Effective Practices in Social Enterprise Development

ROLES FOR RURAL AND REMOTE MUNICIPALITIES

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Acknowledgments

Thanks to the many people from the case study municipalities who told their stories and helped to create a picture of the creative work that communities are doing to solve complex problems through social enterprise development.

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Introduction

Very little information is available to support Ontario’s rural and remote municipalities in pursuing social enterprise development. This manual is designed to assist municipal leaders in determining what kinds of community needs might be satisfied by new social enterprise, what sort of business or operational models work best in rural and remote areas, and what kind of roles municipalities can play in establishing or stewarding the creation of new social enterprises.

For the purposes of this manual, a social enterprise is a business owned by non-profit or charitable organizations, municipalities, and/or co-operatives, which is led by vision- and value-driven leaders to address the complexities of community development. We include the following types of social enterprises in this definition:

> Non-profit organizations or co-operatives earning revenue for the purpose of advancing a social or environmental mission for community good.
> Earned revenue activities undertaken by municipalities, including hall rentals, arena operations and/or other fee-for-service activities.
> Private or non-profit corporations that are wholly owned and/or controlled by municipalities, non-profits, and co-operatives, and whose revenues or surpluses are used to improve citizens’ quality of life.

Rural Ontario communities and regions are experiencing unprecedented economic and social challenges. To ensure their ongoing vitality, and to create a future of prosperity and health, diversification is necessary. However, the path is not clear, and local governments need accessible information and recommendations on diversification strategies that have worked in other rural regions. This manual provides case examples and describes the effective practices of Ontario municipalities that are supporting social enterprise development. The case studies highlighted here come from four rural or remote Ontario regions: Huron, Simcoe, and Peterborough counties, and Kenora District. Using two case studies from each region, this manual seeks to improve municipal governments’ understanding of, and investment in, the social economy. Following the lessons provided here, it is hoped that more municipalities will appreciate rural social enterprise as an effective means of achieving economic diversity and community vitality.

Municipalities are well positioned to influence their social enterprise ecosystems as intermediaries, navigating provincial and federal policies to benefit their regions. Mediating
between upper levels of government and the non-profit sector, municipal leadership is critical in the production and maintenance of economic, cultural, environmental, and social benefits. As government and private sector roles evolve, non-profits increasingly provide key public services. At the same time, non-profits are generating revenue, keeping or even increasing employment in their regions. As non-profits and municipalities seek revenue from the market in order to accomplish a social mission they can find that they are in fact pursuing “social enterprise.” Working with social enterprise and social entrepreneurs, Ontario’s rural and remote regions are realizing the potential for a multi-sector, holistic approach to sustainable economic, social, cultural, and environmental revitalization.

Municipalities act as social enterprise practitioners when they operate their own revenue-generating enterprises. The following case studies demonstrate how rural and northern Ontario municipalities are playing a significant role as intermediaries and practitioners in the social economy.

Social enterprises enable municipalities and rural non-profits to earn revenue, which in turn is used to retain and expand employment opportunities and maintain and increase economic, cultural, environmental, and social capitals. By reacting to local concerns, values, and history, rural and remote governments are uniquely positioned to aid in developing and maintaining social enterprise activity, and ultimately to increase community resilience.

CASE STUDIES

The following case studies are organized into two sets: those where the municipality is acting as an intermediary and those where it is acting as a practitioner. Each case study is organized into three sections: the social enterprise concept, lessons learned about what they did, and the community benefits that resulted. Social enterprise practitioners are people who are developing or operating social enterprise businesses. Social enterprise intermediaries are organizations or networks that connect people, ideas, and resources to create the conditions for successful social enterprise development.

Workforce integration social enterprises (WISEs) provide accommodating work environments for people who have a hard time connecting to the mainstream economy. WISEs essentially aim to create more flexible jobs for people who experience barriers to employment; their goals are thus social and economic. This type of social enterprise has become quite common in urban settings, but less so in rural areas. Nevertheless, it has been proven to be an effective workforce development strategy for people who encounter systemic barriers to employment. WISEs often generate significant revenues, and may expand social outcomes beyond employment development.

