HOW CAN NATURAL RESOURCE DEPENDENT SOCIAL ENTERPRISES FACILITATE COMMUNITY SUSTAINABILITY? INSIGHTS FROM FISHERY AND FORESTRY CASES IN NEWFOUNDLAND AND LABRADOR

by

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ABSTRACT

Community development is often natural resource dependent, particularly in rural regions, but access to natural resources is often decided and prioritized by access to capital, rather than adjacency and necessity for nearby communities. I argue that social enterprises are the best collaborative mechanism to sustain community rights to natural resources and increase community residents' ability to serve community development purposes through their use of these resources. Social enterprises based on social capital and for social welfare purposes can be characterised as innovative sources of social value-creation as they alleviate social problems and catalyze social transformation. However, there is a lack of scholarship on the relationship between natural resources and social enterprises. This research, through comparative case studies, will study the concept and role that natural resource-based social enterprises play in facilitating rural community development in the Newfoundland and Labrador fishery and forestry sectors, with particular focus on case studies from the rural region of the Northern Peninsula of Newfoundland. The conclusion covers the problems and prospects of the cases of natural resource dependent social enterprises and makes recommendations aimed at minimizing the effects of problems and facilitating the prospects.

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Table of Contents

List of Tables

List of Figures:

List of Abbreviations

NL-Newfoundland and Labrador

SE-Social Enterprise

SD-Sustainable Development

WCED-World Commission on Environment and Developement

CSC -Community Sector Council

NLFC-Newfoundland-Labrador Federation of Co-operatives

BTCRD -Department of Business, Tourism, Culture and Rural Development

CFNL-Community Foundation of Newfoundland and Labrador

BOD-Board of Director

CBNRM-Community Based Natural Resource Management

BRAC-Bangladesh Rural Advancement Committee

SABRI-St. Anthony Basin Resources Incorporation

LFUSC-Labrador Fishermen's Union Shrimp Company

SMBCT-St. Mary Bay Community Trust

Community Forest Authority (CFA)

MFNL-Model Forest NL

SBDA-St. Barbe Development Association

WNLDC-The Western Newfoundland and Labrador Developers Co-operative

WBSFN-White Bay South Forest Network

HEDB-Humber Economic Development Board

Chapter-1: Introduction

1.1: Overview of the research problem

This thesis examines how social enterprises that depend on natural resource development are facilitating community development in the rural region of Northern Peninsula (NP), Newfoundland, in the Canadian province of Newfoundland and Labrador (NL). It will conduct a literature review on social enterprises and then present case studies on natural resource dependent social enterprises in NL, specifically in fisheries and forestry in NL in general and with particular attention to St. Anthony Basin Resources Incorporated (SABRI) and Western Newfoundland and Labrador Developers Co-operative (WNLDC) in the NP region. A natural resource dependent organization may refer to an organization that is directly or indirectly dependent on the natural resources abundance and access as a source of necessary organizational resources (Winn & Pogutz 2013). This natural resource dependency consists of three features: organizational ecosystem dependence; ecological impacts on organizations; and organizational impacts on ecosystems (Tashman 2011).

The rural areas of NL are greatly dependent on natural resources. Majority of the residents make a living off natural resources directly and indirectly. So it is vital for them to organize to enhance their collective capacity to use the resources in a sustainable and equitable way. As this thesis will demonstrate, community organizations, especially social enterprises, have a long history in fisheries through which rural communities in NL have benefited and through which they can build sustainable future fisheries and communities. Forestry resource development in NL has great potential, especially in non-timber uses where social enterprises can play an important role to enhance rural economies. In this situation, few community organizations are trying to work on

forestry resources; but there is, this thesis argues, a great opportunity to create new social enterprises to explore these opportunities.

This thesis will present case studies both on fisheries-based social enterprises and on forestry-based social enterprises to explore the conditions under which social enterprises can utilize natural resources to facilitate community sustainability. To do so, the thesis will provide a background analysis and introduction of both fisheries and forestry sectors in Newfoundland and Labrador. It will also provide an analysis of social enterprise models, especially the cooperative model that has a history of playing a vital role in community development in NL.

A social enterprise is a type of structured economic organization that includes a social welfare mission (CSC 2008), with social objectives central to their mission and their practices (Quarter et al. 2009) and that generates revenue from commercial activities (The Social Enterprise Alliance 2014). Social entrepreneurs who create social enterprises are the entrepreneurs who can provide innovative tools to solve common problems (Alvord et al. 2004). This is especially true in community development, which is often neglected by existing market actors and commercial proponents (Zahra et al. 2009). This is especially the case in rural and coastal communities in NL, where together the voluntary and community based initiatives create employment more than any sub-sector in the economy (CSC 2008).

Community development is, in some ways, inherently a natural resource dependent process. At a broad level, all economic functions occur within-- and are dependent upon-- natural ecosystems (Thampapillai 2002). At a more specific level, many communities, particularly in rural regions,

depend directly on the production, consumption, and trade in natural resources. Some authors argue that community-based natural resource management is more sustainable than centralized, top-down alternatives such as; Dove and Carol (2008) state, for example, that indigenous people have important environmental knowledge which can (and does) contribute to conservation. Nobel Prize winning social scientist Elinor Ostrom and colleagues (1993) further claim that when a local population's quality of life is enhanced, their efforts and commitment to ensure the future well-being of natural resources are also enhanced. We may see from the above perspectives that the environmental conservation (environmental) and economic functions (economic) of development are potentially enhanced by social objectives such as inclusion. The above research, discussed in more detail in subsequent chapters, suggests that the three pillars of sustainability identified by the United Nations Environment Programme in 1992 (http://www.unep.org) can be facilitated if the natural resources are managed by communities, for communities.

The key problem, however, is developing institutions and mechanisms through which communities can access and use natural resources. Under what conditions are this possible? Access to natural resources is far too often decided by ability (capitalization of resources and bargaining power), rather than community adjacency and social need. The political ecology conception of resource access facilitates analyses of who actually benefits from things and through what processes they are able to do so (Ribot & Larson 2012). Fitzgerald (2005) criticized that some of the challenges undermining the strength of rural communities flow from deliberate interventions in the economy over the years by governments, including interventions that marginalize local actors from resource rights. Political ecology analyses also demonstrate

how communities can fight for and increase their authority over natural resources with different processes and mechanisms, including collaboration for common goals through social enterprises. Social enterprises, based on social capital and for social welfare purposes, can be characterised as innovative, social value-creator organizations (Austin et al. 2006) that alleviate social problems and catalyze social transformation. Social enterprises provide an alternative mechanism for a community or community-based groups to pursue their social, economic and environmental objectives, including resource access. This thesis focuses on natural resource dependent social enterprises in NL to examine their impacts on community sustainability and to use insights from the study to enhance an understanding of the conditions under which natural resource dependent social enterprises can facilitate community sustainability.

1.2: Research questions and objectives:

To conduct the research, the three-fold concept of social, economic, and environmentally sustainable development goals will be used to examine social enterprises' impacts on community development in natural resource dependent regions of NL broadly and the NP specifically. After reviewing the problem and directing the research to be delivered, the research will address the following research questions followed by a discussion of opportunities of further study:

1) How can social enterprises access and use natural resources to address common challenges for communities?
2) What are the roles of social enterprises in community sustainability, historically and currently?
3) How do social enterprises use natural resource wealth and benefits for enhancing community sustainability?

4) What are the social impacts of NL fisheries where social enterprises are more consolidated and of NL forestry activities where more potential and opportunities are available to explore to use and enhance social enterprises?
5) What are the policy implications of this study for enhancing the ability of social enterprises to access and use resources to facilitate community sustainability?

There are several contributions of the research. First, social enterprises are not well researched and not comprehensively defined, especially as they relate to natural resource development. As a result, a literature review was conducted to clarify the concepts and practices associated with social enterprises. Secondly, the research sought to explore how social enterprises are playing a role in natural resource-dependent community development. This is the applied aspect of this research, which has also been understudied. To address these issues, the research gathered qualitative data and information on natural resource-based social enterprises in NL. The research focused on case studies of northern shrimp fisheries and forestry social enterprises in NL, utilizing a combination of literature review and key informant interviews to gather data. Finally, the research aims to explore the problems and prospects of community organization-based natural resource management. It does so with the ultimate aim to identify policy implications of the research and to help decision makers enhance relationships between natural resource development and community-based social enterprises.

Research Objectives

Considering the research problem and questions posed above, the following research objectives have guided this research. The thesis aims:

1. To conduct a literature review on social enterprises to clarify and analyze types of social enterprises and their contributions to community development that includes social, economic and environmental considerations.
2. To analyze case studies of different natural resource dependent community social enterprises in NL using the three pillar metric of sustainabledevelopment defined by the United Nations Environment Programme (in terms of social, economic, and environmental impacts) as an analytical tool to assess the case studies and their contributions to community development from a sustainability perspective.
3. To suggest policy recommendations for the advancement of sustainable community development by promoting greater use of the social enterprise model in natural resources development in NL in particular and in natural resource development more broadly.

1.3: Anticipated deliverable/Significance of the research**:** Social enterprises, as a model and process to foster social progress, has only recently attracted the interest of researchers (Alvord et al. 2004; Dees & Elias 1998). Social enterprises are not new, but may have a lack of justification, history and conceptualization as a specialized sector by scholars as a means through which contributions to socio-economic and environmental development can be made. Causes of this may include the embeddedness of the capitalist view of the free market, the dominance of orthodox commercialization concepts, or the lack of exposure of community based organizations. Social enterprises are counter to the dominant market theory that is preoccupied with fulfilling the individual purposes of profit generation; and social entrepreneurs are often created out of social crisis or market opportunities that are overlooked or not possible to address by existing commercial proponents (Zahra et al. 2009), especially in rural and coastal

communities where economies of scale are difficult or even impossible to achieve (Simms and Greenwood 2015). This research generates an understanding of natural resource dependent social enterprises, which may contribute to the further conceptual development in this sector and rising academic interest among scholars, independent researchers, and research organizations like Memorial University's Harris Centre and the Centre for Social Enterprise.

Community sustainability: This research will advance our understanding of how social entrepreneurship catalyzes social transformation by meeting social needs. There are no specific records of paid employment in social enterprise in NL, but Hall et al. (2005) cited that incorporated or registered non-profit organizations in NL employ about 29,000 people; most of them are from community-based groups with a social mission, and some of them have their own revenue generating capacity (Locke et al. 2007), especially the 90 cooperatives (list available on http://www.nlfc.coop/files/Type-coop-Sept15-2010.pdf visited on 2/2/2015). They claimed that voluntary, community-based organizations together employ more people than any sub-sector in NL's economy. Consequently, the research is significant for the province of NL in fostering community-based social enterprises to enhance community sustainability and development. The research may be of interest to policy makers and different facilitating institutions (e.g. Community Sector Council, Newfoundland-Labrador Federation of Co-operatives, Department of Business, Tourism, Culture and Rural Development, Community Foundation of Newfoundland and Labrador). Also, it may be of interest to rural and coastal communities in NL that are mostly dependent on natural resources, including those communities that already have community organizations and those that do not; both may have the potential opportunity to learn from the experiences studied and use insights from the cases to look for new opportunities.

Policy implications: The United Nations Development Programme Human Development Report (2003) reveals that for many people on this planet, life remains grim, and hope for improving one's situation is frail. It is obvious that the dominant business view places little emphasis on peoples' hope, expectations and necessities of life; rather, maximizing profit is the sole objective for many large businesses. This scenario is relevant to NL rural communities that are potentially dependent on natural resources. Fisheries and forestry sectors are prominent economic sectors of this province where future success is possible. However, resource depletion in fisheries, commercialization of natural resource use and allocation, and an unstable forest economy foster vulnerability in communities.

Internationally, Burke and Shear (2014) claim that hundreds of thousands of families have been left homeless by the current economic crisis. They argue for scholarship focused on non-capitalistic organizational activities that emphasize social objectives rather than objectives to maximize profit. They also warn that if these activities are not studied and accumulated well, a radical movement of social structural changes could ensue. Therefore, the study has significant policy implications, especially in NL where many communities are struggling to survive and look for hope. Social enterprises generated on social capital with the mission of common good may directly and indirectly support a government's mandate. So enhancing social enterprises could be a supportive process in broader socio-economic reform because it can be complementary to the work of governments.

Providing an alternative business model: Shragge and Fontan (2002) argue that a social economy implies a basic reorientation of the whole economy and its related institutions. Social enterprise as a business model has contributed to the sustainable development agenda in the way defined by the World Commission on Environment and Development (WCED) (1987, p.43): Sustainable Development (SD) is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". Social enterprises, in theory and practice, are by the people, for the people. Social enterprise works for the common good by being decided by the people's (community) representatives (which will be reflected later in the case studies reviewed). In contrast, the current world economy is dependent on free market concepts where economies of scale are considered critical for businesses to be competitive. As a result, policy makers are eager to enhance commercialization of resource use to facilitate types of businesses that tend to indirectly neglect the natural resource dependent rural communities of NL, where industrial scale developments are minimal and potentially impossible to achieve due to the lower (and often shrinking) number of inhabitants (Simms and Greenwood 2015). To achieve sustainable socio-economic development, in the present situation, it is going to be essential to study social enterprises as a potentially better model to develop and manage natural resources for the common good.

As many of the aspects of social enterprises still need to be explored, the above mentioned research objectives are believed to be very important to developing an understanding of social enterprises, the conditions under which creating natural resource dependent social enterprises in NL is possible, and how social enterprise can contribute to rural community sustainability. The

potential beneficiaries of this study will be social entrepreneurs, environmental thinkers, the young working generation, community based businesses in NL, and society as a whole.

1.4. Methods of the research

Research approach: Descriptive and exploratory qualitative methods were followed to conduct this research. Secondary data collection relied on desktop (online) research methods. Secondary sources have been used to collect both qualitative and quantitative data. Sources of secondary data include literature, academic and government publications and reports, provincial government and Government of Canada websites, and the websites of the social enterprises and alliances. Qualitative and conceptual data was collected, reviewed, and evaluated from existing theory and practices from academic sources, books, working papers, government and institutional websites, website and documents of The Newfoundland-Labrador Federationof Co-operatives (NLFC), BTCRD-Department of Business, Tourism, Culture and Rural Development, Community Sector Council *(*CSC), The Community Foundation of Newfoundland and Labrador (CFNL), researchers of Memorial University and the Harris Centre, peer reviewed journals, published reports, and news media.

