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**LAUNCHING ENTREPRENEURIAL ADVANTAGES FOR PARENTS :
The challenge of co-op development by low income, rural mothers
on Prince Edward Island**

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About the Network

The Social Economy and Sustainability Research (SES/ESD) Network is the Atlantic Node of the Canadian Social Economy Research Partnerships (CSERP) – one of six regional research centres across Canada, funded by the Social Sciences and Humanities Research Council of Canada (SSHRC), 2005-2010. The Network has a wide variety of academic, community and government partners representing Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador. www.msvu.ca/socialeconomyatlantic/ For more information, contact us: Social Economy and Sustainability Research Network, c/o Research House, Mount Saint Vincent University, Halifax, Nova Scotia B3M 2J6

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Introduction

Co-ops in the Social Economy

The social economy is where citizens connect and work together for some social, cultural or economic purpose that meets a collective or public need. They organize themselves in not-for-profit, non-governmental organizations, co-operative enterprises, credit unions or mutual associations. The social economy is frequently defined by what it is not. It is the sector of human activity that is neither governmental nor personal nor for profit. Although definitions and understanding of the scope of the sector vary, the underlying ethic that binds players in the social economy together is not in question.

The co-operative model of business development differs significantly from the more usual, private and for-profit enterprise. “Co-operative businesses are self-sufficient, community-based enterprises that provide quality employment and economic opportunities for local people. They are rarely susceptible to pull-out or take-over, since they are guided by the interests of local stakeholders, not outside investors” (Co-operatives Secretariat, 2004:14). Co-operatives (or co-ops), in common with other branches of the social economy, foster citizen engagement and empowerment. They often provide access to services, training and economic ventures for people who, for one reason or another, are marginalized or neglected. Some arise to fill perceived gaps in government programs and services. The people involved are motivated to enhance the quality of life in their communities, using innovative strategies that are rooted in community strengths and values. One of the reasons that co-operatives are thought of as being innovative and special is that they are a form of bottom up development as opposed to more traditional types of economic and social developments that are implemented in a top-down manner. Where they develop in order to provide a service, co-ops often meet local needs in ways that are more flexible and contextually appropriate than services designed in a distant urban center and delivered by a government agency (Wilson, 2008). The federal Co-operatives Secretariat (2004) notes: “In their one-hundred-year history in Canada, co-operatives have helped thousands of disadvantaged people and communities to create effective solutions to social and economic challenges, while building local leadership skills, local autonomy and control.”

The co-op sector is very much alive and contributes significantly to community social and economic well-being in Atlantic Canada (Theriault, 2008). On Prince Edward Island, the history of co-ops runs long and deep, especially in rural communities (Bruce & Cran, 2004). There are, as of 2010, about 120 active co-operatives and 11 credit unions in the province (PEI Co-op Council, pers. comm. April 2010; PEI Credit Unions, n.d).

In the past, Canadian co-operatives may have been perceived by policy-makers — if they were perceived at all — as marginal economic players, swimming against the tide of the dominant capitalist paradigm. Their roles in community development and their needs for supportive public policy have often been ignored by various levels of government. In more recent years however, the social economy has gained recognition as being important to municipal, provincial and

federal governments for the role that it plays in social and economic development. For example, then Prime Minister Paul Martin's response to the Speech from the Throne on February 3, 2004 recognized the social economy as “the efforts of a million Canadians working in the voluntary sector... and the efforts of the people who are applying entrepreneurial creativity — not for profit, but rather to pursue social and environmental goals” (Co-operatives Secretariat, 2004).

Rationale for this Case Study

The subject of this research report is the attempt by a group of rural mothers on Prince Edward Island to organise themselves in the form of a co-operative, to serve their own and their community's economic and social needs. It is not entirely a success story. Although the co-op members did gain many benefits from working together, the co-op itself never became a self-sufficient enterprise. The reasons behind this failure provide important insights into what supports are required for the development of rural co-operatives on Prince Edward Island to meet the needs of low-income families.

The story of what came to be known as the LEAP co-operative began on Prince Edward Island in 2002 when a community member identified a need for economic development options for rural families in Kings County. She proposed co-op development as a solution. The political atmosphere at the time seemed propitious. Co-ops have a long history of success on PEI, and the idea of a worker co-op for rural parents was greeted with positive enthusiasm.

