



Supporting Innovative Co-operative Development: The Case of the Nova Scotia Co-operative Development System

Research Report

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About the British Columbia – Alberta Social Economy Research Alliance (BALTA)

BALTA is a regional collaboration amongst universities and social economy stakeholder organizations engaged in research initiatives to strengthen the foundation of the social economy in BC and Alberta. BALTA is a five year research project (2006-2011) funded by the Social Sciences and Humanities Research Council of Canada (SSHRC). The overall project is working towards the reinsertion of social goals, reciprocity and solidarity into economic thinking and decision making, and aims to address the following primary research questions:

1. What are the scope and characteristics of the social economy in BC and Alberta?
2. What are the scope and characteristics of social economy innovations that are achieving demonstrable social and economic results, in the region and elsewhere?
3. What are the key issues, opportunities and constraints for adapting and scaling up whatever is working, both within and outside the region?

The project consists of three Social Economy Research Clusters (SERCs), focused on the following areas:

- Social Enterprise in Human Services and Affordable Housing
- Sustainable Rural Development
- Analysis, Evaluation, and Infrastructure Development

BALTA is the BC and Alberta Node within SSHRC's National Social Economy Suite. There are six regional nodes under the SSHRC research program with a national hub that facilitates research activities on a national basis.

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1.0 Introduction

This research project seeks to understand a recent history of active and successful innovation and development in the co-operative sector of Nova Scotia that has been unparalleled in Anglophone Canada. The research was initiated in order to contribute to one of the central research goals of BALTA – namely, to highlight “the scope and characteristics of social economy innovations that are achieving demonstrable social and economic results in other regions” in order to provide lessons and insights for strengthening the social economy in BC and Alberta.

This case study looks at the NS Cooperative Development System (NS-CDS) from a systems perspective in order to encompass a wide range of interacting processes that are involved in the Nova Scotia experience. Ultimately, this research will inform further BALTA research into the identification of issues, opportunities and constraints for adapting and scaling up successful social economy innovations (as per BALTA Research Question #3).

The NS-CDS case study looks at 6 main areas of the co-operative development system including:

1. Development Finance
2. Human Resource Development
3. Planning, Advocacy and Research
4. Policy and Governance
5. Community Economic Development
6. Accountability and Evaluation

1.1 Overview of Report

The following report outlines the research process, findings and provides an analysis and discussion of the results. The paper is organized into 5 main sections: **Section 1** provides an introduction to the research and report. **Section 2** describes the research design and methodology used in the project including data analysis techniques and ethical review. **Section 3** outlines the research findings in terms of the system identified and according to the research objectives outlined in the study design. **Section 4** provides a critical analysis of the findings and discusses them in the broader context of the co-operative development system and the social economy. **Section 5** outlines implications for BALTA and provides recommendations for further research.

2.0 Research Design and Methodology

2.1 Research Questions and Objectives

The **primary research question** for this case study is:

What are the factors that have contributed to the emergence, development and outcomes of the Nova Scotia Co-operative Development System (NS-CDS)?

Six (6) **research objectives** will serve to answer the primary research question and guide the research:

- 1) To determine the development finance and financial resource flows that support the NS-CDS;
- 2) To identify the human resource networks (including leadership and management) within the NS-CDS;
- 3) To identify the primary planning, advocacy and research roles in the development and maintenance of the NS-CDS;
- 4) To determine the policy environment and governance structures that have supported the emergence and continuation of the NS-CDS;
- 5) To identify the community economic development outcomes that have resulted from the implementation of the NS-CDS;
- 6) To identify the accountability and evaluation mechanisms within the NS-CDS.

2.2 Research Approach

The purpose of the case study approach is to optimize understanding of the case itself, rather than generalization beyond (Denzin and Lincoln, 2000). Yin (1994) states that a case study methodology is appropriate for use in studies where the phenomenon under study is not readily distinguishable from its context. The exploration of the NS-CDS as a co-operative development system lends itself naturally to a case study approach as the Nova Scotia co-operative development experience cannot be isolated from its particular context. Moreover, the purpose of the study is not to make broad or theoretical generalizations, but to gain a comprehensive understanding of the system in order to extract lessons and insights to be applied in the BC and Alberta context.

Qualitative research is particularly interested in the *processes* that underlie phenomena. As a human-centred research methodology, qualitative research takes into account the inherent social dimensions of reality (Palys, 1997). Qualitative research is also an iterative process which leads to increased understanding and sophistication of knowledge. In this particular project, the focus on the exploration of the actors, networks and relationships within the NS-CDS naturally places the research within the realm of qualitative research.

The Nova Scotia co-operative development system is a unique and relatively unstudied area of interest, and as such warrants an initial exploration of the factors surrounding the emergence, development, and outcomes of the system in order to establish a foundation for further research into the applicability of such a model. The multi-dimensional and unexplored nature of the co-operative system and its context situates this study within the parameters of exploratory research. According to Palys (1997), exploratory research aims to gain familiarity or achieve new insights into a phenomenon and its dynamics.

2.3 Methods

Several qualitative research methods were used to collect and analyze information on the NS-CDS including semi-structured key informant interviews (both in person and via telephone) as well as secondary document collection and content analysis.

2.3.1 Secondary Data Collection

Throughout the course of the research secondary data was collected and analyzed. Secondary documents (including annual reports, statistical information, brochures, information and

promotional material, proposals, etc) were provided by study participants as well as collected and compiled by the researcher.

2.3.2 Key Informant Interviews

Semi-structured interviews with key informants in the co-operative development sector in Nova Scotia were conducted in order to gather in-depth information on the history, evolution and current configuration of the system. A total of 15 interviews and 2 follow up interviews were conducted. Key informants included representatives from the Nova Scotia Co-operative Council, the provincial government as well as representatives from the co-op and credit union sectors.

2.3.3 Sampling Techniques

The primary sampling technique employed in this case study was snowball sampling. Snowball sampling involves starting with one or two key informants and using their connections, and their connections' connections to generate an increasingly larger sample (Palys, 1997). Because this case study is particularly interested in the networks of relationships between actors and organizations, snowball sampling is the most appropriate sampling technique to use as it uncovers the various actor networks within the system as the research progresses.

2.4 Data Analysis

Preparation for analysis began with the transcription of interview tapes and notes, as well as the compilation of documents and notes from secondary research. Because of the relatively short timeframe of the project, verbatim transcription was not feasible; however, every attempt was made to maintain the integrity of the key informant's responses to allow for the consideration of personal emphasis, tone, and context.

Using analytic guidelines outlined by Neuman (2003) data was analyzed using a multi-stage coding procedure. The following table outlines the three stages of coding as described by Neuman (2003) that was used to guide the analysis.

Table 1: Multi-Staged Coding for Qualitative Analysis

CODING STAGE	PURPOSE
1. Open Coding	To locate themes and assign initial codes or labels in a first attempt to condense the mass of data into categories. This list is used to build a universe of all themes in the study, which are organized, sorted, combined, discarded or expanded in further analysis.
2. Axial Coding	To review and examine initial codes and to identify the axis of key concepts in analysis. Axial coding is used not only to stimulate thinking about linkages between concepts or themes, but also to raise new questions.
3. Selective Coding	To scan data and look selectively for cases that illustrate themes and make comparisons and contrasts.

Source: Neuman (2003)

2.5 Ethical Review

As per BALTA's Project Development and Management Guidelines, all research conducted under BALTA's auspices must conform to ethical research standards. All material used in this research (including information sheets, interview question sets and participant consent forms) were submitted to the BALTA Academic Coordinator at Royal Roads University for ethical review. All material was given approval before commencement of the research.

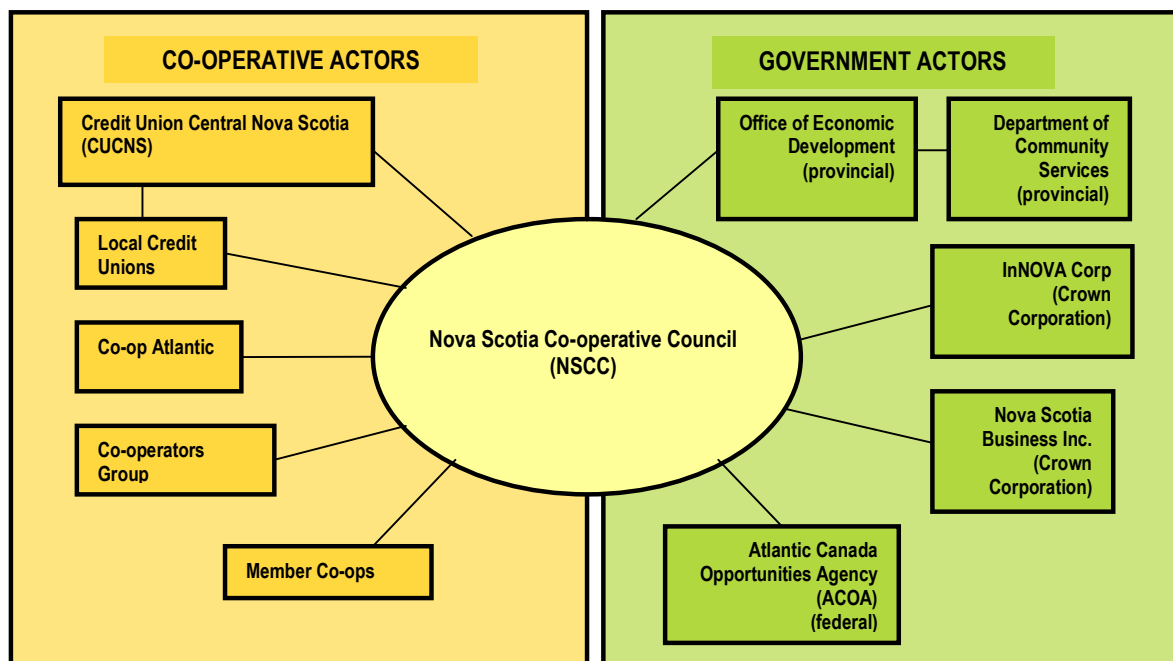
3.0 Findings

The following is a presentation of the findings of the research beginning with the system actor network and a detailed description of the NSCC as the primary actor within the system. Subsequent sub-sections (3.3 – 3.7) present the findings as they relate to the stated research objectives.

3.1 NS-CDS Actor Network

The Nova Scotia Co-operative Development System (NS-CDS) is made up of a network of actors supporting co-operative development in the province. Figure 1 illustrates the actor network as identified through the research.