Operation Grow in Midland, Ontario is a social enterprise that is in an early stage of development. On November 1, 2017, the centre had its grand opening. Operation Grow is a vertical farming social enterprise that will provide food security, employment, and training in North Simcoe. It provides women with lived experience of violence (e.g. sexual assault and sex trafficking) with opportunities to increase resilience, network, and build community in a supportive work environment. Providing flexible low-barrier employment opportunities, food options, and non-therapeutic supports to reduce the impacts of trauma, Operation Grow generates income from its vertical farm produce. The tagline for the business is “growing more than just produce.”
What did they do?

- Municipalities can add credibility to the non-profit organization developing social purpose businesses by endorsing their work. This additional credibility can make it easier for the non-profit to build social and political capital through other stakeholders.

- Once a municipality sees value in a certain idea or model that could solve a complex social problem it can help by connecting social entrepreneurs to opportunities for funding or financing.

- Recognize and support non-profit organizations working on innovative solutions to complex problems that cross political boundaries.

- Build regional political connections to support innovative social enterprise work in rural communities.

What was the result?

- **POLITICAL**
  - Municipal policies support development of the social business

- **BUILT**
  - New vertical farm in community

- **HUMAN**
  - Women survivors of abuse have access to skills-building

- **SOCIAL**
  - Marginalized citizens are included in community life
Peterborough GreenUP

PETERBOROUGH COUNTY

Peterborough GreenUP is an environmental charity that has been active throughout Peterborough County since the mid-1990s. It operates two social enterprises. Peterborough County is far enough from Toronto that it has a more localized economy, sending less of its workforce to other regions. Research participants described strong relationships between municipalities and township governments in the region, especially in the environmental sector.

GreenUP’s first enterprise is GreenUP Ecology Park, a five-acre market garden for teaching and demonstration. The park has been developed over twenty years, and includes a native plant and tree nursery that sells plants and compost to the community. The second social enterprise is the GreenUP Store and resource centre. Its mandate is to give residents access to environmentally friendly products and services.

GreenUP has historically focused on the urban centre but has grown its connections throughout the region. It developed out of a sustainability roundtable established in the 1990s. One of the outcomes was the recognition of the need for an organization that could address environmental issues facing the county in a way that municipalities were unable to, or were uninterested in taking up. With a New Democrat provincial government in place at the time, there was enough funding to start GreenUP. When the government changed in 1995, many organizations like GreenUP had to close their doors or move toward being entirely volunteer-run. However, the City of Peterborough recognized the important work that GreenUP provided, and over the last 20-plus years has supported the organization with funding through various streams. This consistent funding allowed for the development of the two social enterprises, and for extensive environmental programming throughout the region.
When municipalities partner with environmental groups they can often meet their own environmental objectives more easily.

Core funding of non-profits creates organizational stability, creating better and greater outcomes than a municipality may be able produce on its own.

Municipalities can facilitate jurisdictional boundary connections for non-profits and their social businesses.

**POLITICAL**
County and municipal partnership supports environmental action

**HUMAN**
Citizens’ environmental awareness and action enhanced

**NATURAL**
Natural capital preserved and enhanced for community use

**SOCIAL**
Opportunities for engaging in environmental action in place
There are hundreds of modest community halls throughout rural and remote Ontario, and many of them were built over a century ago. The oldest were built in a time when people could only travel short distances, often by horse and buggy. Many of these halls are still owned by municipalities, and are often run by volunteer board members. The hall board typically operates as a committee of council to manage the building and raise funds to keep the hall open. These community spaces were centres of social gathering for many decades, and even now serve as cultural assets for many small municipalities. However as rural populations, and hence many experienced volunteers, are aging, finding a new generation to take the reins is increasingly important.

Given the age of these legacy assets, expensive maintenance and upgrades will be required. A significant number of these community halls have already been sold because smaller municipalities do not have the financial resources to maintain them.

In Wroxeter, an Ontario village of about 400 people, the members of the hall board developed a creative idea for maintaining the community hall and enhancing it for community use by getting the building licensed for alcohol sales. They also hold weekly Friday night pub nights that build strong social capital. These social enterprises have provided significant revenue for a very small community and have revitalized the community hall.
What did they do?

- Municipalities can leverage their insurance and alcohol policies to create the conditions for community groups to generate revenue. This municipality has an alcohol policy that the hall board strictly adheres to. The municipality also covers the insurance costs for the board through its own insurance policy.

- Licensing public spaces for the sale of alcohol can provide good revenue to maintain these spaces.

- Volunteers can be critical in keeping costs low, to maximize profits on sales through businesses like this.

- Letting volunteers manage and develop strategies to maintain and enhance community assets can keep facilities viable without the need for significant resourcing from councils.

