Contexts

### Haliburton County Context

Located two and a half hours northeast of Toronto, on the southern section of the Canadian Shield, Haliburton County occupies 4,025 square kilometers of land just south of Algonquin Park in Central Ontario.<sup>103</sup> It has four municipalities (Algonquin Highlands, Highlands East, Minden Hills and Dysart et al.)<sup>104</sup> Haliburton County, an area also called the Haliburton Highlands, is known as a tourist and cottage area due to the natural beauty of the surroundings and the outdoor and cultural lifestyle it offers. The County borders the Peterborough and Kawarthas region, also known for outdoor lifestyle opportunities, its natural environment, and as a tourist destination. It also borders the Muskoka area to the west and Nipissing to the north, both with substantial natural assets.



Statistics Canada Census Profile Map<sup>105</sup>

### Demographics

Due to being part of “cottage country” and a place where many people retire, the Haliburton County population can be divided into four categories, namely:

- Those born in Haliburton with historical links to the area;

<sup>103</sup> Haliburton County Development Corporation (HCDC), 2015, *About Us and the Community*, accessed at <http://www.haliburtoncdc.ca/about-us-and-the-community/>

<sup>104</sup> *ibid*

<sup>105</sup> Statistics Canada, 2015, *Census Profile-Map: Haliburton, County (Census Division)*, Ontario. Accessed at <http://tinyurl.com/ogulmbt>

- Cottagers who sold their homes in order to retire to Haliburton, who are on the whole very committed to the region;
- Cottagers who bought their cottages more recently;
- Tourists who pass through the area, who may rent cottages for a short period of time, or perhaps come to attend local cultural events or courses.

According to the 2011 census, 17,026 people, almost evenly split between males and females, live in Haliburton County.<sup>106</sup> More recent reports note that the population swells seasonally by up to 45,000 additional residents,<sup>107</sup> and 150,000 tourists.<sup>108</sup> The ratio of properties occupied in the summer months to properties occupied year-round is about 3 to 1. Haliburton County is predominantly rural. The population density in the County is extremely low, with 4.2 people per square kilometre where the Ontario average is 14.1 people per square kilometre. The median age in Haliburton County is 54 years, compared with 39.8 years for the province as a whole.<sup>109</sup> While province-wide the proportion of people aged 65 and over was 14.6%, in Haliburton County almost 28% of its population were 65 years and older (4,755 people as of the 2011 census).<sup>110</sup>

In terms of diversity, the 2011 census notes there were 305 people identifying as Aboriginal living in Haliburton County and 1,710 residents were immigrants, of whom 1255 came from Europe. 315 people are listed in the census as a “visible minority” and only 155 Haliburton residents were not Canadian citizens at that time.<sup>111</sup>

## **Education**

According to the 2011 Census, of the population aged 25-64 years old, 4,980 Haliburton County residents had a postsecondary certificate, diploma or degree. Of this total, 1,155 people had an apprenticeship, trade certificate or diploma, 785 had a bachelors degree and 475 had graduated beyond a bachelor degree. 7,455 residents did not have a post-secondary qualification.<sup>112</sup>

## **Employment**

In 2010 the median income for employed individuals in Haliburton was \$25,688<sup>113</sup> compared with a provincial median of \$29,520.<sup>114</sup> At the time of the 2011 census, there was a 46% employment rate in the County, and an unemployment rate of 9.3%. Of the 6,870 employed people, 1,205 listed themselves as being self-employed. 705 people noted that they were

<sup>106</sup> Statistics Canada, 2013, Haliburton, CTY, Ontario (Code 3546) (table). *National Household Survey (NHS) Profile*. 2011 National Household Survey. Statistics Canada Catalogue no. 99-004-XWE. Ottawa. Released September 11, 2013. <http://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/prof/index.cfm?Lang=E>.

<sup>107</sup> HCDC, 2015, Area Served, accessed at [www.haliburtoncdc.ca/about-us-and-the-community](http://www.haliburtoncdc.ca/about-us-and-the-community).

<sup>108</sup> Community Food Assessment Partners, 2015, *Haliburton County: Food and the Official Plan* in Harvest Haliburton, 2015, p. 6, accessed at <http://www.harvesthaliburton.com/food-and-official-plan-report.html>

<sup>109</sup> Statistics Canada, 2013, *Population by Age and Sex*, accessed at <http://www.statcan.gc.ca/pub/91-215-x/2012000/part-partie2-eng.htm>

<sup>110</sup> *ibid*

<sup>111</sup> Statistics Canada. 2013. Haliburton, CTY, Ontario (Code 3546) (table).

<sup>112</sup> *ibid*

<sup>113</sup> Statistics Canada. 2013. Haliburton, CTY, Ontario (Code 3546) (table).

<sup>114</sup> Statistics Canada, 2015, CANSIM, table 111-0008, accessed at <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/famil105g-eng.htm>

unemployed and 7,360 listed themselves as “not in the labour force,”<sup>115</sup> many of whom could be retirees. Subsequently a 2013 analysis of employment levels in Ontario found that:

the Muskoka-Kawarthas region [which includes Haliburton County] has had the lowest participation rate of all 11 of Ontario’s economic regions for three consecutive years, falling to 58.4% in 2012, well below the Ontario average of 66.5%. In 2012, more people left the labour force than the decline in jobs.<sup>116</sup>

### **Important Industries and Sectors**

Statistics Canada<sup>117</sup> reports that sales and service areas are the largest employers in Haliburton County, employing 1,615 people of whom 1,150 people are in retail trade. Trades and equipment occupations are the next largest source of employment (1,595 people).

An economy overview that considered the percentage change in employment in Haliburton County between 2001 and 2011, outlined below, notes that the percentage of people employed in agriculture, retail, and construction has increased since 2011, while the percentage of people employed in accommodation and food has decreased.

