THE QUEBEC SYSTEM OF SOCIAL INNOVATION.
A FOCUSED ANALYSIS ON THE LOCAL DEVELOPMENT FIELD

Juan-Luis Klein[1]
Jean-Marc Fontan[1]
Denis Harrisson[1]
Benoît Lévesque[1]

Abstract – This article shows the components of a system of social innovation based on collaboration and consensus building between a plurality of actors and economic logics. The social innovation system of Quebec features new combinations, approaches, ways of coordination and governance in which social economy and civil society play an important role. Participative governance, co-production of services, co-construction of public policies, as well as the plural character of the economy represent important aspects of this system. This article addresses the territorial dimensions of what could be called the Quebec model of social innovation.

Keywords: Quebec, social innovation system, partnership consensus building, governance, plural economy, social economy.

Resumo – Sistema social e inovação no Quebeque. Uma análise centrada no desenvolvimento local. Este artigo ilustra as componentes de um sistema de inovação social baseado na colaboração e na construção de um consenso entre uma grande diversidade de actores com diferentes lógicas económicas, O sistema de inovação social do Quebeque é caracterizado por combinações e abordagens inovadoras, formas de coordenação e de governança em que a economia social e a sociedade civil desenvolvem importantes papéis. A governança participativa, a co-produção de serviços, a construção de políticas públicas, bem como o caracter plural da economia representam dimensões importantes neste sistema, sendo tida em conta a dimensão territorial e a inovação social que acarretam.

Palavras-chave: Quebeque, sistema de inovação social, construção de consensos partilhados, economia plural, economia social.

Résumé – LE SYSTÈME D'INNOVATION SOCIALE DU QUÉBEC. UNE ANALYSE CENTRÉE SUR LE CHAMP DU DÉVELOPPEMENT LOCAL. Cet article met en lumière les composantes d'un système d'innovation sociale basé sur la concertation. Le système québécois d'innovation sociale est caractérisé par une gouvernance déterminée à la fois par la concertation et le partenariat, par la participation de la société civile dans la production des services publics (co-production) et dans l'élaboration de politiques publiques (co-construction), ainsi que par la combinaison de diverses logiques économiques. Dans cette combinaison, l'économie sociale et la société civile jouent un rôle fondamental. Ce texte porte sur les dimensions territoriales de ce qui pourrait être désigné comme le modèle québécois d'innovation sociale.

Mots-clés: Québec, système d'innovation sociale, partenariat, gouvernance, concertation, économie plurielle, économie sociale.

I. INTRODUCTION

The aim of this paper is to show how social innovation brings about social transformation. It will analyze the case of Quebec, which presents a specific societal configuration. Quebec is not a nation's state. It is part of Canada, a confederation formed by a federal government and by provincial and territorial governments, but in many respects, the province of Quebec constitutes a "quasi-nation-state"(Gagnon and Noël, 1995: 47) and a "distinct society"(Langlois, 1991)[i]. Quebec society stands apart from the rest of Canada; firstly, because it is predominantly French-speaking while the dominant language elsewhere is English, and secondly, because its dominant religion is Roman Catholicism while English Canada is predominantly Protestant. Moreover, it also stands apart because of its economic development model, which is known as the "Quebec Model" (Bourque, 2000; Lévesque, 2003; Klein *et al.,* 2009), our point of interest in this article.

Quebec society has the most plural economy in North America. The province has the highest level of unionization, around 40%, as well as a substantial number of associations, about 45,000 (Statistique Canada, 2004). Quebec is also the leader in recognition and support of the social economy by public authorities. And the partnership between the diverse sectors as well as the presence of the workers' funds permit the hybridization of market, non-market, and non-monetary resources to reach beyond the sector of the social economy (Lévesque, 2006).

Hence, Quebec's economic structure relies on an economic and social arrangement of private companies, several major public corporations, and many cooperative and social economy based businesses (Lévesque, 2007a). The Quebec model features a specific governance regime (Côté *et al*., 2007) characterized by the participation of a plurality of actors and the hybridization of diverse forms of governance (Lévesque, 2001; Fontan *et al*., 2005). In the early 1960s, a vast process of political, economic, social, and cultural modernization that swept Quebec, known as the "Quiet Revolution," gave rise to a Keynesian governance characterized by the predominance of the state, which in turn was strengthened (Brunelle, 1978). Starting

in the 1980s – the period we focus on in this article – the crisis of Fordism and the questioning of the Keynesianism led to a redefinition of the Quebec model especially by social movements (Favreau and Lévesque, 1996). During that period, Quebec became an incubator of ideas and experiments that strove for solidarity and democracy (Vaillancourt, 2002: 12). Those experiments resulted in a relative convergence of three socio-economic spheres: the private, the public, and the social sectors. Driven at times by the government, at times by employers and at times by civil society based organisations, this convergence contributed to the implementation of a partnership-based mode of governance.

It was in fact the Quebec's cultural specificity and the socio-economic actors' national identity (to the Quebec nation) that brought together public bodies, unions, community organizations, and some important business representatives to give an innovative response to the crisis of the 1980s, launching a cycle of social innovations that transformed the Quebec model. That cycle continued until the late 1990s, when the power of institutionalization limited the drive of experimentation. The effects of these innovations started in 2003, were to be seriously questioned, with the arrival in government of the Liberal Party with neoliberal orientations; the new policies tried to rid some of the mechanisms that favoured the participation of collective actors and associations and the partnership-based forms of governance, albeit without completely eliminating them, due to their institutional roots (Lévesque, 2005).

In order to analyse the system of social innovations built during that period, we will begin by explaining what we mean by social innovation. Secondly we will present the trigger factors and the main actors of social innovations in Quebec. Thirdly we will examine the Quebec model's main domains of innovation focusing on the field of local development. These domains are governance, co-construction of public policies, and the plurality of the economy. Finally we will discuss the main stakes in the Quebec system of social innovation. In conclusion, we will come back to what the Quebec Model can teach us with regard to social innovation and its effects on social transformation.