- Creating spaces and opportunities for more frequent community events can reduce social isolation in rural communities.

What was the result?

- **POLITICAL**
  Municipal perception of citizens’ capacity enhanced

- **BUILT**
  Community centre preserved and refurbished

- **HUMAN**
  Volunteers empowered to preserve and enhance community centre

- **FINANCIAL**
  Revenue for building and community enhancement in place

- **CULTURAL**
  Cultural space preserved for community use

- **SOCIAL**
  Citizen engagement and opportunities for inclusion
Sioux Lookout Regional Distribution Centre

KENORA DISTRICT

Remote Ontario First Nations have significant food insecurity. A study led by the Nishnawbe Aski Nation (NAN) concluded that “the importation of food to NAN communities is by no means a ‘single system’; there are many actors bringing food into communities, by many different supply chains. It was clear to our researchers, however, that the prevailing factor leading to high food costs was the high cost of transportation and storage. Without significant investment in transportation and storage infrastructure, these real costs cannot be diminished: someone will continue to have to pay for them.” (Kiitigaan Aski Food Distribution Pre-Feasibility Study 2015/2016: 42)

The Regional Distribution Centre is an ambitious social enterprise designed to lower the costs associated with the movement of goods to and from Ontario’s remote fly-in First Nations communities. It intends to offer warehousing and hangar space at the Sioux Lookout Airport for short-term storage and the aggregation of foodstuff and other products en route to remote communities. A further operational stream will offer logistical expertise to remote communities to assist them in lowering costs by improving transportation efficiencies.
What did they do?

→ Municipalities that build relationships with First Nations make it possible to solve complex problems.

→ Friendship accords between municipalities and First Nations can lead to social enterprise ideas that provide economic, social, and cultural benefits to both.

→ Municipalities can support social enterprise ideas by taking care of the administrative burden. Staying on top of the administration of complex social businesses is an important piece of the work that is likely to require significant effort by paid staff. The burden is usually too heavy for volunteers.

→ Municipalities can provide helpful early facilitation and coordination prior to a social enterprise launch.

→ Municipalities have more flexibility than other levels of government, and so can be instrumental in assisting with early development. Federal and provincial funding windows are not usually flexible enough to support good ideas, discussions, and momentum when they’re most needed. There are many social enterprises in the province where practice is preceding the policy tools that could help them innovate.

What was the result?

✓ POLITICAL
  Municipality’s political power enhances social enterprise

✓ BUILT
  Local airport enhanced with new warehouse for goods for remote First Nations communities

✓ HUMAN
  First Nations leaders and municipal staff develop skills and expertise in the transportation of goods to remote First Nations

✓ FINANCIAL
  First Nations leaders develop a social enterprise that can significantly lower food costs in remote communities

✓ SOCIAL
  Positive and productive working relationships and friendship accords among northern municipalities and First Nations
Cloverbelt Local Food Co-operative (CLFC) is a non-profit, multi-stakeholder co-operative that includes food producers, consumers, and institutions as members. It was formed to support a strong local food system in Northwestern Ontario. The co-operative links producers directly with consumers through its online system. CLFC strives to foster a thriving local food community by cultivating and facilitating farmer-consumer relationships, promoting naturally grown, fairly priced, healthy food. CLFC also provides education and resources regarding sustainable agriculture. CLFC uses free and open source software to coordinate food ordering and deliveries.

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. It began accepting memberships in October 2013, and gained 100 members before incorporation was completed in December 2013.

The co-operative’s vision is to become the central hub for production and distribution of local food in Northwestern Ontario. Ontario’s current food supply chain is focused to the south. Sourcing local food not only provides farmers with increased sources of sales, but also keeps prices lower, reduces transportation times and costs, provides fresher food, helps to revive/build a northern agricultural base, and contributes to northern livelihoods.

Institutional members including municipalities have been instrumental in providing in-kind and financial contributions, and communicating their enthusiasm for the co-op with their peers and stakeholders in other communities.
What did they do?

→ Long-term no-cost leases for surplus municipal land and buildings can help social enterprises develop. Cloverbelt has enjoyed ongoing municipal support that has been critical to its success.

→ When a municipality acts as a co-applicant on funding applications it adds significant credibility to social enterprise. Dryden and Sioux Lookout have both partnered on funding applications with Cloverbelt.