Figure 1: NS-CDS Actor Network



At the centre of the co-operative development system is the Nova Scotia Co-operative Council (NSCC) which serves as the primary co-operative development agency in the province. Other actors within the system fall into two general categories: co-operative sector actors and government actors.

Actors within the co-operative sector include Credit Union Central of Nova Scotia (CUCNS) and the various local credit unions throughout the province; Co-op Atlantic - one of the largest integrated wholesale agri-food operations; the Co-operators Insurance Group; and, individual member co-operatives. All of the actors on the co-operative side of the actor network provide some degree of financial assistance (including members through membership shares) to the NSCC in order to perform its development function. The NSCC works closely with the co-

operative actors on various projects and serves to better the economic environment in which these co-ops operate.

The other side of the actor network includes various government actors that support and work with the NSCC in order to advance co-op development in the province. The provincial Office of Economic Development and the Department of Community Services have a contractual agreement with the NSCC to perform the co-operative development function, and in turn provide core operational funding for the NSCC. The NSCC also works with two Crown Corporations, InNOVA Corp and Nova Scotia Business Inc. on specific projects related to innovation and business development. The Atlantic Canada Opportunities Agency is a federal agency that works on specific financing projects with the NSCC. Further description of the relationship between the NSCC and various government actors is in Sections 3.2 and 3.6.

The various actors within the system, both co-operative and government, are organizations and agencies involved in co-operative development within the province in varying degrees. The NSCC, in its role as co-op developer, serves as a hub for co-operative development and as the nucleus of the system.

3.2 The Nova Scotia Co-operative Council

At the centre of co-operative development in Nova Scotia is the Nova Scotia Co-operative Council (NSCC). As the primary development system actor, it is important to understand the evolution as well as current organizational structure and function of the NSCC.

The NSCC is a member-driven support services organization which acts as the provincial development arm of the co-operative and credit union sectors. All co-operatives and credit unions incorporated within the province of Nova Scotia are entitled to membership in the NSCC. Currently, 84% of all co-operatives and 89% of all credit unions in Nova Scotia belong to the Council which translates into the representation of over 300 provincially incorporated co-operatives and 35 provincially incorporated credit unions (NSCC Business Plan, 2006-2007). Members include co-operatives from every sector including agriculture, fisheries, producers, consumers, retail, worker, service based, housing, technology and marketing. The “central” co-operatives within the province are also members of the Council including Credit Union Central of Nova Scotia (CUCNS), Co-operators Insurance Group, CUMIS, and Co-op Atlantic.

Box 1: Nova Scotia Co-operative Council – Vision and Mission

Vision

Co-operatives and Credit Unions within Nova Scotia will be part of a strong proactive “Provincial Co-operative Movement” which co-ordinates its efforts to ensure that co-ops and credit unions continue as a dynamic, creative presence in the local communities capable of addressing their community’s needs, challenges and development into the 21st century.

Mission Statement

The Nova Scotia Co-operative Council exists to:

- Bring all types of co-operatives together to form a strong co-operative movement in Nova Scotia;
- Develop, promote, and support new co-operatives across all sectors and industries in Nova Scotia;
- Represent the co-operative movement’s interest to all levels of government;
- Encourage the development of a “co-operative identity” among the public in Nova Scotia;
- Ensure innovation within the co-operative sector;

- | |
|---|
| ▪ Develop alternative finance programs and instruments. |
|---|

(Source: NSCC Business Plan, 2006-2007)

3.2.1 History and Evolution of the Council

The Council has evolved into its current structure and function as a result of several factors, both internal and external to the organization.

The NSCC began in the early 1940s as a branch of the Canadian Co-operative Union and was later incorporated under the Nova Scotia Co-operative Act as the Nova Scotia Co-operative Union (NSCU). With the retirement of the chief auditor and manager of the NSCU, the organization began to falter. However, there remained a clearly identified need for a central organization that could act as an advocate and provide support for the co-operative sector. The NSCU was re-organized under the leadership of Eric Meek and Bill MacLennan in 1986 and re-named the Nova Scotia Co-operative Council.

Some key changes within the provincial government also led to the evolution of the structure and function of the NSCC. In 1999, the Co-operative Associations Act was amended to reflect a shift in government responsibility around co-op development. The provincial government had decided to devolve the responsibility of co-operative development in the province to an external organization, namely the NSCC. This devolution of co-operative development to an external organization was strategic for a number of reasons. As a single agency, the government was in the difficult position of simultaneously playing the roles of registrar, regulator and promoter of the co-operative sector. The provincial government made the decision to retain responsibility for the regulation of co-operatives, but pass the development role onto an external organization with the ability to focus its efforts and achieve its mandate more effectively and efficiently. As a result of such changes, the registration of co-operatives is now in the hands of the provincial Registry of Joint Stock Companies; co-operative regulation lies with the provincial Office of Economic Development; and, co-operative development is now the domain of the Nova Scotia Co-operative Council. Furthermore, with this shift, the provincial government was able to provide additional supportive funding to the NSCC which it otherwise was not able to provide. (Further discussion of financial flows and partnerships with government are found in section 3.2.3).

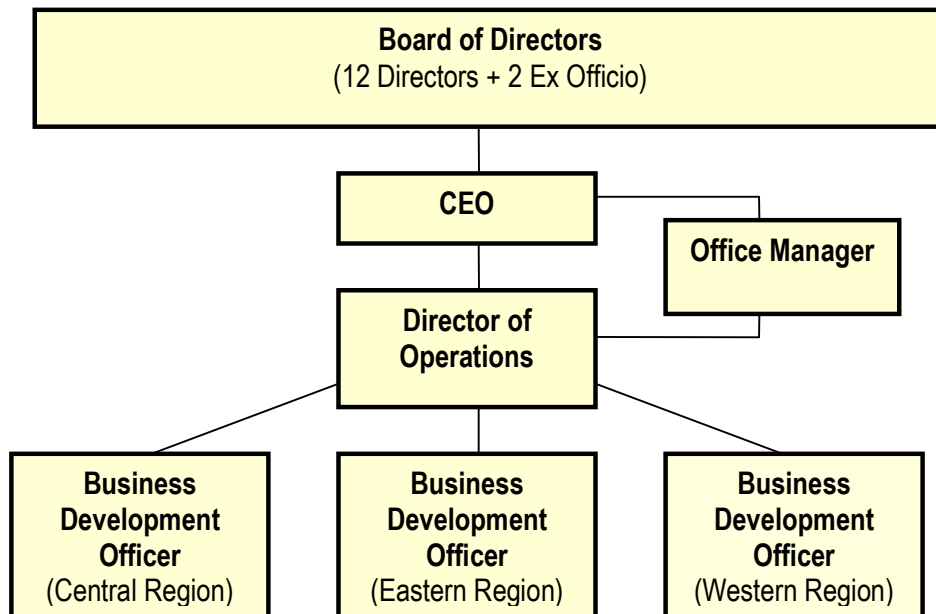
In 1998, the NSCC hired Dianne Kelderman as CEO of the Council. At this point, the Council was not actively seeking a CEO, nor was it aware of its future role as a development agency. However, Dianne approached the board with a proposal to hire her as CEO with the condition that she would raise the funds to cover her own salary. With a strong business and community economic development background, as well as an aggressive entrepreneurial approach, the new CEO, with the support of the Board of Directors and the new development mandate, was able to transform the NSCC into the co-operative development leader that it is today. (Sections 3.3 through 3.7 will discuss in more detail some of the specific tools, innovations, and partnerships that the Council has recently developed).

3.2.2 Current Organizational Structure and Services

The Nova Scotia Co-operative Council is governed by a volunteer Board of Directors (12 Directors) representing co-operatives and credit unions across the regions. In addition two (2) Ex-Officio seats are held on the board by representatives of the provincial government.

The Council has a staff of seven, headed by the CEO. Other staff positions include: Director of Operations, 3 Business Development Officers (one in each region of the province), and an Office Manager. Interestingly, only one of the seven positions is salaried (the Office Manager) while the others, including the CEO, are on a contract basis. Contracts are reviewed annually and renewed based on satisfactory performance evaluation. The NSCC's main office is in Truro, with regional offices in Yarmouth and Sydney.

Figure 2: NSCC Organizational Structure



One of the primary roles of the NSCC is to assist in co-operative business development at the enterprise level. The Co-operative Business Development Unit (CBDU) consists of a network of regional offices, partners and Co-operative Business Development Officers that provides services to assist and support new co-operative development and to stimulate the effectiveness, growth and expansion of existing co-operatives (NSCC, CBDU Fact Sheet). Supports and services available to both prospective and existing co-operatives include:

- Incorporation assistance
- Business development (including start-up assistance and business planning)
- Law and practices advisory
- By-law development and updating
- Community Economic Development Investment Fund (CEDIF) development
- Seminars and workshops
- Sector-relevant publications, research and information

The provision of basic services (including consultation, incorporation assistance, registration, advisory and support services, etc) comes at no cost to members of the NSCC. However, in order to remain financially viable, the NSCC also provides more comprehensive professional services specific to the co-operative model on a fee-for-service basis (typically \$300 per day + expenses).

3.2.3 Operational Funding and Financing

As the primary organization behind co-operative development in Nova Scotia, the financial viability and the sustainability of operational funding of the NSCC is crucial to the overall success of the co-operative development system. The NSCC maintains its funding and finances its operations through several channels including: annual seed funding from government and other external organizations, membership fees, fee-for-service consulting and investment income.

Further to the discussion in Section 3.2, the devolution of co-op development from the provincial government to the NSCC resulted in a collective partnership agreement between the provincial Office of Economic Development, the Department of Community Services and the Nova Scotia Co-operative Council. This agreement included an annual combined financial contribution of \$200,000 from the Office of Economic Development and the Department of Community Services for the purposes of supporting the core operations of the Council. The NSCC also receives \$15,000 annually from Co-op Atlantic as well as \$20,000 from Credit Union Central of Nova Scotia and \$5,000 from the Co-operators Group. Other income includes membership fees, fee-for-service contracts, and investment income.

Table 2 outlines the revenue generation of the NSCC, according to the 2005 Annual Report (for the year ended March 31, 2006).

Table 2: NSCC Revenue Generation (2006)

Revenue	2006
Fee for service	\$ 128,358
Membership dues	26,425
Development contributions	
Government	200,000
Other	46,225
Investment income	38,110
Miscellaneous	2,610
Total Revenue	441,728
(NSCC Annual Report, 2005)	

Several of the staff and board members interviewed indicated the importance of having a diverse base of income sources for the organization. The CEO stressed that the NSCC is not an organization that asks for handouts from government nor does it beg for money based on sympathy or a sense of entitlement. Rather, financial contributions are sought after and secured based on partnerships, contracts, agreements and the delivery of results within a built-in accountability framework.