### **Employment in Haliburton County<sup>118</sup>**

	Employed (% of total)	Self Employed (% of total)	% Change 2001-2011
<b>Agriculture</b>	1.2%	5.7%	+56%
<b>Accommodation &amp; Food</b>	14%	5.7%	-3%
<b>Retail</b>	16%	5.8%	+10%
<b>Construction</b>	13%	37.6%	+35%

### **Tourism**

Tourism is very important to the Haliburton economy; the natural environment, year-round outdoor activities, and cultural offerings act as a powerful draw to the area, and its proximity to Toronto is an asset. The County is known for its beautiful countryside predominantly composed of lakes, rivers, rocky outbreaks, and trees, and for its trails and many recreational activities, including camping, canoeing, snowmobiling, skiing, dog-sledding, swimming, hiking,

<sup>115</sup> Statistics Canada. 2013. Haliburton, CTY, Ontario (Code 3546) (table).

<sup>116</sup> Service Canada Labour Market Division, 2013, Environmental scan, Ontario Region, p. 10, accessed at <http://www.esdc.gc.ca/eng/jobs/lmi/publications/e-scan/on/on-escan-201303.pdf>

<sup>117</sup> Statistics Canada. 2013. Haliburton, CTY, Ontario (Code 3546) (table).

<sup>118</sup> Community Food Assessment Partners, 2015, Haliburton County: Food and the Official Plan, p. 6 accessed at <http://www.harvesthaliburton.com/food-and-official-plan-report.html>

and fishing.<sup>119</sup> It is also known for its cultural programming such as the Highlands Summer Festival and courses offered through Fleming College's Haliburton School for the Arts. Tourism generates retail, service, and other jobs in the County.

## ***Environmental and Cultural Stewardship***

Haliburton County has a history of environmental leadership. For example, the Bark Lake Leadership Centre, a 450+ acre site near Irondale, was a home for environmental and outdoor leadership education<sup>120</sup> and the Leslie M. Frost Natural Resources Centre located in the Dorset area was used by outdoor organizations across the province, Boards of Education, schools, and the Ministry of Natural Resources to train its own staff, including Conservation Officers.

The environment is a key driver for the economy in Haliburton and a number of environmental organizations operate in the Haliburton and the Peterborough/Kawartha region. There have been recent efforts to bring together business leaders with environmental leaders to discuss the balance between conservation and development.<sup>121</sup>

## ***Agriculture and Food***

Haliburton County is not known as an agricultural area, and "is not ideal for broad acre commodity agriculture."<sup>122</sup> However, a soil study of parts of the county determined that there is 155 km<sup>2</sup> of arable land in the county, of which 59.2 km<sup>2</sup> is most suited to farming.<sup>123</sup> The Haliburton County Local Food Infrastructure Report calls for support for agriculture in the official plan as well as support for farmers and for the preservation of farmland.

Of the 7,580 people over 15 years of age listed as being employed or unemployed in the labour force in Haliburton County only 130 people list themselves as being in agriculture, forestry, fishing and hunting.<sup>124</sup> A 2008 survey by the Haliburton County Farmers' Association<sup>125</sup> found that most farms in Haliburton County were hobby farms, and that many of their members had retired from farming. They found very little interest from the surveyed members for increasing their farming operations. Yet the Haliburton County Local Food Infrastructure Report (HCLFIR) notes that the local food movement has since flourished, and organizations and initiatives like The Haliburton County Farmers' Market, the Highland Meat Co-op, the Haliburton Fresh website, and the Haliburton County Garlic Growers Association have started or grown, local food sustainability workshops have been offered, and community supported agriculture (CSA) initiatives have started.<sup>126</sup> The same report points to the Haliburton Local Food Coalition, a working group designed to foster the local food movement in Haliburton County.

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<sup>119</sup> Haliburton Tourism website, 2015, accessed at [www.haliburton-tourism.com](http://www.haliburton-tourism.com)

<sup>120</sup> Bark Lake Leadership Centre, 2015, *Our story*. Accessed at <http://barklake.com/our-story/>

<sup>121</sup> My Haliburton Now, 2015, *Haliburton County Environmental and Economic Leaders Meet to Collaborate*, accessed at <http://www.myhaliburtonnow.com/6351/haliburton-county-environmental-and-economic-leaders-meet-to-collaborate/>

<sup>122</sup> Harvest Haliburton, 2011, *Haliburton County Local Food Infrastructure Report*, p. 13, accessed at [http://www.harvesthaliburton.com/uploads/1/3/8/9/13895416/infrastructure\\_report1.pdf](http://www.harvesthaliburton.com/uploads/1/3/8/9/13895416/infrastructure_report1.pdf).

<sup>123</sup> *ibid*, p. 14.

<sup>124</sup> Statistics Canada, 2013, Haliburton, CTY, Ontario (Code 3546) (table).

<sup>125</sup> As reported in Harvest Haliburton, 2011, *Haliburton County Local Food Infrastructure Report*

<sup>126</sup> Community Food Assessment Partners, 2015, *Haliburton County: Food and the Official Plan*.

*Already a vibrant regional arts and outdoor skills hub, Haliburton was on the cusp of becoming a hotspot for locally, sustainably grown organic food.*<sup>127</sup>

The HCLFIR report suggests that employment in agriculture in Haliburton County has increased by 56% and that agriculture in Haliburton County will continue to grow due to the demand for local food; it notes that Haliburton County's population is at its largest during the growing season. It states that there are currently 75-100 farmers in the local farmer's association, a minority of whom are large scale commercial growers. Farming in the area includes vegetables, maple syrup, and livestock (beef, poultry, lamb).<sup>128</sup>

Harvest Haliburton, a nonprofit group in Haliburton County, has called for more support for local farmers from businesses, consumers, municipalities and other groups.<sup>129</sup> They note that there needs to be more awareness of the difficulties that farmers face when farming or selling their goods in Haliburton. Their report "recognizes that coordinated and substantial effort is required to move the region towards a sustainable local food system; that much positive effort is already underway within the region; and that every step towards sustainability helps progress."<sup>130</sup> And, as noted earlier, the Community Food Assessment Partners, in their 2015 report, recommend support for farmers and local food production in the municipal plan, noting that Dysart Municipality's plan is up for review in 2015.