The research also included several field visits to case study sites in the Northern Peninsula, NL for a total three week period of time to collect empirical data through key informant interviews as a method of data collection. The research used a purposive sampling method to select cases. Social enterprises from the northern shrimp fishery and forestry (non-timber based) were identified as an understudied yet potentially representational set of social enterprises dependent

on natural resources. A series of social enterprises from both sectors were studied as cases to develop background understanding. St. Anthony Basin Resource Incorporation (SABRI) and Western Newfoundland and Labrador Developers Co-operative (WNLDC) were studied in more detail using related theories mentioned in the analytical part of the thesis. As the selected social enterprises were understudied, primary data collection was found to be the best method of data collection for the research. The Northern Peninsula was selected as a geographic area of focus because the region is the largest peninsula on the Island of Newfoundland and it is highly natural resource dependent, particularly in fishing and forestry sectors that were driving forces of settlement in this region. The population of this region has been declining since 1986 while the remarkable decline was 12.6% from 2001 to 2006 and that may have a direct link with the depletion of fish and decline in uses of forest resources (Gibson 2013).

Interview data was collected in November 2015 during a three week visit: four days to St. Anthony; one day to Roddickton; and rest of the time in Corner Brook and the surrounding regions where the key informants were located. Five interviewees from WNLDC out of seven approached and seven from SABRI out of seven approached agreed to be interviewed. These key informants each have a direct understanding of the characteristics, challenges, and opportunities faced by these social enterprises and the impacts they have on communities, which were the criteria to determine the selection of interviewees for data collection. The data was collected using a set of semi-structured open-ended questions that was approved by the Grenfell Campus research ethics board. The interview questions was developed based on previous studies. These research projects were Foley (2014), entitled “Capturing Value: Enhancing Sustainable Seafood Strategies in Newfoundland and Labrador’s Inshore Fishing Industry” and Lam (2015), entitled

"Social Enterprise Research in Newfoundland and Labrador". Interviewees included past and present members of Boards of Directors (BOD) and executives, senior staff members, municipal representatives, communities representatives and representatives from chambers of commerce.

Methods justification and limitations: Secondary sources of data are necessary for every research project, at least to provide background information on the problem or issue being researched (Walliman 2006). The data was collected from reliable secondary sources (i.e. facilitating body, provincial and federal websites and completed scholarly studies mentioned above) and primary sources (e.g. field visits/interviews). Semi-structured interviews with key informants were deemed an appropriate method of primary data collection because the information are current. As an analytical tool, the United Nations Environment Programme's sustainability model and other related literature on social enterprise and entrepreneurship have been used to enhance the validity of the research (see below for elaboration on this analytical approach).

Analytical Approach: To better understand how natural resource dependent social enterprises can facilitate community sustainability in NL, the thesis uses collected data in the commonly referred to three pillar model of sustainable development acknowledged by the United Nations, which identifies social, economic, and environmental dimensions of sustainability, as an analytical tool. The goals of the sustainable development model have been organized based upon those three pillars—social, economic, environment—where every pillar has been considered as an equal value for sustainable development (Drexhage and Murphy 2010). The analytical approach used was adopted because it can show the impacts of natural resource dependent social

enterprises in NL within a comprehensive sustainable development metric. In addition to the sustainable development analytical tool, Zahra et al.'s (2009) characteristics of social entrepreneurs and Pearce's (2003) six characteristics of social enterprises have been followed to examine the cases studied to identify and conceptualize why and what kind of social enterprises exist in the cases. These characteristics are described further in Chapter Two below.

Overview of research paper:

The remainder of the thesis is divided into five parts:

Part One (Introduction to the research problem): This part includes the overview of the research problem, and provides a basic understanding about the research as portrayed above.

Part Two (Literature review)**:** Literature was reviewed to conceptualize social enterprises, the research problem in this stage. This part is important as social enterprise is understudied (Burke and Shear 2014) and has only recently attracted the interest of researchers (Alvord et al. 2004). The social economy and social entrepreneurships' organizational structure is examined to develop an understanding of social enterprise. These concepts have been reviewed to synthesize operational and practical definitions of social enterprises.

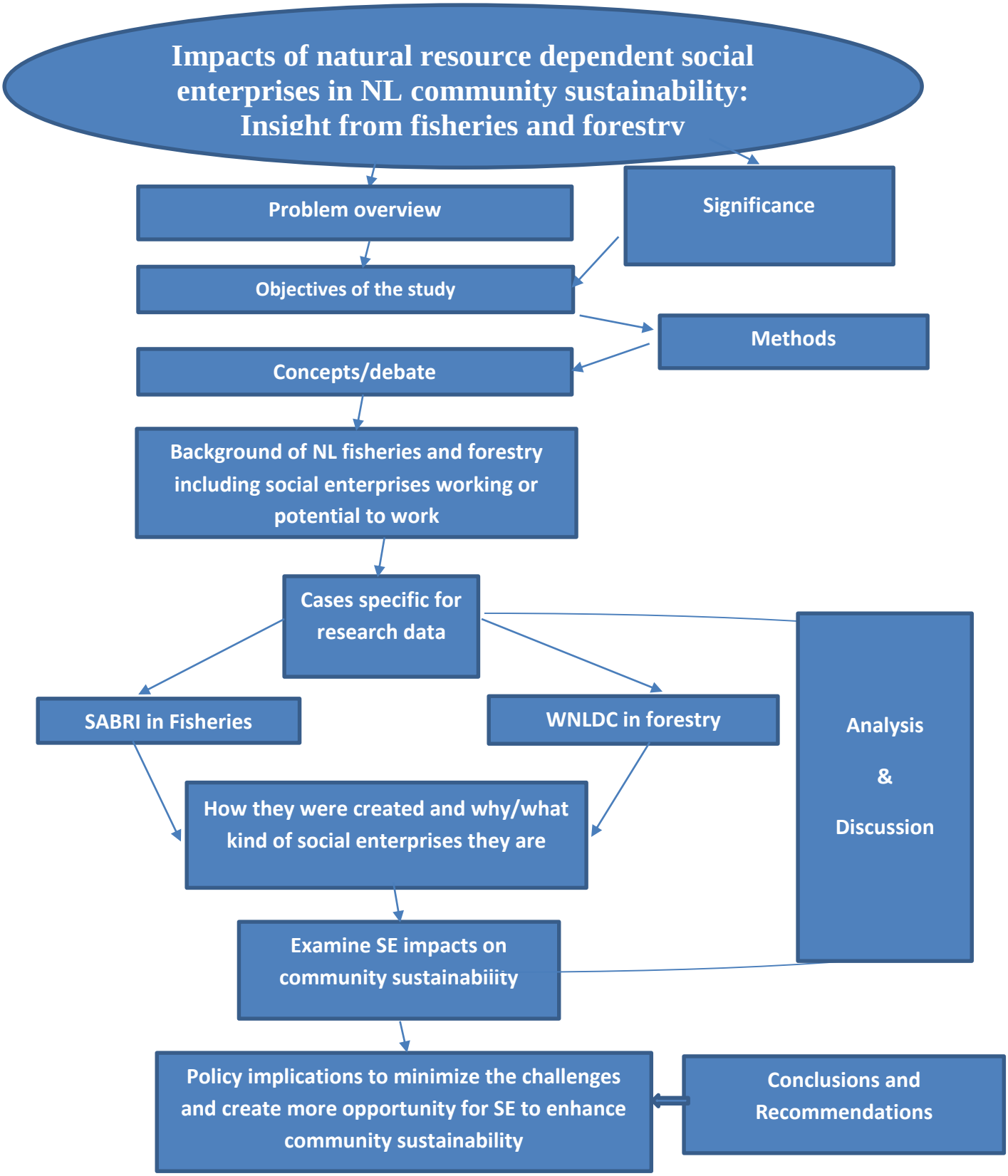
Part Three (Case study)**:** This chapter provides a description of the case study context and activities of natural resource dependent social enterprises in NL. Social enterprises in the northern shrimp fisheries and in forestry (non-timber based) areas have been selected from the natural resource dependent social enterprises in NL. These cases are analyzed to identify their impacts on community sustainability. Cases have been examined to understand and explain why they are social enterprises and how they contribute to community development using the social,

economic, and environmental sustainable development goals defined by the United Nations Environmental Programme.

Part Four (Findings and data analysis)**:** After presenting the case studies in general, data has been collected and analyzed based on specific representational cases using the three pillars model of sustainability developed by United Nations and other related theories on social entrepreneurships to determine why, how and the conditions under which natural resource dependent social enterprises in the northern shrimp fishery and forestry are facilitating community sustainability in NL.

Part Five (Discussion, conclusions and recommendations)**:** In this part, findings of the case studies will be summarized and discussed. The thesis concludes by discussing policy implications and making recommendations that include how and under what conditions natural resource dependent social enterprises can be created and enhanced so that they can play a greater role in community sustainability in NL.

Figure 1 Overview of the research paper:



Chapter-2: Literature Review: The Concepts and Practices of Social Enterprises

2.1. Definitions of social enterprise**:** Social enterprise is the organizational structure of social entrepreneurship. Ridley-Duff and Bull (2011) claimed that the term social enterprise has a mixed and contested heritage of philanthropic roots from the United States and cooperative perspectives in United Kingdom, Euopean Union and Asia. The Canadian Social Economy Hub (2016) defines social enterprises as revenue-generating businesses that may be for profit or non-profit with the overarching goal of achieving social, cultural, community economic and/or environmental outcomes. In Newfoundland and Labrador, the Community Sector Council (CSC) (2016) stated that the social economy is diverse and includes social enterprises as non-profit organizations which produce and sell products and services and provide number of benefits to meet under-served community needs, create jobs and generate revenue to support the nonprofit's long-term sustainability. Similarly, the BC Centre for Social Enterprise (2016) defines social enterprises as revenue generating for profit or non-profit organizations that have two goals: to achieve social, cultural, community economic and/or environmental outcomes; and, to earn revenue. They further argued that a non-profit or charity that serves social enterprise goals without generating revenue can be called a social program but not a social enterprise; in contrast, a traditional business may serve social, cultural and/or environmental goals by generating revenue from selling goods and services but if the individual owners or shareholders are personally benefitting from the profit, the orgnization can not be a social enterprise but rather may call itself a socially responsible business. BC Centre for Social Enterprise (2016) further claims that there is no official certification or program to register an organization under Canadian Income Tax Act to be a social enterprise.

Most studies on social enterprises are case-based, applying diverse perspectives and disciplines of social sciences. That is partly why the term social entrepreneurship has taken on a variety of meanings (Dees 1998). The world's largest social enterprise authority, the Social Enterprise Alliance (2014), defines social enterprise as an organization of social economy. According to the them, a social enterprise has three distinguishing characteristics which separate them from other types of businesses, nonprofits and government agencies. Saying that the social enterprise is a missing middle between government institutions and private institutions, the Social Enterprise Alliance (2014) identifies the following three distinguishing features of social enterprises:

1. Social enterprises serve the common good (that good for society as a whole) addressing social need directly through its products, services, or employment creation for disadvantaged people.
2. Their commercial activities are a strong revenue driver, whether as a significant earned income stream within a nonprofit's mixed revenue diversification or as a for-profit social enterprise.
3. Welfare of the commons is social enterprise's primary purpose.

According to the Alliance, the objective of social enterprise is to advance social, environmental, and human justice agendas. The definition of social enterprises presented by the Social Enterprise Alliance is illustrated as follows:

Figure 2 What is social enterprise?

Source: Social Enterprises Allaince (2015) @ https://www.se-alliance.org

Pearce (2003) identified six defining characteristics of social enterprises that overlap considerably with the above noted features and together provide an operational definition. According to Pearce, social enterprises: i) Work for a social welfare purpose or purposes; ii) Sell product and/services in the marketplace; iii) Do not distribute profits to individuals; iv) Hold assets and wealth and use it for the community benefit; v) Democratically involve members in their organizational governance; vi) Are independent organizations that are accountable to their community and constituency.

Despite many debates, illustrations and criticisms, the concept of social enterprise is arguably as old as civilization. Cooperatives, one prominent form of social enterprise controlled by the people they serve and that share the surpluses according to each member's contribution rather than their capacity to invest financial capital (Ridley-Duff 2008), were founded in 3000 B.C in ancient Egypt, formed by craftsmen who were not allowed to create gilds (workers' associations) (Roy 1969). It makes sense when people cannot stand alone that they cooperate with each other to survive, which is the main essense of the origins of social enterprises. Newfoundland and

Labrador is not an exception to this scenario. The rural communities of NL rely heavily on their community organizations (some of which are social enterprises) to live and improve their living and many of these community organizations are dependent upon natural resources to some extend. The details of their impacts to society will be featured in individual case discussion in subsequent chapters.

There is no single agreed upon definition of social enterprise due to its different and diverse orientations in different locales (e.g. cooperatives in the UK and non profits in the US) and a lack of scholarship. Synthesizing the above reviewed literature, the research may define social enterprise as a socially responsible, democratic and collaborative economic actor that sells products or services to generate revenue and distributes generated wealth to alleviate the common problems of society as a whole. The definition adopted in this thesis, as noted on p. 2, is that a social enterprise is a type of structured economic organization that includes a social welfare mission (CSC 2008), with social objectives central to their mission and their practices (Quarter et al. 2009) and that generates revenue from commercial activities (The Social Enterprise Alliance 2014).

The remainder of this literature review will study the insights of conceptual debates surrounding the nature of social economy and social entrepreneurship for social enterprises and then synthesize, with applied insight, the findings to identify an operational definition of social enterprise. The literature review will also study the community development implications of social enterprises that mostly are dependent on natural resources in rural NL, especially in NP.

2.2. Related concepts and conceptual debates

Like the term social enterprise, several related concepts are also debated. Two of these contested concepts are social economy and social entrepreneurship. The concepts of social economy and social entrepreneurship are the origination of social enterprise.

Social Economy: Social economy is a bridging concept of organizations and social entrepreneurship activities that has social welfare mission and practices creating direct or indirect economic value through their products and services (Quarter et al. 2009). Some definitions of social economy focus more on market activities and social enterprises (Borzaga and Defourny 2001; Defourny and Campos 1992). In Belgium, for example, the concept of social market economy focuses on organizations that earn most of their revenues from the sale of goods and services. A different view is emerging that suggests the social economy arises from the different activities of individuals, groups, or organization(s) that focus on distinct criteria that distinguish them in the social economy from society as a whole (Borzaga and Defourny 2001), such as social welfare purposes and democratic governance. Diamantopoulos (2011) suggests that social enterprises have the mission to serve their members and community with a non-profit-orientation; management is independent; workers and/or users use a democratic process for decision-making in the organization; people have priority over capital of the organization; and participation, empowerment, individual and collective responsibility are key values. Shragge and Fontan (2002) argue that a social economy implies a basic reorientation of the whole economy while Quarter et al. (2009) depicted social enterprise and the social economy as a third sector in economy between the private (business) and public sectors (government). The Canadian Community Economic Development Network (2016), argues that the social economy includes:

social assets e.g. housing, childcare centres of community organizations; social enterprise e.g. cooperatives; credit unions and social financing organizations, training and skills development organizations; and sectoral and/or regional development organizations e.g. renewal energy associations. Human Resources and Social Development Canada (2005) defines social economy as a grass-roots entrepreneurial not-for-profit sector created based on democratic values to enhance the social, economic and environmental conditions of the communities with a focus on their disadvantaged members. However, Restakis (2006) states that the Canadian social economy sector is Canada's second largest economic workforce with 2,073 million full time equivalent employees (second to the 2,294 employees reported in Canada's manufacturing sector), and a turnover of $75.8 billion, which was equivalent to 8.5% Canadian GDP in 2003 (Restakis 2006).