→ The municipality can be instrumental in linking people from social enterprises to sistering municipalities and other intermediary organizations to build the success of the social enterprises.

→ Municipalities can assist social enterprises with advertising and online promotion.

→ Municipalities can provide in-kind consulting services using municipal economic development staff to strengthen the business aspects of the social enterprise opportunities in their regions.

→ Municipalities can begin to capitalize on local social enterprise opportunities simply by being open and receptive to citizens’ ideas and aspirations.

→ The municipality can provide links for the social business to the regional economic development system.

What was the result?

✓ POLITICAL
Municipality uses connections to build political support for the cooperative

✓ BUILT
Surplus land used for food education and production

✓ HUMAN
Farmers and consumers use their skills and finances to enhance access to local food

✓ FINANCIAL
Organization brings hundreds of thousands of dollars in economic activity to the municipality and region

✓ SOCIAL
Citizens, farmers, and key institutions working together to build a local sustainable food system
The town of Goderich was founded adjacent to its port, and now features the largest operating salt mine in the world. The privately operated mine is expected to produce for another 150 years and is the largest asset owned by the municipality.

For a rural community of about 8,000, Goderich has developed a pioneering attitude, using innovative approaches to managing infrastructure and developing productive relationships in both the private and public sectors. For example, the port has provided a key local industry partner with significantly lower port fees, while maintaining municipal control of a crucial infrastructural asset—the port lands.

In 1995, during a review of the Canada Marine Act, the federal government became interested in divesting itself of 300 regional ports. Ultimately the act was not passed, but the divestment nevertheless proceeded. At the time, Goderich’s port produced the highest revenue in Canada because of its salt mine, Sifto Canada Inc. The mine had been acquired by D.G. Harris and Associates in 1990, and is now part of Compass Minerals. The transition of the port from the federal government to the municipality took four years. The Sifto Corporation declared that they would like to purchase the port, which included the 55-hectare site, the break walls, and other infrastructure. The federal government told Sifto that they could not own the port, but that the municipality could, and agreements benefitting both the town and the port’s users were entered into. Since this agreement has been in place there have been significant improvements and redevelopment to the harbour and lakeshore parklands—all paid for through the port revenues.
What did they do?

→ Municipalities that take control of infrastructure from other levels of government can steward and develop these assets for community benefit.

→ Maintaining ownership and operation of lands and infrastructure that serve private-sector stakeholders creates revenue needed to maintain and upgrade critical assets without increasing general tax rates or the burden on local industry.

→ Charitable corporate structures can be set up by municipalities to own and manage infrastructure, maintaining and enhancing them as public assets. The by-laws and board of the charitable organization can be structured to maintain control while operating outside of the corporate structure of the town.

→ Public infrastructure that comes up for sale can be transferred or purchased by municipalities. It is important that there is a business plan that includes short, medium, and long term revenues and capital costs.

✓ POLITICAL
  Policies in place that maintain control of a key asset in the town

✓ BUILT
  Permanent ownership of infrastructure

✓ HUMAN
  Municipal expertise in managing profitable port

✓ FINANCIAL
  Social enterprise generates revenue that continues to enhance harbour and lakeshore

✓ NATURAL
  Natural harbour preserved and enhanced

What was the result?

What did they do?
Rural areas are often underserved by medical professionals. To attract these services, many rural communities build or operate medical centres and then offer them as office and/or clinic space. Access to health care is often a consideration when people move to less populated areas, and the presence of a health centre can entice new residents to rural areas that may have difficulty maintaining population levels.

The Keene Health Centre is located close to the centre of the village of Keene, which has a population of about 500 people. Keene is within the township of Otonabee–South Monaghan. The township has an overall population of almost 6,000. The medical centre provides 1,200 people with medical services and provides an alternative to centralized medical services further away. Health services are increasingly clustered in larger urban centres throughout Ontario. The centre has shorter waiting times, free parking, and is much closer than the regional hospital for rural citizens around Keene, many of whom lack access to public transportation. People from Millbrook, Havelock, Hastings, and Lakefield all use its services. The centre operates through a partnership between the municipality and the Victorian Order of Nurses (VON).
What did they do?

→ Access to municipally-owned space for non-profits that can provide services that would typically not be available in areas with low population density.

→ Being a landlord for a variety of non-profits provides opportunities for collaboration that can significantly benefit citizens.

→ Municipalities can work with partners in the community to keep infrastructure that can be repurposed.