Haliburton County FoodNet, a local network of approximately 17 organizations including food banks and social services agencies, works together to address food insecurity in the Haliburton County community. They have collectively called on county councillors and residents to advocate for policies that promote access to affordable healthy food, and to reduce fees for municipally owned lands and facilities that could be used as community gardens or community kitchens.<sup>131</sup> On their website they note that there are four food banks in Haliburton County, and more than 270 families in the county access food banks on a monthly basis.<sup>132</sup>

### **Local Business Services**

The closest Business Enterprise Centre is located in Lindsay. The Kawartha Lakes Small Business & Entrepreneurship Centre is the small business enterprise centre serving the region.

Two primary sources of business development advice and support in the County are the Haliburton County Development Corporation (HCDC), which has accessed government funding to support businesses and innovative community projects and provides financing to small businesses,<sup>133</sup> and the Haliburton Highlands Chamber of Commerce.<sup>134</sup> In addition there are local associations such as the Haliburton County Farmers' Association and Haliburton County Home Builders Association that support businesses in their sector.

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<sup>127</sup> Abbey Gardens Community Trust, 2015, The History, accessed at <http://www.abbeygardens.ca/about/history/>

<sup>128</sup> *ibid.* p. 8

<sup>129</sup> Harvest Haliburton, 2011, *Haliburton County Local Food Infrastructure Report*, p. 4.

<sup>130</sup> *ibid.* p. 4

<sup>131</sup> Haliburton County FoodNet, Health Matters at The Council Table, accessed at <http://www.haliburtoncountyfoodnet.com/-health-matters-at-the-council-table.html>

<sup>132</sup> Haliburton County FoodNet, Local Food Bank Facts, Accessed at <http://www.haliburtoncountyfoodnet.com/local-food-bank-facts.html>

<sup>133</sup> HCDC, 2015, Business Loans and Financing, accessed at <http://www.haliburtoncdc.ca/support-for-business/business-financing/>

<sup>134</sup> See <http://haliburtonchamber.com/page.php?id=3235>

As part of its focus, the Haliburton County Development Corporation (CFDC) is promoting Haliburton's creative industries. They “want to celebrate and promote the businesses that are here now and encourage more innovative people to bring their business to the area.”<sup>135</sup> In order to accomplish this goal the Haliburton CFDC looks to find ways to support people in the “creative economy,” which includes assisting them to source financing, and obtain broadband technology.<sup>136</sup>

## Huron County Context

Huron County is located in southwestern Ontario on the coast of Lake Huron. It borders Perth, Wellington, Middlesex-London, Lambton and Grey-Bruce counties. Huron County is the most agriculturally productive county in Ontario.<sup>137</sup>



Map of Huron County Census Division<sup>138</sup>

## Demographics

Huron County has a population of 59,100 in its 3,399.63 square kilometers.<sup>139</sup>

Huron County is often considered one of the most “rural” regions in the province. There are no urban centres over 8 000 in population and about 60 per cent of the population lives dispersed throughout the country...As is characteristic of many rural areas, however, Huron County exhibits a high dependency ratio, a higher proportion of seniors and a lower proportion of university graduates than the Ontario average.<sup>140</sup>

<sup>135</sup> HCDC, 2015, Innovative Haliburton, accessed at <http://www.haliburtoncdc.ca/innovative-haliburton/> See also <http://www.haliburtoncdc.ca/innovative-haliburton/what-is-the-creative-economy.html> and <http://www.haliburtoncdc.ca/support-for-not-for-profits/community-scan/broadband.html>

<sup>136</sup> *ibid*

<sup>137</sup> County of Huron. 2015. Economic Development. Accessed at <http://www.huroncounty.ca/econdev/>

<sup>138</sup> Statistics Canada. 2015. Map: Huron County (Census Division). Accessed at <http://tinyurl.com/npxzw5z>

<sup>139</sup> Statistics Canada. 2013. Ontario and Ontario (table). Health Profile. Statistics Canada Catalogue no. 82-228-XWE. Ottawa. Released December 12, 2013. <http://www12.statcan.gc.ca/health-sante/82-228/index.cfm?Lang=E>

<sup>140</sup> <http://www.huroncounty.ca/econdev/downloads/StateofHuronEconomy10.pdf>

South Huron, a municipality of Huron County where Community Living South Huron is located, covers 425.36 square kilometers.<sup>141</sup> It contains 11 towns and urban areas, from Greenway in the West, bordering North Middlesex, to Kirkton in the East, on the boundary with Perth South.<sup>142</sup> Community Living South Huron is located in Dashwood, near both South Huron and Bluewater municipalities, roughly 9 km inland from Lake Huron.<sup>143</sup> The municipality contains numerous tracts under the protection of the Ausable Bayfield Conservation Authority, the first such corporate body formed in Ontario.<sup>144</sup>

As of 2011, the population of South Huron was 9,945, a decline of 0.4% from 2006.<sup>145</sup> The population density rests at slightly less than twice the national average, with 23.4 persons per square kilometer.<sup>146</sup> The population of South Huron was older than the national average, as of 2011; 22.7% of South Huron's population was aged 65 and over, compared with a national average of 14.8%.<sup>147</sup>

South Huron residents' income generated through self-employment, investments, pensions, super annuities and annuities are significantly above both the provincial and national averages. In terms of total income by individual, South Huron adheres quite closely to Provincial averages overall, with some significant variations in the lowest and highest income brackets; there are almost 6% fewer people with an income of below \$12,026 in South Huron than in Ontario generally, and almost 8% fewer individuals with incomes in excess of \$51,304. In sum, the median household income in 2010 after tax in South Huron was \$4,634 below the national mean.<sup>148</sup>

### ***Important Industries and Sectors***

In 2011, Statistics Canada reported the workforce participation rate in South Huron as 63.3%, 2.2 percentage points behind the national average.<sup>149</sup> The top industries in the municipality are manufacturing, agriculture (including forestry, fishing and hunting) and health care and social assistance. Collectively, these industries account for 38% of employment in South Huron.<sup>150</sup>