Social Entrepreneurship: Social enterprises are the outcome of social entrepreneurial activities, where social entrepreneurs are characterized by special traits, including a firm ethical fiber (Drayton 2002), and special leadership skills (Thompson et. al. 2000). Social entrepreneurship is different from commercial entrepreneurship. Gentile (2002) identified three aspects of an entrepreneur's business activity that warrant their consideration as a social entrepreneur: i) purpose--conceived in both societal and business terms; ii) social context, where multiple stakeholders' rights are considered and strategies are evaluated based on both financial return and broader social impacts; and iii) measure the social performance and profitability not only for short term but for the long term as well. Austin et al. (2006) describe social entrepreneurship as innovative in terms of social value-creation. They identify four variables to differentiate between social and commercial entrepreneurship; i) market failure, which creates the opportunities for both social and commercial entrepreneurship with different purposes; ii) mission, which refers to

the outcome of the activities that distinguish social entrepreneurship (social welfare purpose) from commercial entrepreneurship (profit maximization purpose); iii) resource mobilization, which refers to management approaches that are different in social entrepreneurship from commercial entrepreneurship; and iv) performance measurement, whereby performance in social entrepreneurship emphases social value in addition to commercial value. Other researchers have identified social entrepreneurship as not-for-profit initiatives seeking alternative funding strategies and/or management schemes with a purpose to create social value (e.g. Austin et al. 2006; Boschee 1995). Another group (Sagawa & Segal 2000; Waddock 1998) describes social entrepreneurship as the socially responsible practices of commercial businesses engaging cross-sector partnerships. On the other hand, Alvord et al. (2004) view social entrepreneurship as organizational activities that alleviate social problems and catalyze social transformation. Social entrepreneurship has viewed as a vanue of testing various disciplinary perspective as a result couldn't gain consensus and academic legitimacy (Busenitz et al. 2003).

Due to the diverse motive and scope of activities, Zahra et al. (2009) identify three types of social entrepreneurs: i) Social Bricoleurs, ii) Social Constructionists, and iii) Social Engineers. According to Hayek (1945), social bricoleur entrepreneurship is locally based and acted in a very local level, as the knowledge that this entrepreneur possesses does not exist outside a local context. Baker et al. (2005) depicted this type of entrepreneur as combining existing resources to solve problems and leverage new locally based opportunities. Kirzner (1973) describes the social constructionist as an opportunist, but not necessarily arising from a specific local knowledge; rather, the constructionist arises from their alertness to opportunities and develop products and services to leverage them. He claims that the social constructionist introduces the systemic

changes in expectations concerning ends and means. Carney and Gedajlovic (2002) identified that social engineers are the reformers. They argue that sometimes compelling social needs are not amenable to solutions within existing institutions. These institutions might be inadequate or entrenched, so governments and business elites might thwart actions intended to bring about reforms. Bornstein (1996) claims that Muhammad Yunus, founder of Grameen Bank, is one of the best known examples of a far-reaching social engineer due to his unique innovations and efforts to create Grameen Bank activities that help to allivate poverty and empower women.

2.3. Different types of social enterprises**:** Diversified and different types of social enterprises are found due to different causes and issues of specific groups, areas and locations. The reasons for the formation of a social enterprise may differ, leading to different forms of social enterprise structure. Social Firms UK (2015) defined six main starting points for social enterprises to form:

1. Community regeneration: community members come together to meet a specific need set democratically.
2. Employee buyout: Existing business is bought out by the employees of the business.
3. Local authority externalization of services: In this case, the local authority transfers its operations and services to an independent operation.
4. Individual social entrepreneur: Visionary and innovative individuals create a business to meet an identified need.
5. Voluntary organization transformations: Donations and grants-based organizations may be driven by a desire to ensure beneficiaries are better served in long-run by the transformation.

6. Voluntary organization spin-offs: An existing project operating as a voluntary organization may then be transferred to a separate legal entity.

Under these varied circumstances, some of the ways social enterprises are classified by different organizations are listed below.

According to the Cumbria Social Enterprise Partnership (2015), different types of social enterprise are as follows:

- BenCom (Benefit of the Community): Created by industry and provident society (who receive provident) for the greater benefit of the community.
- Charities: Operate exclusively for charitable purposes and work for one or more activities, including poverty alleviation, advancement of religion or education, and other purposes of benefit to the community. The organization may have subsidiary trading arms, which are tax exempted.
- Community business: Focus on local markets and local services in a geographic periphery.
- Community enterprise: Different from community business but focuses the service on community of place and/or community of interest.
- Community interest company (CIC): A legal structure with charitable features and lock-in assets with a purpose to prevent them being sold off for private gain.
- Company limited by guarantee (CLG): This company is registered with members rather than shareholders. The liabilities are guaranteed by the nominal sum paid by the members.

- Company limited by shares: In this registered company, shares can be privately held or may be sold on the open market, but the activities are with charitable elements.
- Co-operatives: The organization is structured in accordance to the seven international principles and operates with a legal status, like companies.
- Development trust: A locally focused enterprise but engaged in regeneration activities through a wide range of trade and service deliveries.
- Employee-owned business: Operated, controlled, and owned by the people who work for it.
- Foundation trust: Semi-independent institutions that can set rates of their products and services and reinvest any surpluses generated from revenues.
- Housing association: Non-profit company that manages the housing stock and whose prime aim is to provide affordable housing.
- Intermediate labor market company: Created to train and work for the people unemployed for long term.
- Mutual organization: Members have joined together to fulfill a common purpose and shared services for mutual benefits.
- Social firm: This business operates to provide integrated employment and training to people with a disability or other disadvantaged people in the labor market.
- Voluntary organization: Focusing on community benefits and operated by a self-governing body of volunteers. The volunteer membership is open to all interest groups and documents are publicly available.
- Workers co-op: Registered as an industrial and provident society where the members are the employees of the business.

The Social Enterprise West Midlands (2015) claims that social enterprises are an umbrella term as they have many types of models and structures. They identify some types in addition to those mentioned above, as follows:

- Credit union: Created to provide savings and lending services to their members.
- Community development finance initiatives: Their main focus is to provide loans and support to the people and businesses that are unable to access mainstream financing. The Grameen Bank is one of the most famous examples.
- Leisure trusts: Focus is on the leisure facilities services in local and regional communities, including sports, museums, and libraries for example.
- Football supporter trusts: Primary focus is to strengthen links between the particular club and the supporters' community.
- Fair trade or ethical businesses: Operates on the basis of fairness in trade principles.

The Coventry and Warwickshire Cooperative Development Agency (2015) depicted another type of social enterprise, named public sector spin-outs. This is a type of independent social enterprise set up to deliver the services that were previously provided by a public sector organization.

The above analysis suggests that there are different types of social enterprises and organizational-structural differences within social enterprises; but the most specific similarities across cases include the focus on social, common, and mutual interest being set democratically. This feature distinguishes social enterprises from individual or commercial interest enterprises.

2.4. Social enterprises for natural resource access and benefits:

Communities are inherently dependent on their natural resources to live, particularly rural and remote communities. Their fortune and development often depends on those resources naturally available around them. That is why they should have all the rights to access their natural resources. Rights of adjacency of the respective states over ocean resources, for example, are internationally recognized by a number of agreements such as United Nations' Convention on the Law of the Sea that indicated the rights to the nation-states based on adjacency and historic use (Davis & Wagner 2006). But community rights of adjacency on natural resources are not found to be defined or recognized in all contexts. Shyamsundar et al. (2005) have argued strongly in favor of increasing the rights of individuals and local communities to the natural resources around them. However, Howe (1979) argues that markets should play an essential role, particularly in the allocation and development of natural resources. Natural resource access and utilization is essential for community socio-economic and environmental development. But for those who promote market mecahnisms to determine allocation, access far too often depends on the power and capacity of communities, and more often individuals and firms, in terms of "technology, capital, resource endowment and the socio-cultural (i.e. administrative and political) environment" (Ruddle and Rondinelli 1983). In contrast to market-oriented approaches, Mansur and Cuco (2001) consider the four pillars of Community Based Natural Resource Management (CBNRM) that is community organization, empowerment, income generation, and capacity building. In a CBNRM situation, social enterprises can develop community capacity to be able to attain the set objectives of transforming natural resources for socioeconomic development.

However, Mansur and Nhantumbo (1999) claimed that there is a gap between the policy statements and practices of governments to give the communities real control over resources, partly due to the dominance of market-oriented ideologies and approaches. Baumann (2002) states that the rural people's livelihoods with no or limited access to natural resources are vulnerable because they have difficulty in accessing enough food and/or other resources, and recovering from natural or market shocks. For this reason, it is important to determine who actually benefits from natural resources and through what processes they are able to do so (Ribot & Larson 2012). Open market and commercialization perceptions are giving rise to the "tragedy of the commons" (Hardin 1964; Coase 1960; Demsetz 1967). Runge (1986) states that collective forms of management are likely to emerge in low income communities because they are cost effective and efficient in allowing access to resources, acting as a safety net. However, Runge further mentions that the allocation of community-based resource rights and responsibilities, regardless of the model chosen, are likely to create conflict and uncertainty in outcomes and solutions, can be generated using different rules in the same game. Further, the evolutionary and dynamic nature of decisions and outcomes regarding natural resources must be accommodated (Linster 1994).

This thesis argues that social enterprises, as community organizations, may be one of the best fits to attain the objectives of resource access and community development, especially in rural and coastal areas in NL. The arguments presented in the literature to support these claims include: social enterprises are efficient as the boards in most cases are voluntary, and easily can accommodate local expertise based on local knowledge and are managed by the communities democratically for their own interest, which is also confirmed in the cases studied below.

2.5: Importance of social enterprises in socio-economic and environmental development:

In spite of barriers from the existing capitalist and corporate views, social enterprises are still growing due to the social embeddedness and filling the social necessity that is not attractive for commercial proponents (Foley et al. 2015). Some examples of successful social enterprise contributions in socio-economic and environmental development are discussed below:

Ashoka was founded in Canada in 1980 by Bill Drayton to encourage entrepreneurs with a social vision by providing seed funding, and became a world prominent nonprofit with unique strategies of fund accumulation and distribution (http://www.ashoka.org). The social economy in Quebec created more than 65,000 jobs with an annual revenue of nearly $4.3 billion (NLFC 2005). For example, one cooperative, "le Mouvement des caisses Desjardins," had assets of $144 billion in 2007 with 5.8 million members primarily in Quebec but now in other parts of Canada (Desjardins 2008). The Bangladesh Rural Advancement Committee (BRAC) has 120,383 staff working in different sectors, including health, education, environment, community empowerment (http://www.brac.net). Grameen Bank, established in 1976 by Professor Muhammad Yunus with a mission to eradicate poverty and empower women in Bangladesh, created 21,851 full time employees and has 8.54 million members (http://www.grameen-info.org/). Manchester Craftmen's Guild was founded by Bill Strickland to develop community programs in Pittsburgh, using arts initiatives in 1968 and now they have well a established education and training center that provides training in various fields including arts, photography, ceramics, medical technology, food preparation, chemical and office management (http://mcgyouthandarts.org/about-mcg). SEKEM (each letter stand for number that indicates life path) was founded by Dr. Ibrahim Abouleishin in order to give back to the community in Egypt

in 1977, working in health, education, and agricultural sectors. Currently they cultivate their own Biodynamic farms and help farmers to shift from conventional agriculture to organic. In addition, they established phytopharmaceuticals, organic textile and food and beverage and running various educational and training centers including Heliopolis University for Sustainable Development (http://www.sekem.com). Aaravind Eye Hospitalas, a foundation founded in 1976 by Dr. Venkataswamy in India to offer eye care services and cataract surgery to cure blindness at a minimal cost, operates in 10 different regions in India (http://www.aravind.org). OneWorld Health was founded in 2000 by Victoria Hale focusing on contraception and neglected/orphan diseases. OneWorld Health is devoted to research since inception and innovated lowest cost medicine on visceral leishmaniasis and diarrhea by innovative partnering with big pharmaceuticals to serve the poor (http://usa.ashoka.org/fellow/victoria-hale). We can see from the above examples how social enterprises are serving society in Canada and elsewhere.

2.6: Social enterprises in Newfoundland and Labrador**:**

Social enterprises are playing important roles in community development in NL due in part to historical factors. For example, Mitchelmore (2014) depicted Sir Grenfell as setting up missionary work believing that advancing education and employment was a means to promote healthy life. NLFC (2005) claimed that Sir Wilfred Grenfell encouraged the establishment of the first co-operative of the province in the late 1800's. According to Mitchelmore, Grenfell's organization, named International Grenfell Association, gained international status by 1914 not only for addressing health, education, history and culture, and orphanage issues, but also for their initiatives for developing cooperative activities in fisheries, retail, forestry and craft sectors.

Fishery cooperatives have since made important contributions to the sustainabilty of communities in some regions of the province.

The influence of a strong cooperative tradition can be observed in NL in the 20th century. For example, Foley et al. (2013) in their case study on the Labrador Fishermen's Union Shrimp Company (LFUSC), the St. Anthony Basin Resources Incorporated (SABRI), and Fogo Island Fisheries Co-operative Society Ltd, have shown how these social enterprise organizations helped rural coastal communities become sustainable through their own access to and use of natural resources in the late 20th century. Moreover, as of the time of writing, there were over 3100 websites of community organizations in Newfoundland and Labrador compiled along with 90 cooperatives (see http://communitysector.nl.ca/directories). There are no specific data found on the number of social enterprises but The Community Services Council (2008) cited that their database listed about 5000 voluntary and/or non-profit groups in Newfoundland and Labrador, from which about 2250 are incorporated non-profits or registered charities, including 89 cooperatives. Some of them can be identified as social enterprises such as SABRI and Labrador Fishermen's Union Shrimp Company Limited (LFUSC). Though there are no specific records of paid employment of these organizations, about half of them have some paid personnel (Locke et. al. 2007).

Hall et al. (2005) report that incorporated or registered non-profit organizations in NL employ about 29,000 people, the vast majority of whom work outside the major institutions, meaning they work for community-based groups (Locke et. al. 2007). Not all of the non profits are social enterprises, as most of them depend on funding and grants but voluntary and community-based

organizations together employ more people than any sub-sector in NL economy, including fisheries (23,325), retail (15,435), construction trades and laborers (17,425), manufacturing and processing (9,080), loggers, equipment operators and mechanics (16,205) (Community Accounts, NL 2000). In addition, 42% of the population in this province over the age of 15 volunteers (in different community organizations including social enterprises); that is an estimated total of 187,000 people volunteering, resulting in approximately 20,000 person years of work (Hall et. al. 2005).