The positive appreciation of co-operatives as an option for community development was also evident in federal government circles. In 2004, the federal Speech from the Throne announced funding to support Canada's social economy. This included funds to establish national and regional Social Economy Research Networks¹ beginning in 2005. In Atlantic Canada, a 17 million dollar program to be administered by the Atlantic Canada Opportunity Agency (ACOA) was also announced. This was intended to provide non-profits and co-ops with pilot project funding to support innovative community development. However, with the change in government that followed the federal election of January 2006, the ACOA program was cancelled. This rollercoaster ride of expectations and dashed hopes became a critical factor in determining the fate of the LEAP co-op, whose history is recorded here.

To develop useful policy to support co-op development requires an understanding of the difficulties experienced by people who attempt to establish community level, co-operative enterprises. In this report, we provide an account of one struggle to create, launch and maintain a small co-operative called Launching Entrepreneurial Advantage for Parents (LEAP Co-op), over the period 2002–2006. We relate how the prevailing social, political and economic climate on Prince Edward Island and at the federal level over this period of time catalyzed both the creation and demise of this initiative. We discuss various stages of the LEAP Co-op's evolution, the sources of support that were tapped, the ways in which the group was successful and the

¹ The Social Economy Research Network that developed included an Atlantic Regional Network based at Mount St Vincent University in Halifax Nova Scotia, which in turn had a PEI branch (known as Subnode 2) based at the Institute of Island Studies, University of Prince Edward Island. Subnode 2 was dedicated to research on community mobilization for social inclusion and empowerment.

frustrations that were experienced by its members.

The experiences of members of LEAP are important because they point to systemic problems in government policies and programs that must be overcome in order to facilitate co-operative development within our rural communities. This case study will, we hope, contribute to a growing body of research-based knowledge that will be useful to both co-ops and to government agencies that have responsibilities for social and economic development.

The Carousel Cottage Industry Project

Motivations: meeting the needs of low income rural families

Often times a co-operative is developed to specifically target perceived social and economic difficulties that are unattended by government initiatives. This was true in the case of the Carousel Cottage Industry Project, which was a response to difficulties being experienced by many low income working families in the Montague and wider King's County area of Prince Edward Island. There are many seasonal and part-time workers in the Montague area who often have to supplement their earnings with employment insurance. It was workers such as these who became interested and involved in developing a co-operative enterprise.

In 2002, Voices for Children, a Montague based parenting resource center, was approached by a community member, Wendy Pobjoy. Ms Pobjoy had recognized that many of the difficulties facing the parents of young children in her area were financial, and were closely related to two factors: the high levels of underemployment and unemployment in Eastern Kings County, and the limited access to affordable child-care. She suggested that a constructive way to begin to deal with these issues was to catalyze the formation of a group made up of affected families, and engage them in training that could provide skills upon which a co-operative economic venture could be developed. Voices for Children (VFC) was already providing financial support to Montague's Carousel Family Resource Center, with funding from the Public Health Agency of Canada. VFC decided to employ Ms Pobjoy to develop a proposal to establish the Carousel Cottage Industry Co-operative (CCIC). The proposal was submitted by VFC to the federal Community Mobilization Program, and was subsequently funded. This allowed VFC to bring Ms Pobjoy on as coordinator of the co-op development project. This early phase involved identifying participants and working with them to elucidate their goals, and how they would work together.

Through her links with parenting support groups, Ms Pobjoy identified a number of families who might benefit from an entrepreneurship training program. An initial group of 12 parents came together to establish the CCIC. It was exclusively women who were mothers who came together to develop the Co-op, although membership was clearly open to both genders. The participants were 25 – 35 year old mothers who had, on average, two children under the age of 11. All were engaged in insecure work, often part time or involving shifts at odd hours of the day and night. They faced many difficulties including the lack of public transportation in their rural area and an

almost complete lack of affordable, high quality and flexible child care. All felt that their needs were not being met and they were willing to take action to achieve what they felt was important for themselves, their families, and their community. Several of the women had children with significant learning disabilities, who required special attention and care. The socio-economic position of the participants affected both the shape and goals of the project, and the struggles subsequently experienced.

The project participants identified three main issues being faced by members of the community who, like themselves, had insecure and erratic employment. Each of these related to the tension between supporting the healthy development of children and maintaining a level of economic stability. Most of the women were unable to secure reliable access to child-care. This was a major concern, especially the lack of child care services that could accommodate their evening or long and odd hour work shifts. A second key issue was the cost of child care services for low-income families. A third, related concern for these women was the health and well being of their children. They believed that the nature of their employment (in terms of hours and stability) had negative impacts on their children's development. Each woman wanted to be able to work either from home or in a child-friendly environment. They wanted to attain a larger degree of economic autonomy without sacrificing their family lives. They no longer wanted to be dependent on part time or seasonal work, nor did they want to rely on employment insurance to supplement meagre wages.