- **Manufacturing**

Many manufacturers are located within the County. Indeed, manufacturers make up one of the County's largest employers, accounting for 16% of the labour force of 30,470 people. Some of the top manufacturers in the County are: Westcast (830 employees), Royal Homes (205 employees), and General Coach (138 employees).<sup>151</sup>

Huron County's manufacturing sector has grown dramatically in the past decade. The value of manufacturing shipments from Huron County now exceeds the value of gross farm receipts from County farms.<sup>152</sup>

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<sup>141</sup> Statistics Canada. 2012. *Focus on Geography Series*, 2011 Census. Statistics Canada Catalogue no. 98-310-XWE2011004. Ottawa, Ontario. Analytical products, 2011 Census. Last updated October 24, 2012. Accessed at <http://tinyurl.com/nerhen3>

<sup>142</sup> [https://en.wikipedia.org/wiki/Huron\\_County,\\_Ontario](https://en.wikipedia.org/wiki/Huron_County,_Ontario)

<sup>143</sup> As calculated using Google Maps. See <http://tinyurl.com/p8v3xvn>

<sup>144</sup> Ausable Bayfield Conservation Authority. 2015. About Us. Accessed at <http://www.abca.on.ca/page.php?page=about>

<sup>145</sup> Statistics Canada. 2012. *Focus on Geography Series*.

<sup>146</sup> *ibid*

<sup>147</sup> *ibid*

<sup>148</sup> *ibid*

<sup>149</sup> *ibid*

<sup>150</sup> *ibid*

<sup>151</sup> Huron County, 2015. Manufacturing. Accessed at <http://www.huroncounty.ca/econdev/>

<sup>152</sup> *ibid*

- **Agriculture**

Huron County is the most agriculturally productive county in Ontario, and a world leader in numerous areas of agricultural technology and innovation. The County has more farms (3,260), acres of farmland (711,525), and gross farm receipts than any other county in Ontario. The County has over 290,000 hectares (about 650,000 acres) of prime farmland, with diverse crops including corn, beans, grains, and many other vegetables.<sup>153</sup>

Huron County prides itself on its quality of life - country living, an abundance of natural vistas including 110 km of Lake Huron shoreline, affordable housing, excellent indoor recreation facilities, professional theatres, museums and a host of community events and festivals; these are just a few of the qualities that entice families to live and work in Huron County.<sup>154</sup>

The largest inland grain handling facility in Canada is located in Huron County and it, and other grain handling companies, are a major source of employment in the county.

- **Tourism**

Tourism is the third major contributor to the local economy. Huron hosts many festivals and has a theatre that attracts thousands of visitors each year. The natural shoreline with its sandy beaches also draws many people to the county. In addition, annual events such as the Goderich Celtic Festival and the Blyth Threshers Reunion attract even more visitors to the region each year.<sup>155</sup>

- **Health and Social Services**

There are five smaller hospitals distributed throughout Huron County. Neighbouring Middlesex County also has a regional teaching hospital (in London). A network of social service and health organizations have formed a collaborative to work with people on social assistance and the working poor to improve access to services, food, housing and employment.

- **Education and Training**

While it is recognized that future job opportunities rely on a highly skilled labour force, compared to the Provincial average, only half as many individuals report having university-level education. Despite this, a higher percentage has pursued trades certificates and diplomas. 30 per cent of the Huron County workforce does not possess a high school diploma.<sup>156</sup>

Huron County does not have any university campuses, but its proximity to London, ON provides residents with opportunities to access both colleges and universities.

Georgian College operates a satellite campus in Seaforth for training nurses and other health-care professionals.<sup>157</sup>

## **Local (Business) Services**

Huron County has access to very effective business development supports through a number of avenues. The Huron County Economic Development Department offers business supports to existing and potential new businesses in Huron.<sup>158</sup> The Huron Business Development Centre has been one of the most active Community Futures organizations in investing in and

<sup>153</sup> Huron County, 2015. Agriculture. Accessed at <http://www.huroncounty.ca/econdev/agriculture.ph>

<sup>154</sup> Huron County, 2015. Home page. Accessed at <http://www.huroncounty.ca/econdev/>

<sup>155</sup> ibid

<sup>156</sup> Huron County Health Unit, 2009. *Community Health Status Report*, p. 18. Accessed at <http://www.huronhealthunit.ca/wp-content/uploads/2014/02/Community-Health-Status-Report-2009.pdf>

<sup>157</sup> Healthkick, 2009. *Welcome*. Accessed at <http://www.healthkickhuron.ca>

<sup>158</sup> See <http://www.investinhuron.ca/>

supporting social enterprise development.<sup>159</sup> This Centre works in partnership with the County and local municipalities on social enterprise development. Over the last 10 years, these collaborations have resulted in support for, and investment in, a number of social enterprises in the recreation, food and health sectors.

## Northwestern Ontario, Kenora District Context

Cloverbelt Local Food Co-op (CLFC) is located in Dryden, Northwestern Ontario within the Kenora District, a large district with a very low population density. The district extends from near the southern edge of Ontario to Hudson's Bay, and borders the United States and Manitoba. A number of communities in the Kenora District are small, fly-in or winter road access Aboriginal communities.

Dryden is located approximately 350 kilometers from the nearest major cities, Winnipeg and Thunder Bay. It is said to be the smallest city in Ontario yet covers 125.7 square kilometers.<sup>160</sup> Dryden is the second largest urban area in the district (after Kenora) and acts as a geopolitical hub in the region. It is set in Wabigoon Lake's unspoiled natural surroundings, with parks, trails, hunting grounds, and opportunities for outdoor activities and tourism nearby.