Table 3 provides a snapshot of the financial growth within the organization between 1998 and 2005.

Table 3: NSCC Financial Standing and Progress (1998-2005)

Year	1998	2005
Current Assets	\$ 26,768	\$1,020,357
Total Assets	26,768	1,111,029
Current Liabilities	854	31,362
Equity	25,924	1,079,767
Revenue	19,732	466,198
Expenses	17,276	460,457
Net	2,456	5,741
(NSCC Summary Report, 2007)		

Financially, the NSCC remains in good standing and continues to grow as an organization. It is the diverse mix of income sources that provides the stable fiscal foundation necessary for creative innovation and durable results.

The following sections (3.3 – 3.8) describe the findings of the research as they relate to each of the research objectives.

3.3 Objective 1: Development Finance

The first research objective was ***to determine the development finance and financial resource flows that support the Nova Scotia Co-operative Development System***. The findings of the research indicate that in addition to the operational funding needed to support the Nova Scotia Co-operative Council, several innovative financial tools and models have been developed that support and facilitate co-op business development at the enterprise level, as well as several initiatives that aim to support the development of the social economy as a whole.

3.3.1 Co-operative Development Financing Tools

Several financial tools have been created to support co-op development at the enterprise level. These include Community Economic Development Investment Funds (CEDIFs), the Small Business Loan Guarantee Program, and the Short Term Equity Fund.

Community Economic Development Investment Funds (CEDIFs)

A Community Economic Development Investment Fund (CEDIF) is a pool of capital raised in a community through the sale of shares. The money generated from the sale of shares is then invested in new or existing local businesses.

In 1993, the provincial government established the Equity Tax Credit to encourage community members to invest in local businesses. The Equity Tax Credit is calculated at 30% of the total investment made, to an annual maximum credit of \$9,000 on a \$30,000 investment. The tax credit allows equity investment in corporations, co-operatives as well as community economic development initiatives (NSBI, 2001). As a result of the success of the Nova Scotia Equity Tax Credit Program, the Equity Tax Credit Act and the Nova Scotia Securities Commission were amended in 1995, permitting the formation and equity ownership of Community Economic Development Investment Funds (CEDIFs).

CEDIFs were designed to enhance the Equity Tax Credit program and to help new and existing small businesses secure equity through the provision of a personal tax credit for investors. In addition to the 30% tax credit, investments in a CEDIF corporation or co-operative are:

- Partially guaranteed by the province of Nova Scotia
- Pre-approved holdings for self-directed RRSPs
- Able to attract investment through community solicitation
- Able to assist or develop local businesses within the community

According to the Nova Scotia Office of Economic Development,

Nova Scotians invest more than \$600 million annually in RRSPs, but less than 2% of this is reinvested in Nova Scotia.....With CEDIFs, you can keep investment dollars working in your community. Through CEDIFs, you and your neighbours can pool your money and invest in businesses in your community, creating jobs and supporting further economic growth (OED, ND).

A CEDIF can be incorporated as either a corporation or as a co-operative. It cannot be charitable, non-taxable or not-for-profit, and must have a minimum of six directors elected to a board from its defined community. The province views CEDIFs as an economic development tool specifically designed to support business development. As such, a key criterion is that a measurable financial return be demonstrated.

A CEDIF must be initiated and developed within the community in which it will operate. Involvement by a wide range of community groups/members is essential to the process and a high level of public involvement is needed for the CEDIF to be successful. One of the first steps to be undertaken by a group interested in a CEDIF is the preparation of a community economic development strategy. This strategy serves as a framework for the achievement of economic goals and objectives set out by the community and leads to a written plan of action referred to as a *Community Economic Development Plan*¹.

The application process for registration as a CEDIF involves the preparation of a *Simplified Offering Document* by the CEDIF's board of directors. In addition to the Offering Document, an Equity Tax Credit application form is submitted along with the Community Economic Development Plan, financial statements and various other required attachments². The documentation is filed with Nova Scotia Business Inc (a Crown Corporation) and, upon satisfactory review, sent to the Nova Scotia Securities Commission and the Department of Finance for concurrent review. The Department of Finance approves the tax credit, while the Securities Commission decides upon the proposed public offering (NSB Inc, 2001).

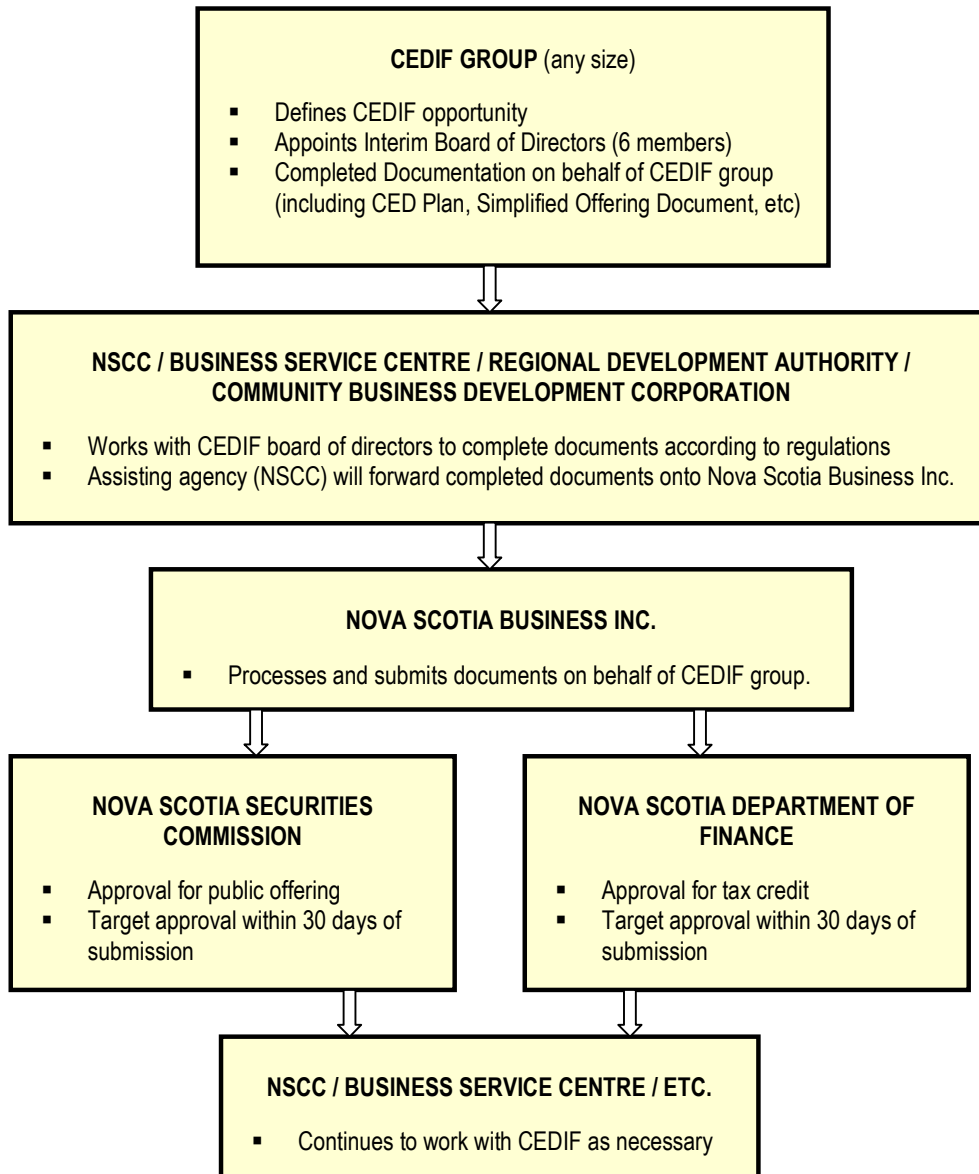
Once the public offering is made, any resident of Nova Scotia over the age of 19 is eligible to invest in a CEDIF anywhere in the province. The investment money is used to purchase shares in a CEDIF. The fund then uses this capital to operate and invest in local businesses. The board of directors (selected by the shareholders) manages the fund. Returns on investment are determined solely by the performance of the businesses into which the funds are invested. As a

¹ The Nova Scotia Office of Economic Development provides a publication *A Guide To Preparing a Community Economic Development Strategy*, to help guide this process.

² A sample of a completed Simplified Offering Document is available through the Office of Economic Development and can be found at: http://www.gov.ns.ca/econ/cedif/docs/ED_CEDIF_section2.pdf

requirement of the CEDIF, an annual auditor's report must be distributed to shareholders and an annual general meeting must be held (NSCC brochure, ND).

Figure 2: The CEDIF Process



(Figure Source: NSBI, 2001)

The provincial guarantee for a CEDIF is 4 years from the time of investment. This means that within 4 years, if the CEDIF is bankrupt or is valued by a certified professional to have a net asset value of less than 20% of the original capital invested, the province will pay the investor the difference between the value of their investment and 20% of the original capital invested.

CEDIFs have been a community investment tool in Nova Scotia since 1995. Since that time, 23 CEDIFs have been approved, 8 of which have been co-operative ventures. One of the

interviewees called CEDIFs the “vehicle of choice for viable and successful co-operative projects”. Perhaps of the most successful co-operative ventures through a CEDIF is the Marigold Cultural Centre in Truro, NS. Box 2 describes the CEDIF that resulted in the establishment of the Marigold Cultural Centre Co-operative.

Box 2: Marigold Cultural Centre Co-operative (CEDIF)

As a result of the construction of a new movie theatre complex in nearby Millbrook, the old theatre in downtown Truro was left abandoned. Rather than see this prime space go to waste, a group of local business people and investors transformed the old theatre into a community arts venue – the Marigold Community Cultural Centre Co-operative.

Spearheaded by the Downtown Truro Partnership and the Nova Scotia Co-operative Council, a CEDIF was created under the name Truro Investment Co-operative Ltd., through which 150 private investors contributed \$950,000 for the revitalization of the abandoned theatre in the downtown core.

The CEDIF proposal outlined a plan for the Marigold Cultural Centre Co-operative including transforming the existing building into 4 main areas: a performance theatre, arts studio and sports hall of fame, gallery lobby and a space for a board room and offices. The business goals outlined in the CEDIF Offering Document included:

- Provide a year-round arts and cultural venue profiling local amateur and professional talent
- Develop a cultural attraction to stimulate tourism in the downtown core
- Stimulate economic and residential development in the downtown core
- Provide a source of accessible community entertainment.