→ Be flexible, to let partnerships evolve in the early stages; don’t get stuck on what “cannot be done” because of existing policies.

What was the result?

✔ POLITICAL
Municipal commitment to building community legacy

✔ BUILT
Donated building used to house medical team

✔ HUMAN
Community members have access to medical services

✔ FINANCIAL
Municipal maintenance of the building as expense for enhanced community outcomes

✔ SOCIAL
Municipality and service club strengthened their relationship to manage community buildings: the municipality worked with the Lions Club to secure the building where the health centre is located
InnServices

INNISFIL SIMCOE COUNTY

Innisfil is a town of about 33,000 people in Simcoe County, located on the western shore of Lake Simcoe. It is immediately south of Barrie and 80 kilometres north of Toronto. It has historically been a rural area, but growth in Barrie and Toronto has meant greater residential development over the last 25 years. Unlike lower-tier municipalities in a regional system, Innisfil is responsible for providing its own water and wastewater treatment infrastructure.

Municipal services corporations operate outside of municipal regulation, providing a structure under which municipalities can operate their own social businesses. Innisfil owns InnPower and InnServices, for-profit municipal services corporations that provide essential services: InnPower provides electricity, while InnServices provides water and wastewater management.

InnServices provides Innisfil with clean, safe drinking water, and treats wastewater that is collected from the sewer system. It also builds new water and sewer infrastructure: On January 1, 2016, InnServices received control of the town’s water and wastewater assets. There are two water pollution control plants, one surface water treatment plant, municipal wells, and associated collection and distribution systems. InnServices is currently building over 200 million dollars’ worth of new water infrastructure intended to generate growth and bring local jobs to Innisfil. The town feels it needs this new infrastructure to capitalize on development along the Highway 400 corridor. This may be the first water/wastewater municipal services corporation in Ontario. The structure allows the company to act now, in a way that a municipal department alone could not, while the development pressure along the corridor is high.
What did they do?

→ Build revenue generation into strategic plans. This creates a positive and enabling environment to explore and develop new corporations, helping staff and elected officials be more entrepreneurial.

→ Lower-tier municipalities can work with county or regional decision-makers as partners in social enterprise development. The upper tier government usually has access to resources and credibility that the lower tier may not. In this case the county was able to access a loan that financed the development of InnService. The county has a seat on the board of the corporation, and is therefore a partner in the success of the development.

→ Municipal service corporations can allow municipalities to maintain control over essential services with less restriction on how debt for new projects is structured. Citizens are increasingly leery of privatization of essential services like water, energy, and telecommunications. Municipal service corporations can use new or existing capacity entrepreneurially in developing relationships with developers or other municipalities, generating more revenue to keep critical infrastructure in good repair.

What was the result?

✓ POLITICAL
  County and municipal structures in place to make it happen

✓ BUILT
  New and improved water services in the community

✓ FINANCIAL
  Revenue source for discretionary use by the municipality

✓ HUMAN
  Municipal skills and abilities to manage water services for public good
Effective Practices

The case studies provided above reveal how some rural and remote municipalities are pursuing diversification and vitality through social enterprise development. Some municipalities act as social enterprise intermediaries supporting separate non-profit social enterprises in a variety of ways. Some municipalities are themselves practitioners, developing and operating their own social enterprises.

The following practices can be used by rural and remote municipalities to support the development of more social enterprises, and by extension more vibrant rural and remote communities.

AS INTERMEDIARIES

Provide grants to non-profits to support their social enterprise development

Municipalities that provide core funding to non-profits create organizational stability, leading to better and greater outcomes than they might be able produce on their own. Municipalities have more local flexibility than other levels of government, and so can be instrumental in assisting with the early development of social enterprise ideas. They can also be instrumental in creating an enabling environment by providing grants, especially as a funding source for visioning and exploration. Other funders with broader mandates may not be interested in a small local project unless there is at least a clear idea and some strong evidence of community need. Federal and provincial funding windows are customarily inflexible. Flexibility is needed for the creation of good ideas, discussions, and the development of popular momentum. It can therefore be incumbent on municipalities to lead the way in providing some unrestricted resources for early-phase visioning and evidence gathering to build the case for a new social enterprise.
Support citizen engagement, and their creative collaborative ideas

Municipalities can capitalize on local social enterprise opportunities by being open and receptive to citizens’ ideas and aspirations. When municipalities support the creative work of citizens, these volunteers enhance community assets. Volunteers help build social assets by putting on events, and rural volunteers are often critical in keeping facilities viable where resources are stretched thin. Volunteers’ ideas for local innovation should be sought and supported, because it is local citizens who best know what they need, and how to get it.