Statistics Canada, 2012. Map of Dryden<sup>161</sup>

Arable soil in the Dryden region was deposited by glacial Lake Agassiz after the last ice age, along with much of the soil in Manitoba, North Dakota, Minnesota and even some of Saskatchewan.<sup>162</sup> "Dryden is experiencing a back-to-the-land movement, [with people being] drawn by cheap land, clean water and air, and attractive lifestyle and landscape."<sup>163</sup> This movement is proving to be very helpful for organizations intent on scaling up to distribute local food throughout the region.<sup>164</sup>

<sup>159</sup> See <http://www.smallbusinesshuron.ca/>

<sup>160</sup> City of Dryden, 2014, Dryden Tourism Overview, accessed at <http://www.dryden.ca/cms/one.aspx?pageId=39821>

<sup>161</sup> Statistics Canada. 2012. *Focus on Geography Series, 2011 Census*. Statistics Canada Catalogue no. 98-310-XWE2011004. Ottawa, Ontario. Analytical products, 2011 Census. Last updated October 24, 2012. Accessed at <http://tinyurl.com/nobqfca>

<sup>162</sup> Nelson, Stroink, & Kerk, 2015. Cloverbelt Local Food Coop: Contributions to the emergence of the Northern Ontario resilient and connected food hub. Accessed at <http://casestudies.fsrn.ca/cloverbelt-local-food-co-op/>

<sup>163</sup> *ibid.* p. 3.

<sup>164</sup> *ibid.*

## Demographics

Dryden is a small community of 7617 people (down 7.1% since the 2006 census).<sup>165</sup> An annual population growth of only 1-2% is expected in Dryden and its surrounding area,<sup>166</sup> due to several factors and more specifically its remoteness. The median age of the Dryden population is 45 years.<sup>167</sup>

The 2011 Census<sup>168</sup> provides the following information relating to the diversity of Dryden residents: 335 people in Dryden are immigrants, 250 of whom came from Europe. 38.5% of Dryden residents speak French at home, with 2.3% of those people speaking French only. Only 85 people (1.1%) are visible minorities.. Dryden has a growing Aboriginal population (1,205 people per the 2011 Census) as people from remote First Nations communities around Kenora District move south to urban centres.

## Employment

The workforce participation rate in Dryden as of the 2011 census was 62.9%. Like other rural communities in Ontario, unemployment is relatively high (7.6% as of 2011 Census)<sup>169</sup> and retaining youth in the community is a challenge.<sup>170</sup> The median income for the Dryden area, as of 2010, was \$33,359.<sup>171</sup> Major public employers include Dryden Regional Health Centre (205 employees), the City of Dryden (200) and the Government of Ontario (190). Large private employers include Domtar (pulp factory) (342), Raleigh Falls Ltd (timber) (200) and Walmart (150).<sup>172</sup>

## Important Industries and Sectors

Dryden used to be a gold town; in the 1800s there was a gold rush in the area and many mines were established. These mines are now mostly abandoned. Dryden's natural resources (timber and metals/minerals) have been its most lucrative assets in the past, but with the decline of the forestry industry over the past 20 years, Dryden has begun to diversify its economy. Its remoteness and reliance on natural resource extraction make it different from rural communities in southern Ontario. This reliance on natural resources has made it more difficult to attract businesses to the Dryden area. Current economic areas of investment and growth in the Dryden area include "mining & resource extraction, renewable energy, manufacturing, tourism, agriculture, and retail/distribution."<sup>173</sup>

- **Mining and resource extraction**

According to the City of Dryden website,<sup>174</sup> there are over 70 mining and resource extraction firms in the Kenora District. Mining projects include a gold ore mine at Red

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<sup>165</sup> Statistics Canada. 2012.

<sup>166</sup> Dungannon Consulting Services, 2011. *Towards a Feasibility Cooperative: A study for the Local Foods Coalition of Dryden.*

<sup>167</sup> Statistics Canada, 2013 accessed at <http://tinyurl.com/o4hax64>

<sup>168</sup> *ibid.*

<sup>169</sup> Statistics Canada, 2013

<sup>170</sup> City of Dryden, 2011

<sup>171</sup> Statistics Canada, 2013

<sup>172</sup> City of Dryden, 2015. *Major Public/Private Employers.* Accessed at [http://www.dryden.ca/invest\\_in\\_dryden/site\\_selection/major\\_public\\_private\\_employers/](http://www.dryden.ca/invest_in_dryden/site_selection/major_public_private_employers/)

<sup>173</sup> City of Dryden, 2015. *Business Opportunities.* Accessed at [http://www.dryden.ca/invest\\_in\\_dryden/business\\_opportunities](http://www.dryden.ca/invest_in_dryden/business_opportunities)

<sup>174</sup> City of Dryden, 2015, [www.dryden.ca](http://www.dryden.ca)

Lake, and the chromite mining project in the eastern part of the district called “The Ring of Fire.” Dryden hopes to encourage mining in the surrounding area by creating a mining company database, and providing other resources and facilitating financing options for mining firms.<sup>175</sup>

- **Renewable energy**

Green technologies are an area of focus for business development;<sup>176</sup> the greater Dryden area hopes to become a site for solar photovoltaic farms and biomass generation, the latter due to the forestry industry. There is also a focus on creating more environmentally friendly municipal business operations, such as green buildings.

- **Manufacturing**

Manufacturing in the Kenora District is predominantly focused on forestry, metals, and minerals; as noted above manufacturing is an area of potential growth in the Dryden area. Currently Domtar (pulp) and various forestry companies are major employers.<sup>177</sup>

- **Tourism**

While there is some tourism in the Kenora District, most tourists in the Dryden area are said to be passing through to other locations.<sup>178</sup> Capitalizing on the beautiful natural surroundings and the opportunities for outdoor recreation, the City of Dryden is working to increase the amount of tourism in the area, and has developed a *Tourism Development Strategy*.<sup>179</sup> Tourist attractions include fishing in the Wabigoon chain of lakes, hiking local trails, boating, swimming, skiing, and other outdoor activities. There are various tourism organizations working to increase tourism in the district. These include the Sunset Country Travel Association (based in Kenora)<sup>180</sup> the Patricia Region Tourist Council (which includes Dryden),<sup>181</sup> and the Dryden Marketing Association, a destination marketing organization aiming to attract visitors to Dryden. The Dryden Marketing Association's membership includes hotels and other accommodation providers.