The real success of the Marigold Centre was the ability to sell the idea to an “ultra-conservative” business community for investment. According to those who were part of the process, it was not an easy task and the business community seemed to challenge every detail of the co-operative plan. However, in the end the Truro Investment Co-operative was able to convince the business community - with the help of partners, friends and champions within the community - that this community-based project was worth the investment. In fact, over \$1 million in shares was sold in 35 days, overselling by \$200,000 (which was given back to investors).

The initial investment money has gone primarily into renovating and updating the building. The Marigold Centre is now run by a facilities manager and executive director who report to the board of directors. The Centre now offers performance arts, arts education, a meeting and events venue, gallery space, a sports hall of fame and even houses the Truro Chamber of Commerce Offices.

Reference: Truro Investment Co-operative Offering Document, Sept. 2004, Marigold web press release

With the success of several co-operative CEDIFs, the NSCC is considering a “blind pool” CEDIF in which community investment will be used to fund future co-operative ventures as they arise rather than organize on a project by project basis.

Small Business Loan Guarantee Program (SBLG)

The Small Business Loan Guarantee Program is a joint initiative of the Nova Scotia Co-operative Council, Credit Union Central of Nova Scotia (with local credit unions), and the provincial Office of Economic Development. It is designed to help establish new businesses, grow existing businesses and empower individual and social entrepreneurs maintain and/or create new employment (SBLG brochure, 2006). The program has four main objectives (Dalhousie Economics, ND):

1. To improve access to capital for small and medium-sized enterprises (SME);
2. To serve the financial needs of disadvantaged groups such as youth, women, aboriginals, persons with disabilities, and rural Nova Scotians;
3. To fill gaps in the spectrum of financing alternatives for rural small businesses that are not currently well-served by existing financial institutions;
4. To provide SME owners with mentoring and technical assistance for the growth and development of their businesses.

In 2002, the Office of Economic Development began to look into options for improving accessibility to capital and funding for local small businesses. In the past, government efforts focused on growth oriented export sectors. Lending policies of private banks alienated local small businesses as decisions were based outside of the local context (Dalhousie Economics, ND). Initiation of the Small Business Loan Guarantee Program began with negotiations between the Office of Economic Development, The Nova Scotia Co-operative Council, and Credit Union Central of Nova Scotia and included a series of exchanges, meetings and memoranda to Cabinet. The negotiation process was completed in May of 2003 and the project launched June 24, 2003.

The SBLG Program is managed by a newly formed entity called Investing in Nova Scotia Enterprises Co-operative. The Board of Directors includes representatives from NSCC, CUCNS, the Office of Economic Development, and one credit union member from each of the regions (Cape Breton, Northern, Central and South West Valley). The Board of Directors oversees the program, reports to government, engages in an annual audit, markets and promotes the program, provides training and support to committees and credit unions and continuously works to expand the program.

The program started as a 3 year pilot project with \$8 million available through credit unions and a \$6 million guarantee from the province. This money is available to co-operatives, private businesses and other organizations operating for-profit ventures. Financing is available in the form of traditional debt, working capital or lines of credit. The maximum that can be borrowed with a guarantee is \$150,000. Business plans are required for new start-up businesses, and financial statements and projections are required for business expansion projects. Terms of the loans include a maximum 7 year loan period and an interest rate (negotiated between the client and the credit union) no greater than 12%. The credit union may also require that the client work with a mentor as a condition of the loan. Mentors are retired executives and professionals from the co-op and credit union sectors. A mentor insurance policy and a signed legal agreement between the parties are required by the credit union if a mentor is involved in the loan (NSCC ppt, 2004).

In the first ten months of the program, 52 loans had been administered valued at \$3.5 million, creating 236 new jobs across all regions of the province (NSCC ppt, 2004). The success of the first year of the pilot project led to a motion in Cabinet that the Minister of Economic Development establish the SBLG Program as permanent. The motion was passed unanimously in September, 2004 with the guarantee increased to cover \$25 million in loans (Dalhousie Economics, ND). The program currently has \$33 million available in guaranteed loans. (See Box 3 for recent program statistics). Of the 245 loans approved to date, 27 have been for co-operative businesses.

Box 3: Small Business Loan Guarantee Statistics	
Total loans approved	245
Total value of loans approved	\$18,171,477
Total active loans	224
Total value of current active loans	\$15,735,802
Total loans paid in full	10
Total value of loans paid in full	\$1,015,218
Total loans approved but not disbursed	11
Total value of loans approved but not disbursed	\$648,163
Total claims made	11
Total value of claims made	\$301,957
Total current accounts in arrears	4
Total current guarantee amount utilized	\$10,223,346
Credit union share of risk	36%
Province's share of risk	64%
Total number of new jobs created	587
Total number of jobs maintained	964
Total loans approved without guarantee	34
Regional Breakdown	
Cape Breton	\$642,450
South West Valley	\$613,490
Northern	\$4,992,188
Central	\$9,487,972
* Statistics as of March, 2007	
Source: NSCC, 2007	

Short Term Equity Fund

In March 2004, the NSCC signed a partnership agreement with the Atlantic Canada Opportunities Agency (ACOA) to launch a Short Term Equity Fund. At the time, the NSCC and ACOA each contributed \$500,000 for a \$1 million pool of capital. Initially the fund operated as a project of the NSCC. In September 2005, the NSCC board of directors approved a motion to incorporate a new investment co-operative called, Equity in Nova Scotia Business Co-operative, to govern and manage all investment activities of the Council including the Short Term Equity Fund (NSCC Annual Report, 2005).

According to the 2005 NSCC Annual Report, twenty five (25) applications were reviewed during the first 24 months of the program, eight (8) of which were approved for investment totaling \$248,000. These investments leveraged an additional \$612,000 in debt financing from other financial institutions (primarily credit unions within the province) (NSCC annual report, 2005).

A mentoring program is offered with the fund whereby a group of professionals within the co-op and credit union sectors act as business mentors to fund recipients. Technical assistance is also offered through the equity program to assist in business development.

3.3.2 Other Financing Programs

Micro Credit Program

The Micro Credit Program is a joint initiative of the NSCC, the Rural Secretariat of Canada, St. Francis Xavier University, Credit Union Central of Nova Scotia, and local credit unions. The purpose of the program is to provide rural communities with the support and resources to foster growth of new and existing businesses. The program started as an initiative of the NSCC. Realizing that dialogue around micro credit was already happening within the federal government, CUCNS and within local universities, the NSCC put together a proposal for collaboration.

As a result of the diminishing role of chartered banks and retail banking within rural communities, many micro businesses have been experiencing difficulties in obtaining sufficient financing either to start or expand their businesses. With the Micro Credit Program, small amounts of funding are available to businesses (between \$1,000 and \$10,000) to start or support home-based, seasonal or part time entrepreneurs. The terms and conditions (including interest rates) of each loan are negotiated between the local credit union and the applicant and vary based on the purpose of the loan and the cash flow of the business. In order to be eligible for micro credit, all applicants are required to be a member of a local credit union.

The 2006 Global Microcredit Summit was hosted in Halifax in 2006. The NSCC with CUCNS were major sponsors of the event and part of the organizing committee. In April 2007, the NSCC will host the first follow-up conference from the Summit in Truro, NS to address micro credit issues and advance the Micro Credit Program in Nova Scotia.

Atlantic Canada Social Economy Fund (Proposed)

In response to Prime Minister Paul Martin's funding commitment for the social economy in 2004, the NSCC (with the support of the Credit Union Centrals of all 4 Atlantic provinces, Co-op Atlantic, and Federation des caisses populaires acadiennes) submitted a proposal for an "Atlantic Canada Social Economy Fund". After engaging in a year long consultation and analysis process, a 50 page proposal was submitted to the Atlantic Canada Opportunities Agency (ACOA) for a \$20 million commitment from the federal Social Economy Initiative. The proposed fund totaled \$60 million with the NSCC and partners matching federal funds by two to one. The Atlantic Canada Social Economy Fund was put forth in the proposal as "the non-profit entrepreneurial solution for Atlantic Canada" (NSCC ACSEF, 2004). As proposed, the Atlantic Canada Social Economy Fund will provide short-term equity enhancements that, when combined with other investment equity, will be sufficient to lever conventional debt necessary for business start-ups and expansions/modernizations (NSCC ACSEF, 2004).

The federal Social Economy Initiative was cut after the 2006 federal election and the NSCC was advised that no proposals for funds related to the social economy would be considered. However, NSCC CEO, Dianne Kelderman is still working with government to have this initiative become a reality in Atlantic Canada.

3.3.3 Development Finance Summary & Discussion

The research findings outlined above point to the various finance tools available for co-operative development, from small business loans to equity investment vehicles and community-based investment funds. Of interest is the strategic role that the NSCC plays not only in creating new development finance tools, but also in mobilizing other resources to participate in the co-op development process. For example, the Business Development Officers provide technical assistance and organizational support to create local CEDIFs. Also, experienced mentors

mobilized from within the co-operative system are playing a role in new enterprise development. This weaving together of a web of supports, twinning financial tools with other enterprise development supports strategically reduces risks and increases prospects for enterprise retention and growth.

Another point of interest is that the co-operative development finance tools outlined above are not specific to co-operatives, but offer financial tools to both co-operatives and corporations alike. The inclusion of other business models in the development finance tools offered by the NSCC is strategic. All of the development finance tools are available through credit unions. Because credit unions cater to corporate as well as co-operative business interests, financing tools must be available to both in order to grow the credit union sector and expand its financial influence in the province. This is part of the NSCC's strategic goal to make credit unions the number one financial player in the province.

3.4 Objective 2: Human Resources

The second research objective was ***to identify the human resource networks (including leadership and management) within the Nova Scotia co-operative development system.*** As the actor network in Section 3.1 illustrates, numerous actors constitute the NS-CDS including both co-op sector and government actors.

Of particular interest in this study is the role of leadership and the management capacity within the system. Through the research, several themes in this regard emerged, including: the system's reliance on social entrepreneurship, the relationship between leadership and innovation, the challenge of future leadership and management capacity within the system.

3.4.1 Co-op Leadership and Social Entrepreneurship

Through the interview process, several leaders within the co-op sector were identified by participants including: individuals currently situated on the NSCC board of directors, a few leaders within the co-op dairy sector (a large and well-established industry in the province), as well as several leaders or champions within government (see Section 3.6 for further discussion of political relationships within the NS-CDS).