We may see from the above discussion that community organizations, which includes social enterprises, are generating paid employment as well as volunteer work and contributing to communities development. The strong commitment to volunteerism is also an important factor that enables the development and success of social enterprises and helps explain the history of experimentation with social enterprises in NL.

2.7. Research gaps**:**

The above literature identifies different aspects, concepts and characteristics of social enterprises. Summarizing different views, we may say that social enterprises have strong potential to contribute to the common good and community development because of their built-in social purpose. However, social entrepreneurship that fosters social progress has attracted the interest of researchers only very recently (Burke and Shear 2014; Alvord et al. 2004; Dees & Elias 1998). But social enterprises are producing a lot of volunteer labor and paid full or part time employment, accumulating social capital through non-capitalistic means (with social rather than profit maximization objectives), and thereby contributing to the social economy and

community sustainability (Locke et al. 2007). Moreover, little research has examined the specific experiences of natural resource depedent social enterprises. Such research promises to have important policy implications. In order to contribute to these research gaps, the next chapter examines natural resource dependent social enterprises in the northern shrimp fisheries.

Chapter-3: Northern Shrimp Fisheries and Social Enterprises

3.1: Overview of the Canadian and Newfoundland and Labrador northern shrimp fisheries and social enterprises

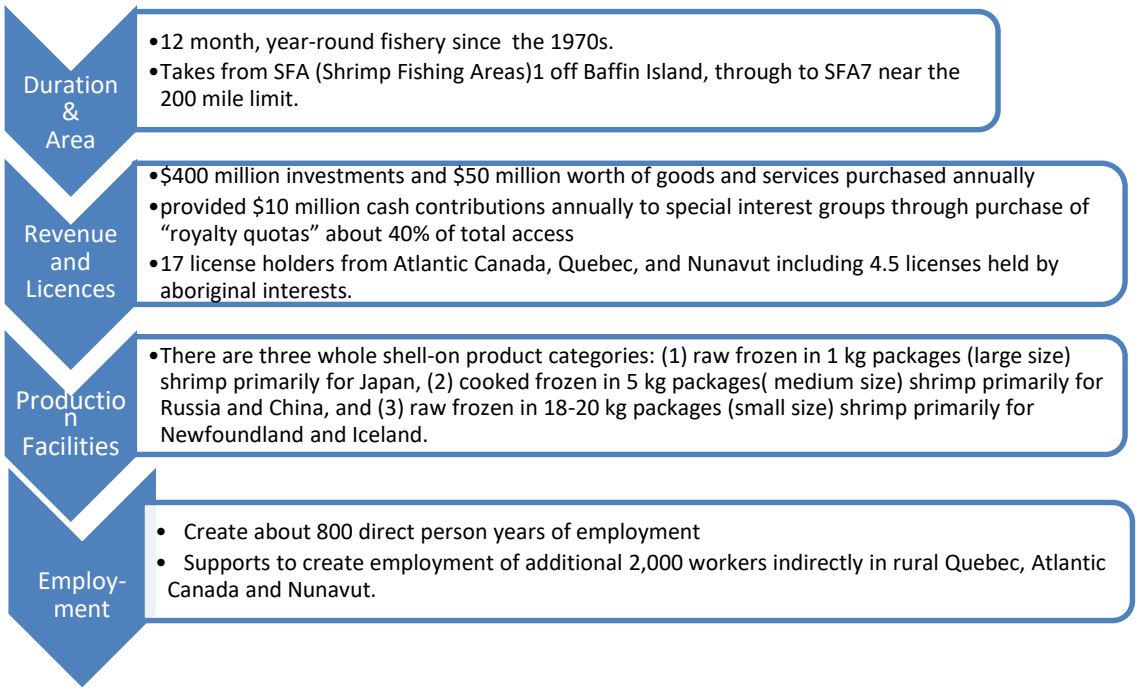
3.1.1: Overview of northern shrimp fisheries:

Fisheries and Oceans Canada (2015) state that Northern or Pink Shrimp (Pandalus borealis) can be found in the Northwest Atlantic from Baffin Bay south to the Gulf of Maine as they prefer an ocean floor that is somewhat soft and muddy and where temperatures range from about 1°C-6°C. Northern Shrimp are assumed to live about eight years in some areas. Females produce eggs in the late summer-fall which hatch in the spring. Shrimp rest and feed on or near the ocean floor and migrate at night (DFO 2015).

Northern shrimp is a shellfish. The areas of Canada's northern shrimp fishery refer the east coasts of NL and Baffin Island where shrimp are available to capture. Fisheries and Oceans Canada (2007) states that the northern shrimp fishery by Canadians commenced in the early 1970s. Canadian jurisdiction extended to 200 nautical miles in the year of 1977 and the Government of Canada imposed quotas in the northern shrimp fishery that starting in 1979 (Rennie 1989), which brought the northern shrimp under federal control. The species was previously caught by Nordic fleets (Parsons and Frechette 1989). Canadianization was not the only objective of granting quotas to Canadians; rather, quotas were allocated in order to privilege local community socio-economic development (Allain 2010; Foley et. al. 2015), meaning that the the federal government wished to grant access in such a way as to benefit coastal communities.

Although different terms and conditions were imposed on new license holders to limit overseas involvement in shrimp fisheries, a variety of complications constrained the Canadianization process (Allain 2010), including the capital commitments required to purchase vessels and related infrastructure.

Figure 3 At a Glance: Northern Shrimp Fisheries

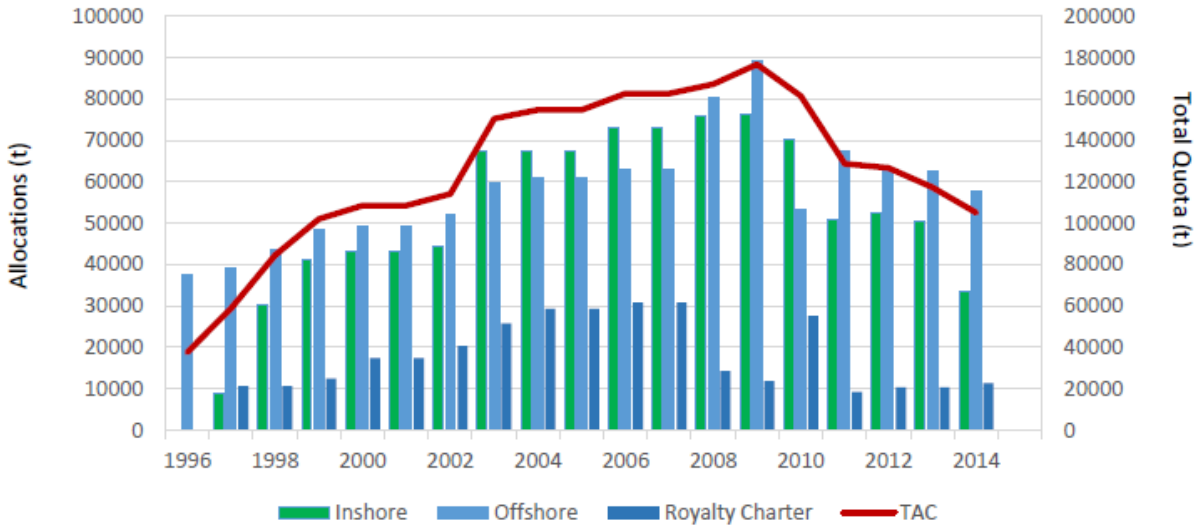


Source: Created by the author with data from http://www.dfo-mpo.gc.ca/fm-gp/sustainable-durable/fisheries-peches/shrimp-crevette-eng.htm

The shrimp fishery nevertheless expanded through the 1980s and 1990s in the offshore sectors and inshore sectors respectively, with groups in NL benefitting substantialy from the development of the fishery. Foley et al. (2013) claim that the remarkable growth in NL's shrimp industry played a key role in lessening the impacts of the 1992 and other ground fish moratoria on harvesters, workers, companies, and communities. They further state that by 2008 the Canadian shrimp fishery produced $180 million in export earnings as a whole. Following the

approval of temporary inshore licenses to the less than 65 feet fleet in the late 1990s and early 2000s, Total Allowable Catch (TAC) doubled to 160,000t by 2007 from 85,000t in 1998 (Fisheries and Oceans Canada 2007). Temporary licenses were converted to regular licenses in 2007 to stimulate stability in the inshore fleet. However, after reaching a high TAC of 180,000 tons in 2008, it declined sharply to 118,000 tons in 2014 (see figure below).

Figure 4 Quota allocation of northern shrimp



Source: Keenan and Carruthers (2015)

3.1.2: Origins of social enterprises in northern shrimp fisheries:

Historically, fisheries in NL have been marked by social innovation and collective action. As mentioned above, Sir Grenfell worked for community development in various ways including cooperative movements among fishermen and other sectors in the late 1800s and early 1990s, which gained international status by 1914 (Mitchelmore 2014). In addition, in 1908, the Fishermen's Protective Union was founded by William Coaker as part of a collective labour movement for fishermen stimulating a strong social movement in fisheries in NL that included forms of social enterprise (Haive and Haiven 2006). Both Grenfell and Coaker's movements

were milestones for the development of social enterprises in NL fisheries. Rennie (1989) stated that following the Digby Report urging a co-op society's law and registrar in the 1930s, a division of co-ops was established in 1934 and the Department of Fisheries and Cooperatives Confederation was established in 1949. The emergence of social enterprises in the northern shrimp fishery occurred, therefore, in a context fertile for the development of social enterprises.

In the face of resettlement threat, for example, the people of Fogo Island formed a co-operative, the Fogo Island Co-operative Society Ltd., in the mid-1960s to take their future into their own hands (discussed further below). The organization is now a well known example of how the co-op model can support and enable the development of resource-depedent rural communities to become self-sustaining (visit http://www.fogoislandcoop.com/pages/Our%20History.html) and attracted researchers attention. NLFC (2005) explained that co-operatives dependent on fisheries have assisted in community sustainability in several regions of NL, clearly demonstrating how the co-op business model addresses both social and economic goals. The Fogo Island Co-op, moreover, provided inspiration to groups who developed co-ops and social enterprises in the northern shrimp fishery, including the Labrador Fishermen's Union Shrimp Company, which in turn provided inspiration for the development of SABRI (Foley et al. 2013).

The above contents has introduced the emergence of social enterprises in the northern shrimp fisheries, which will be discussed in more detail later. The organizations that are considered as social enterprises in the northern shrimp fisheries are the Labrador Fishermen's Union Shrimp Company Ltd (LFUSC), Fogo Island Cooperative Society Ltd., the Torngat Fish Producers Coop Society Ltd., St. Anthony Basin Resources Inc. (SABRI), Qikiqtaaluk Corporation, Unaaq

Fisheries, and Makivik Corporation. SABRI, as one of the cases studied of the thesis, will be discussed and analyzed in more detail with collected data. Though the Qikiqtaaluk and Makivik corporations are not situated in NL, they both provide insight into the general context of social enterprises in the Canadian shrimp fishery and each has some impacts on NL economy and employment. These two organizations are therefore also included in this background description of the northern shrimp fisheries within which the SABRI case study is situated.

3.1.3: Industry structure:

The 17 traditional offshore shrimp licenses are currently held by 14 corporate entities: three companies hold two licenses each, 11 others hold a single license and two companies jointly hold one license. Among them, the Canadian Association for Prawn Producers (CAPP) represents 10 licenses, the Northern Coalition represents 6 licenses and the other 1 license is not part of either industry association. 8 licenses are embedded in NL interests. Besides that, SABRI has a special allocation (DFO 2007).

Table 1 Industry structure of northern shrimp

Year Issued	# of Licenses	Issued to	Now Held By	Quota Fished by (vessel)	Vessel Owner
1978	2	Labrador Fishermen's Union Shrimp Co. Ltd., St. John's, NL	Labrador Fishermen's Union Shrimp Co. Ltd.	Northern Eagle/Northern Osprey	M.V. Osprey Ltd., Moncton, N.B.
1978	2	Fishery Products Limited, St. John's, NL	Fishery Products International Ltd., St. John's, NL	Newfoundland Otter	Fishery Products International Ltd., St. John's,

					NL
1978	1	Bickerton Industries (Mersey), Liverpool, NS	Mersey Seafoods Ltd., Liverpool, NS	Mersey Venture/Mersey Viking/Mersey Phoenix	Mersey Seafoods Ltd., Liverpool, NS
1978	1	Atmar Marine (UMF)	Mersey Seafoods Ltd., Liverpool, NS (since 1982)	Mersey Venture/Mersey Viking/Mersey Phoenix	Mersey Seafoods Ltd., Liverpool, NS
1978	1	Pandalus Nordique	Lameque Offshore Limited (New Brunswick) but leased to M.V. Osprey Ltd., Mulgrave, NS (since 1985)	Northern Osprey/ Northern Eagle	M.V. Osprey Ltd., Moncton, N.B.
1978	1	Pêcheurs Unis du Québec, Québec	Crevettes Nordiques, Bedford, NS	Atlantic Enterprise	Clearwater Seafoods Limited Partnership., Bedford, NS
1978	1	Eastern Quebec Seafood, Quebec	Atlantic Shrimp Co. Ltd., Lunenburg, NS	Atlantic Enterprise	Clearwater Ocean Prawns Joint Venture, Lunenburg, NS
1978	1	Torngat Fish Producers Coop Society Ltd., Labrador	Torngat Fish Producers Coop Society Ltd., Labrador	Mersey Viking	Mersey Seafoods Ltd., Liverpool, NS
1978	1	Carapec, New Brunswick	Caramer Ltd., Caraquet, NB	Acadienne Gale	Davis Strait Mgt. Ltd., Halifax, NS
1979	1	Imaqpik, Quebec	Makivik Corp, Lachine, Quebec	Aqvik	Farocan Inc.
1987	1	Pikalujak Fisheries Ltd., Labrador	Pikalujak Fisheries Ltd., Labrador	Ocean Prawns	Ocean Prawns Canada Ltd.
1987	1	Baffin Region Inuit Assoc., Baffin Island, NU	Qikiqtaaluk Corporation, Baffin Island, NU	Acadienne Gale	Davis Strait Mgt. Ltd., Halifax, NS
1987	1	Harbour Grace	Harbour Grace	Ocean Prawns	Ocean Prawns

		Shrimp Co., Harbour Grace, NL	Shrimp Co., Harbour Grace, NL		Canada Ltd.
1987	1	155877 Inc.	Unaaq Fisheries Inc., Kuujjuaq, Quebec	Arctic Endurance	Clearwater Seafoods Limited Partnership, Bedford, NS
1991	1	Newfound Resources Ltd., St. John's, NL	Newfound Resources Ltd. St. John's, NF	Ocean Pride	Newfound Resources Ltd., St. John's, NL

Source: DFO (2007)

Some Canadian offshore license holders and all special allocations, including the Labrador Fishermen's Union Shrimp Company and SABRI respectively, do not own vessels. Instead, charter arrangements between license holders (and special allocation holders) and foreign and Canadian vessel owners have been common since the inception of the offshore fishery. For many license holders, accessing to the capital and expertise was an effective barrier to entering the fishery. The current charter arrangements are with established integrated Canadian-based companies who are also holding the shrimp licenses (Allain 2010). The charters have evolved into the basis of a fascinating business model whereby royalties from charter arrangements are reinvested in inshore fishery development and broader community development initiatives (Foley et al. 2015). These arrangements provide a key element in the social enterprise models that have evolved in the northern shrimp fisheries, including SABRI.