II.   SOCIAL INNOVATION: PROCESS AND SOCIAL SYSTEM

Let us bear in mind that social innovation concerns the implementation of new social and institutional arrangements, new forms of resource mobilization, new answers to problems for which available solutions have proven inadequate or new social aspirations (eg. autonomy and empowerment). These processes mobilize tangible and intangible resources in a new way. Social innovation takes place in the context of rationales and strategies for establishing links between individuals and communities and amongst communities (Klein and Harrisson, 2007; Moulaert and Nussbaumer, 2005).

It is important to point out that research on innovation distinguishes between radical innovations and incremental innovations. Radical innovations represent a

major rupture with the existing economic and social practices. Incremental innovations are intended to be gradual – a series of changes in the framework of known parameters, or the introduction into a given product of technical norms already used in similar products (Fagerberg *et al.,* 2004). From that standpoint, other intermediary notions should also be examined. Evolutionist and institutionalist analyses of innovation have established that innovations generally evolve in clusters, in particular during periods of emergence from crisis. Thus, innovations do not scatter in all directions but focus on an emerging socio-technical paradigm, i.e., a new vision of problems and possible solutions (Lipietz, 1989). To gain broad acceptance, the new paradigm must rest not only on new representations (the ability to imagine combined with the capacity to forget) but also on successful experiments carried out in organizations and local communities (Lundvall, 1992).

Therefore, social innovation responds to a context of crisis or to the incapability of the institutional framework to find satisfactory answers to acute problems or to a context provoked by entirely new situations. The innovative factor has transformative effects on entire sections of the social regulation. However, these rarely occur without upheavals brought about by deep structural and cultural changes in which society as a whole takes part. Moreover, social innovation is confronted with social rules, i.e., instituted modalities of action which it must transgress. This is why in-depth thought on social innovation calls for reflection not only on collective action but also on the actors and their relationship to the institutional environment they face and, paradoxically, on which they base their action and which they participate in building through social compromises and social regulations.

"Innovation appears in a precise place and at a set moment", stated Perroux (1986) in describing the transformations affecting the development of territories. Social innovations are not exempted from that rule. They are experienced in specific organizations (businesses, corporations, non-profit organizations, etc.) and disseminated through a process marked by tension and compromise. This brings us to the background of those experiments and the ability of the actors involved to establish a power relationship that reverses the blockages they caused or the arrangements of opposing actors who resist innovation. It is, nevertheless, by spreading social innovations to a large number of organizations, and through their adoption by a range of actors, that their institutionalization enables a certain stability to be achieved and new meaning to be brought to social relationships. Evidently, factors such as social demand, technical procedures and technologies, laws (the law), conventions, and social standards in which the innovation is embedded also have an effect on the depth and intensity of the change.

Actors confront each other, which in turn produces compromises. It is these compromises that lead to the implementation of the right conditions for the creation of new institutions and new standards, crystallizing into social transformation. Social innovation puts in place participants occupying differentiated positions in the institutional environment. Institutional arrangements take the form of structured systems of players starting with different but complementary modalities of social

regulation (Boyer, 2002). We may thus assume the existence of a set of systems for social innovation that operate at many levels and through complementary fields. Hence, social innovation appears as a multi-faceted process for the creation of new forms and the renewal of existing ones. It is worth analyzing the experiments occurring in innovative organizations, just as it is important to understand the institutional process of the recognition and adoption, even of the spread and adaptation, of the innovation that causes or brings out social transformation.

The argument of this article is that the Quebec Model has brought out a whole set of social innovations, which transformed the institutional environment of Quebec society and which has structured and has contributed to its social transformation. These changes have been incremental, and they have been launched by experiments occurred in civil society organizations. This argument claims that actors deconstruct previous arrangements and adopt new practices that break with the institutional arrangements. This is a new form of action which emerges and which incites those not yet engaged in it to change. Modes of coordination are thus modified, resulting in transformations in regulation and governance as well as in social transformation.

III. TRIGGER FACTORS AND MAIN ACTORS OF THE QUEBEC SOCIAL INNOVATION SYSTEM

As explained above, the conditions that generate the innovative process giving rise to the Quebec model resulted from the crisis of Fordism. We should recall that the industrial development model experienced a major crisis in the mid-1970s. This crisis caused a reaction, which led to a process of rebuilding the Quebec Model. The economic crisis of the early 1980s led to increased unemployment, and a higher demand for social protection and new services. This was followed by a crisis of public finances, in addition to the crisis of the functioning and legitimacy of the state (Bernier *et al.,* 2003).

Those factors gave rise to an emphasis on social actors and local solutions. Under the Fordist system, the steering of society was state-centred. The main instance of regulation was the state, and social relationships, in particular conflictual relationships, were centered on the state (Klein, 1989). In that context, management of the social realm and of the economy was handled by the state and its territorial extensions (regions and municipalities). The state action at the social level and its intervention as an economic player were centralized and rigid, and its development policies applied to the entire national territory (Hamel and Klein, 1996). The Fordist crisis generated a flexible and decentralized form of regulation (Moulaert and Swyngedouw, 1989). The reduced effectiveness of the state framework in ensuring social and economic coherence at the nation scale resulted in the desegregation of territories and in supranational networking (Ohmae, 1995). The regions, which were viewed as the fabric of the national territory and which laid the groundwork for public policies, suffered the effects of globalization and were forced into competition,

which tended to dissociate them. The cities, considered the poles of the national territorial structure, moved into distinct networks based on their size and function.

In Quebec, the crisis of Fordism led to the questioning of the measures the Quiet Revolution had implemented and of the development choices that the socio-economic actors had adhered to since 1960. The mobilization of the social actors had been crucial during the early years of the Quiet Revolution. That mobilization concerned specific domains but had effects on the entire social process that was under way. First, the citizen mobilizations demanded a greater involvement of public authorities in economic development, in the provision of services, and in the shaping of the living environment. Those mobilizations began with unions and citizens' committees, in the urban settings and with the defence of threatened rural settings (Bélanger and Lévesque, 1992). Fairly soon the claims became more specific and more radical, which generated the proliferation of more specialized collective actions (status of women, the cultural field, the environment, etc.). All those actions took on a style characterized as the "unionization of the living environment" (Favreau, 1989; Lévesque, 1984). Due to the crisis of 1980 that style changed as part of the transition to the community or cooperative formula of service groups. In the new context, civil society was no longer mobilized for the improvement and the democratization of public services and the modernisation of the state, but rather by the need to respond to new social demands.