In general, the leaders identified have been involved in the co-operative sector within the province for decades. However, the research indicates that the transformation and success of the co-op sector in Nova Scotia within the past several years can largely be attributed to the leadership and entrepreneurial drive of a key individual. Dianne Kelderman, CEO of the NSCC, was identified by all study participants not only as a strong leader, but as the primary reason for the development and success of the co-operative sector.

"It's Dianne that makes the Council work...if we didn't have Dianne, we wouldn't be working at the level we are now"

"The credit really has to go to Dianne who has spearheaded the initiatives"

"Dianne...if it wasn't for her, we wouldn't even be sitting here right now, to be completely honest with you."

"With Dianne's leadership, co-operatives have shifted from a movement to a recognized and respected sector"

The co-op sector in Nova Scotia has always been relatively strong because of its historical roots, particularly in agriculture. One participant even likened co-ops in Nova Scotia to “motherhood and apple pie”. However, since Dianne came into the position of CEO, the NSCC has not only grown as an organization, but has been able to raise the profile of the sector within the provincial economy and has maximized the benefit of strategic partnerships.

“The co-op sector was doing fine before, the Council would meet regularly...but we weren’t really advancing...until Dianne came along.”

“The key is the ability to identify opportunities and know how to take advantage of them...Dianne has been able to do that....You’ve got to be bold enough to ask for what you want...Dianne has been able to do things in this sector that were just unheard of before.”

Profile of a CEO

Dianne Kelderman has an extensive background in community economic development and has started and operated several businesses over the past 15 years. She holds a Bachelor of Arts and a Bachelor of Education from Memorial University in Newfoundland, a Masters in Education from St. Mary’s University, a Masters in Community Economic Development from the Southern New Hampshire University Graduate School of Business and an MBA from Dalhousie University. In 1994 she started (and is currently President of) the Atlantic Co-operative CED Institute – known as Atlantic Economics – a firm that specializes in economic analysis and development, related public policy and alternative finance. She is the past President of the Truro Chamber of Commerce, the Nova Scotia Chamber of Commerce and the Atlantic Chamber of Commerce. In the past, she has held the Atlantic seat on the Canadian Chamber of Commerce. She currently chairs the Atlantic Capital Fund Initiative, a plan to create a \$100 million equity fund for Atlantic Canada ventures.

A self-described entrepreneur by nature, Dianne began her tenure with the NSCC in 1998 with the aim to start delivering results that were measurable and develop tools that would advance the sector.

“Everything I do is about creating tools and instruments to make things happen.”³

What differentiates Dianne Kelderman from other entrepreneurs is the set of social values that drive her entrepreneurial spirit.

“It is important for me to feel like I am making a contribution and that there is a connection to the bigger picture.”

As a result of her impressive professional success, Dianne Kelderman has been approached by several companies with offerings for positions with considerable compensation and benefits; however, she continues to turn these offers down because she has found her “true calling” in co-op development, community economic development and advancing the social economy.

From a systems perspective, no one works in isolation. It is the network of interrelationships that constitute any system. Indeed, Dianne’s ability to spearhead initiatives and develop tools to advance the co-op sector is dependent upon the support of the NSCC board of directors and

³ Permission granted from participant to use personal quotations.

the political context in which the NSCC operates. However, it is the unique set of skills, abilities and values that a social entrepreneur like Dianne embodies that are necessary in order to transform an old system into one that enables and facilitates innovation and leadership in the co-op sector in particular, as well as within the broader social economy.

But these skills and abilities extend beyond any particular individual. Dianne herself points out that,

"[N]o one is irreplaceable... The foundation of the organization is strong now...strong enough to continue without me. The initiatives and the mandate are rooted. Now, we have agreements and MOUs...we are accountable and we have legal obligations, so things have to continue...and the leadership will emerge to make it work."

One of the participants pointed out,

"When the time comes to replace her, we now know the kind of person we need in order to continue our success."

Whether or not it is Dianne or another social entrepreneur in her position, it is clear that leadership and social entrepreneurship is a key factor in the NS-CDS. Because of the success of the NSCC in advancing the co-op sector in Nova Scotia, Dianne has been approached to consult and assist in the development of co-operative councils in the other Atlantic provinces, based on the NSCC model. Dianne believes that there will be a coalition of co-operative councils in Atlantic Canada within the next 5 years.

3.4.2 Leadership and Innovation

One of the themes that emerged through the research was the relationship between leadership and innovation within the NS-CDS. Although this relationship may seem obvious, in the case of the NS-CDS, the ability of the NSCC to situate and promote itself and the co-op sector as leaders in innovation is the direct result of the particular leadership style present within the system and the combination of leaders that have come together to initiate innovation in co-op development.

The Nova Scotia Co-operative Innovation Council

In September of 2003, the NSCC launched the *Nova Scotia Innovation Council*. The Innovation Council is comprised of a group of leaders and senior decision makers within the co-op and credit union sectors who have agreed to promote, stimulate and manage an innovation agenda within the co-op sector over the next decade (NSCC website).

The NSCC's success in recent years led to the recognition that the co-op sector was in a position to realize significant growth. Following Dianne Kelderman's entrepreneurial approach to co-op development, it was decided that growth needed to be strategically planned and that co-op leaders and members needed the time, expertise and resources to pursue new ideas. The Innovation Council was set up as an "innovation think tank" to:

- Look at new opportunities to grow and expand the co-operative economy;
- Highlight and promote innovation already happening in the co-op sector;
- Encourage new thinking, the creation of new products, services and processes that can be commercialized;
- Identify and address barriers to innovation;

- Consider provincial-wide business opportunities that can be done collectively (ref: Innovation Council letter, 2003)

One of the key partners in the Innovation Council has been InNOVA Corp, a Crown Corporation out of the Office of Economic Development that supports high tech business start ups with high performance incubation facilities and capacity building. InNOVA Corp has invested \$500,000 in the Innovation Council as seed funding for innovative projects in co-op development.

Recognizing the long-term scope and nature of innovation, the Innovation Council has made a commitment to support a maximum of two (2) projects per year. Those wishing to obtain support from the Innovation Council are invited to submit detailed proposals and Expressions of Interest (EOI) outlining their co-operative innovation idea. Proposals and EOIs are reviewed on an annual basis.

To date, six (6) projects have been through the Innovation Council's process, of which two (2) have received investment funding, and one (1) has been approved for investment.

Perhaps the most significant project in this regard is the *Connecting People for Health Co-operative* or *Information Health Prescription (iHRx)* co-operative health care project. Box 4 outlines this innovative co-operative health care project.

Box 4: Connecting People for Health – iHRx

The iHRx project is the result of Nova Scotia physician John Ginn's vision "to provide Canadians with a better system of self-managed family health care". While the business is still in the conceptual and planning stages, the core concept is to enhance patients' ability to manage their own health care through secure web-based tools, information and support. For a monthly subscription fee, the services offered will include:

- General health information
- Chronic disease management tools
- Individual key indicator health tracking mechanisms
- Rules-based interactive self-management tools
- Direct contact with health care professionals
- On-line access to personal health records
- On-line support groups
- Moderated discussion forums
- On-line availability of prescription services and medical supplies

A proposal was submitted to the Innovation Council in 2006. The proposal was approved for a \$4.1 million investment. The NSCC is raising the funds through the co-operative sector and asking partners (such as CUCNS, the Co-operators, etc) to make equity investments into the project.

The NSCC and iHRx have formed a new co-operative called "Connecting People for Health Co-operative" in order to launch the project and deliver services to co-operative members. In addition to the financial investment, the NSCC offers an initial marketing and distribution channel for the project through its membership base (including co-operative members within Nova Scotia, Atlantic Canada and the rest of the Canada).

Reference: Connecting People for Health Co-operative Strategic Business Plan, 2007

3.4.3 The Future of Leadership

Through the research, the future of leadership within the NS-CDS was identified as a major challenge. At present, the NSCC has a strong CEO and a strong board of directors. However, the board of directors consists primarily of retired or close-to-retirement aged individuals. When participants were asked to identify any new, young or emerging leaders in the co-op sector, there was a considerable degree of uncertainty. The future of leadership for co-op development was identified as a major challenge.

“Young leaders are needed....this is something that needs to be dealt with in the longer term. The co-op movement will need to pay attention to this.”

“Young leadership is definitely going to be a challenge for the sector...but young people are interested in social issues and social justice, so that might bring more youth to the table.”

“Are there any new leaders emerging? It’s not something that is on the radar screen. Most of the board members are retired or close to retired. Having that history on the board is really important, but young people bring a different perspective...they will be key in innovation.”

“We need new blood....the rest of us are going to fade into the sunset.”

When asked how the co-op sector is going to deal with the issue of future leadership, several initiatives were pointed to that are attempting to draw young people into the sector: the NSCC's Co-operative Youth Leadership Program and the proposed community college curriculum in alternative business models.

Co-operative Youth Leadership Program

The NSCC has developed a co-operative youth leadership program called: “Building Youth and Co-operative Futures”. The proposed program is aimed at educating youth (ages 16 to 22) about the business styles and practices of co-operatives within Nova Scotia. The program proposes to involve youth in an extensive 6 month training program that will take place in three (3) phases: 1) a five day educational session, 2) involvement in the development of a co-operative youth alliance and internship and 3) participation in a co-operative youth conference. The primary goal of the program is to get youth involved in the co-op movement over the long term. Participants will not only learn about the importance of leadership and the role of co-operatives in local communities, but they will have the opportunity to sit on a co-operative board for a one year term as well as build and maintain a provincial Co-operative Youth Alliance (NSCC Proposal, 2006). The program is scheduled to proceed in April 2007.

Community College Curriculum

The NSCC recently approached the Department of Education and the Dean of Business at the college with a proposal to include co-operative business models in the general business curriculum. After demonstrating the importance of co-operative businesses in the economic fabric of the province through a co-operative site tour, the NSCC sat down with the Dean of Business and negotiated and agreed upon the development of a co-operative module for inclusion in the general business curriculum. The NSCC is currently in the process of developing and finalizing the curriculum, while also exploring the possibilities of starting student run credit unions on campus as part of the project component of the business school curriculum.

3.4.4 Management Capacity

Management capacity both within the NSCC and the sector was identified as an area that needs continuous attention. Because the NSCC is a relatively small organization, there is few staff to handle project management loads. The Director of Operations manages the staff within the organization, but the CEO does the overall project management. Given the growth of the organization over the past several years, this has translated into an increasing workload for the CEO. Dianne estimated working an average of 60 hours per week. She is hoping that as the organization grows, she will be able to hand off some of the project management responsibilities in order to focus on opportunity identification and new project initiatives.