- **Agriculture**

Researchers from the Food Security Research Network at Lakehead University note that “there are historic roots in agriculture [in the Dryden area] due to the unique Wabigoon Clay Belt. This arable soil was deposited by glacial Lake Agassiz after the last ice age.”<sup>182</sup>

Farming is concentrated in the southern part of the Kenora District near Dryden where land is suited to agriculture. A diversity of crops grow in the area (e.g. wheat, oats, carrots, sugar beets, mushrooms, blueberries, wild rice) and animals such as cattle, pigs, sheep, elk, and buffalo are raised within the area. There are also a number of processing facilities in the region for wild rice, ground organic wheat flour, honey, and maple syrup. Dryden also has an egg grading station, an abattoir, and butcher facilities.<sup>183</sup>

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<sup>175</sup> City of Dryden. 2015. Exploration and Mining. Accessed at [http://www.dryden.ca/invest\\_in\\_dryden/business\\_opportunities/exploration\\_and\\_mining/](http://www.dryden.ca/invest_in_dryden/business_opportunities/exploration_and_mining/)

<sup>176</sup> City of Dryden, 2015. Renewable Energy. Accessed at [http://dryden.ca/invest\\_in\\_dryden/business\\_opportunities/renewable\\_energy/](http://dryden.ca/invest_in_dryden/business_opportunities/renewable_energy/)

<sup>177</sup> See City of Dryden, 2015. Manufacturing. Accessed at [http://dryden.ca/invest\\_in\\_dryden/business\\_opportunities/manufacturing/](http://dryden.ca/invest_in_dryden/business_opportunities/manufacturing/)

<sup>178</sup> Dryden Development Corporation, 2011. *Kenora District Resource Mapping Project*.

<sup>179</sup> Dryden Development Corporation, 2009. *Dryden Tourism Development Strategy and Implementation Plan*.

<sup>180</sup> <https://www.ontariosunsetcountry.ca/>

<sup>181</sup> <http://www.freemap.ca/>

<sup>182</sup> Nelson, Stroink & Kerk, 2015, p. 3

<sup>183</sup> For more information see City of Dryden, 2015. Agriculture and Agri-foods. [http://dryden.ca/invest\\_in\\_dryden/business\\_opportunities/agriculture\\_\\_agri-foods/](http://dryden.ca/invest_in_dryden/business_opportunities/agriculture__agri-foods/)

- **Retail and distribution**

A Kenora District Mapping Project mapped cultural, community, and tourism organizations in the region.<sup>184</sup> According to the Dryden Development Corporation (DDC) there is an underutilized retail landscape in Dryden, and the DDC, along with other business support services, is trying to attract more businesses to the area.

### **Local (Business) Services**

Business support in Dryden is provided by the Dryden Development Corporation (DDC), Northwestern Business Centre<sup>185</sup>, Northern Ontario Young Entrepreneur Program, Small Business Internship Program, and Northwestern Ontario Innovation Centre<sup>186</sup>. Business support is also provided by the Dryden District Chamber of Commerce, the Dryden Marketing Association and the local Community Futures Development Corporation office, known as Patricia Area Community Endeavours (PACE).<sup>187</sup>

### **Post-secondary Education Provision**

Post-secondary education institutions in the Kenora District include Confederation College, with the Lake of the Woods campus based in Kenora (and its main campus in Thunder Bay) and the Seven Generations Educational Institute (in Kenora) that is “designed to provide for the education and training needs of the Aboriginal people in our Tribal area”.<sup>188</sup> Seven Generations is said to be opening a campus in Dryden in the future. Universities in Manitoba (e.g. University of Winnipeg) or in northern Ontario (e.g. Lakehead University in Thunder Bay) are the closest opportunities for university study. Further online learning services are provided locally.<sup>189</sup>

## **Simcoe County Context**

Simcoe County is the second largest county in the province based on population, with 446,063 people<sup>190</sup>, and the third largest based on physical size. Its land area is 4,859.16 square kilometers with borders from Lake Simcoe in the east to Georgian Bay in the west and Muskoka in the north<sup>191</sup>. Simcoe is unique in that it has both rural and ‘urban’ areas in one county, with the Cities of Barrie and Orillia being the economic and educational centres. South Simcoe borders on the northern boundary of the Greater Toronto Area (GTA). North Simcoe has greater ties to the Muskoka (mid north) region of Ontario.

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<sup>184</sup> Dryden Development Corporation, 2011. Kenora District Resource Mapping Project and Dryden Development Corporation, 2011. Regional Cultural Resource Mapping Project.

<sup>185</sup> [http://www.nwbiz.ca/?page\\_id=17](http://www.nwbiz.ca/?page_id=17)

<sup>186</sup> [http://www.dryden.ca/invest\\_in\\_dryden/business\\_resources/](http://www.dryden.ca/invest_in_dryden/business_resources/)

<sup>187</sup> <https://www.pace-cf.on.ca>

<sup>188</sup> Seven Generations Educational Institute. 2015. *About Us*. Accessed at [http://www.7generations.org/?page\\_id=2](http://www.7generations.org/?page_id=2)

<sup>189</sup> <http://studyonline.ca/student-services/access-centres/Dryden>

<sup>190</sup> Statistics Canada. 2013. Simcoe, CTY, Ontario (Code 3543) (table). *National Household Survey (NHS) Profile*. 2011 National Household Survey. Statistics Canada Catalogue no. 99-004-XWE. Ottawa. Released September 11, 2013. <http://www12.statcan.gc.ca/nhs-enm/2011/dp-pd/prof/index.cfm?Lang=E>.

<sup>191</sup> Birnbaum, Nicolet, & Taylor (2004) *Simcoe County: The New Growth Frontier*. Neptis.