Under the Keynesian system, the state claimed a monopoly on public services, in particular for public or quasi-public goods, primarily education, social services, and health care. In Quebec, this had led to the creation of the ministry of education, the Université du Québec network, the CEGEPs (junior colleges), public high schools, and the ministry of health and social services along with various public health care facilities. However, at the same time, the welfare state entailed a bureaucracy and a technocracy that proved incapable of responding adequately to the demands of citizens in diverse domains. Thus, public and private bureaucracies were being called into question and major experiments in the health field (community health organizations), law (legal clinics), and housing (housing cooperatives) spurred citizen responses characterized by a quest for autonomy and democracy.

The implementation of the welfare state had led to a set of regional development and planning programs applied by centralized structures. The goals of those programs were to ensure that zones considered to be more disadvantaged could catch up and to polarize strategic investments in the main poles. Since the 1970s, these programs have been undergoing a two-fold revision. Firstly, as a result of high debts and demands from international financial organizations, the government altered its involvement in regional development, which spurred a process of decentralization. Secondly, the demands for autonomy from actors who felt they were poorly served by government programs emerged in remote rural communities as well as in urban neighbourhoods that were most affected by the employment crisis.

It is clear that the innovative processes sweeping through them were caused - by factors that were linked to the ideological and cultural pressure posed by dissatis-

faction with modes of work and life generated by the compromises established during the implementation of the Keynesian mode of governance in Quebec, in the wake of the Quiet Revolution. This then created conditions to innovate, i.e., to allow actors a more active role in the decision-making process.

Quebec companies engaged in various experiments with regard to work organization, such as task variation and work teams (Bélanger *et al.*, 1994). With the aim of improving their structure, labour federations took turns taking opportunities to revitalize work organization in order to fight redundancies and company closures caused by the crisis (Fontan and Klein, 2000; Klein and Fontan, 2003). At another level, the labour federations created economic development funds to invest in job creation, which demonstrated policy changes in the social movements and their collective actions. These were pension funds intended to support job creation in Quebec: the FTQ's *Fonds de solidarité*, created in 1983, and the CSN's *Fondation*, created in 1996. These funds converted unions into business partners and promoted the formation of a plural economy at the Quebec scale.

Conversely, citizen action began turning to cooperation formulas (Lévesque, 1984). First, citizens took the initiative of creating services rather than asking the state to provide them. Services under the welfare state became oriented towards universal and free access, while civil society initiatives claimed democratization in the provision of services. This allowed for alliances between users of services and professionals for a reconfiguration of relations of production as well as consumption (Bélanger *et al*., 1987). The actors concerned were the new social movements (women's groups, community groups, environmental groups) but also unions and representatives of local communities and even public administrations. Thus, the crisis of 1980 caused a realignment of options for those groups concerning their demands (Fontan *et al.*, 2005).

IV. GOVERNANCE, CO-PRODUCTION, AND THE PLURAL ECONOMY SEEN THROUGH THE LOCAL DEVELOPMENT DOMAIN

According to our hypothesis, the Quebec Model, renewed in the early 1980s, is characterized by major social innovations. These innovations concern governance, the fact that civil society organizations participate in the co-construction of public policies, and the fact that this contributes to the implementation of an economic system characterized by plurality. These are the main types of innovation that have distinguished the Quebec Model since the 1980s. Let us now focus on the local development field as an illustration of those social innovations.

Development concerns a plurality of actors and actions. Concerning economic development, all local socio-economic actors participate in it in one way or another, often without seeing themselves as development actors and without identifying with the notion of local development. A company such as Hydro-Quebec, a hospital, or a cultural centre bears development components. Local development also involve the

territorial branches of government (departments and other bodies), state-run businesses operating in local communities, representatives of business communities, firms (big, medium, and small), educational institutions (universities, CEGEPs, etc.), unions, social economy businesses and organizations (cooperatives, social enterprises), community economic development organizations, and community organizations oriented toward social development (Tardif, 2007). In our analysis we will track the organizations mandated to support development in local and regional settings, which, as we shall see, target territorial coordination, that is to say the governance of all those organizations.

The innovations realized in Quebec concerning the governance of local community development starting in the 1980s were part of a deep-rooted process. We recall that the local space as a framework instituting social compromises and coalitions has long been significant in Quebec. Its configuration is anchored in the compromises that gave the Church and the parish a major function in the protection and sustenance of French Canadian society. That function provided the local level with power that allowed for many cooperation experiences in civil society in the 19th and 20th centuries (Jean, 1977; Poulin, 1990, 1994 and 1998), yet within a traditional framework. With the Quiet Revolution, Quebec society built a modern state apparatus, which called for the modernization of the territorial administrative bases of Quebec society. The local level served as the base for movements that were to demand solutions to specific problems, at times caused by the modernization process and at times due to an uneven insertion in that process. They were to demand the ability to act and participate in decision-making concerning their specific situations.

That is how two trajectories of the social movement emerged which, later, were to converge towards a more or less unified strategy structured around the idea of local development. The two trajectories are the regional movement and the urban movement. They signal an orientation of social movements towards economic development, which constitutes a major social innovation. Regional development cooperatives and resource development corporations began setting foot in rural regions in the 1970s. In the main cities, the urban social movement also developed its own unique vision of economic development, which viewed local settings (the neighbourhood or borough) as a base for launching initiatives and creating jobs and for promoting participation experiences. This could be viewed as a consequence of the crisis of Fordism and the deindustrialization it triggered. Both trajectories were in line with the changes made by the government to its development policies, while participating in the policies that were developed later, which contributed to defining the local development policies implemented by government.

Mutations of the capitalist system and demands from actors led the Quebec government to modify the territorial governance modalities implemented as part of the Quiet Revolution. The regional development policies developed since the 1960s as well as the bodies in charge their implementation were challenged. These bodies were the *Office de planification et de développement du Québec* (OPDQ) and the

Conseils régionaux de développement (CRD). They were created as a result of the administrative regionalization which took place in 1967 and essentially acted as intermediaries on behalf of the state. The local actors were brought into play as a result of a series of reforms which marked the evolution of the governance of the local communities and of their relationship with the public actor. A rather centralist regional development perspective, accompanied by the redeployment of public administration in the regions, was replaced by a more endogenous development perspective oriented toward the development of local entrepreneurship, essentially small and medium-sized businesses. In 1988, the Quebec government then published a document indicative of its choice titled *Le Québec à l'heure de l'entreprise régionale* (Quebec in the era of regional businesses), advocating collaboration between government and local actors to encourage entrepreneurship and to strengthen technological and export potential in the regions (Hamel and Klein, 1996).