Within the co-op sector, management development is an on-going issue. The NSCC provides training and support for management and governance structures, but ultimately the management capacity comes from within the co-ops themselves. Co-op Atlantic offers management services to its member co-ops in the grocery and farm supply retail sector.

3.4.5 Human Resources Summary & Discussion

In summary, the findings thus far support several preliminary points of discussion. It is apparent that leadership in a mature system can maintain the status quo; however, expansion and innovation require entrepreneurial leadership which emphasizes social values and concrete results. Furthermore, it is important to acknowledge the role that existing policy, programs and tools have played in enabling the evolution of the system. Dianne Kelderman was able to leverage some existing programs and resources in order to mobilize and focus new initiatives (ie. CEDIFs). Finally, it is clear from the findings that building new leadership is critical at every level. The demographic profile of co-operative leadership is inexorably aging within the system. This is a particular concern at the governance and management levels. Building the social entrepreneurial leadership represented by Dianne, is a strategic challenge. The ability to integrate organizational, community and business development skills with an entrepreneurial capacity will not be possible without addressing the need to expand the pool of development management talent within the sector.

3.5 Objective 3: Planning, Advocacy and Research

The third research objective was ***to identify the primary planning, advocacy and research roles within the NS-CDS***. The research found that the NSCC is the principal organization involved in planning, advocacy and research for the co-op sector in Nova Scotia.

3.5.1 Planning

As the primary facilitator of co-op development in the province, the NSCC takes a strategic approach to planning both for itself and for the sector as a whole. As CEO, Dianne Kelderman is the strategic planner for the Council. Planning is on-going and Dianne is continuously looking ahead and identifying potential opportunities for both the NSCC and the sector. Dianne, with input from the NSCC staff, develops a yearly business plan that is presented to the Board for approval. The annual business plans outline priority areas for the year with corresponding action items and clearly defined outcomes.

Highlights from the 2006-2007 Business Plan include:

- Work with local co-operatives and credit unions to launch at least one new CEDIF.
- Continue to market and implement the Small Business Loan Guarantee program.
- Grow the Short-Term Equity Fund by at least \$500,000.
- Make at least two new equity investments.

- Incorporate 20 new co-operatives, creating 50 new jobs.
- Work with at least 35 existing co-op ventures/members to enhance or grow their business.
- Launch the Health Care Co-operative venture: Connecting People for Health.
- Develop and incorporate a co-operative module in the curriculum of the Nova Scotia Community College, beginning with the Truro Campus.
- Hold a co-operative roundtable with deputy ministers/senior officials on co-operative development issues.
- Hold at least one co-operative focus group/roundtable in each of our regions.
- Develop a co-operative communication/public awareness campaign as a lead up to Co-op Week 2006.
- Sign a Memorandum of Understanding with Enterprise Cape Breton.

(NSCC Business Plan, 2006-2007)

The Director of Operations for the NSCC meets on a regular basis (usually semi-annually) to discuss what is happening in the regions, identify opportunities and plan accordingly. Regional forums are also held to report to members, discuss activities and present priorities and opportunities. Business Development Officers (BDOs) also hold workshops within their regions to assist co-ops in planning and business development. On a broader sector level, the Innovation Council (as discussed in Section 3.4.2 above) was formed for the purpose of strategically planning for the sector in the long term with innovation in mind.

3.5.2 Advocacy

Advocacy has played an important role in the development of the co-op sector in Nova Scotia in recent years. Raising the profile of the sector has involved considerable advocacy and lobbying efforts on the part of the NSCC. Although the BDOs engage in co-op advocacy within their regional jurisdictions to some extent, their focus is primarily on assisting new co-ops in their business development. It appears that the primary voice and advocate for the co-op sector is NSCC CEO, Dianne Kelderman. Several study participants pointed to Dianne's impressive skills and abilities in terms of advocacy,

"Dianne's background includes government relations and advocacy work and she has really been able to use these skills to the Council's advantage."

"You need to be able to influence government. Co-op councils that work outside of the political realm aren't successful. Dianne is both aggressive and politically astute."

"Dianne has a way of raising the issue and making you listen without beating you over the head with it."

"I represent 308,000 Nova Scotians, you need to listen to me."

According to Dianne, the success of the NSCC is about timing, pitch, strategy, language and the ability to deliver results. In terms of advocacy, the ability to work different angles at the same time was stressed as an important strategy, in order to get what you want.

“You need to work different angles at the same time – both bureaucratic and political. It is often the political angle that makes the difference. If you can nail the political angle, it just becomes a budget item after that.”

Part of the NSCC’s successful advocacy efforts have been the presentation of co-operatives as a legitimate and viable business model.

“Part of the trick is to get people to understand that ‘co-operative’ is just another form of business incorporation. It is not leftist, it is not socialist, it is a business model – a model that works and delivers results. It is a profit-making business model...but one that does something a little different with its profits.”

“Atlantic Canada has a vibrant and vital social economy. Contrary to popular perceptions, the social economy is not made up of charitable do-good organizations who are constantly at the government trough with their hand out...The social economy that we represent includes businesses and enterprises that are making our rural economies work, employing some 28,000 Atlantic Canadians with more than \$15 billion in assets.” (Dianne Kelderman, letter to Hon. Peter MacKay, 2006).

On-going advocacy is part of NSCC’s business planning. The following excerpt from the 2006-2007 Business Plan outlines priorities and actions in terms of advocacy:

Priority:

Act as an advocate for co-operatives with the provincial and federal governments.

Actions:

- *Continue to encourage and work with government to provide favourable and consistent policies and support services to assist with the promotion and development of co-operative enterprises.*
- *Consult with and represent the co-operative sector on any proposed changes to the Co-operative Associations Act.*
- *Re-institute a working committee to encourage government to continue working on the additional changes required to the Co-operative Associations Act.*
- *Continue to work with government to ensure that the co-operative sector is included in economic development strategies.*
- *Encourage and co-ordinate other partner’s support of the co-operative sector’s position related to government policy.*
- *Hold yearly wine and cheese reception with the Premier and his Caucus.*
- *Organize the signing of the Co-op Week Proclamation with the Premier.*
- *Promote the co-operative model as an alternative health care delivery model.*
- *Continue to respond to government initiatives and policies as it relates to, or impacts, co-operative businesses.*
- *Provide on-going education and awareness of the co-operative model and sector to government staff.*

- *Hold a “co-operative economic development roundtable” with senior government officials, Ministers and Deputies, and senior co-operative sector leaders.*
- *Continue to build a relationship with ACOA, in support of the co-operative sector.*
- *Push for a re-instatement of the federal social economy program, and for the acceptance of our regional Social Economy Fund.*
- *Sign a Memorandum of Understanding with Enterprise Cape Breton.*

3.5.3 Research

Co-op sector research is conducted on a variety of levels. The NSCC conducts research as it pertains to certain projects, proposals and general strategic planning. Research and consultancy services are also provided by the Council to members on a fee-for-service basis.

Research on a more academic level is conducted at several universities within the province. Dr. Leslie Brown⁴, Chair of the Sociology/Anthropology Department at Mount Saint Vincent University in Halifax was identified as a key researcher in the area of co-operatives and the social economy.

The Nova Scotia Co-operative Council’s Renewable Energy Initiative is an example of the kind of planning, advocacy and research work that the Council undertakes in order to advance the sector in innovative ways. Box 5 provides a summary of the project.

Box 5: NSCC’s Renewable Energy Initiative

As a result of research over the past several years, the NSCC has recognized an opportunity for co-operative innovation in the area of renewable energy. Summary of research results include:

- The identification of Nova Scotia as one of the world’s largest producers of green house gas emissions (primarily due to reliance on coal-fire electricity generation);
- A decline in rural communities within the province;
- Significant challenges within the agricultural sector;
- An increased need for industrial growth in the province.

Despite these challenges, Nova Scotia is also in a position to take advantage of an abundance of renewable energy resources, namely wind and tidal energy. In this context, the NSCC is advocating that the co-operative sector is in a strategic position to play a significant role in the development of renewable energy in the province. Potential opportunities include co-operatively owned wind farms, biogas facilities and co-operatively owned tidal power plants. Credit unions could finance renewable energy projects if secured by long-term power purchase agreements.

In addition to developing a collaborative renewable energy development strategy, the NSCC has planned meetings with potential stakeholders and organizations positioned to benefit from community-oriented renewable energy projects. Stakeholders include government departments, municipal governments, community development agencies, energy developers, and environmental organizations. According to the NSCC’s Renewable Energy Collaborative Development Strategy, “the Nova Scotia Co-operative Council is committed to renewable energy that brings the most benefit to all of the communities and citizens of the province.”

Reference: NSCC Renewable Energy Collaborative Development Strategy, 2006

⁴ Dr. L. Brown is part of the Social Economy and Sustainability Research Network, the Atlantic Node of the National Social Economy Suite.

3.5.4 Planning, Advocacy and Research Summary and Discussion

Planning, advocacy and research have played important roles in the evolution and advancement of the co-operative development system in Nova Scotia. The NSCC is the primary agency engaged in this work within the system.

As the co-op sector grows, its capacity to mobilize resources more broadly and strategically enables the unique attributes of the co-operative model with its re-investment patterns tied to investment for member and community benefit, to enlarge the scope and impact of its activities (such as with the renewable energy plans). What is interesting about this from an advocacy perspective is that accomplishing this has required the aggressive positioning of the co-operative model as “just another form of business incorporation”. The social goals that are at the heart of the co-operative model are discounted, if not ignored in advocacy efforts in order to ensure that traditional assumptions held by government and private sector business about what constitutes “value” are not directly challenged.

3.6 Objective 4: Policy and Governance

The fourth research objective was **to determine the policy environment and governance structures that have supported the emergence and continuation of the NS-CDS.**

3.6.1 Partnerships and Agreements with Government

As outlined in Section 3.2, the co-operative development mandate was devolved from the provincial Office of Economic Development to the Council in 1999. A Memorandum of Understanding (MOU) between the NSCC, the Office of Economic Development and the Department of Community Services was signed in October 2002 outlining the relationship between and responsibilities of the three parties. The purpose of the MOU was to “set up a co-operative framework between the Nova Scotia Office of Economic Development, the Department of Community Services and the Nova Scotia Co-operative Council within their respective jurisdictions and mandates” (MOU, 2002). Beyond the MOU, the financial relationship between the NSCC and the provincial government is based on contract – it is a legal agreement that outlines the deliverables required for payment. The contract is reviewed annually and renewed based on performance evaluation.