3.2: Social enterprises in northern shrimp fisheries:

Social enterprises involved in northern shrimp fisheries include:

Table 2 Shrimp licence distributions to social enterprises

Name of the Social Enterprises	**Licenses and Allocations**
Labrador Fishermen's Union Shrimp Company Ltd (LFUSC)	2 Licenses
Fogo Island Cooperative Society Ltd.	Special Allocation from 2000 to 2011
Torngat Fish Producers Coop Society Ltd	1 License
Qikiqtaaluk Corporation(outside NL but has impacts on NL economy)	1 License
Unaaq Fisheries (outside NL but has impacts on NL economy)	1 License
Makivik Corporation (outside NL but has impacts on NL economy)	1 License
St. Anthony Basin Resources Inc.(SABRI)	3000t. Special Allocation

All the above mentioned organizations are business organizations directly engaged in northern shrimp fisheries. Some of the organizations have offshore licenses while SABRI and Fogo Island Coop were granted special allocations, which they used through charter and royalty arrangements with license holders/vessel owners (Foley et. al. 2015). Though all the offshore license allocations and special allocations have their own history, SABRI will be discussed in more detail as a case given its location on the Northern Peninsula region. In terms of the Fogo Island Cooperative Society Ltd, they lost their special allocation offshore shrimp fishing in 2011 but the Society is still engaged in inshore shrimp fishing and other fish processing and marketing businesses (http://www.fogoislandcoop.com). The Unaaq Fisheries is sharing activities between Qikiqtaaluk and Makivik corporration. As a result, the Unaaq Fisheries will be covered by studying the two organizations. So, Unaaq Fisheries will not be discussed separately.

3.2.1. Labrador Fishermen's Union Shrimp Company (LFUSC):

The LFUSC was created in 1978 as a cooperative with the purpose of applying for two offshore shrimp licenses allocated to the communities of southeast Labrador by the federal government following the extension of Canadian jurisdiction to 200 nautical milesin 1977, and later they changed to a company based on cooperative principles (Foley et al. 2013). Its organizational constitutions requires that the monies derived from the LFUSC's offshore shrimp licenses are to be invested to the development of infrastructure of the coast to enhance the living of residents surrounding the whole region demonstrating the development of a successful social enterprise in NL. Besides creating a great deal of employment and socio-economic development, they generated revenue of $750,000 dollars in their starting year (Foley et al. 2013). The Labrador Fishermen's Union Shrimp Company (LFUSC) is the main regional industry player in Southeast Labrador and probably Labrador's greatest success story (Rompkey 2003).

The membership of LFUSC was open to any local fishermen and many women also got involved in fishing with their family members who were members of the cooperative and found employment. In the initial stage of establishment, the LFUSC did not have capital, infrastructure, or offshore fishing capacity. As a result they established a charter and royalty agreement with a Danish company and Faroe Islands-based boat and generated a profit of $750,000 in their first year. Subsequently, they acquired fish plant from Northern Fisheries Ltd in 1981 located in L'Anse au Loup to help employ local people in its fish plant, followed by the development of other plants (Foley et al. 2013). In the early 1980s, the LFUSC started investing in processing facilities and now they operate five processing plants and employ hundreds of fish

harvesters and plant workers. The organization is owned by fishers from L'anse au Clair to the Cartwright region and is working for sustainable development. Currently they have employed more than five hundred fish harvesters in five processing plants and employed approximately six hundred processors along with annual sales of $90 million CAD. They are generating revenue on their own and partnering with different for profit and non-profit organizations (http://www.labshrimp. com).

In addition to extensive economic development impacts in fisheries, the LFUSC has been contributing to community support through annual scholarships, donations to the community services and sponsorship programs in ways that are relevant to local communities. Snowadsky (2005) described that one of the LFUSC's most important contributions to the regional development was its role in helping establish a financial institution social enterprise, the Eagle River Credit Union, which was established in June 1984. The Bank of Montreal was moving its sub-branch services out of the region which supposed to affect many people and businesses across the region. The LFUSC initiated the establishment of an 'open bond' credit union that allowed the participation of all citizens in the region that resulting the creation of Eagle River Credit Union. In addition, the LFUSC has contributed to education through two scholarships for Labrador first-year students studies at Memorial University valued at $2,500 each since 1998 and introduced two new Math & Science Scholarships in 2011 valued at $250 each to students of the Labrador Straits Academy (http://www.labshrimp. com).

3.2.2.: Fogo Island Cooperative:

Fogo Island is an isolated island with approximately 2,500 people in 11 communities, whose economic base is still the fishery. In 1967, the Fogo Island Co-operative was established to protect the fishermen in response to the failing of salt cod fish industry due to cod depletion and to challenge the Provincial resettlement program. The resettlement program proposed moving the less densely populated and more isolated communities to central NL, which were more densely populated areas. Most of the Fogo Island merchants moved at that time in response to the program and the worsening economic situation. The merchants were the local fishermen's only buyers. Residents of Fogo Island decided to make their own fate and become self-dependent through community/social enterprise. Thomas et al. (2014) claim that the people of Fogo Island felt they had no other option but to work together as they were on an island far from mainland and had difficulties related to access to other markets. This commitment to work together created the Fogo Island Cooperative and they kept the co-operative in operation and the community functioning. Today the Fogo Island Cooperative uses modern fiberglass 35-65 feet fishing boats capable of catching snow crab and shrimp up to 140 miles far away to the north and east of Fogo Island (http://www.fogoislandcoop.com/).

In 2000, the Co-op acquired a special allocation of shrimp but this was cut in 2011 following the LIFO (last in first out) method due to a drastic decrease in shrimp abundance. The allocation was nevertheless significant in contributing to the Co-op and, by extension, the people of Fogo Island. Foley et al. (2013) described that by 2002, the special allocation, which was contracted out to an offshore license holder in return for royalties, was providing around $400,000 in annual return to the Co-op. They also stated that the Co-op established a new company called Fogo

Island Shrimp Incorporation in a joint venture with several Icelandic companies where the Co-op contributed the wharf, infrastructure, and the raw material as assets while the Icelanders contributed plant technology and processing equipment. The Fogo Island Co-operative now owns three fish processing operations, including a shrimp processing plant, along with a buying station, product development/research facility, a marine service center and stock room that processes and markets worldwide with an annual sales of $25 million (http://www.fogoislandcoop.com/).

Like other democratically run social enterprises, a volunteer Board of Directors manage the organization whose members/workers own the operation. There are, nevertheless, some inequalities in representation by fish harvesters and processing plant workers, the latter of which has less representation on the board. Arm (2015) cited from Glen Best, President of Fogo Island Co-operative, saying that they work for a stable supply of raw material for developing a stable business and employment creation for a good living for the people and have a good community. The cooperative in their website claims that the Fogo Island Co-operative Society has about 1200 members including fishermen and co-op workers with a turnover of $20-25 million Canadian dollars and in three fish plants they employ 350-400 in seasonal fish processing from the island (http://www.fogoislandcoop.com/).

Beyond fishery development initiatives, Foley et al. (2013) stated that the Fogo Island Co-op has been supporting community development in various ways, including through donations to hospitals, minor hockey, and has recently developed a new soccer field. The Co-op intends to support local initiatives on a case-by-case basis. Moreover, Foley et al. (2013) identified that the

Co-op has played a crucial role in assisting different communities to gain access to public services such as water and sewage infrastructure.

3.2.3.: Torngat Fish Producers Cooperative Society Limited**:**

The Torngat Fish Producers Cooperative Society Limited is an aboriginal cooperative incorporated in 1980 by fishers and plant workers from the Northern Coastal Labrador communities. It was created to manage a shrimp quota allocation from the Government of Canada during the Canadianization of the northern shrimp fishery, using it to grow capacity and establish a social enterprise (Rennie 1989; Watts 2012). Since inception, the Torngat Fish Producers Co-operative has been the mainstay of the Inuit fishery of the area to provide economic well-being and help sustain the communities for its 500 Inuit members (NLFC 2005). Mr. Watts, the general manager of Torngat Fish Producers Cooperative, describes that the cooperative encompasses six communities and was formed due to the awarding of an offshore northern shrimp license that was provided to northern Labrador in an effort to develop the inshore and offshore fishery in northern Labrador. He further depicted that the mandate of the co-op consists of promoting, on a cooperative basis, the economic interests of its 600 members and of the communities in the electoral district of Torngat Mountains, acting for and on behalf of the members as the selling agent for their producers, and acquiring and utilizing to the benefit of members, financial and otherwise, licenses and fishing rights of all kinds (Watts 2012). Rennie (1989) states that the creation of a co-op to manage the offshore shrimp licenses was influenced by the Fisheries Emergency Policy Committee (FEPC) with the assistance of the MUN Extension Service and the drive of the Labrador Inuit Association (LIA) in 1978. The FEPC successfully operated a shrimp license for two years, using a foreign charter vessel, and also

submitted a proposal to take over the operation of fish plants in the region. It also commenced an "emergency" operation at Rigolet and where the Hudson Bay Company had advised its intention to turn its holding unit into a warehouse. The FEPC activities made the foundation strong for Torngat Fish Producers' Co-operative Society Ltd. and the cooperative was established with a membership (shares) fee of only $20, a nest egg of profits from the FEPC's operation of the shrimp license, an existing commitment and strong base at Rigolet, a requirement to obtain a shrimp fishing vessel, an objective of taking over the plants at Nain and Makkovik and, perhaps most importantly, a commitment to economic development in and for North Labrador (Rennie 1989). In terms of democracy, the cooperative was initiated with the wish of local Inuit to take some control of their own destiny, responding to proposals by the Province to put its North Labrador operations up for tender and the decision by the federal government to allocate potentially lucrative shrimp licenses for the benefit of Labrador communities (Rennie 1989).

The co-op has been working persistently in the commercial fishery with aim of the benefit of communities for almost four decades (Watts 2012). Torngat works closely with the newly formed Nunatsiavut government utilizing their long history and expertise in the commercial fishery in attempts to provide increased employment and growth for future generations. Besides training, research and community support activities, Torngat directly employed 400 employees in 2015 (Industry Canada 2015) and many indirect jobs have been created for the selling agent of local fishers and suppliers along with in the businesses that dependent on Torngat activities.

3.2.4.: Makivik Corporation and Qikiqtaaluk Corporation (QC)**:**

Besides the above social enterprises, two more indigenous social enterprises have been created based on northern shrimp fisheries. Those are Makivik Corporation and Qikiqtaaluk Corporation

(QC). Their contribution to their own society is exemplary. They also have direct and indirect contributions to the research area (NL).

Makivik means “To Rise Up” and the organization has a mandate for the protection of the rights, interests and financial compensation provided by the 1975 ‘James Bay and Northern Quebec Agreement’ (http://www.makivik.org/). Makivik Corporation received an offshore license through the name of Imaqpik in 1979 and another license in 1987 through the name of Unaaq Fisheries from which one license has been operating in partnership with NL-based offshore company Newfound Resources Ltd. and share another license with Qikiqtaaluk Corporation through Unaaq Fisheries (http://www.qcorp.ca/). Over time, they have engaged in partnership and collaborations with different national and international fishing companies. Makivik is a leader in social development in the region of Nunavik, where the people from different provinces and territories of Canada are living with their distinctive Inuit identity. There are 11,000 Inuit spread over 14 communities, with roots dating back over 4000 years (www.makivik.org). Makivik has demonstrated the uniqueness and the ability of social enterprises to act and govern as a supplementary institution of the state by establishing relationships between a federal government, a powerful province (Quebec) and a small group of indigenous citizens. Makivik’s efforts to combine aboriginal rights, federal and provincial interests, and to develop economic activities to contribute to all the parties (i.e. Inuit’s, national, provincial and regional interests) are rare and it has become a leader in Canada and an example in the world (www.makivik.org). In the Parliament of Canada (2015) in their standing senate committee proceedings, an advisor of Makivik Corporation, Mr. Neil Greig, reported that for the Makivik Corporation, each landing

generated in excess of $200,000in Newfoundland and Nova Scotia, demonstrating an important contribution to NL.

Qikiqtaaluk Corporation (QC) was created in 1983 as a wholly owned Inuit development corporation created by the Qikiqtani Inuit Association. The association represents over 14,000 Inuit of the Qikiqtani (Baffin) region in a fair and democratic way for Inuit training, building capacity and employment creation (http://www.qcorp.ca/). They have one shrimp license of their own and operate jointly another license named Unaaq Fisheries with Makivik Corporation, which is based in the Inuit region of northern Quebec. Qikiqtaaluk Corporation (QC) was formerly known as the Baffin Region Inuit Association. Social innovation and business expansion are vibrant processes of QC. Though they do not have any known direct contributions to the research areas, QC committed to promoting polar education, conservation, science and environmental issues. Through these programs, QC is becoming an important portal for polar and environmental issues both in Canada and the world (see http://www.qcorp.ca /en/about/community-projects).

3.2.5.: St. Anthony Basin Resources Inc. (SABRI):

St. Anthony Basin Resources Inc. (SABRI) was founded in 1997 to manage the special 3,000 metric ton allocation of Northern Shrimp on behalf of the communities from Big Brook to Goose Cove on the northern tip of the Northern Peninsula allocated by the Ministry of Fisheries and Oceans (http://www.sabrinl.com/). SABRI adopted a mission to expand the region's economic base and improve employment opportunities in harmony with a rural setting and lifestyle (http://www.sabrinl.com/). An interviewee involved in the organization from the beginning of

SABRI explained that the communities of the Northern Peninsula were mostly dependent on cod fish historically. The interviwee further mentioned that due to depletion and moratoria on cod, many people were displaced from the region. A development organization called Rising Sun, jointly with St. Anthony town council, submitted a proposal to the Minister of Fisheries and Oceans for a shrimp allocation. The interviewee further depicted that the 3,000 ton shrimp special allocation was approved for the communities from Big Brook to Goose Cove. However, because Rising Sun was not representing all communities, a new organization had to be created with representations from all communities and interest groups. According to another interviewee an organization named SABRI was created with 18 board members. The board was made up of four fishermen, five plant workers, and community representatives from the region. Thus SABRI was created and incorporated with the mission of managing and administering a 3,000 metric ton allocation on behalf of the communities.