Map of Simcoe County Census Division<sup>192</sup>

## Demographics

The population of Barrie is 166,634 (2011) and the median age is 38.1 years.<sup>193</sup> The City has relatively low unemployment for a rural area (5.6% - January 2015).<sup>194</sup> The population of Orillia is 30,586<sup>195</sup> and the median age is 42.7. The County has a somewhat large French population compared to the rest of the province, with 3% of its population identifying as Francophone. About 12% of the County's population is composed of immigrants; this is the largest number of immigrants in a rural region in Ontario. The County experienced a population increase of 5.7% since 2006. The population density in Simcoe County is 98.1 people per square kilometer.<sup>196</sup>

## Important industries & sectors

A number of sectors that build on Simcoe County's human, natural and social assets contribute to its economy including manufacturing, retail, construction, tourism, agriculture, resource industries, health and social services, and education (colleges and universities). According to Statistics Canada and HRDC, in Simcoe County "manufacturing has consistently accounted for at least 17% of total jobs, retail for 12% and tourism for 6%."<sup>197</sup>

<sup>192</sup> Statistics Canada, 2014, Map: Simcoe County Census Division, accessed at <http://tinyurl.com/osofjet>

<sup>193</sup> Statistics Canada. 2012a. Barrie, Ontario (Code 0043) and Ontario (Code 35) (table). Census Profile. 2011 Census. Statistics Canada Catalogue no. 98-316-XWE. Ottawa. Released October 24, 2012. <http://www12.statcan.gc.ca/census-recensement/2011/dp-pd/prof/index.cfm?Lang=E>

<sup>194</sup> Statistics Canada. 2015. CANSIM, table 282 282-0135 and Catalogue no. 71-001-XIE <http://www.statcan.gc.ca/tables-tableaux/sum-som/01/cst01/lfss04h-eng.htm>. Revised November 2015.

<sup>195</sup> Statistics Canada. 2012b. Focus on Geography Series, 2011 Census. Statistics Canada Catalogue no. 98-310-XWE2011004. Ottawa, Ontario. Analytical products, 2011 Census. Last updated October 24, 2012.

<sup>196</sup> Statistics Canada. 2013.

<sup>197</sup> Statistics Canada and Human Resources Development Canada, *Labour Market Information*. 2001, 1996, 1991 as reported in Neptis. 2014. Economic Base. Accessed at <http://www.neptis.org/publications/simcoe-county-toronto-related-region/chapters/economic-base>

Major economic generators include the Honda of Canada Manufacturing plant in Alliston, Casino Rama, and the Lake Simcoe Regional Airport.<sup>198</sup>

- **Health and Social Services**

The region has 5 hospitals in 5 different communities, 3 community health centres (including a Francophone centre in Midland), 8 walk-in/after-hours clinics, and 12 centres for addictions and mental health. Simcoe Muskoka District Health Unit - Healthy Living Service operates in 5 communities

- **Social services: Child, Youth & Family**

The region is home to many social services for children and families. Examples include: Catulpa Community Support Services (7 in 5 communities), E3 Community Services (2), Emergency Baby Needs Depots (7 including at La Clé d'la Baie en Huronie and at Beausoleil Family Health Centre - Christian Island), Community Action Program for Children (3), Early Years Centres (2). To streamline and improve these services, the Child, Youth and Family Services (CYFS) Coalition of Simcoe County was formed in 1999.

- **Tourism**

The County is known as “Ontario’s Playground” because of its natural beauty, extensive shoreline, and cultural festivals. Over 6.7 million people visit Simcoe County every year, contributing over \$570 million to the economy. Lake Simcoe, Georgian Bay, and Lake Couchiching are anchors for year round tourist activity for the GTA.<sup>199</sup>

- **Educational Institutions**

Georgian College has been established for over 40 years and has grown to seven campuses in Barrie, Midland, Orillia, Owen Sound, Muskoka, Orangeville and South Georgian Bay.

Downtown Orillia is home to Lakehead University, which opened its doors in 2006 and has since opened a second campus in West Orillia. As of 2014, the university has had a 40 million dollar economic impact on the region.<sup>200</sup>

- **Agriculture and Food**

There are over 2,189 operating farms throughout Simcoe County<sup>201</sup>. About 35% of the farms are located in the northwest area of the County, another 30% in the southern area, and about 30% in the northeast. The best agricultural land is the Holland Marsh, located in Bradford West Gwillimbury; it's estimated the Marsh has an annual impact of \$1 billion on the economy because of its rich fertility and crop diversity.<sup>202</sup>

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<sup>198</sup> County of Simcoe EDO. 2013. *Business Success*. Accessed at <http://edo.simcoe.ca/about>

<sup>199</sup> County of Simcoe EDO. 2013. *Business Success*. Accessed at <http://edo.simcoe.ca/about>

<sup>200</sup> Lakehead University. 2014. *Highlights of Lakehead University's Economic Impact on the Cities of Thunder Bay and Orillia*. Accessed at [https://www.lakeheadu.ca/sites/default/files/uploads/66/Lakehead\\_U\\_Economic%20Impact\\_2013-14\\_FINAL.pdf](https://www.lakeheadu.ca/sites/default/files/uploads/66/Lakehead_U_Economic%20Impact_2013-14_FINAL.pdf)

<sup>201</sup> County of Simcoe EDO. 2013. *Agriculture*. Accessed at [http://edo.simcoe.ca/Shared%20Documents/economic\\_agriculture\\_oct2013.pdf](http://edo.simcoe.ca/Shared%20Documents/economic_agriculture_oct2013.pdf)

<sup>202</sup> *ibid.*

## Appendix 2: Social Enterprise Lifelines Process

### **Step One – Setting the Stage**

1. Prepare a large piece of blank paper with time periods across the top, from up to 2 years prior to the start of your enterprising activity to up to three years beyond the present. This is the 'Social Enterprise Lifeline'. Time can be notated in months, years or even groupings of years if the group has been working on enterprising activities for some time.
2. Post the sheet of paper on a wall where everyone can see it.

### **Step Two – Key Moments and People**

3. Using sticky notes, have group members write up key moments in the process of developing and implementing their organization's earned revenue strategies/activities. Assign a particular colour of sticky note for this purpose.
4. Ask members to place their notes on the Lifeline. Each member should name the event or circumstance, say when it happened and explain why that moment was important to them and to the enterprise.
5. Using another colour of note, have each person put themselves on the timeline. They should indicate when they became involved, how and why, and what their role was.
6. As a group, fill in any gaps in key moments on the Lifeline. Consider these questions:
  - a. Are there other events that should be documented?
  - b. What other key players were involved and in what roles?