The women did not have any clear idea of what type of enterprise they might be able to develop. They were interested in coming together as a co-operative to engage in training that could aid them in developing and initiating a sustainable enterprise. Their vision was to embark on a collective learning effort at first, then pool their skills and knowledge to identify and develop an appropriate business. The business would have to provide an adequate and reliable income for co-op members, while also supporting the healthy development of their children. The Carousel Cottage Industry Co-operative (CCIC) was thus envisioned as a life, family and entrepreneurial skills development initiative that would create employment opportunities for economically challenged parents while supporting their role as parents.

The first step toward enterprise development was to provide meaningful training for participants that would not be disruptive of the parent-child bond. This posed a number of challenges:

- In order to provide learning opportunities to the participants, a training module specific to the needs of the group had to be developed, which would allow all members, with their varied levels of skills and education, to participate.
- Due to the ongoing parental and work related responsibilities of the participants, they had limited capacity to assist with laying the ground-work for the project. This meant that funding to support the salary of a coordinator was essential.
- A central, child-friendly work space was required that could be used as an area to hold meetings, engage in training and, eventually, run a business.

The CCIC concept was innovative on several fronts: in terms of the path of development it entailed (i.e. seeking training first before developing a business idea); and in terms of its focus on providing support not only for the adults involved in the venture, but also their children. As will

be seen below, the CCIC was severely challenged in trying to provide its members with the necessary combination of skills training while also ensuring access to child care.

The skills training initiative

The coordinator hired to facilitate co-op development prepared and submitted a proposal to the Co-operative Development Initiative² for funding to support the Co-op in its initial stages. This proposal was approved, which resulted in the VFC receiving funding in 2004 to keep the project coordinator in place for a further two years. However, it was not enough funds to allow the group to rent a child-friendly office space of their own.

The coordinator then approached the federal Job Creation Partnerships (JCP) program for funding to develop a training program for the Co-op members. The objective was to develop the women's capacity to create one or more co-operative business initiatives and also to disseminate their ideas and empower other community members to develop co-ops. After being awarded support from the JCP the co-op project coordinator hired six staff persons to design training modules for the Co-op members. These staff were also supposed to deliver the training.

A curriculum was created that was focused on enhancing interpersonal, parenting and entrepreneurial skills. However, during the process of developing the training modules, several of the employees were forced to leave their positions in order to pursue more long-term employment. It is a stipulation of the government that any individual on a JCP placement must continue to look for a full time, long term job and must leave their project work immediately if they secure any offer of permanent employment. As a result of this proviso in action, much of the funded staff time was spent training new employees as they were brought in to replace those who had left. Time and funding ran out before any training could be delivered. Nevertheless, the training project was encouraging and the co-op members, who had a chance to participate in designing the training modules. They felt that they were on their way to addressing the needs of themselves and the wider community. However, it was also a period of peril for the fledgling Co-op, which now had to attract additional funding for the next phase of development.

In the fall of 2004, the Co-op was able to taste success. They landed a contract with Keystone Marketing to do business on behalf of Medallion Smoked Salmon, a local food supplier. This work entailed data entry — the transcribing of ten years of paper documentation of international mail orders. The result was a data-base to be used in a promotional sweep of past customers. The second phase of the contract involved providing a call-answering service for the pre-holiday

² The Co-operative Development Initiative (CDI) was a five year project of the Canadian Co-operative Association, a not-for-profit co-operative that provides leadership to promote, develop, and unite co-operatives and credit unions (<http://www.coopscanada.coop/aboutcca/projects/coopdevinitiative/>). The CDI was launched in 2003 to help people develop co-ops, and to research and test innovative ways of using the co-operative model. CDI had two main component: **Advisory Services**: provided expert assistance to groups wishing to start new co-ops or needing help to manage existing ones. **Innovation and Research** supported projects that demonstrated how co-ops can be used in new ways.

ordering season. The data entry contract employed five Co-op members for a period of 4 weeks, which allowed them to do exactly what they had set out to do – work from home and earn an income. Two Co-op members visited the salmon processing plant in order to understand the products and processes. They underwent training to be able to provide the friendly, knowledgeable service for which Keystone was looking. Although both women were expected to take part in the call answer work, in the end one was unable to take the work on because of changing family circumstances. Nonetheless, the positive experience of the second worker was an encouragement to all the Co-op members.