As SABRI did not have capital, resources and management power, they signed an agreement with Clearwater Fine Foods to harvest its 3,000 ton allocation and operate a multi-species processing plant in St. Anthony, which employed about 200 people in the early years (Foley et al. 2013). This was a strategic decision made by the board in order to create a processing plant for creating employment for the local fishermen and plant workers. Since its inception, SABRI has been developing their abilities and took on different kinds of fishery initiatives. For example, they invested approximately $83,000 in beam trawl for catching prawns, $181,500 to test samples of toad crab as a potential new fisheries resource, and invested $32,000 in mackerel reels and traps (SABRI 2016).

Figure 5 Map of Great Northern Peninsula

Source: SABRI (2017)

Beside those, SABRI has undertaken initiatives in shrimp pots, sea cucumbers, seals, and sea urchins. They also established a loan guarantee program on a lower interest rate, depending on lender, for SABRI fishermen. Those initiatives required innovations that supported the small-scale local fishermen in their living. Though they lack entrpreneurs, they partnered with several provincial and federal agenecies such as ACOA, BTCRD, Parks Canada, and Norstead Viking Village to encounter the challenges of social and economic development of the region (White & Hall 2013). The large initiative SABRI took in establishing a cold storage of $7.5 million started in the Fall 2004 in a leasehold agreement with St. Anthony Cold Storage. They lobbied for port

landing and by 2006 were seeing 300 containers shipped through the region. As a result of these efforts, SABRI produced 31,000 hours of employment and paid $460,000 in wages and salaries for 2004-2006 and injected $3-4 million into the local economy with the landing of the offshore trawlers on an annual basis and created many indirect jobs around their activities (http://www.sabrinl.com/).

Moreover, since 1997, SABRI has invested in excess of $16 million in regional infrastructural development, awarded more than $260,000 in scholarships to local students, provided $600,000 to the community development in the SABRI region, created more than 225 employement from the region, provided $3.5 million as a salary to residents, and donated more than $580,000 to the different interest groups in the region while a majority of these donations were made to youth individuals for education or recreational activities (SABRI 2016). Since SABRI began in 1997 it has also donated more than $170,000 to residents who needed help at one time or another. They continue to donate to the Grenfell Foundation and to raise funds for that foundation, raising $10,000 annually and provided scholarships that include environmental and social areas (i.e. Marine, Food Safety, Aquaculture, Co-op etc) (http://www.sabrinl.com/).

In brief, the above discussed social enterprises in fisheries (particularly in northern shrimp fisheries) directly and indirectly have various impacts on their own communities. The social enterprises discussed were created with leadership and supports from inside of the communities (representations from different interest groups in the board) and outside of the communities (especially the federal government ministers who wanted communities to access their natural resources to benefit whole communities). Due to this support, social enterprises in fisheries are

now an important part of NL's economy, especially for rural and remote coastal communities. However, it should be noted that losing allocations, declines in market conditions and/or depletion of abundance can seriously affect the activities of these enterprises. Unfortunately, due to the depletion of the shrimp abundance, the total allowable catch has already been cut. As a result Fogo Island lost its special offshore shrimp quota (as discussed above) and SABRI's quota declined to 1251.1 tonnes in recent year (SABRI 2016).

Chapter-4: Overview of Forestry and Social Enterprises in NL

This chapter will present the historical use of forestry resources in Newfoundland and Labrador (NL) and identify the values that could hold great potential for social enterprises and community organizations. Historically, forest policy in NL has emphasized facilitating the harvesting and processing of timber products, extensively relying on sawmills and pulp and paper mills to develop socio-economic benefits. But to do so, other values of the forestry resources have been undermined, which has influenced policy in other areas of Canada and the world. I argue that social enterprises, as community-based organizations, can be very useful in incorporating social values in the sustainable use of forest resources, especially non-timber resources, if they are enhanced and supported through resources and expertise. The following chapter examines the following question--how can forestry-based social enterprises facilitate community development and what are some of the exisintg community initiatives involved in forestry in NL that might help facilitate community development in the future?

4.1: Overview of forestry context in NL**:**

According to the the Provincial Sustainable Forest Management Strategy-PSFMS (2015), the island of Newfoundland has 5.17 million hectares of forest and Labrador has 18.05 million hectares of forest, of which there are 2.4 million hectares of productive forest land available for harvest in Newfoundland and 5.47 million hectares in Labrador (see Table 3). Before the arrival of Europeans, forestry played a significant role in the material culture of indigenous peoples. After the European exploration of Newfoundland, forestry largely became a supplemental industry for the main economic activity of the fishery. The commercial use of forests began in

the mid-19th century, followed by pulp and paper mills that depended on large scale public and private investment (Heritage NL 2015). This large-scale industrial model of economic development became dominant, undermining the socio-cultural value of forest resources and the diversification of their use by and for the communities.

Table 3 Distribution of forestry in NL

	Newfoundland	Labrador
Total area of land	11,169,300 ha	29,319,600 ha
Forest	5,172,300 ha	18,054,900 ha
Productive forest	2,403,612 ha	5,470,500 ha
Parks and protected areas	1,862,062 ha	

Sources: Provincial Sustainable Forest Management Strategy, 2003 and 2011 Island Wood

Though forestry has long been an important part of the NL socio-economic fabric (Kelly 2012), the activities of social enterprises in forestry are not as prominent as in fisheries. Common (community) people access and use forestry resources for their livelihood on an individual basis, especially in rural communities for firewood. However, forestry resources policy still is not very open and supportive to helping the common people access and use forestry resources on a wider scale, as most of the productive forestry is controlled by the timber based industries (Kelly 2012). Though there are some policies to use forest resources to support fishermen's activities, diversified use may need an organizational form, such as social enterprises, to create large scale impacts on community sustainability. An ineffectual commercial timber based forest policy, combined with fish depletion, has significantly undermined the ability of many rural communities to find sources of employment and economic development. In this situation, natural

resource-based social enterprises provide an opportunity to enhance innovation and social value-creation (Austin et al. 2006), alleviate social problems, and catalyze social transformation (Zahra et al., 2009). Social enterprises, this thesis argues, could provide a key link between resource access and development by creating businesses and job opportunities for people using local forest resources.

4.1.1: Use of forestry resources in NL:

In NL, forests have social, cultural, economic and historical meaning and significance, like other parts of the world. Forest resources have been distinguished based on the use of timber and non-timber resources. The focus in NL has been on timber-related forestry development. Due to the over emphasis of policy on timber use, other historical outport uses of forest resources have been neglected.

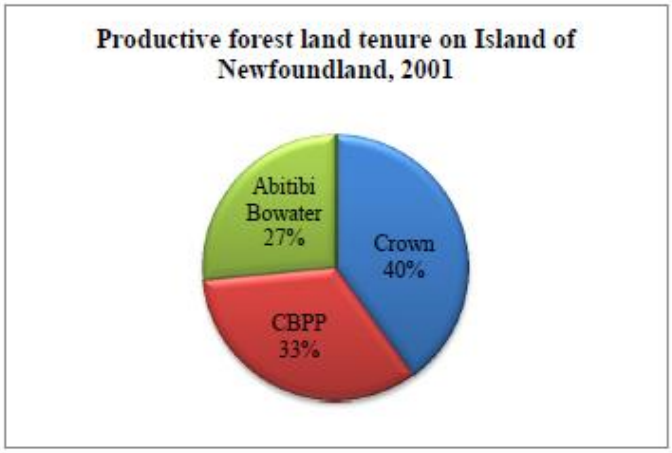
The commercialization of forestry in NL was established with sawmills. The first sawmill in Newfoundland was built in 1610 to supply wood for ship building and home construction (Trelawny 1990). The act of timber rights, established in 1844, limited 100 acre lots and this dramatically increased with the amendment act in 1872 extending the lease area to 36 square miles (Munro 1978). Sawmills subsequently expanded rapidly, and increased their production to export. Overproduction and a depletion of white pine contributed to the decline of the sawmill boom by 1911 (Munro 1978; Ommer 2007).

In the early 20th century, the commercialization of forest resources shifted from sawmill to pulp and paper industries. The Anglo-Newfoundland Development Company was built in 1909, and

the Newfoundland Power and Paper Company was established in 1925 (Munro 1978). The Newfoundland Power and Paper Company is now known as Corner Brook Pulp and Paper Limited (CBPPL). The pulp and paper sector was subsidized by the government in the form of: long-term tenure agreements, valid for 99 years; inexpensive wood supply for $20 per square mile plus $20 per square mile at every 25 years with no royalty charges on the trees; guaranteed loans and grants, road building, and free hydropower (Kelly 2012). Besides a few tenure conflicts between common property rights of the coastal forest or fishermen's reserve and corporate intruders in this reserve (Cadigan 2006), corporations had the advantage to influence and manipulate the power of policy making to their favor. As a result, the Government of NL tried to develop the forest resources of the Province in order to diversify employment, and create jobs for remote regions (Kelly 2012) focusing on industrial timber only.

The forestry sector in NL rose to its peak in the 1930s, with the pulp and paper industry that exported 53% of total goods from Newfoundland by this time (Munro 1978). The sawmilling industry in NL relied on pulp and paper mill with exchange agreements by selling small diameter trees and buying pulp and paper mill-sold sawlogs. By 2001, 60% of the productive forest land tenure on the island of Newfoundland was under two paper mills--Abitibi Bowater (27%) and CBPPL (33%)--and the remaining 40% was Crown land (Kelly 2012). However, Abitibi-Bowater closed their mill in Stephenville in 2005 and in Grand Falls-Windsor in 2009 and as of 2011, the only pulp and paper mill still operating is CBPPL, at half capacity, which has affected sawmilling operations as currently just eight sawmills produce 80-90% of the annual board feet in NL (Greene 2011).

Figure 6 Productive forest land tenure in Newfoundland



Source: DNR Forestry 2011 cited in Kelly 2012

As of 2010, 29% of the productive land tenure is under CBPPL, the only operating pulp and paper mill, and 71% is crown land (Kelly 2012). This sharp decline in the pulp and paper industry affected not only employment and the economic development in rural communities, but also the sustainable use of natural resources in forestry. In 2001, three pulp and paper organizations employed 1200 people within the mills, 1600 loggers, and approximately 1200 sawmill employees (Parsons and Bowers 2003). Kelly (2012) cited that from 2004-2007, NL saw a huge decline in forestry employment of about 35%, the highest in Atlantic Canada, of which a majority of the jobs were lost from logging (about 800 jobs) and 600 jobs were lost from the pulp and paper industry. In 2007, 100 jobs were lost due to a shutdown of one machine in CBPPL and another 410 mill jobs, along with 345 logging jobs, were lost in 2009 due to Abitibi closing its Grand Falls mill (Wernerheim and Long 2011). By 2010, CBPPL employed about 530 workers that includes 380 workers in the mill and 150 in forest operations (Heritage NF 2010).

The above scenario illustrates the importance of decisions taken by the policy makers focusing on timber based forest management that have undermined other forest values (non-timber) that can help to create a more diverse forest economy. The policy intended to support industrial

development has shown weakness and vulnerability as timber based industries in some regions have not been sustained due to international competition.

4.1.2: Forest policy in NL:

Policy may vary depending on who is participating in decision making and who is excluded. The above discussion reveals that policy decisions on forest industries focused on timber-based activities. As a result, policy has directly or indirectly favored timber based, corporate, private interests. These policies have not only undermined the other values of forestry resources that may include social, cultural, historical, and other non-timber based economic activities, but also excluded the public in participating in the decision making process.

There has, however, been some important components of policy that have begun to address the issue of participation and provide some opportunity for inclusion. The evolution of forest policy from a focused fibre management regime to an ecological based management regime began in 1990 (Nazir and Moores 2001) and shifted to the development of a Sustainable Forest Management Strategy with a new vision of finding a balance among social, economic, and ecological values (DNR 2003). There are some acts that requires public participation such as; 20-Year Forest Management Strategies DNR-Forestry, 5-Year Forest Operating Plans DNR-Forestry and CBPP, Environmental Protection Act (RSNL 2002 c E-14.2), Wilderness and Ecological Reserves Act (RSNL 1990 c W-9), Urban and Rural Planning Act (SNL 2000 c U-8), Canadian Environmental Assessment Act (1992 c 37), and Canadian Environmental Protection Act (CEPA 1999) (Kelly 2012). Still, a majority of the decision making processes do not require public participation. The relevant provincial and federal policies in forest management that don't require public participation are as follows:

Table 4 Provincial and federal policies relevant to forest management that do not require public participation (based on the research of Kelly-2012)

Policy	Created and implemented by	What does it do?
Forestry Act (RSNL 1990 c F-23)	DNR (Department of Natural Resources) Forestry	Last amended in 2008 mandating planning for forest management districtsand annual operating plans
Annual Operating Plans	DNR Forestry and CBPPL	Adherence to regulations by providing specific locations and details of forestry activities annually
Past Annual Reports	DNR Forestry and CBPPL	Inform detailed about all forest activities from the preceding year comparing proposed activities in the annual operating plans
Forest Protection Act (RSNL 1990c F-22)	DNR Forestry	Creates a forest protection association
Historic Resources Act (RSNL 1990 c H-4)	Department of Business, Tourism, Culture and Rural Development (BTCRD)	Protects paleontological and historic sites. Also the under the acts, regulates cultural property and archaeological investigations
Wildlife Act (RSNL 1990 c W-8)	Department of Environment and Conservation; Wildlife division	Regulates hunting and establishes wildlife officers
Provincial Parks Act (RSNL 1990 c P-32)	Department of Environment and Conservation	Creates and manage provincial parks where logging and cabin development are prohibited
Lands Act (SNL 1991 c 36)	Department of Environment and Conservation	Allow Crown the right on lands to grant, lease, and license
Endangered Species Act (SNL c E-10.1)	Department of Environment and Conservation; SSAC	Determine and establishes mechanisms to designate species as vulnerable, threatened, endangered, extinct to create management and recovery plans for critical habitat
Water Resources Act (SNL 2002 c W-4.01)	Department of Environment and Conservation	Regulations on water use impacts forestry in areas that are designated as public water supply
Fisheries Act (1985 c F-14)	Fisheries and Oceans Canada	Affects forestry through their requirements for fish habitat protection that impacts buffer zones
Species at Risk Act (2002 c 24-29)	Environment Canada	Lists the species as endangered, or threatened at the federal level; determine the critical habitat and recovery plans; and creates the Committee on the Status of Endangered Wildlife in Canada

From the above table, we may see that most of the acts relevant to forestry continue to neglect people's participation in the decision making on forest resources. As a result, communities have little say on forest resource access, development and management. In this situation, communities can organize and create social enterprises (some of them discussed later on) to help not only gain access to resource development benefits, but also access to decision making as a body or community representative with government and other related institutions that make decisions on forest resources.

In summary, the weaknesses of forest policies include, but are not limited to, undiversified forest resource uses, exclusion of community values in favor of corporate interests and no promotion of community-based resource management opportunities that could create the independent innovative economic activities I am arguing for in this thesis. According to Kelly (2012), the challenges facing forestry resource management in NL include: firstly, the prioritization of timber above other values in forest planning, thus undermining other values; secondly, the design of management plans around the ideal of a regulated forest; thirdly, other (non-forestry) agencies are viewed as competitors rather than collaborators; fourthly, insufficiently protected areas; and fifthly, limited public participation.