It is important to specify that this search for collaboration at the regional level between the organizations active in the economy and social development constitutes a major change in the culture of those organizations. Prior to that, actors such as chambers of commerce and other representatives of the business community, elected government representatives, businesses, service providers in healthcare or educa-tion, unions, and community organizations reproduced at the local level the conflicts and class alliances that pervaded all of Quebec. Those actors did not see themselves as stakeholders of the governance of regional development. However, the reorienta-tion of the government's regional development policies essentially aimed to get them to collaborate and establish development priorities for their regions.

Thus, to meet the goal of territorial collaboration of those involved at the regional level, existing territorial governance bodies were redefined and others, better adapted to the situation brought about by the crisis, were created. First, the *Act Respecting Land Use Planning and Development,* adopted in 1979, created a new territorial entity at the supra-municipal level referred to as the *Municipalité régionale de comté* (MRC). These regional county municipalities were defined as "identity areas" and received the mandate to ensure territorial development in non-metropolitan settings. The big cities Montreal, Quebec, and Hull already had their own category of supra-municipal development organization in charge of development: the *Communauté urbaine*. As a result of the application of the new law, the Quebec territory was partitioned into 96 MRCs and three urban communities, the latter being viewed as MRCs for development purposes. This new grid turned out to be crucial for later policy shifts in support of local development.

In fact, the scale of the MRC became central for building the new local governance outside of the main cities. It obliged local municipalities to consult each other to establish a development plan and to comply with it (Klein, 1995). The MRC thus became the framework of action preferred by the state as well as by civil society organizations concerning development support. Therefore, they became the new local area, replacing local municipalities in the eyes of the players (Klein *et al.,* 2003b). In 1998, 1,077 organizations at work on the territory in diverse social

domains had adopted the territorial framework of the MRC as a framework for action (Proulx and Jean, 2001).

At another level, the administrative regions, created in 1967 in the midst of the Quiet Revolution to facilitate the territorial redeployment of the public administration, were redefined. Their mandate was reoriented, and eventually they were abandoned altogether by the government and replaced by the MRCs, not without having been laboratories of cooperation. In 1983, the government launched a new type of territorial planning based on consensus building by way of socio-economic summits (Dionne *et al*., 1986). The administrative regions then became the territorial framework of those summits and the regional councils, until then seen as an intermediary of government, and thereby became responsible for their realization. The regional development councils became regional collaboration and development councils (*Conseils régionaux de concertation et de développement* – CRCD). They were constituted of elected government representatives, persons in charge of local services, and representatives of the socio-economic milieu.

Between 1983 and 1991, 14 regional summits took place. These allowed the regional actors to build consensus between each other on the main priorities and to establish agreements with government for the financing of their implementation. Through these summits, institutions that until then had had a passive presence in the development planning of their communities began taking an active role. We note in particular the case of universities that established links with business and launched projects to create businesses and jobs.

The search for territorial cooperation gained more momentum in 1992, when the government assigned the CRCD the function of representing regional actors before government bodies. At the same time, this measure defined strategic planning as a mechanism for decision-making and resource allocation. Even though some authors believe this choice stems more from disengagement than from decentralization (Proulx, 1996), it is clear that the process under way addressed local actors and social movements, giving them a place they would use to influence development choices (Klein, 1989).

Those reforms, which set various milestones for a partnership-based development governance of the regions, have their counterpart in the metropolitan setting, in particular in Montreal, but under different pressures. The consequences of the crisis of the 1980s led the representatives of the business community, the social movements, and the main government institutions to adopt a partnership strategy. On one hand, from a metropolitan perspective, a working group chaired by Laurent Picard which brought together 16 institutional leaders from Montreal produced a report, known as the "Picard Report," which became a reference for public as well as private stakeholders concerning the city's development. The report developed a strategy that promoted private leadership, internationalization, and the development of high-tech sectors (telecommunications, aerospace, bio-pharmaceutics, computer science, microelectronics), a strategy that brought results, at least to some extent (Klein *et al.,* 2003b). On the other hand, at the neighbourhood level, a

strategy took shape which was also based on cooperation and partnership but prompted by social movements, i.e., the community movement and unions. Communities in those neighbourhoods, including the business community, mobilized around community leaders to defend its accomplishments. The main results of this mobilization consist of the development of a strategy referred to by the actors as "economic community development" and the creation of an organization dedicated to applying this intervention strategy in Montreal, the *Corporations de développement économique communautaire*: CDEC – community economic development corporations (Fontan, 1992; Hamel, 1991).

The main objective of the CDECs is to promote collaboration among the actors in a neighbourhood. Their goal is to collaborate with each other and to launch partnership-based development projects. Consensus enables actors to interconnect and discover common goals. The second main objective of the CDECs concerns the support of local entrepreneurship to facilitate the creation of local jobs. The third objective concerns employability, i.e., the qualification of unemployed individuals so that they can reintegrate into a job market undergoing accelerated restructuring. The field of action of the CDECs is that of the neighbourhoods and boroughs. There, their actions highlight the potential of local territories as a framework for collective action anchored in the social movement. This constitutes a major change in community action, a process that spurred several debates and tensions within the community movement.

The convergence of objectives between the creation of the MRCs and the reforms concerning the administrative regions, on one hand, and between these reforms and the orientations adopted by the social movements, on the other hand, contributed to the implementation of a new policy that targeted and guided the development of local communities. Starting in 1997, the government created the *Centres locaux de développement* (CLD – Local Development Centers). The creation of those centres also allowed financial tools to be defined. CLDs thus constituted multiservice stations bringing together socio-economic, political, and local community actors and were designed to support entrepreneurship (Camus and Malo, 2005). In the outlying regions, the CLDs operated at the MRC level, giving that space a social role more relevant than law-makers had foreseen when adopting the act that created the MRCs. In Montreal, following negotiation, the CDECs became, with few exceptions, CLDs, and the territorial framework of their actions became the boroughs, which also contributed to giving meaning to this space defined for administrative purposes.