Points of Tension: Childcare and the Development Model

As the training module project unfolded, the project coordinator worked with several potential funders in an effort to secure further support: the regional development agency ACOA and the Co-operative Development Initiative. The project participants were still in the position of trying to juggle childcare and insecure, low-paid employment while also volunteering time to co-op development and training. None had investment capital that could be used to initiate an enterprise, so outside support was essential. In seeking support, complications arose that were directly related to the innovative approach to development being pursued by the participants.

One point of tension was that the Co-op was mandated to accommodate the child-care needs of its members. This entailed providing child-care at meetings and workshops so that parents could participate in Co-op development and training without distraction. It also entailed establishing a co-operative work space in a child-friendly environment within which child care could be provided. The project coordinator found that it was difficult to convince funding organizations of the necessity of meeting the expense of onsite child care, even though the need for accessible child-care was a major factor in the creation of the Co-operative.

A second point of tension that became quickly apparent was that Co-op members were hesitant to define a specific business venture prior to the completion of the skills training. It turned out to be extremely difficult to convince potential funders to provide further support for the Carousel Cottage Industry Co-operative project without having a defined economic venture attached to it. Yet, Co-op members were strongly dedicated to planning all steps as an informed collective. It had always been envisioned that the members would first be trained so that they could select an appropriate venture. This is different from the standard business development model, in which people organise around a common skill set or market opportunity. Clearly, not having a defined service or product was an impediment in the eyes of potential funders. After this became clear, the Co-op members spent many nights working together to try and determine what type of business venture might be successful and work for everyone.

A survey of the skill sets and interests of Co-op members revealed abundant interest and experience in handcrafts. As a result, the group set out to explore the possibility of hand-hooking rugs. This was attractive because rug-hooking is work that can be done from home and that can fit around the demands of child-care. The Co-op approached ACOA to undertake an analysis of this potential venture. They were dismayed when the consultant hired by ACOA concluded that

there was not sufficient market demand to support a rug-hooking enterprise. Around the same time one of the supports for community development, the Community Mobilization Project, closed its doors.

Over a series of meetings, the women considered many other possible ventures, from provision of house and garden work to services for seniors and market gardening. Most of these ideas would have required the Co-op to have some sort of facility from which the business could be based. Another problem was that many of the proposed ventures involved what is traditionally perceived to be “women’s work” which, like handcrafts, commands low economic returns for labour (Fortin and Huberman, 2002).

Two members of the Canadian Workers Cooperative Federation came to the assistance of the fledgling Co-op, holding a workshop for the members, with on-site child-care. The meeting was designed to help participants sift through and scrutinize various business venture ideas. None of the venture ideas imagined up to that point could meet the needs of all Co-op members. Participants began to lose hope of discovering a venture that would allow them to earn an income and still be able to spend time with their children. Several were so discouraged that they quit the group.

Faced with a lack of prospective funders and the lack of an obvious money-making enterprise, the women decided that their original plan and mandate must be re-worked in an attempt to attract core support from mainstream government agencies. The members felt that it was no longer feasible to conduct their activities under the name Carousel Cottage Industry Co-operative (CCIC), which for them represented their original goal of accessing training first and deciding on a business venture later. For this reason, in December 2004 CCIC requested permission of their funder (CDI) to rename themselves LEAP (Launching Entrepreneurial Advantages for Parents), a name which was felt to better reflect the new direction that the Co-op was taking. Whereas the original project was designed to create a co-op that could both produce crafts and provide crafts training and child care to other community members, the newly aligned project was more focused on developing a broader community training centre. LEAP would provide a range of services, child-friendly work space and resources to potential entrepreneurs in the community. This shift in focus represented the tenacity and flexibility of the Co-op members.

LEAPing Forward – and Backward

The way forward posed serious challenges. It was clear that since all the co-op members had only modest incomes, they would need investment capital from an external source to establish a training center. Without an injection of outside funding, LEAP would also not be able to maintain its staff person for much longer. Yet the Co-op members still had ongoing family and work demands that could not be set aside to pursue a voluntary venture. Both the coordinator and the wider group were feeling burned out by the stress of chasing funding. Nevertheless, the members persisted, meeting at intervals to draft the constitution and policies of the Co-op, and on 31 August 2005 the documents of incorporation for LEAP were ratified. An interim Board was selected and the Co-op received a certificate of incorporation in September 2005.