To ensure sustainable benefits from the forest resources in NL, policy reconstruction is needed. This reconstruction should put community based and oriented social enterprises at the center of analysis and policy. Social enterprises through community organizations and innovative entrepreneurship may have a greater chance to explore opportunities for using natural resources to facilitate community development if policy makers give these organizations opportunities around resource access and development.

4.1.3: Emerging non-timber values in the province:

There are, this thesis argues, a wide variety of potential uses of non-timber based forest resources in NL that may help social entrepreneurs develop social enterprises. These initiatives can also provide policy makers an opportunity to follow the fisheries examples and support community based social enterprises as a way to contribute to communities using forest resources. Non-timber forest products refer to the goods from the forest other than wood that are traditionally harvested and sold. Examples include Christmas wreaths, mushrooms, berries, syrups, nuts, medicinal plants, and craft and landscaping materials. Some of the key non-timber based forest resources in NL are discussed next.

Eco-tourism: The Department of Environment and Conservation is currently responsible for the management of 54 parks and protected areas in NL. In 2012, visitors purchased 64,173 camping nights in provincial park campgrounds and generated a revenue total of $1,081,941 (Department of Environment and Conservation 2013). Visitors' spending in national parks and national historic sites in NL totaled $143,883,352 in 2009 (The Outspan Group Inc. 2011). Community organizations have potential to organize and create a good tourist environment by deploying their local collaborative facilities, including some of the organizations discussed later in this chapter. Many of these recreational areas are located in or contain forested landscapes and are thus supported, at least in part, by forest resources.

Native Fruit and Flower Harvesting: Native fruit harvesting is a traditional economic activity in North America, including in NL. It was traditionally an outport subsistence activity but has become a commercial activity as well in the province. As of 2003, 12 commercial producers

harvested 274,428 kg of blueberries on 485 ha of land and total amount of wild blueberries harvested in 2004 was estimated to be 823,265 kg (Ricketts 2004), although production subsequently slowed with 122,500 kg in 2006 (Government of Newfoundland 2011) and 181,500 kg in 2008 (Statistics Canada 2011). Though blueberries are a prominent native fruit to harvest, there are many different types of berries such as dogberry, highbush cranberry, bunchberry, along with other native fruits that are economically viable to harvest. Additionally, native and wild flower harvesting can be a viable economic activity if properly managed (Kelly 2012). Community forestry and community organizations such as social enterprises could develop initiatives around such natural resources, as they are innovative and locally based.

Mushroom Harvesting: Mushrooms are the visible fruiting-body of fungi. Mushrooms have value both in medicinal uses and for food. Harvesing wild mushroom is a lucrative food industry in different areas of the world. In Northern Saskatchewan, Canada, for example, wild mushrooms are the main non-timber forest product being harvested, and harvesters earned more than $1million in 2000 (Barfoot 2006). The Western Star (2015) mentioned that Foray, a non-profit organization, estimated that there are about 5,000 to 7,000 different fungi species in NL, of which only 1,500 have been discovered. Mushroom harvesting has economic potential in NL. Despite availability, this industry is not yet found to be well recognized and consolidated. Also, commercial mushroom harvesting may involve a harvester, buyer, mushroom company, and exporter, so community organizations have a great chance to develop and play one or more of these functions and in doing so play important role in socio-economic development of this natural resource.

Floral and Craft Products (Christmas Wreaths and Trees): Non-timber forest products also include, but are not limited to, mosses, boughs, berries, cones, bark, ferns, and branches that are usually used in the floral and craft products industry. NL has diversified mosses, herbs, shrubs, and other raw materials that may have great potential use for commercial floral and craft production (Kelly 2012). Throughout the world, evergreen plant species are very much desirable commodity in the craft product industry. Goldenrod, one of the evergreen plants native to the province, and evergreen boughs, are extensively useful for manufacturing centerpieces, wreaths, and swags. New Brunswick produces about three million wreaths annually, which generates approximately $8 million dollars in wholesale value (Barfoot 2006). In NL, Christmas wreaths were historically produced on a small scale and based on local demand, but there is potential for social enterprises to take advantage of natural resources to develop foral and craft products. Western Newfoundland and Labrador Developers Cooperative (WNLDC) has initiated Christmas wreaths as commercial products as a part of employment creation and community development initiatives; this organization is one of the selected cases of the research and is discussed further below. Besides, aromatic oils, birch and alder tops as an artificial tree, ornamental and functional pieces from bark and stems have a great potential use of non-timber products.

Social Value: Local cultural values pertaining to the forest commons can be broadly divided into three categories: Aboriginal traditional knowledge, historic use, and archaeological resources (PSFMS 2015). There are also archaeological sites that may not have a connection with current Aboriginal peoples, but are thousands of years old and are of unique historical value. PSFMS (2015) acknowledges that the general public has a good understanding of the inherent trade-off

between economic development and environmental risk. They reveal that outdoor and recreational industries provide significant contributions to the provincial economy, specifically in rural areas with tens of thousands lincences sold annually on big-game, small-game, and fishing. While hunting and fishing is an important traditional activity in the province, with associated cultural values, these activities also generate significant revenues. The Canadian Tourism Commission (2012) revealed that as of 2001, anglers collectively in Canada spent $6.7 billion annually while in NL generated $207.1 million. They also quote from the Federal-Provincial-Territorial Task Force, 1996 that Canadians and U.S. tourists spent a total amount of $11.7 billion on nature-related activities in Canada while spent over $800 million only in the pursuit of hunting. Finally, firewood is a traditional use to aboriginal and non-aboriginal people while this may add a recreational value to the others especially in winter.

Sustainable forest management has the priorities and provision to interact with values and perceptions, such as impacts on viewscapes or changes in the abundance of game species. Community forestry and social enterprises can play an important role in collaborating with and supplementing government planning in these areas. Later in the chapter, a few more examples of social enterprises in this area are listed and discussed.

Other non-timber uses: There are other non-timber uses that could be explored in NL, as in other areas of the world, such as cosmetics, pharmaceuticals, nutraceuticals and functional food (natural health products such as a forms of vitamin and minerals, homeopathic medicines, herbal remedies, probiotics, amino and fatty acids etc), syrups (maple syrup), and herbs (used in salads and beverages). Maple syrup has great potential in the province, as maple species are available

and the total production of this syrup is only 7500 litres worldwide, which cannot fulfil market demand (Barfoot 2006). Also, herbal tea is very popular in the Canadian market, and herbs for tea can be collected from the province's abundance of native plants.

Potential benefits of social enterprises: Rural NL communities are currently experiencing industry adjustment, as traditional industries are struggling to provide the amount of meaningful employment and economic sustainability that they did in the past. Industry adjustment requires innovations, new opportunities and values for new businesses, and government-community joint cooperation, and all of those activities can be done by social entrepreneurs. In order to effectively adjust industries and facilitate transformation of traditional businesses, the creation of new employment is essential and may be possible through business start-up and expansion. It is important for this study to explore how and why forestry-based social enterprises can facilitate community development. Communities of NL historically had diversified livelihoods that combined but were not limited to seasonal income with subsistence activities of sawlog harvesting, moose hunting, snaring, fishing, berry and mushroom picking, gardening (Omohundro 1994). Many of these activities are forest-based but there is no formalized community forestry arrangements in NL except for the coastal three-mile commons, or "fishermen's reserve," which is being used largely for domestic use and was traditionally intended to support the fishery (Kelly 2012). Previously, pulp and paper mills' tenures covered two-thirds of the island's productive forest and dominated forest planning and management. As of the early 21th century, due to the decline and closure of the pulp and paper mills, two-thirds of unalienated crown land was available. This much unalienated crown land has the potential to be

used for community forest tenures and community organizations (social enterprises) to create and manage that resource.

Many authors consider community based natural resource management to be a best practice policy in managing natural resources (Dove and Carol 2008; Ostrom et al. 1993). This applies to forestry resources as well, which may have a greater opportunity to be sustainably managed if managed by communities rather than under the status quo management regime. The potential benefits of formalizing a community forest tenure includes, but is not limited to, empowering local residents and communities over nearby landscapes; integrating regional economic development with natural resources management; and reconciling competing land use objectives and forest use (Kelly 2012).

Also, local access rights through community forests may be the best supportive tools to implement ecosystem based management following an adaptive management process, as local and indigenous people have environmental knowledge which is very important and could contribute to conservation (Dove and Carol 2008). After all, community developments are dependent upon the goods and services of natural ecosystems (Thampapillai 2002). Community forestry, in this case, can be translated into sustainable forest management if quality of life of local people is enhanced and if their efforts and commitment to ensure the future well-being of the resources are also enhanced (Ostrom et al. 1993). Unfortunately, there is still no formal community forestry development initiatives in NL comparable to those found in fisheries examined above. The main reasons for this are the policy challenges noted above, including the prioritizing of industrial timber over other values of forest resources, which historically

facilitated private domination, and the exclusion of community involvement and public participation in policy making (Kelly 2012).

Community organization offers an alternative to individual or firm-level economic activities, which is often highly risky in a NL context. Some of the community organizations with potential to be social enterprises, if enhanced and supported in NL, are operating based on forestry resources, especially non-timber products and services. These organizations are introduced in the following section. These organizations are just a few examples of how non-timber based forest resource dependent activities may have great opportunities to be just as examplary as fisheries social enterprises in NL if enhanced and supported properly.

4.2: Social Enterprises in Foresty

4.2.1: Model Forest of Newfoundland and Labrador

What are Model Forests (MF): RIABM (2015) defined Model Forests as an approach focused on sustainability of landscapes combining socio-economic and cultural needs of local communities, where forests are an important feature. This is a voluntary initiative, non-profit in nature, linking forest resources within a given landscape. RIABM (2015) also posit that Model Forest promotes sustainable human development in a landscape where people voluntarily participate in the organization and management of forests and natural resources in the landscape. One interviewee mentioned that the Model Forest in NL is working as a faciliting body helping community based social enterprises to develop and operate, such as WNLDC. Thus, even though

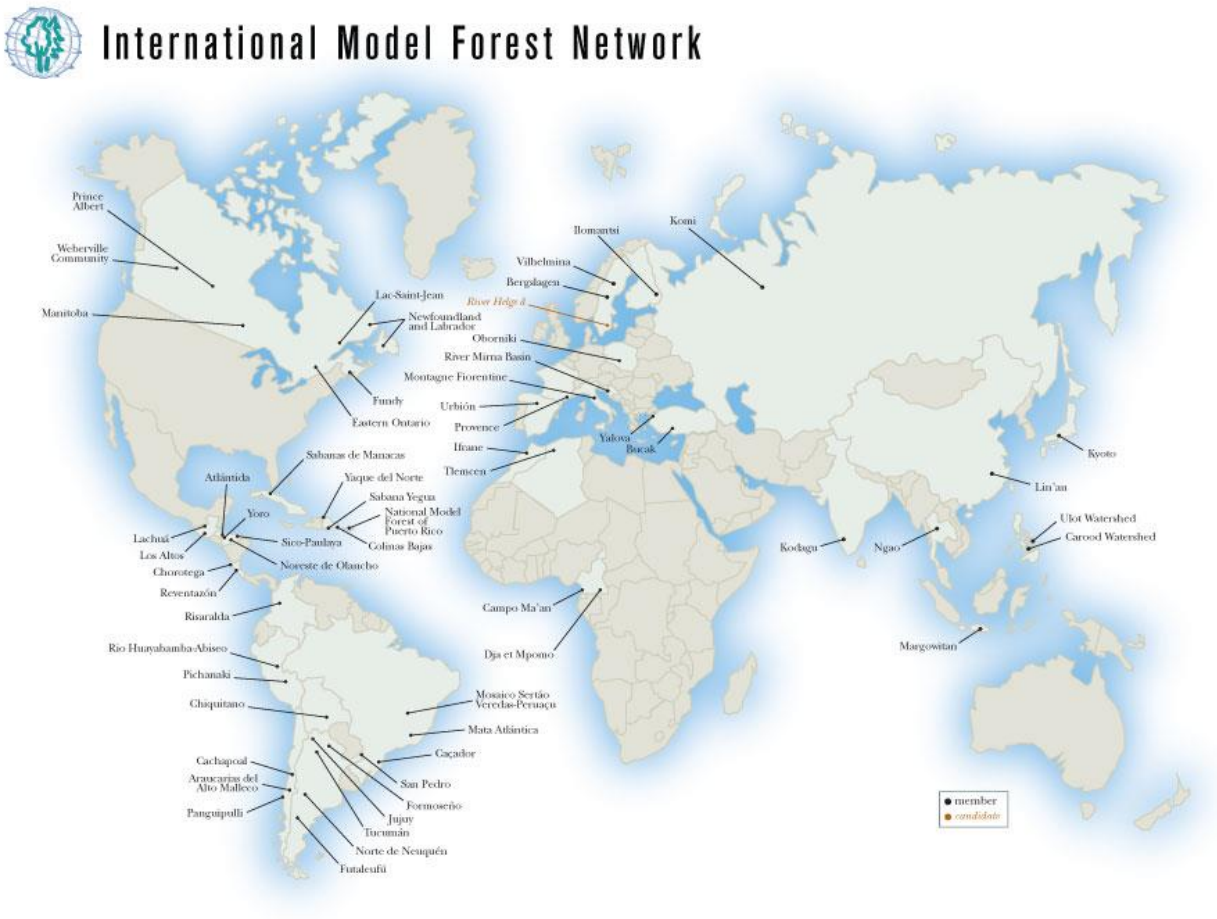
the local Model Forest organization in NL is not technically a commercial enterprise or social enterprise, it supports social enterprise development and it contains important elements that could support its transition into a more formal social enterprise.

Background of Model Forests: The concept of Model Forests was created in Canada in the 1990s by the Canadian Forest Service to mitigate the conflict between forest loggers and communities who were living in forest areas using forest resources (IMFN 2015). The first Model Forest was founded in 1992 (RIABM 2015) in Canada. After more than 25 years, Model Forest initiatives were promoted worldwide and became world actors in the name of the International Model Forest Network (IMFN). It expanded its activities to over 31 countries in six regional networks, covering more than 60 large scale landscapes totaling 84 million hectares (IMFN 2015).

The concepts and aspects of Model Forests: The vision of the Model Forests is supporting sustainable natural resources management through a participatory, landscape-level approach reflecting environmental and socio-economic issues considering local needs and global concerns. Key objectives of the Model Forests worldwide are (from IMFN website):

1. Fostering idea exchange and solutions internationally for the sustainable management of natural resources in forestry based landscapes.
2. Supports and cooperates for solutions on critical issues to sustainable natural resources and landscape management.
3. Supporting policy discussions internationally on the criteria and principles that fits with the management and development of sustainable natural resource use.