In hindsight, government policies and measures concerning local development appear as co-constructions: On the one hand, experiments were encouraged by programs of limited duration which often aimed to support pilot projects; on the other hand, when those experiments proved viable, even efficient, the public authorities tended to apply them over the entire territory, ready to realize hybridizations of experiments that were quite different from one another. In that sense, we can speak of a co-construction of the political approach that instituted them (Lévesque,

2007b). Thus, the creation of the CLDs in 1997 institutionalized innovative experiments which took place in local settings over many years and which proved efficient. CDÉCs were just one result of these experiments. This new entity received the mandate to mobilize all socio-economic and political actors at the local level with the goal of promoting the creation of businesses and jobs. The definition of the role of the CLDs nevertheless remained flexible, which allowed them to define their own orientations.

Each CLD has the responsibility of devising a development strategy for local entrepreneurship, including social economy corporations. A CLD is obliged to develop a concerted local action plan for the economy and employment. The financing of a CLD is essentially ensured through a partnership between the provincial government and the municipalities. Each CLD at first benefits from two envelopes: the local investment fund (FLI) and the social economy fund (FES) (Lévesque *et al.,* 2003). The first covers the operations, studies, and research, as well as the support for entrepreneurship development. The second is an envelope dedicated to the development of social economy businesses. Moreover, other funds created by specific organizations are also entrusted to the CLDs, who can sign production or service provision contracts with other organizations. For example, the CLDs manage the *Fonds jeunes promoteurs* (FJP), implemented by the government to encourage the development of entrepreneurship among young people, and the *Société locale d'investissement et de développement de l'emploi* (SOLIDE), a fund created in partnership with the unions (FTQ) with the goal to create and maintain jobs. Moreover, some CLDs create their own investment funds. Among these funds are *Regroupement économique et social du Sud-Ouest de Montréal* (RESO), which created the program RESO inc. with the participation of the FTQ and the Canadian and Quebec governments (Opula, 2007). The allocation of those funds is carried out according to priorities defined by actors who belong to the CLD and according to their own evaluation criteria.

Many policies that do not target local development as such influence those communities because they provide objectives and means which allow local organizations to act. Among these are the *Politique nationale de la ruralité* (Quebec policy for rural regions), which created the rural partnership and which allowed local initiatives to innovate. As well, the *Stratégie de lutte à la pauvreté et à l'exclusion sociale* (strategy to fight poverty and social exclusion) created a fund to support partnership initiatives with municipal organizations and community organizations. Those policies resulted in part from the mobilization of organizations representing communities in difficulty. They provide tools to those involved. Those tools, as well as the funds and actions contributed by the CLDs, call on the actors to rethink their vision. They were originally designed to bring together socio-economic, institutional, and political representatives. Through their application, the local level became stronger (table I).

Table I – Evolution and main features of the Quebec Model.
Quadro I – Evolução e principais características do Modelo do Québec.

Periods and main events	Mode of governance	Central actors	Local actors	Space oriented strategies	Civil society based actions
Before 1960/ Defensive Nationalism	• Authoritarian Governance	• Church • Private Companies	• Parishes • Private companies • Traditional Social Economy (Cooperation and Mutualism)	• Exploitation of natural resources	• Claim for Citizens and Workers Rights
1960/ Quiet Revolution-	• State centered Governance	• Provincial Government • State Owned Corporations and Public Bodies	• Regional Development Oriented Public and Policies • Urban Communities in Main Cities	• Administrative Regionalization • Education Institutions • Health Services	• Community Health Organizations • Housing Cooperatives • Rural Movement
1980/ Crisis of Fordism	• Consensus Oriented Coordination and Collaborative Partnership	• Provincial Government • New Social Economy • Unions Funds for Economic Development	• Regional County Municipalities • Regional Collaboration and Development Councils • Local Development Centers	• Decentralization • Economic Reconversion • Quebec policy for rural regions	• Community Economic Development • Job Creation • Strategy to Fight Poverty and Social Exclusion
2003/ Neoliberal Government	• Public-Private Partnership	• Private Corporations • Private Lobbies	• Politicians • Private Entrepreneurs	• Restructuring of Local Development Centers • Accountability • Private-Market and Consumers Centered Strategy • Exploitation of the Environment	• Protest Movements • Fight against Poverty and Exclusion • Fight against Anti-ecological Exploitation of the Environment

Local development thus stems from the compromise, the co-construction of policies, and the plurality that characterize the Quebec Model. It embodies a territorial movement that is rooted in history but that developed branches associated with a modern and democratic notion of economic development and community governance. The strength of this movement is all the more important as it mobilized a good part of civil society – an important basis of political legitimacy in the context of a minority society the state apparatus of which is incomplete, as is the case with Quebec.

Even though this topic was not really addressed in this paper, it is important to point out that the arrival in government of the Liberal Party in 2003 started a new period in which neoliberal oriented policies have challenged the Quebec model.

Many reforms have been applied aiming to get rid of mechanisms favouring the participation of civil society based actors and collaborative forms of governance. The government has not managed to eliminate completely those forms of participation. However, it has triggered important protest movements that claim for a re-renewal of the Quebec model in order to adapt it towards a development model that is inclusive and ecological.

V.   SYNTHESIS: A SUB-SYSTEM EMBEDDED IN A BROADER SOCIAL INNOVATION SYSTEM

The institutional evolution of local development shows the importance of the actors representing civil society in the governance of development and in the definition of public policies in domains that matter to the community. The unions and community organizations no longer limited themselves merely to protesting against the injustices of an economic and social system; rather, they equipped themselves with tools to become actors, even stakeholders with private capital and public institutions. At the same time, relationships between the local and the provincial levels evolved thanks to the intermediary action of the networks representing civil society and their role as spokesmen for governments, not to mention partnerships in activities and services. Thus, the social actors helped build a veritable social innovation system following the reorientations realized in the 1980s – reorientations that followed a path begun by the Quiet Revolution but that also embodied ruptures promoting social innovations. The strength of these actors lay in partnership action, the ability to raise issues that rally the actors, and the ability to bring the government to take into account problems of social sectors in difficulty when designing public strategies.