Act as a patient or loss-leader landlord to create new opportunities for non-profit organizations

Municipalities are supporting non-profit organizations by providing space in municipally-owned buildings and land. Being a landlord for a variety of non-profits provides opportunities for collaboration that can significantly benefit citizens. Long-term low- or no-cost leases for surplus municipal land and buildings can help social enterprises find their niche in the community while keeping core operating costs low.

Support good ideas with short term insurance coverage

The cost of insurance can prohibit the development of good ideas in rural and remote regions. Some municipalities leverage their insurance to support citizen groups in early development. For instance, one municipality used its alcohol policies to create the conditions for a community group to generate revenue. Rolling a new initiative into an existing municipal insurance plan effectively allows small initiatives to access the economy of scale that the municipality accesses, and capitalizes on the historical relationship of the municipality to its insurer in a way that a fledgling non-profit could not. The marginal additional cost to the municipality is likely to be far less than what a new endeavor would expect to pay, especially when and where the activities of the new initiative take place on municipal property.
Provide non-profit social enterprises with links to networks across jurisdictions, and knowledge about opportunities for support

Municipalities have a role to play in linking people to knowledge sharing networks, and in identifying opportunities for funding and financing. Citizens and non-profits can solve complex social and economic problems; municipalities can assist by connecting social entrepreneurs to others in their sphere of influence, and to opportunities for funding or financing. This research found some municipalities who had built regional political connections to support innovative social enterprises. Municipalities can link social businesses to economic development opportunities in their region, reducing the burden of seeking new resources.

Be a flexible partner in early stage social enterprise concept development

Municipalities help with early facilitation and coordination prior to a social enterprise launch. They are supporting social enterprise ideas by taking care of some initial administrative burden. Staying on top of the administration of complex social businesses is an important piece of the work that is likely to require significant effort by paid staff. This burden is usually too heavy for volunteers. In some cases municipalities are also assisting social enterprises with communications and/or promotion services such as advertising and business listings, or highlighting the social enterprise on municipal websites. Municipalities may also in effect provide in-kind consulting services, using municipal economic development staff to strengthen the business aspects of new social enterprise.

Endorse the social enterprise work of local non-profits

Municipalities can add credibility to non-profit organizations that are developing social enterprise businesses by endorsing their work. This additional credibility can make it easier for the non-profits to build social and political capital with other stakeholders (e.g. a municipality acts as a co-applicant on funding applications).

Municipalities can be instrumental in linking people from social enterprises to other regional municipalities or intermediary organizations. Most non-profits will cross some sort of political boundary in their work, especially in less populated areas. Municipalities can facilitate cross-boundary connections for non-profits and their social businesses by making links to regional economic development systems.
Municipalities can leverage the results of non-profit social enterprises to meet their own objectives

Municipalities that provide core funding to non-profits create organizational stability, leading to better and greater outcomes than either partner might be able produce on their own. Close and consistent relationships between municipalities and non-profits focused on specific social or environmental objectives bring multiple benefits to rural and remote regions. When municipalities partner with social service, health, culture, and environmental groups they can often meet their own objectives in these areas more easily.

AS PRACTITIONERS

Maintain ownership of public infrastructure

Rural and remote municipalities are finding ways to keep and develop infrastructure for community benefit. As federal and provincial infrastructure comes up for sale it is often being transferred to or purchased by municipalities. Municipalities can then work with partners in the community to repurpose or revitalize infrastructural assets. Municipalities that take control of infrastructure from other levels of government are stewarding and developing these assets for community benefit. By maintaining ownership and operation of lands and infrastructure, municipalities can create revenue needed to maintain and upgrade critical assets without increasing general tax rates.

Use corporate structures creatively

Municipalities are creating their own operational structures, setting up charitable or for-profit corporate structures. These new corporate entities can own and manage infrastructure, maintaining and enhancing them as public assets. The by-laws and boards of these corporations are structured to maintain control of the asset while operating outside the corporate structure of the municipalities. Some municipalities are establishing municipal service corporations to maintain control over essential services with less restriction on how debt for new projects is structured. Municipal service corporations use new or existing capacity entrepreneurially in developing relationships with developers or other municipalities and in generating revenue to keep critical infrastructure in good repair.
Enshrine earned revenue into municipal strategic plans

Include revenue generation scenarios in municipal strategic plans to support entrepreneurial behaviour. This creates a positive and enabling environment for exploring and developing new ideas, and helping staff, elected officials, and volunteers to become more entrepreneurial. This can prompt communities to engage in creative discussions with local non-profit organizations and citizens who want to make a positive change in their community.