### **Step Three – Social Enterprise Enablers and Barriers**

7. Using two different colours of sticky note, ask group members to write down the factors (people, policies, institutions, trends) that enabled the social enterprise to move forward and those that hindered its progress.
  - a. Enablers can be any of the following: key partners, enterprise consulting services, supportive policies, critical allies, other groups or institutions that provided resources, customer base, demographic or business trends, geography and rurality.
  - b. Barriers could fall into the same categories but also might include: key competitors, internal organizational challenges, etc.

8. Ask members to place their sticky notes on the Lifeline.
9. As a whole group fill out any gaps in the enablers and barriers. Consider the following questions:
  - a. What's missing from the picture? Add these in on post it notes on the Lifeline as they are discussed.
  - b. Where is there consensus on enablers or barriers? Is there disagreement about any of the enablers or barriers that might point to core tensions in the SE's development?

#### ***Step Four – Sector and Place***

10. If time allows, add several other lines parallel to the SE development process, including the community, the sector your SE locates in (arts, agriculture, education, etc.), and the larger region (e.g. northwestern Ontario).
11. Ask the group to record, on sticky notes, key moments or significant changes in the sector, community, and region over the time period.
  - a. Have them place the sticky notes on your Lifeline sheet.
12. Discuss the significance of events in the various areas on the social enterprise, and the significance of the social enterprise on the sector and region. Note any connections between events or issues, noticeable trends, tensions between areas — or even contradictions.
  - a. Consider what larger forces may be acting on these areas (economic, political, environmental, social).

#### ***Step Five – Future Considerations***

13. In reviewing the process and the Lifeline, have the group discuss the following questions:
  - b. What are some directions the SE may take in the near future? Plot these on the Lifeline.
  - c. What strategies might be employed to deal with the forces that could stall the initiative?
  - d. Are there other lessons here that might help the SE team take the next steps, either in this initiative or others?

#### ***Step Six – Discussion and Analysis***

14. In analyzing the process and the Lifeline, discuss the following research questions:

### ***Process of Development***

- What does the Lifeline tell us about the process of social enterprise development for this particular organization?
- How does this compare with the development paths of other social enterprises?
- Are any of the key success factors or barriers particularly rural in nature?

### ***Systems of Support***

- What elements of a regional system of support for Social Enterprise are evident in this Lifeline?
- Did the organizational players “connect the dots” or was there a continuum of support or an SE intermediary already in place that helped navigate SE supports?
- Who are the key players in the regional SE support network?
- What other pivotal supports were sought out through other networks beyond the region (e.g. personal networks, industry or sector organizations, provincial or national associations)?

### ***Policy Leverage Points***

1. What specific policies have impacted the SE to date?
2. What policies would support the future development of the enterprise?
3. How do these enabling policies relate to key leverage points in the current municipal, county, provincial or federal government mandates?

## Appendix 3: Key Informant Interviews – Case Study

### **Site Representatives**

*The questions below will be addressed to you, the Case Study Site Reps, in a meeting prior to or immediately following the facilitated Lifelines process. Additional documentation will include a site tour and review of financial statements and other important background documentation you supply on your initiative.*

#### **Objective 1:**

*To document and describe the process of rural nonprofit social enterprise development. (Focus on the genesis of successful rural social enterprises through a comprehensive context-based analysis and documentation of the startup, stabilization, and growth stages.)*

1. What stage would you say your initiative is now at (start up, stabilization, growth/replication, other)?
2. What would you say are indicators or key measures of your success?
3. How would you rate the success of the enterprise to date based on those indicators? Has it exceeded your expectations or is progress slower than anticipated? Please explain.
4. How did your initiative come into being? What were some of the key factors associated with the early development and start up?
5. What are some directions the SE may take in the near future?
6. What is your assessment of the sustainability of the enterprise? Do you think it will continue to grow and thrive, or are there hurdles ahead? Please explain.
7. What strategies might be employed to deal with the forces that could stall the initiative?
8. Are there other lessons here that might help the SE team take the next steps, either in this initiative or others?

#### **Objective 2:**

*To document and identify the development supports needed or used by rural nonprofit organizations and social entrepreneurs. (Focus on the key elements of effective current and potential systems for support of rural social enterprise development.)*

- How would you rate the environment for social enterprise development in your region? Please explain.
- What kinds of supports are currently available for social enterprise development in the region? What's missing?
- Did your organizational players “connect the dots” or was there a continuum of support or an SE intermediary already in place that helped navigate SE supports? What did the

process of putting together the continuum of support look like?

- What other pivotal supports were sought out through other networks beyond the region (e.g. personal networks, industry or sector organizations, provincial or national associations)?

*If these questions are not answered through the Lifelines process... you will be asked...*

- What supports were accessed to assist in the development of your specific enterprise – either to remove barriers or contribute to moving the initiative forward?
- What supports were not available or accessible at various points that you would have liked to have had available?

### **Objective 3:**

*To document the enablers and barriers encountered by nonprofit social enterprises and how they can be overcome. (Focus on developmental, financial and policy challenges.)*

- What particular policies at the municipal, county, provincial or federal levels have had an impact on the enterprise development? How did they impact?
- What policies would ensure greater support for this enterprise and others in the region?

### **Objective 4:**

*To determine key leverage points for policy change and investment to facilitate effective and impactful rural social enterprise development in Ontario. (Focus on the role of investment and policy in the future of rural social enterprise development.)*

1. How do possible enabling policies relate to key leverage points in the current mandates of various levels of government? At the municipal level? the county? the province? the federal government level?
2. What do you think it take to impact these policies to have a more positive impact in the future?

### **Other Questions:**

1. Are there any documents that describe the region or the sector you're working in Simcoe County that would be important for us to review for the contextual piece?
2. Anything else we should have asked but didn't?