Even the analysed field constitute a sub-system, it is embedded within a broader social system in which representatives of the socio-economic actors, ensure a level of inter-sector coordination. The *Conseil de la coopération et de la mutualité du Québec*, the *Chantier de l'économie sociale ou solidarité rurale du Québec*, and the unions and associated organizations, only to mention a few, constitute the network of social actors at the Quebec level. Those networks ensure a transversal coordination and a representation before the government which promotes compromises, the recognition of the social actors, and the co-construction of public policies and their implementation. The different actors in those fields tend to share those main objectives.

The influence of the social movements on public policies results from two processes: the institutionalization of the experiments realized by civil society organizations and, the partnership between public actors and social actors. Through the institutionalization of innovations, the social movement becomes a part of the compromises which define the political framework of the social regulation, thereby transforming the institutions. Through partnership, civil society organizations

participate in the execution of policies. The relationship of the society to the state then appears as a fundamental element in a social innovation system, as illustrated by the Quebec Model (table I).

However, this relationship can take many forms: 1) subcontracting, 2) coexistence, 3) supplementarity, and 4) co-construction. Subcontracting confines the social partner to an instrumental role. Coexistence illustrates the parallel evolution of two spheres (community and public). Supplementarity indicates that the social organizations have a major place in the implementation of programs, but that they do not define them (co-production). As for co-construction, it operates when community and social economy organizations became actors "in the development and implementation of social policies" (Proulx *et al.,* 2005). These four forms are present in the Quebec Model, but it is in the importance of co-construction (joint definition of public policies and implementation) that the institutional innovation resides which is characteristic of it and which consists in the capability to institutionalize the innovations experienced in the organizations and the local communities. This politically oriented institutional innovation goes along with the participation of the stakeholders in the implementation of policies and strategies.

While the institutionalization of social innovations enables the civil society based organisations to be recognized as stakeholders in the context of the Quebec model, it also poses new challenges (Jetté, 2008). The biggest is to remain innovative despite their increasingly tight-knit connection with the institutional network. It is thus important to insist on the recognition by the state not only of the role of civil society organizations as partners, but also of their innovative and transformative character so as to avoid stifling that potential (Lévesque, 2006). The state accepted to decentralize services and responsibilities but without necessarily providing all the corresponding financial resources. The financial dependency of the organizations led them to accept, even to seek, functions that moved them away from their original missions and that risk to make them subcontractors rather than partners.

The challenge concerns primarily the integration between the action of organizations participating in governance that supports entrepreneurship, and which do so as part of claims for autonomy of the urban and rural social movements, and secondly, the other actions, public or private, which have effects on the quality of life and on the local economy but which are beyond the control of those organizations, and which enjoy a much greater wealth of resources. At the same time, the encouragement of local initiatives can promote competition between communities to attract public and private investment, which eventually places local communities at disadvantage and above all accentuates inequalities. These various challenges raise the question of the relation to the state. The commitment of the local communities should not release the state from its responsibility with regard to the most disadvantages communities.

Table II – Social innovations in the Quebec model and in the field of local development.
Quadro II – Inovações sociais no modelo do Québec e no campo do desenvolvimento local.

	Quebec model	Sub-System of local development
Main triggers	• Fordist crisis • Fiscal crisis: public sector withdrawal • Decentralization and accountability of local communities • Adaptation to globalization	• Closings, relocations and redundancies • Crisis of trust with regard to the public system and demands for participation • Demands for autonomy and for taking charge
Main actors	• Unions • Grassroots organisations • Associations, ministries, public administration, para-public organizations • Consensus oriented bodies (forums, tables)	• Government • Business communities, entrepreneurs • Unions, social economy, Community organizations
Main social innovations	• Economic turn of social movements • Organizations representing civil society playing a transversal and coordination role • Strategic role of the social economy • Union funds for job creation • Support of unions to social economy • Partnership between private business, state, union funds	• Regional and local governance • Implementation of intermediary organizations • Vertical intermediation (government/local actors) and horizontal (inter-sector interactions) • Services offered by community organizations • Union funds, community funds and hybrid funds for local development
Principal challenges and issues at stake	• Transformation of partnership into subcontracting • Risk of increasing the accountability of the community without increasing resources • Respect of the mission of the organizations	• Interterritorial competition for public and private resources • Polarization in territorial development • Relation between the mission of the development organizations and the assigned resources • Social and territorial integration

VI. CONCLUSION

The analysis has shown that social innovation carried out within the Quebec model concerns three types of generic innovations. The first type concerns governance, i.e., progress in terms of consultation, cooperation, partnership, recognition of stakeholders, deliberative democracy, and direct democracy. The second concerns the co-construction of public policies, which refers to the participation of actors, especially from social movements, in the development of public policies. The third type concerns contributions from various actors to the plurality of economic ownership forms (private economy, public economy, and social economy) and to the interrelations between their economic sectors. Moreover, within each of those sectors, we can also speak of a plural economy in another sense, namely, in the sense of a plurality of resources and of diverse rationales within a sector or company (market resources with a profit purpose, non-market resources with a redistribution purpose, non-market and non-monetary resources with a reciprocity purpose).

The Quebec Model, as is was structured since the 80s is characterized by the plurality of actors and the way they collaborate with each other: pluralities of labour federations, plurality of other social organizations, plurality of employer organizations, plurality of government levels. The wave of social innovations triggered by the fordist crisis provided for the formation of an innovation system. This system is founded in part on collaboration and social cohesion as well as on the collective hope to develop as distinct society with regard to its culture and to its economy.

In just over a half-century, Quebec society made the transition from practising anti-government and conservative management (1930) to social democratic orientation using state interventionism as a lever for economic nationalism (1960) and, more recently, to a collaboration and partnership that mobilized a plurality of civil society components in the framework of an open economy (1980). The innovation path originated unquestionably in a context of crisis but also within social movements and the constitution of a social coalition that provided for innovative thinking and for equipping itself with the means to fulfil those visions. Those transformations were possible because consensus and cooperation promoted the proliferation of incremental innovations. However, the Quebec Model of social innovation, founded on collaboration and partnership, remains fragile because it evolved in a broader context where neo-liberalism oriented strategies dominate.