By February 2006 LEAP was working with Cooper Institute, a small social economy organization whose mandate includes supporting local efforts in community social and economic development. They helped LEAP to develop a model for participatory self-evaluation. The process involved training several members of the LEAP Co-operative as evaluators. They were introduced to the philosophy, process, practice and goals of participatory evaluation. After reviewing the objectives of their Co-op and identifying the indicators of success, the team designed and refined a questionnaire which was administered as a telephone survey to Co-op members. The team also developed an in-depth interview instrument which was used to gather information from selected project participants, funders and supporters. This evaluation not only built skills of LEAP members, but also showed them what skills, self confidence and social capital they had developed individually and as a group. They gained confidence in the worth of their endeavour, and were motivated to continue searching for some means to pursue enterprise development. Subsequently, two members of the Co-op were employed briefly by Cooper Institute to perform interviews concerning another of their projects.

Meanwhile, Co-op members continued to look for contract opportunities, and had gone back to consideration of handcrafts as a venture option. They created some prototype appliquéd wall hangings but were still faced with the challenge of establishing a workplace with child care.

Throughout 2005-2006 the LEAP Co-op had maintained communications with the Voices For Children Coalition (VFC) and ACOA, whose staff had initially been extremely helpful and supportive. After some time, however, communications began to wane. The change was related to changes in staff at the VFC and in the government agency, and to shifts in ACOA policy.

The funding the Co-op had acquired from the Co-op Development Initiative was controlled by Voices For Children. The original Executive Director of VFC had supported LEAP's concept and had worked closely with members in an effort to facilitate the Co-op's development. Unfortunately, this person left her post and was replaced by another ED who was openly critical of the project. Meanwhile, at the ACOA office there was also a turnover of staff, and a re-interpretation of what types of community development would be supported. It was decided that ACOA could no longer formally support LEAP as it was constructed.

Early in 2006, the new Executive Director of VFC, who disagreed with how the LEAP project was being run, revised the project budget, laid off the coordinator and interrupted the evaluation process that LEAP was engaged in with Cooper Institute. Shortly thereafter, the funding from the Co-operative Development Initiative ran out. Although the Co-op worked closely with the CDI they were unable to find another 'fit' for their project among the funding programs available at the time.

Federal Policies Shift Again – and the Co-op Falts

As noted above, the federal government announced funding for research on the social economy in 2004. In September 2005, a branch of the Atlantic region's Social Economy and Sustainability Research Network was set up in Prince Edward Island, focused on inclusion and

empowerment in the social economy. The network involved academics and student researchers from the University of Prince Edward Island engaged in collaborative research projects with community organisations and co-operatives. Both the Cooper Institute and the Canadian Workers Co-op Federation were founding members. It was expected that ACOA would soon receive federal funds to support the development of innovative Social Economy enterprises such as LEAP. LEAP was invited to become a member of the network and a research project was established to document the co-op's development. It was assumed that LEAP would have a very good chance of getting core funding from ACOA to test their dream of a community training center.

With a short term injection of funds from the Social Economy Research Network, LEAP re-employed their co-ordinator to develop a project proposal aimed at the promised ACOA funding program. This proposal requested funds for a community headquarters that would provide a space within which LEAP Co-op could operate and develop, space and staff to put on training programs in entrepreneurship and parenting, and space that could be rented out to other groups seeking co-operative solutions to community needs. The LEAP Co-op would therefore be an umbrella for providing the wider community with access to technological skills training and advice on development of community-based economic and social ventures. On site child-care options would support the participation of entrepreneurial parents seeking to develop their own business ventures, allowing them to remain their children's primary caretakers. This was to be a two to three year pilot project and the idea was met with much enthusiasm both within and beyond the community of Montague.

As time passed and the ACOA program failed to materialise, LEAP lost momentum. By the time of the completion of their proposal, the funding program, which had been promised by a Liberal government, had been withdrawn with little warning by a Conservative government. This was a devastating blow to the members of the Co-op who had been extremely optimistic about the success of their new proposal.

In desperation, LEAP recrafted their proposal in an attempt to meet funding criteria for a Microsoft Unlimited Potential grant. This private funding program was designed to support technology training ranging from learning basic computer skills to using advanced business productivity applications. LEAP requested funds and software curricula for technical skills training that could enable Co-op members to seek employment in the IT field or other industry sectors. Unfortunately, to meet the program criteria LEAP needed to have charitable status – a requirement that is very difficult to meet in Canada, where the approvals process may take more than a year. The only option was to work under another entity that already had charitable status. While attempting to negotiate a collaboration with the regional development board, which had charitable status, LEAP ran out of time, money and energy. The proposal deadline slipped past and there was no more money to pay a staff person. The remaining three members of the Co-operative decided that they would not be able to continue on with their efforts. They were frustrated, tired from four years of hard work, and they had to take care of their families. The final meeting for LEAP was held in December, 2006.

