

Gatineau Monde: impact of social economy positive

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Gatineau Monde celebrated its tenth year in operation at its session on February 18 at the Maison du Citoyen. Patrick Duguay, the long-standing Director General of the Coopérative de développement régional Outaouais-Laurentides, spoke on the importance of the social economy, in which he is actively involved.

The social economy, Duguay explained, does economics otherwise. It serves to revitalize a community and responds to the local market. So what are the characteristics of the social economy? Following is his perspective.

Cooperatives and associations are organizations with which members identify. The organization is “mine”. Its property is collectively owned. Management is democratic. It exists primarily to serve its members, not its customers. Its primary foci are people and work. It is characterized as autonomous from government. It is not a public enterprise in disguise.

An organization in the social economy is local, anchored in its milieu. And regardless of the financial investment, a member makes decisions on the basis of one vote per participant. The social economy generates employment. Instead of profit, it returns a rebate to participants. Thus, Desjardins, which had its origins in the social economy, still provides a rebate to customers at the end of the year.

According to Duguay, the social economy cannot be considered marginal. In Quebec, there are 7,000 organizations involved, employing 725,000 people. This sector of the general economy is growing, and the Outaouais is a leader in this sector.

The social economy serves to integrate women into the workforce. For example, early childhood educa-

tion centres and home help organizations participate in this sector. Otherwise, the role might be filled by the underground economy. The underground economy has undesirable effects. It does not pay taxes and it does not respond to the needs of users in case of unavailability of the service provider due to illness or



Patrick Duguay

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other causes.

Christine Lagarde, Managing Director of the International Monetary Fund, holds that our economy has attained its limits insofar as equity is concerned. The degree of concentration of wealth, she asserts, menaces stability. Duguay sees the social economy as part of the answer.

He described ours as a mixed economy, private, public, and social. Values and ends are different. The private economy is not necessarily productive. He gave the example of Nike. “It doesn’t produce any-

thing.” It buys from the Third World and sticks its label on the shoes.

The public sector provides significant funds and many jobs. Its goal is not one of wealth accumulation. Rather, it provides essential services and other services that it chooses. Yet, he said, it is subject to a super government, credit-rating bodies such as Standard and Poor’s.

The social economy, he urged, engages people in a struggle against powerlessness. He cited the example of the closure in Buckingham of Laiterie Château, after 63 years of operation, with 350 employees. It was not a failed operation, but owners saw more advantageous directions elsewhere. A movement was organized to promote local production, as against other dairy firms which transport milk to Montreal for processing. In 2010, a consumer coop opened a local dairy producer in the Outaouais. There are substantial local investors and many of the employees own shares in the company. Hence, this operation has, in effect, one foot in the private sector. Duguay argues that the social economy’s focus on the local is important. It serves not only an economic function but provides a community development role. He noted a support for the sector from unions.

The audience shared concerns that have been raised about the social economy—low wages, lack of benefits, instability of jobs, and instability of the organizations themselves. Duguay responded to these issues, saying that the wage level relates to the job sectors frequently included in the social economy. Yet, he said that pay rates are superior to those in other organizations in the same line of work. As for organizational stability, he claimed that the survival rate is better in the social economy than in the general economy.