In fact, a major issue is that of conserving the innovative dynamism of organizations, above all with regard to the new challenges confronting societies, for example, concerning poverty and the environment. The institutionalization of the innovations first explored by civil society was the characteristic of the Quebec Model. However, that institutionalization should nevertheless not stifle the creative potential of those innovations. Public action is still necessary, but it should respect the missions of the organizations so as not to harm their creativity or transform their role as partners into that of subcontractors, as the Liberal Party try to do since 2003.

Since its accession to power, the Liberal Party has been promoting privatization, exploitation of natural resources by foreign corporations, user-pays principle and market regulation, triggering a large movement of contest. The important crisis started in February 2012 triggered by governmental decision to increase university tuitions fees, provides just an illustration of various measures that make the Quebec model to drift towards a neoliberal oriented system (Martin and Tremblay, 2012)

Finally, the current crisis is pushing many social actors and stakeholders to reshape the Quebec model, building on its main institutions but renovating them, in order to make the Quebec system keep innovating and being able to meet the challenges of the next decades.

ACKNOWLEDGMENTS

Social Exclusion in Europe. That project was led by a network of 19 institutions coordinated by Frank Moulaert, and financed by the 6th Framework Programme of the European Union.

BIBLIOGRAPHY

Bélanger P R, Lévesque B (1992) Le mouvement populaire et communautaire: de la revendication au partenariat (1963-1972). *In* Daigle G, Rocher G (eds.) *Le Québec en jeu. Comprendre les grands défis*. Presses de l'Université de Montréal,Montréal: 713-747.

Bélanger P R, Grant M, Lévesque B (eds) (1994) *Modernisation des entreprises et relations de travail*. Presses de l'Université de Montréal, Montréal.

Bélanger P R, Lévesque B, Plamondon M (1987) *Flexibilité du travail et demande sociale dans les Centres locaux de services communautaires*. Les Publications du Québec, Québec.

Bernier L, Bouchard M, Lévesque B (2003) Attending to the general interest: new mechanisms for mediating between the individual, collective and general interest in Quebec. *Annals of Public and Cooperative Economics*, 74(3): 321-347.

Bourque G (2000) *Le modèle québécois de développement. De l'émergence au renouvellement*, Presses de l'Université du Québec, Québec.

Boyer R (2002) *La croissance, début du siècle. De l'octet au gène*. Albin Michel, Paris.

Brunelle D (1978) *La désillusion tranquille.* HMH, Montréal.

Camus A, Malo M-C (2005) Politique de développement local et initiatives en milieu urbain: les CDÉC montréalaises mandataires du CLD. *In* Jean B, Lafontaine D (eds.) *Territoire et fonctions*. Tome 2: Les systèmes régionaux et les dynamiques en débats, Éditions du GRIDEQ et du CRDT, Québec: 145-160.

Côté L, Lévesque B, Morneau G (2007) L'évolution du modèle québécois de gouvernance : le point de vue des acteurs. *Politique et sociétés*, 26(1): 3-26.

Dionne H, Klein J-L, Larrivée J (eds.) (1986) *Vers de nouveaux territoires intermédiaires?* GRIDEQ/GRIR, Québec.

Fagerberg J, Mowery D C, Nelson R R (2004) *The Oxford handbook of innovation.* Oxford University Press, London.

Favreau L (1989) *Mouvement populaire et intervention communautaire*. Centre de formation populaire/ Éd. du Fleuve, Montréal.

Favreau L, Lévesque B (1996) *Développement économique communautaire. Économie sociale et intervention*. Presses de l'Université du Québec, Québec.

Fontan J-M (1992) *Les Corporations de développement économique communautaire montréalaises. Du développement économique communautaire au développement local de l'économie* (Unpublished Ph.D. Dissertation.) Université de Montréal, Montréal.

Fontan J-M, Klein J-L (2000) Mouvement syndical et mobilisations pour l'emploi. *Politique et Sociétés*, 19(1): 79-102.

Fontan J-M, Klein J-L, Tremblay D-G (2005) *Innovation socioterritoriale et reconversion économique: le cas de Montréal*. l'Harmattan, Paris.

Fontan J-M, Klein J-L, Lévesque B (2005) The fight for jobs and economic governance: the Montreal model. *In* Booth P, Jouve B (eds.) *Metropolitan democracies. transformations of the state and urban policy in Canada, France and Great Britan*. Ashgate, UK: 133-146.

Gagnon A, Noël A (1995) *L'espace québécois*. Les Éditions Québec/Amérique, Québec.

Hamel P (1991) *Action collective et démocratie locale. Les mouvements urbains Montréalais*. Presses de l'Université de Montréal, Montréal.

Hamel P, Klein J-L (1996) Le développement régional au Québec: enjeu de pouvoir et discours politique. *In* Proulx M-U (ed.) *Le phénomène régional au Québec*, Presses de l'Université du Québec, Québec: 293-311.

Jean B (1977) *Les idéologies éducatives agricoles (1860-1890) et l'origine de l'agronomie québécoise*. Cahiers de l'Institut Supérieur des Sciences Humaine, Collection Études sur le Québec no. 7, Québec.

Jetté C (2008) *Les organismes communautaires et la transformation de l'État-providence. Trois*

décennies de coconstruction des politiques publiques dans le domaine de la santé et des sevices sociaux. Presses de l'Université du Québec, Québec.

Klein J-L (1995) De l'État-providence à l'État accompagnateur dans la gestion du social: le cas du développement régional au Québec. *Lien social et Politiques*, 33: 133-141.

Klein J-L (1989) Développement régional et espace local: vers une régulation territorialisée. *Revue internationale d'action communautaire*, 22(62): 117-128.

Klein J-L, Fontan J-M (2003) Syndicats et communautés dans la gouvernance locale. *Recherches Sociographiques*, XLIV(2): 239-266.

Klein J-L, Harrison D (eds.) (2007) *L'innovation sociale. Émergence et effets sur la transformation des sociétés*. Presses de l'Université du Québec, Québec.

Klein J-L, Fontan J-M, Harrisson D, Lévesque B (2009) *L'innovation sociale au Québec : un système d'innovation fondé sur la concertation.* Cahier du CRISES, collection Études théoriques, No ET0907, Canada (http:// www.crises.uqam.ca/publications/cahiers.html).