Post-mortem

Collective challenges

It is notable that the shared experience that had drawn members into the LEAP Co-op also, in the end, forced their withdrawal from the Co-op. Members had low-paying, seasonal or part time employment and were often scheduled to work unpredictable and long hours, which kept them from spending time with their children at home. They also had insecure access to means of transportation. These factors made it difficult for them to participate in Co-op activities and meetings. They could not volunteer substantial amounts of time to the task of searching for funding to support Co-op development. Because they had not been able to convince any funder to cover the expense of child-care, members often had their young children with them at Co-op meetings. As one can imagine, these circumstances made progress slow and difficult.

Although Co-op members drew strength from one another, the relatively large number of initial participants exacerbated the challenge of finding a time when all could attend meetings and also made it difficult to find a single potential enterprise that could provide employment for everyone.

Another difficulty was that most members of the Co-operative did not have computers, nor could they necessarily afford access to the internet – two very useful tools for project proposal development. Had there been a central office space available in the community that was child-friendly and had basic equipment that could have been used by the members, perhaps the fate of the Co-op would have been different.

In the brief history of the co-op, the only successful funding applications were those that were completed by a paid staff person. This is because the process of developing funding applications requires full time attention. One must become familiar with the frequently- changing government language, buzz-words, policies and program objectives; network and negotiate carefully with prospective partners and funders; and perform considerable background research to justify proposed project activities. The Co-op was extremely fortunate in having a highly competent and energetic staff person to coordinate their efforts and lead the proposal development, but their subsequently heavy dependence on this one person also left them vulnerable. When funding for the coordinator ran out, the Co-op members were unable to take over her tasks.

Another vulnerability was LEAP's lack of independence from the umbrella organisation, Voices for Children. Although initially very supportive, VFC was, like many social economy organizations, subject to changes in staff. In the case of the organization's relationship with LEAP, this resulted in a rupture when the incoming staff person had values and objectives not consistent with LEAP's project.

Personal donations or membership dues that might have been used to support the activities of the fledgling Co-operative were not options for LEAP. Most members of the Co-op were from low

income families. They did not have the financial capacity to contribute bridge financing to the Co-op, nor could they volunteer their time to any enterprise until a profit could be turned.

Inadequate government support for child care and early childhood education

The difficulties LEAP experienced in attracting support for their child care needs were linked to various contextual factors. These included government policy and program structures (see below) but more fundamentally perhaps, they reflect the difficulties facing low income women and children in Canadian society. Canada spends significantly less (approximately 0.2% of GDP) than most OECD countries on regulated child-care and early childhood education, even though the prevalence of single parent families and the proportion of children living in poverty are rising. Access to child care outside of the province of Quebec is described as fragmented and weak (OECD, 2006). As a result, many Canadian families are having trouble finding the affordable and locally accessible child care they need, and too many have concerns about the quality of the child-care they can find. International experience points to the fact that child-care services expand and improve only when governments recognize the long term value of investment in early childhood development and provide funding accordingly.

Unresponsive and unstable programs and policies

The challenges faced by LEAP represent a fairly common experience for those involved in innovative, grassroots organizations. Peoples' unique social situations bring them together and inspire them to create community-based solutions to community-specific needs. Their unique perspectives and innovative suggestions for development, however, may not fit development funding agencies' objectives or criteria for awarding support. What is worse, government agencies continually change their criteria, often for political reasons that have little to do with actual needs at the community level, and they generally refuse to provide core funding, so that organizations must continually chase project funds (Groome Wynne 2008). Perhaps because of the rapid turnover in agency staffing, funders also often prefer to support initiatives that are seen to be new and innovative (but not too innovative), rather than continue to support an existing initiative that needs a bit more time and money to succeed.

A persistent problem that LEAP encountered was rooted in its dependence on short-term funding that was external to the local (and supportive) community. Most often this was federal government funding administered from central agencies. Such programs have limited capacity to either address specific local needs or test innovative, local solutions. In particular, mainstream funders were not sensitive to childcare needs nor willing to step outside the box of conventional, production and profit dominated, enterprise development paradigms. The idea of providing funds for training in advance of having the Co-op identify a specific business venture was foreign to funders, and none were willing or able to find ways to accommodate the Co-op members' training needs. The attempt to fill this gap by applying for JCP funding failed because that program was designed only to provide stop gap work for unemployment insurance recipients until such time as an alternative job could be found. The program was not designed to provide skilled core labour throughout the course of any given project, which was what LEAP needed.