Box 6 outlines the main principles, joint collaboration and mandate specifications within the MOU:

Box 6: Highlights of 2002 Memorandum of Understanding – NSCC, Office of Economic Development & Department of Community Services

Principles:

Within the framework of this memorandum, co-operation between the parties will reflect the following principles:

- a) The co-operative community is a community of interest recognized by the Province:
- b) The NSCC, the Office of Economic Development and the Department of Community Services will work in full co-operation to foster economic development, social inclusion and capacity building initiatives that respect the mandate of their respective organizations/

Joint Collaboration:

- c) The Province and the NSCC will, through their representatives, share information on their respective programs, initiatives, projects and services to promote economic development according to their organizations' mandate;
- d) Where appropriate, the parties will foster community economic development activities separately or jointly,

as agreed by both parties;

- e) The parties will ensure the establishment of a liaison mechanism which meets according to a regular schedule, to identify the needs of their respective clientele;
- f) The parties will jointly communicate public information on studies, analysis and evaluations of economic development, to ensure efficient and judicious use of financial and human resources, to enhance economic development in the jurisdictions which each organization is mandated to serve;

Mandate

As partners in economic and social development, the NSCC and the Province shall seek to orient the policies, programs and services of the NSCC and the provincial government to ensure that these policies foster the development and vitality of the co-operative communities of Nova Scotia.

Reference: MOU, 2002

The NSCC also has formal relationships with other provincial government agencies. As mentioned in Section 3.4, the NSCC and InNOVA Corp., also have a relationship that allows them to work collaboratively in areas of co-operative innovation. The MOU signed between the two parties outlines objectives such as identifying innovation and R&D opportunities, working together to access capital and expanding on and leveraging networks and partnerships. The MOU outlines the role that both InNOVA Corp and NSCC will play in providing investment project management for specific projects and/or industry sectors (MOU, 2004).

Similarly, the NSCC has signed an MOU with Credit Union Central of Nova Scotia and Nova Scotia Business Inc. (NSBI) that provides a co-operative framework for business development within the province. NSBI is a Crown Corporation that acts as Nova Scotia's business development agency, focusing on export promotion, investment attraction, business retention and expansion, and business financing (NSBI brochure). Recognizing the overlap in mandates, the purpose of the MOU is to "work collaboratively to foster economic development across all regions of Nova Scotia, through the provision of business development and finance services". The MOU outlines agreement between the parties to act as referral agents for one another, to share risk on strategic business opportunities, and to promote the products of both NSBI and the Credit Union sector (MOU, 2006). All of the abovementioned MOUs have been a key factor in solidifying relationships with the provincial government and government agencies in order to advance co-operative development in the province.

Beyond formal agreements, the political relationships that the NSCC has been able to forge and maintain have been an important factor in their success in recent years. One individual in particular has provided historical roots and depth to the relationship between the provincial government and the NSCC. Fred Pierce, who is currently a Business Development Officer with the NSCC, was the inspector of co-ops for the province for over 20 years. He retired from his position with the government in 2003 and was hired by the NSCC the same year. Not only does his experience in the co-op sector provide invaluable expertise to the NSCC, but it has easily opened up strategic relationships with the provincial government. As several study participants pointed out, good political relationships are made at the personal level. Because Nova Scotia is a relatively small province both in terms of geography and population, these personal relationships are easily formed.

"It's easy to find someone in the co-op sector who knows someone personally within government who can talk to them off the record and get things done."

“Good political relationships are built on the personal level.”

“The key is small province – small politics. It gives you the ability to have relationships. It’s not difficult to just pick up the phone.”

“Having a small office and a small jurisdiction has really helped with community economic development in general. All the same players are around the table – even when they change positions. There is history here....it would be harder to do the same things in larger jurisdictions.”

Also identified through the research was the overlap in values and the consistency in approach between the Office on Economic Development and the NSCC – an important factor in maintaining long term and mutually beneficial relationships.

“It is not just about funding – there is a common understanding of what development is...We share a common understanding about the importance of self-directed economic activity and we share the same principles and values. There has been a long-standing recognition within Nova Scotia to accept responsibility for our own future.”

In addition to the strong personal relationships, the NSCC puts considerable effort into building and maintaining positive political relationships on the official level. The important finding in this regard is that the NSCC works with all political parties, not simply the party in power. The NSCC positions itself as a non-partisan organization that appeals to all political interests. The Council meets with all parties on a regular basis, independent of one another.

“We cater to all parties...we have a mix of political backgrounds on the board....its all about good relationships.”

“All the public lobbying done by the NSCC has been non-partisan and non-confrontational.”

“It is really important to have champions on the inside of government. We handle the elected position, champions work on the bureaucratic level to get things done.”

“The NSCC is so connected to the government that it doesn’t matter which party is in power.”

As a result of NSCC's efforts to appeal to all political parties, shifting political environments and changes in government have had very little effect on the advancement of co-op development in the past several years. As outlined in the NSCC's organizational structure in Section 3.2, there are 2 Ex-Officio positions on the NSCC board of directors for provincial government representatives. Although these positions do not have voting power, they do ensure that government is part of all discussions around the NSCC board table. Several participants pointed to the importance of this in maintaining open communication and strong relationships with government.

An important event in the overall political relations strategy is the Annual Wine and Cheese Reception hosted by the NSCC. The event has been taking place for the past 8 years and

serves to highlight the accomplishments of the NSCC and the co-op and credit union sectors. It is also a venue to celebrate partnerships. Over the years the event has grown, with now over 150 people in attendance. The Premier and the full caucus were represented at last years event, and representatives from other provinces are starting to attend to take ideas back to their home province. The event is described as a fairly 'splashy' affair that puts the NSCC on display and provides a forum for networking.

3.6.2 Policies Relevant to Co-op Development

Several policies exist that serve to support co-op development in Nova Scotia, namely the Co-operative Associations Act, the provincial Community Development Policy, and the Regional Community Development Act.

Co-op Associations Act

The purpose of the Co-operative Associations Act is to provide for the incorporation, inspection, examination and supervision of co-operatives in the province on Nova Scotia (Province of NS, 2001). The Act specifically outlines duties of the provincial Inspector, incorporation requirements and association formation, membership and shares, regulation and by-law formation, etc.

As the primary Act regulating co-operatives in the province, the Co-operative Associations Act is an important piece of legislation. As mentioned in Section 3.2.1 changes were made to the Act in 1999 to reflect the changing roles around co-operative development. The NSCC is continuously working with government to make the Act more conducive to co-operative development.

Provincial Community Development Policy

The purpose of the Community Development Policy is "to improve the climate for community development through government support for communities and to ensure that government decisions, activities and outcomes are compatible with the principles of sustainable community development" (Province of NS, ND). The policy document outlines the government's commitment to the following principles for community development:

- Local leadership
- Government support
- Collaborative approach
- Balance
- Respect for local values
- Social inclusion
- Transparency and accountability
- Partnerships and shared interests
- Common vision
- Focus on community assets
- Volunteerism

Although the policy itself does not refer specifically to co-operatives, this policy piece is an example of the overlap in shared values between the government's approach to community economic development and co-operative principles and values.

Regional Community Development Act

The Regional Community Development Act has the stated purpose to encourage and facilitate community-based planning for economic, social and institutional change (Province of NS, 1996). Specifically outlined in the act is the facilitation of the co-ordination of provincial and municipal public sector development programs affecting the roles of private and voluntary sector groups including co-operatives.

3.6.3 Policy & Governance Summary & Discussion

The policy environment within the province has played a significant role in the emergence and development of the NS-CDS. The devolution of the co-operative development mandate from the province to the NSCC opened up an important relationship that has translated into opportunities and strategic alliances in subsequent co-op development initiatives. The research demonstrates the importance of maintaining political relationships in order to ensure on-going support for co-operative development. It is these strategic relationships that strengthen the fabric of the network within the NS-CDS.

3.7 Objective 5: Community Economic Development Outcomes and Objective 6: Accountability and Evaluation

Objective 5 of the research was **to identify the community economic development outcomes that have resulted from the co-operative development system**. Closely related to this objective is the final research objective: to **identify the accountability and evaluation mechanisms within the NS-CDS**.

Through the research, clearly defined community economic development outcomes were not identified per se; however, participants pointed to statistics reflecting the success of the NSCC and the co-op sector as positive indicators of community economic development. For example, excerpts the 2005 NSCC Annual Report describe the following:

...Sector growth approached 7% with assets of the whole sector, including finance and insurance, now at nearly \$5 billion. Clearly, we are a significant part of the Nova Scotia economy and particularly in rural areas. Some 7000 Nova Scotians are employed in our sector.

Other key highlights of the Annual Report include:

- ✓ 26 new co-operative enterprises were incorporated.
- ✓ 42 existing co-operative members received growth and development support in areas such as advocacy, business planning, access to financing, research, board training, etc.
- ✓ The NSCC has directly helped to create and maintain over 1380 jobs in 2005
- ✓ The small business financing program...was expanded from an \$8 million program, to a \$33 million program, with \$13.6 million disbursed to 196 Nova Scotia enterprises to date.
- ✓ The short term equity fund made investments in 8 enterprises resulting in an additional leveraging of \$612,000 in debt financing from the credit unions.

In 2005, the NSCC developed an in-house accounting and data collection and analysis system, to enable them to track the economic impact of their work in the sector. The NSCC measures outcomes both quantitatively (in terms of jobs, revenue, new members, etc) and qualitatively (in terms of quality of life, social inclusion, impact on social assistance, etc). Measurement is done through surveys, questionnaires, reporting, interview and focus groups with members. Beyond the statistics already provided in this report (including those on the SBLG Program), specific information leading to analysis of community economic development outcomes was not available.

Study participants stressed the importance of accountability and evaluation. The ability to “deliver with results” was emphasized repeatedly as one of the most important factors in NSCC’s success in advancing the co-op sector. Partnerships with government have

accountability and reporting mechanisms written into agreements and the NSCC is evaluated based on their business plans and their ability to deliver results.

3.7.1 CED Outcomes & Accountability/Evaluation – Summary & Discussion

It is clear from the research that outcomes are an important part of system evaluation. Statistics and reporting provide solid evidence of the contribution of the co-operative sector to the overall economy in Nova Scotia and serve as measurements in performance evaluation. However, when participants were asked to point to the community economic development outcomes of co-operative development, considerable uncertainty existed, although many pointed to the importance of CED indicators. This is not to say that co-op development has not contributed to community economic development in the province; however, it is perhaps an indication that CED indicators and outcomes should be developed and implemented beyond financial reporting.