Work across political boundaries to get support for social enterprise concepts

Lower-tier municipalities are working with county or regional decision-makers as partners in social enterprise development. The upper-tier government usually has resources and credibility that the lower tier may not.

Formalize friendship accords with First Nations to support truth and reconciliation

Municipalities are playing a role in supporting and partnering with First Nations. More formalized friendship accords between municipalities and First Nations can lead to social enterprise ideas that provide economic, social, and cultural benefits to both.

Participate in building a vibrant system to support the development of rural and remote municipalities

To create cohesive practice and policy supports for the rural and remote social enterprise ecosystem, municipalities can continue to establish links among the players, and coordinate local efforts. Coordinated collaborations can be formed whereby multi-sectoral partners work together to solve complex problems. From the research that led to this manual, we have seen that municipalities are active practitioners and intermediaries in rural and remote social enterprise development; yet the majority of their work is occurring in isolation and without supports from other levels of government.
Municipalities’ Role in the Social Enterprise Ecosystem Development

Municipalities act as both intermediaries and practitioners in Ontario’s social enterprise ecosystem. In these two roles municipalities can both benefit from the system of support and help to create an enabling environment. Rural and remote municipalities must maintain a connection to the provincial and federal directions in social enterprise development given their limited staff and the predominantly urban perspectives of other players.

As noted by the Rural Social Enterprise Collaborative in 2016, “policies impact rural and urban organizations differently. Policy decisions related to service provision may be experienced differently in rural and northern regions than in urban areas. They may in fact have more adverse effects on rural organizations and communities. This will directly impact their social enterprise efforts.” (Lang et al., 2016, p. 19).¹

Framework for practice and policy supports

TO RURAL AND REMOTE SOCIAL ENTERPRISE ECOSYSTEM VITALITY

Building a system of support

Building an enabling and aligned policy framework together

Creating an enabling environment

Acknowledgements


With thanks to Cathy Lang for many years of working together that helped us both understand this picture.
Municipalities as Practitioners
Social enterprise practitioners are people who are developing and/or operating social enterprises.

Municipalities as Intermediaries
Social enterprise intermediaries are organizations or networks that connect people, ideas, and resources and create the conditions for successful social enterprise development.
With growing interest in social enterprise, the promotion of rural and place-based policy lenses within the provincial and federal governments is needed. It will be important to demonstrate the links between community-based social enterprise activity and the community economic and social outcomes they generate.

It will be important to include place-based policy lenses for all levels of government. In a recent paper Lalande and Cave (2017) found that “the social enterprise ecosystem is . . . diverse in geographic context, issue area, funding and corporate form. It is fragmented and siloed due to the lack of common definitions, leaving many to question whether unifying provincial and federal strategies for social enterprises are indeed possible.”

Practitioners are leading the field in social enterprise development in Ontario. It is now time for public policy developers to learn from them and develop policies, tools, and programs that lead to a more vibrant rural and remote social enterprise field.
Municipalities Moving Forward

This manual has attempted to show how municipalities, supported by the non-profit sector, can lead the development of social enterprise policy frameworks and investment structures. Municipalities are the level of government most closely linked to citizens and their communities. This puts municipalities in a pivotal place to negotiate with regional, provincial and federal governments, and find effective means to develop the social enterprise ecosystem, improving its impact in rural and remote regions of Ontario.
Appendix

**Natural capital**
The landscape, climate, air, water, soil, and biodiversity of both plants and animals.

**Cultural capital**
The filter through which people live their lives, the daily or seasonal rituals they observe.

**Human capital**
People’s ability to earn a living, strengthen community, and otherwise contribute to community organizations and to their families.

**Social capital**
Relationships and how people and organizations work together to get things done.

**Political capital**
The ability to influence rules, regulations, and their enforcement. It can relate to any level of government and within organizations.

**Financial capital**
Support required for community development, both for current projects and to develop capacity for future development.

**Built capital**
Infrastructure such as buildings, roads, bridges, telecommunications, sewers.
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