Co-operatives often seek financing outside of government, turning to corporate or personal foundations. In LEAP's case, the Microsoft Foundation was approached, but without charitable status or a partnership with a charitable entity, LEAP did not meet their eligibility criteria. An added difficulty was that the foundation accepted proposals only in March and October of each year. Both the lengthy and difficult process of obtaining charitable status in Canada, and the narrow windows of opportunity for submitting funding applications (whether to private or public funders) are serious impediments for fledgling community organizations.

Towards more appropriate support for co-op development by low income rural families

If Canada is to facilitate co-operative community development in a meaningful and accessible fashion, there have to be improvements in public policy and funding structures to make these more responsive and flexible. Where the project has local support and meets an identified need, funds should be forthcoming regardless of whether it fits criteria established by distant bureaucrats. Three related issues highlighted by LEAP's experience are the needs for flexible funding criteria, stable access to core funding when required, and mechanisms to support the continuity of relationships that develop between funding agencies and recipients of funds.

Flexible systems recognize that grass-roots community development does not occur in a uniform fashion; nor should it. "While co-operatives cannot always control conditions in the wider economy, the co-operative model provides a stable and inclusive forum for generating ideas and capturing solutions, and planning for the future with the means at hand" (Co-operatives Secretariat 2004:3). As noted, one of the greatest strengths of local co-operative development is that it fosters *unique* solutions to very specific problems. That these solutions may veer off the path of typical community economic development practices is something that must be accepted and celebrated, not penalized as was the case with LEAP. It is important to note here that projects that fit the institutionally recognized economic development paradigm are not necessarily those that will generate the greatest social and economic well-being for a community. They may just look good on paper because the proponent has learned the appropriate government agency language. LEAP's language was not welcomed or well understood because it was based on social economic values rather than purely economic ones.

Agents of co-operative community development would benefit greatly from consistently available and localized funding programs designed to ensure that small co-ops continue to develop and prosper on Prince Edward Island. Research has shown that there are chronic deficiencies in supports for the Social Economy on PEI such as unstable and inadequate funding, changing government priorities, bureaucratic inefficiencies and dysfunctional communication processes (Groome Wynne, 2008). As LEAP experienced, smatterings of short term funding and volatile funding policies result in instability and stress among project proponents. It is difficult to make long range plans or investments under such conditions, especially for people most in need of assistance such as those with low incomes who are struggling with unstable employment while also trying to provide care and education to young children..

Continuity in staffing, both in government agencies and community organisations, can be critical to the success of a fledgling community enterprise. Staff turnover in non-governmental

organizations reflects the unstable funding environment and speaks volumes of the insecurity, poor pay, and lack of pensions and other benefits in this female-dominated, insecure workspace. The disconcerting fluidity of staffing in government agencies reflects a corporate culture that is driven by personal ambitions for advancement rather than public well-being. The norm in the civil service is not for people to hone skills for high quality, long term service that is rewarded in place, but to constantly seek advancement through change. The fact that departments change mandates, structures and policies with what seems to be a grossly inefficient, politically motivated frequency reflects the corrosive impact of modern day politics on the civil service.

Conclusions

Grass-roots social service organizations continue to pop up in communities across Canada in an effort to solve social and economic problems of small communities similar to those in Kings County, PEI. LEAP members persisted against the odds for almost four years, struggling to improve conditions for their families and community. The fact that they finally had no option but to abandon their Co-op reflects badly on Canadian government policies and programs, especially those governing rural community development and those related to early childhood education and care.

LEAP's goals of finding locally appropriate ways to develop year round employment for parents in rural communities, either at home with their children present or in community centres with on-site child-care, were important and worthy of support. The group did not succeed in establishing a community space and programs to support local enterprise development because their approach was unconventional and their capacity to invest time and capital was extremely limited. Yet it is exactly these types of Canadians who should be supported when they try to break the cycle of inadequate employment and state supports and engage directly in solving their social and economic problems.

As seen in the history of the federal funding for the social economy that was promised in 2005 and then retracted in 2006, there is no guarantee that development initiatives created by governments will be stable, accessible, or useful to those at the community level. Such politicized policy changes have dramatic impacts on social economy organizations (Groome Wynne, 2008), and these impacts may be exacerbated by fluidity of leadership in a sector where organisations and their services often appear and then disappear in the absence of consistent core funding for their efforts and initiatives.