Klein J-L, Tardif C, Carrière J, Lévesque B (2003a) Les milieux d'appartenance au Québec : une perspective méthodologique. *In* Lasserre F, Lechaume A (eds.) *Le territoire pensé : géographie des représentations territoriales*, Presses de l'Université du Québec, Québec : 233-258.

Klein J-L, Tremblay D-G, Fontan J-M (2003b) Systèmes locaux et réseaux productifs dans la reconversion économique: le cas de Montréal. *Géographie, Économie, Société*, 5(1): 59-75.

Langlois S (1991) Le Québec: une société distincte à reconnaître et une identité collective à consolider. *L'Action nationale.* LXXXI (4) [Accessed January 14, 2010]. (http://archives.vigile.net/3e/socdist/langloissocdist1.html)

Lévesque B (2007a) *Un siècle et demi d'économie sociale au Québec : plusieurs configurations en présence (1850-2007)*. Cahier du CRISES (No ET0703), Québec (http:// www.crises.uqam.ca/publications/cahiers.html).

Lévesque B (2007b) Développement local au Québec, 20 ans d'expérimentation et d'institutionnalisation. *In* Itçaina X, Palard J, Ségas S (eds.) *Régimes territoriaux et développement économique,* Presses universitaires de Rennes, Rennes: 31-47

Lévesque B (2006) Québec. *L'économie sociale de A à Z*, Alternatives économiques, Poche N 022, Québec (http://www.alternatives-economiques.fr/quebec_fr_art_223_31307.html)

Lévesque B (2005) Le modèle québécois et le développement régional et local: vers le néolibéralisme et la fin du modèle québécois? *In* Lafontaine D, Jean B (eds.) *Territoires et fonctions.* Tome 1: Des politiques aux théories: les modèles de développement régional et de gouvernance en débats, GRIDEQ/CRDT, Québec: 15-44.

Lévesque B (2003) Vers un modèle québécois de seconde génération? *In* Venne M (ed) *Justice, démocratie et prospérité, L'avenir du modèle québécois*. Québec/Amérique, Québec: 49-69.

Lévesque B (2001) *Le modèle québécois: un horizon théorique pour la recherche, une porte d'entrée pour un projet de société*. Cahiers du CRISES. ET0105, Québec (http:// www.crises.uqam.ca/publications/cahiers.html)

Lévesque B (1984) Le mouvement populaire du Québec: de la formule syndicale à la formule coopérative? *Coopératives et Développement*, 16(2) : 43-66.

Lévesque B, Mendell M, M'zali B, Martel D, Desrochers J (2003) *Analyse de la gestion des fonds et des portefeuilles des centres locaux de développement du Québec,* Cahier du CRISES (No HS-06), Québec(http:// www.crises.uqam.ca/publications/cahiers.html).

Lipietz A (1989) *Choisir l'audace. Une alternative pour le XXIe siècle.* Éditions La Découverte, Paris.

Lundvall B-A (ed.) (1992) *National system of innovation. Toward a theory of innovation and interactive learning.* Pinter, London.

Martin E, Tremblay S (2012) *Do we really need to raise tuition fees.* Montreal, IRIS, http://www.iris-recherche.qc.ca/wp-content/uploads/2011/09/Brochure-English-web.pdf [Accessed June 12, 2012]

Moulaert F, Nussbaumer J (2005) The social region. Beyond the territorial dynamics of the learning economy *European Urban and Regional Studies*, 12 (1): 81-100.

Moulaert F, Swyngedouw E (1989) Survey 15: A regulation approach to the geography of flexible production systems, *Environment and Planning D: Society and Space*, 7: 327-45.

Ohmae K (1995) *The End of the Nation State. The Rise of Regional Economies.* The Free Press, USA.

Opula L (2007) *L'appui à l'entrepreneuriat et l'inter-médiation locale dans le développement terri-torial: le cas de la zone du Canal de Lachine*. Unpublished Ph.D. Dissertation in Urban Stu-dies, Université du Québec à Montréal.

Perroux F (1986) Note sur la notion de pôle de crois-sance. *In* Savoie D, Raynauld A (eds.) *Essais sur le développement régional*. Presses de l'Université de Montréal, Montréal: 27-37.

Poulin P (1990, 1994 and 1998) *Histoire du Mouve-ment Desjardins*, tome I (1990): *Desjardins et la naissance des caisses populaires*, 1900--1920; Tome II (1994) : *La percée des Caisses populaires*, 1920-1944, Tome III (1998) : *De la caisse au complexe financier*. Québec/ Amérique, Québec.

Proulx J, Bourque D, Savard S (2005) *Les interfa-ces entre l'État et le tiers secteur au Québec*. Cahiers du Larepps 05-13, Québec.

Proulx M-U (1996) Trois décennies de planification régionale au Québec. *In* Proulx M-U (ed.) *Le phénomène régional au Québec,* Presses de l'Université du Québec, Québec 269-290.

Proulx M-U, Jean N (2001) La dynamique organisa-tionnelle des territoires de MRC. *Cahiers de géographie du Québec*, 45(124) : 87-100.

Statistique Canada (2004) *Force vitale de la collec-tivité. Faits saillants de l'enquête nationale auprès des organismes à but non lucratif et bénévoles*. Ottawa, Ministère de l'Industrie, Ottawa.

Tardif C (2007) *Les corporations de développement communautaire au Québec: processus d'insti-tutionnalisation et trajectoires socioterrito-riales spécifiques*. Unpublished Ph.D. Disser-tation in Urban Studies, Université du Québec à Montréal, Montréal.

Vaillancourt Y (2002) Le modèle québécois de poli-tiques sociales et ses interfaces avec l'union sociale canadienne, *Enjeux publics/ Policy Matters*, 3 (2) (http://www.irpp.org/fr/pm/archive/pmvol3no2f.pdf)

---

[i]   The term "distinct society" has been used to claim the recognition of Quebec as a nation in the Canadian constitution. Especially, it was invoked in 1987 by the constitutional amendments proposed in what was called the "Meech Lake Accord". This accord was rejected by three English provinces and therefore was not enacted.