4.0 Analysis & Discussion

The primary research question for this case study was: ***What are the factors that have contributed to the emergence, development and outcomes of the Nova Scotia Co-operative Development System (NS-CDS)?*** The findings from this research point to several factors that have contributed to the existing co-operative development system in Nova Scotia, including:

- A shifting government mandate which led to the devolution of co-operative development to the NSCC, and the emergence of the co-op development system as it currently exists;
- A supportive political environment with existing community economic development programs and initiatives conducive to the inclusion of co-operatives (eg. CEDIFs);
- The presence of an influential social entrepreneur with the skills and abilities to identify and take advantage of opportunities, create tools, and forge innovation within the sector;
- Key contextual factors such as a strong history of co-operatives in the province, and a relatively small geography and population size.

The NS-CDS is a network of actors whose dynamic interplay is facilitated by the NSCC. The NSCC not only acts as the co-operative development agency for the province, but also acts as a central hub that the other system actors feed into. The specific financial tools designed for co-op development serve as the gears that control the movement of the system; and the human resources, headed by solid leadership and a key social entrepreneur, are the fuel that keeps the system moving forward. The NS-CDS exists within a political and geographical context that enables the system to function in its current configuration.

Beyond the identification and description of the overall system and its components, what can be learned from the Nova Scotia experience?

The Role of the Social Entrepreneur

It is clear from this research that the social entrepreneur has played a vital role in the success of the co-operative development system. A social entrepreneur embodies the qualities of a

traditional business entrepreneur (creating and innovating to build something of value around identified opportunities), but who is more concerned with achieving a higher social purpose than with generating profit (Thompson, 2002). The unique combination of entrepreneurial drive, astute business skills and high social values is rare in the context of today's capitalist society.

It is apparent that the leadership that does exist within the NS-CDS is part of an aging demographic. It is therefore critical that new leadership be built and cultivated in order to ensure the continued success of the co-operative sector. As discussed in Section 3.4.5, finding and fostering the kind of leadership that Dianne Kelderman represents is a particular challenge. The ability to integrate organizational, community business development with a capacity for resource mobilization, expansion and partnership building will not be possible without addressing the need to expand the pool of development management talent within the co-op system.

The Importance of Well-Designed Financial Tools

Participation in the social economy means using economic mechanisms to achieve social goals. One of the strengths of the NS-CDS is the financial tools available for co-op development. Well-designed financial mechanisms and the leadership to either create or leverage them are important factors in co-operative development in particular, and advancing the social economy in general. The ability to use economic means to achieve social ends requires a high level of financial literacy in order to be effective. This point is closely related to the previous discussion of the role of the social entrepreneur. More specifically, however, the financial tools and innovations found within the NS-CDS can serve as models for design and application in other contexts. Furthermore, well-designed financial tools in combination with a strategic web of development supports increase the potential for success and growth within the system.

Evaluation and Indicators

This case study also demonstrates the role of evaluation and indicators in co-operative development. Quantifiable indicators have served as strategic tools in planning, advocacy and progress measurement. What the NS-CDS lacks (or places less emphasis on) are qualitative indicators that speak to the overall social impacts of co-op development in the province. Although the quantitative economic indicators cater to traditional business interests, their emphasis discounts and even subverts the social value of co-operation. Nonetheless, as evaluation and indicators are an important communication tool, further research into the development of appropriate indicators for the purposes of advancing the social economy is required.

Systems Analysis

As outlined in the research design, this case study looks at co-operative development in Nova Scotia from a systems perspective in order to encompass a wide range of interacting processes that are involved. A systems approach focuses primarily on the interrelationships and dynamic interplay between actors, not merely the individual elements of the system.

Complex Systems Theory is a large and growing field of academic study. It is beyond the scope of this project to provide an in-depth complex systems analysis of the NS-CDS. Looking at the NS-CDS from a complex adaptive systems perspective would be an interesting area for further research. Nevertheless, a few comments can be made regarding the overall system.

First, leadership represents both a strength and a vulnerability within the NS-CDS. Strong entrepreneurial leadership has led to the success and evolution of the system; however, the lack of new and emerging leaders threatens its continuation in the long term. Secondly, the

establishment of legal agreements and MOUs between various actors serves to strengthen the connective fabric within the system. These agreements ensure that the system continues to function regardless of changes in staff or individual participation. Finally, the NS-CDS, as with any system, is not static, nor can the system be removed from its environment and context. The lessons learned from this case study will have to be considered and applied with this in mind.

5.0 Implications for BALTA and Further Research

As with any case study research, the goal is to optimize understanding of the case itself, rather than make generalizations (Yin, 1994). However, there are certain lessons, insights and models from the Nova Scotia experience that are particularly relevant to BALTA and that will require further research in order to determine the appropriateness of their application in the BC and Alberta contexts.

In order to move this research into the next phase and to address BALTA's third research question: ***what are the key issues, opportunities and constraints for adapting and scaling up whatever is working, both within and outside the region?***, further research will need to be conducted. Further research could include:

- Comparative research into existing co-operative development systems in both BC and Alberta (including examination of similar parameters – development finance, human resources, policy and governance, outcomes and evaluation).
- The use of specific successful models and innovations from the Nova Scotia experience (such as CEDIFs, the NSCC organizational model, etc.) to explore their potential relevance and application in the BC and Alberta contexts.
- Research into the existing leadership capacity within BC and Alberta and the potential for fostering social entrepreneurship in the two provinces.
- The development of appropriate and effective indicators for advancing the co-operative sector in particular and the social economy in general.

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Appendix A: Research Material

Letter of Invitation

February 6, 2007

Dear [Prospective Participant],

I would like to invite you to be part of a research project that I am conducting. This project is part of the British Columbia-Alberta Research Alliance on the Social Economy (BALTA). My name is Lena Soots and I am a PhD student at Simon Fraser University in Vancouver and a Researcher with BALTA. My credentials with Simon Fraser University can be established by calling my supervisor, Mark Roseland at the Centre for Sustainable Community Development at SFU (604-291-5849).

The objective of this research project is to understand the organizational system that has supported the emergence, development and outcomes of co-operative development in the province of Nova Scotia in order to obtain lessons and insights for strengthening the social economy in BC and Alberta. In addition to submitting my final report to BALTA, I will also be sharing the research findings through journal articles and conference presentations.

The research will consist of semi-structured interviews and is foreseen to last approximately 30 minutes to an hour. The interview will include questions on several aspects of co-operative development including: 1) development finance, 2) human resources, 3) planning, advocacy and research, 4) policy and governance, 5) community economic development, and 6) accountability and evaluation.

Your name was chosen as a prospective participant because of your involvement in co-operative development in Nova Scotia.

Information will be recorded in hand-written as well as audio-recorded format and, where appropriate summarized, in anonymous format, in the body of the final report. At no time will any specific comments be attributed to any individual unless your specific agreement has been obtained beforehand. All documentation will be kept strictly confidential.

A copy of the final report will be published and housed with BALTA. You can obtain a copy of the final report either by contacting myself at the contact information provided below or the BALTA Project Coordinator, Stuart Wulff at: swulff@uniserve.com or 250-723-2296.

Please feel free to contact me at any time should you have additional questions regarding the project and its outcomes.

You are not compelled to participate in this research project. If you do choose to participate, you are free to withdraw at any time without prejudice. Similarly, if you choose not to participate in this research project, this information will also be maintained in confidence.

If you would like to participate in my research project, please contact me at:

Lena Soots
e: lsoots@sfu.ca
p: 604-885-4064
c: 604-314-8392

Sincerely,

Lena K. Soots
PhD Candidate, SFU
BALTA Researcher

Interview Question Set

Warm up Questions

1. Name and organizational affiliation.
2. Tell me what you think is most important for me to understand about your organization and its role in co-operative development in Nova Scotia
3. How long have you been involved or working in the co-op sector in Nova Scotia? In what capacities?
4. What makes Nova Scotia different from other provinces that would lead to an especially active and developed co-op sector?

Development Finance

5. How is co-op development financed? Who are the major players in the financing of the co-op sector?
6. Tell me about some of the financial innovations that have been set up in order to support co-op development in Nova Scotia.
 - Short Term Equity Fund
 - Small Business Financing / Loan Guarantee Program
 - Community Economic Development Investment Funds (CEDIF)
 - Other financing tools?
7. How is equity capital used to build the co-operative development system? How is equity leveraged?
8. For your credit programs in support of co-ops, what are the terms and conditions for receiving loans? What has been the loan performance and payback? How would you evaluate the success of the programs from a development finance perspective?

Human Resources

9. Are there any obvious leaders in the co-op sector in Nova Scotia? Who are they? What are their roles? (formal as well as informal leaders)
10. Who are the main players involved in the support, administration and operation of the co-operative development system?
11. Beyond existing leadership, are new leaders emerging? Is leadership in the co-op sector fostered or developed in any way?
12. How is management capacity within the co-op sector developed?
13. Co-operative enterprises and co-operative development systems are, of course, based on membership. What roles do members (individuals and member co-ops) play in building the co-op sector?

Planning, Advocacy & Research

14. Who are the most significant advocates for further co-op development or support for co-op development (to government and policy makers or to businesses)? And what exactly have they done?
15. Could you point to any people who are specifically charged with responsibility for strategic and long term planning for the sector?
16. Is there any research being conducted to support and inform the sector? Can you tell me more about this?

Policy & Governance

17. What has been the political environment that has supported (or interfered with) the evolution of the Nova Scotia co-operative system?
18. Has the relevant political environment changed in the past 10 years so as to affect the co-op sector and co-op development in the province?
19. Are there any key supportive policies that have been developed?
20. How has planning, leadership, advocacy and management responded and adapted to changing political environments?
21. What agreements or memorandums of understanding have been made with government (federal, provincial, regional) to facilitate co-op development?
22. How are relationships with government maintained and strengthened?

Community Economic Development

23. What have been the chief economic outcomes of co-operative development for communities around the province?
24. How are such outcomes measured or otherwise identified?

Accountability and Evaluation

25. How has the co-op sector established credibility within the province?
26. What, if any, specific evaluation activities have been undertaken within the co-op sector? How have these been used and communicated? What have been the results, if any?

Wrap Up & Additional Information

27. What have been some of the major challenges or obstacles in developing the co-operative sector in Nova Scotia? How were they overcome or addressed?
28. In your opinion, who are the key actors in the Nova Scotia co-operative development system?
29. Do you yourself have a specific vision for co-operative development in Nova Scotia for the future?
30. Is there anything else you would like to add or that you think is important in terms of understanding co-op development in Nova Scotia?