The Social Economy is essential to community development and social well-being in Canada. Our governments, if they are to match the performance of other developed countries, must find better ways to facilitate and support community development initiatives including co-operatives (Wilson, 2008). We need coherent policies and funding programs that are positioned at the appropriate levels – that is, close to the grassroots. This will allow programs to be designed to respond to actual and changing needs, with the flexibility to accommodate locally imagined solutions and include support for essential services such as quality child care.

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Appendix 1: Acronyms

ACOA – Atlantic Canada Opportunities Agency is a federal government agency based in the Atlantic Region tasked with improving the economy of Atlantic Canadian communities through the successful development of business and job opportunities.

CCEDNET - **Canadian Community Economic Development Network** is a member-driven organization that **seeks to increase the scale and effectiveness of community economic development** by helping organizations and individuals strengthen their communities and create solutions to local needs.

CCIC - Carousel Cottage Industry Co-operative was the name under which LEAP members initially organised their efforts.

CDI – Co-operative Development Initiative was a five year program launched in 2003 to help people develop co-ops, and to research and test innovative ways of using the co-operative model.

CMP – Community Mobilization Program of the federal government.

HRSDC – Human Resources and Social Development Canada is a department of the Government of Canada that offers many programs and services including the Job Creation Partnerships Program (JCP). The JCP employment benefit is a program designed to support projects that provide work experience for Employment Insurance recipients.

JCP – The Job Creation Partnership, funded by Human Resources & Skills Development Canada, provides support for non-profits to hire temporary staff from among the ranks of the unemployed who qualify for Employment Insurance. Participants must continue to seek permanent employment and abandon the JCP project if they find it.

LEAP – Launching Entrepreneurial Advantages For Parents Co-operative is the present name for what began as the Carousel Cottage Industry Co-operative in 2002. It was a small organization of mothers with young children previously working unsatisfactory positions who banded together to establish a co-op for the purpose of meeting and balancing their work and family needs.

OECD - Organisation for Economic Co-Operation and Development is a forum where the governments of 30 democracies work together to address the economic, social and environmental challenges of globalisation. Within the OECD, governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

SESRN – The Social Economy and Sustainability Research Network (2005 – 2010) is composed of six regional networks and a Canadian Social Economy Hub (CSEHub). Subnode 2 of the Atlantic Region’s Social Economy and Sustainability Research Network, located in

Charlottetown, PEI, focuses on inclusion and empowerment in the Social Economy. The network supports academics and their community partners who undertake research on the Social Economy within Canada.

VFC – Voices for Children Coalition Inc. The Carousel Family Resource Centre in southern Kings County is sponsored by the Voices For Children Coalition Inc. http://www.phac-aspc.gc.ca/canada/regions/atlantic/work/e_k_3.html

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SES/ÉSD Network Research Goals

- Contributing to the theory and practice of social economy in the Atlantic region
- Internal bridging, bonding, mentoring & capacity building
- Encouraging use of the “social economy” as a framing concept in the region
- Linking Atlantic partners with other parts of Canada and the world

SES/ÉSD Network Research Themes and Questions

Conceptualizing & describing the social economy in Atlantic Canada

- What does the social economy look like? What needs does it address?
- How can we best capture this sector conceptually?
- What, if anything, makes it distinctive or innovative? How interconnected are its facets, & to what effect?
- What are the characteristics of social economy organizations?
- What are the implications for government policy?

Policy inventory and analysis

- How are different understandings of “social economy” reflected in government policy?
- What needs are not being met, & what changes are needed in regulatory environment?
- What indicators can we develop to aid in policy development?

Community mobilization around issues of common concern (natural resources; food security; inclusion and empowerment)

- Do social economy organizations contribute to social inclusion, the democratization of the economy, & empowerment?
- What inputs are needed to overcome obstacles & build capacity?
- What can we learn from research on mobilization around food security, empowerment & inclusion, community management of natural resources & energy?

Measuring and Financing the Social Economy

- What can social accounting, co-operative accounting, social auditing, & other techniques contribute towards a better understanding of the work and contributions of social economy organizations?
- Where do social economy organizations obtain the financing that they need?
- What do social economy organizations contribute toward financing the social economy?

Modeling & researching innovative, traditional, & IT-based communication and dissemination processes

- How can social economy actors best communicate?
- What can our Network team members contribute by developing & modeling processes and techniques?
- What can be gained from exploring technology as an equalizer vs. technology as a barrier?



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