Figure 7 Areas of International Model Forest Network



Source: International Model Forest Network (2016) at. http://www.imfn.net/our-landscapes

Principles of the Model Forests:

Due to the global activities of Model Forests, initiatives are sometimes unique and diverse depending on individual countries and the culture in which they are operating. Although Model Forests have their own priorities and governance structure, they are connected by a few common attributes worldwide, which are guided by the six principles outlined in Table 5 below:

Table 5 Principles of Model Forests (RIABM 2015):

No. of Principles	Details
Principles-1	Broad-base Partnership
Principles-2	Large Landscape
Principles-3	Commitment to Sustainability
Principles-4	Participatory Governance
Principles-5	A Broad Program of Activities
Principles-6	Commitment to Knowledge Sharing, Capacity Building and Networking

How Model Forests work?

Three aspects of Model Forests are as follows:

The approach of Model Forests are flexible and effective to share ideas and for broad participation from stakeholders. Model Forests work on a partnership basis on landscapes for sustainability, as defined below:

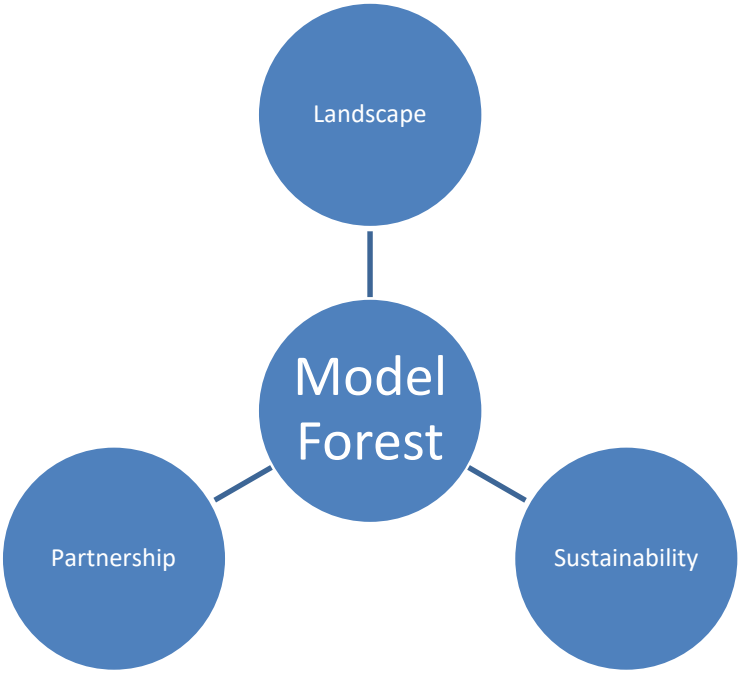
Landscape: Biophysical areas around a specific region consisting of and representing a broad and diverse range of forest values. The forest values include environmental, social, cultural, and economic concerns for community well-being.

Partnership: Model Forests define partnership as a forum that is neutral and welcome voluntary participation of stakeholder interest and diverse landscape values.

Sustainability: Commitment to the conservation of biodiversity and sustainable management of forest-based landscape.

The Model Forests works on partnerships and learns from stakeholder participation about how to manage the landscape in better ways for sustainability. Sometimes they create local leadership to coordinate and manage the activities based on specific areas, including organic farming and sustainable agriculture, biological corridors, forest and watershed management, eco-tourism, forest certification and activities related to protected areas (IMFN 2015).

Figure 8 Model Forest concept



Adopted from IMFN website @ http://www.imfn.net/international-model-forest-network

Model Forests have undertaken projects in NL (see the discussed cases) and other places that contribute to biodiversity conservation, adapting and mitigating climate change, forest restoration and other aspects of community sustainability. The Secretariat of the International Model Forest Network (IMFN), established in 1995, provides support for day-to-day activities to strengthen and expand Model Forest activities. The Secretariat's specific areas of supports are as follows:

1. Technical and logistical support for establishing and operating Model Forests
2. Resource mobilizational assistance
3. International networking, communications, and knowledge sharing
4. Development of partnership and capacity-building

5. Monitoring, evaluation and documentation

Besides that, IMFN provides guidance through its Toolkit. The Toolkit is a series of documents available in at least four languages and provides the following guidance:

1. Framework for Model Forest Strategic Plan Development
2. Annual Work Planning for Model Forest
3. Guide to Governance of Model Forest
4. Model Forest Principles and Attributes Framework

In addition, the Model Forest Network in Canada offers MFConnect services that provide a range of cost-effective and unique professional services to the natural resources practitioners of government and non-governmental organizations (IMFN 2015).

Community forest network (CFN):

Originally, Model Forest NL is Newfoundland and Labrador province based branch of Canadian Model Forest, used to cover about 923000 ha. of boreal forest in their first 15 years of operation (Canadian Model Forest 2016) and received Forest Communities Program funding of $1.475 million (The Western Star 2008) to expand the area into 2.5 million ha and to form 2 new local community networks from 2007-2014 (Francis 2013).

Model Forest NL has been working and commissioned on building community forest network (CFN) after receiving their Forest Communities Program funding in 2007. The initiative was designed to identify the potentials and investigate the issues related to the forest resources in the area of Magic Arm (Philpott 2008) with an objective of outlining the interest of stakeholders to form a community forest network for sustainable use of natural resources and ecosystems on the

Eastport Peninsula. Involving stakeholder including municipalities, commercial and domestic sawmills, scientists, funding agencies, environmentalists, the consultations were concluded with reasonable expection and planning for a community forest network to engage the community in sustainable local natural resource management (Philpott 2008), a process that resulted in the establishment of the Eastport Community Forest Association. After 2014, the federal government had a huge budget cut in Canadian Forest Service that affected the operations of Model Forest NL severely (Green Party of Canada 2016).

In sum, forest resources and related activities have been a vital part of NL's heritage for generations and continue to support the province's culture and economy. Though the main activities that generate employment include pulp and paper production, sawmilling, eco-tourism, and forest management, since inception, the Model Forest of Newfoundland & Labrador (MFNL) has been working for affected communities to address forest management issues and to facilitate ways to use their local resources in alternative ways (Canadian Model Forest Network 2016). Based on community ownership and accountability in the forest sector, MFNL is working to equip and empower communities to sustain the forest into the future. MFNL, with their partners, also initiated the Western Newfoundland and Labrador Developers Cooperative (WNLDC). This organization is working on non-timber forest products, demonstrating an important example of how non-profit forest management organizations helped create a social enterprise in NL.

4.2.2: The Western Newfoundland and Labrador Developers Co-operative (WNLDC):

In 2010, a non-timber forest products operation was piloted in a rural community in Northern

Peninsula but failed due to lack of entrepreneurs. This challenge was responded to when the White Bay South Forest Network (WBSFN) hosted a workshop in January 2011 on the basics of co-operatives and the creation of economic opportunities in the non-timber sector that would help sustain community development (WNLDC 2012). The concept was furthered by a steering committee comprised of members such as Community Business Development Corporations (CBDC) Nortip, Model Forest of Newfoundland and Labrador, and the Humber Economic Development Board (HEDB). Together, they developed a concept paper on the idea of a non-timber forest co-operative in September 2011. An interviewee explained that before they started the conversation to create a cooperative, they did market research and received comments from other organizations and other stakeholders. In response to this challenge, three western regional economic development boards (Economic Zones 6, 7, and 8) and the Model Forest of Newfoundland decided to start a co-operative themselves. From WNLDC's business plan, it is revealed that the founders of the co-operative wanted to incubate new businesses while at the same time build local capacity for local entrepreneurs and future development of the created operations (WNLDC 2012).

WNLDC was initiated in 2011 and registered as a co-op in 2013. The founding members of the WNLDC include the Model Forest of Newfoundland and Labrador, the Humber Economic Development Board (HEDB), CBDC Nortip, Grand Lake Centre of Economic Development, and the Town of Parson's Pond. The other organizations initially engaged with the process of developing the WNLDC co-op were: Newfoundland and Labrador Federation of Co-operatives, the provincial departnemnt of Innovation, Trade and Rural Development, Nordic Economic Development Corporation, RED Ochre Regional Board Inc., Newfoundland and Labrador

Regional Economic Development Association, Western Environmental Centre (WEC), and SABRI. This demonstrates the importance of similar social enterprises and other public and non-governmental institutions that support the development of social enterprises.

The vision of the WNLDC is to act as a community service organization that will promote job creation and community and economic development. The co-op was formed by a group of members representing community business development corporations, municipalities, and forestry focused organizations. They held discussions and conducted market research into the feasibility of the project through potential member organizations that have community engagement as well as socio-economic development in their missions and made a steering committee to make strategy. In November 2012, the steering committee held a strategic management session to formulate the by-laws of the WNLDC with SABRI. They also identified opportunities in the forest and agriculture sectors that the WNLDC could pursue within its mission.

WNLDC was focused on White Bay South (WBS) and other west coast regions that were traditionally dependent on use of forestry and fishing. They were experiencing industry adjustment, and therefore identified a need for business start-up and expansion, as well as job creation. The co-operative was planning to act as a mechanism for business incubation or creation within the forest/agriculture sector. Initially they were planning to work on non-timber forest products, followed by other products and services in other sectors such as transportation, support to business start-up, consumer connection, grant proposal writing, and other social and economic activities for the region. Due to the shrinking of sawmill and wood manufacturing activities, WNLDC were planning for more from the forest than just household firewood, and

identified the potential in non-timber forest products. The co-operative was planning to produce the following non-timber forest products (WNLDC 2012):

- Wreaths
- Berries
- Mushrooms
- Horticulture mulch (dry product)

The co-op started their first project to produce and market Christmas wreaths for the 2013 season with a budget of $105,000. According to Dr. Jose Lam, the consultant of WNLDC, the amount of sales of Christmas wreaths in Nov-Dec 2014 was about $10,000 and Nov-Dec 2015 was $8000. Besides recruiting seasonal and temporary workers based on demand, they employed a full time manager to take care of all the operations and reporting to the board.

Due to the closure of regional economic development boards (Hall H. M. et al. 2016), WNLDC lost access to strong supporting institutions who were supporting WNLDC's development. They selected board members from different representative organizations with similar mandates to cover the whole region. Though they still have lots of identified opportunities, according to an interviewee, they are struggling to acquire full time expert staff and find volunteers to serve on the board, and have had challenges marketing their products and services as they are more underfunded than predicted. But WNLDC is still operating and hoping to expand its products and services and trying to find more volunteers and experts. The purpose of the co-operative is to provide business incubation, direction for forest-based businesses and build capacity within rural communities currently facing industry transition. The long-term vision is to have a self-

sustaining co-operative that incorporates individual businesses which will provide long-term employment.

4.2.3: Other community forest initiatives**:**

Community forestry (CF) is forest governance that includes local communities having control over managing natural resources based on ecological sustainability (Charnley and Poe 2007). CF is a global experiment, but distinctive as it is based on the local surroundings and circumstances of a place. NL has a long history of the 3 miles limit common pool access to and management of forest resources since the mid-20th century, but there are still no formalized community tenure rights.

Community forestry could offer an adaptive management policy approach to forest resources, combining and linking socio-economic, and forestry and ecosystem-based management that will supplement social enterprises. Community forest tenure has numerous possible benefits, such as: 1) empower the local residents and communities in decision-making over nearby landscapes; 2) integration of regional socio-economic development and natural resource management; and 3) reconciling conflecting and competing objectives over land and forest uses (Kelly 2012). However, to succeed in community forestry initiatives, effective local control and large scale commercial activities are necessary; otherwise it can't be efficient (Sinclair 2006). Some of the community forest initiatives in NL are described in below:

St. Barbe Development Association (SBDA): SBDA was established in the Great Northern Peninsula (GNP) in 1974. Most of the regional development associations closed or were replaced in 1995 due to the creation of twenty regional economic development boards (Vodden et al.

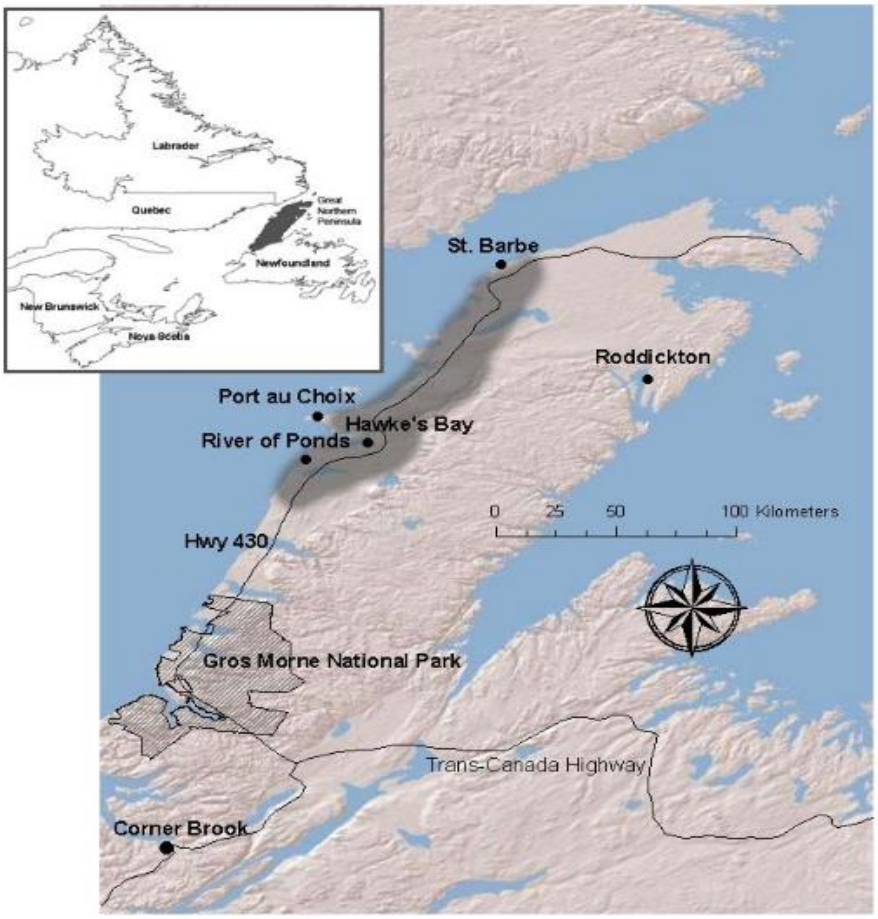
2013). SBDA continued working with the Regional Economic Development (RED) Ochre Regional Board. The RED Ochre Board determined the priorities of regional development while SBDA implemented infrastructure and employment projects to make them a complementary partner in regional development. Their collaboration extended to Department of Natural Resources (DNR-Forestry), other community organizations and funders that broadened their periphery of thinking and extend it to more community based activities. Before the closure of the regional economic development boards in NP, both SBDA and the RED Ochre Regional boards identified forest resource based projects as economically promising for industrial transition and employment creation. This could be accomplished, they suggested, through transforming forest resource use in a sustainable manner, such as the development of the use of non-timber forest products, development of tourism industries and value-added wood processing (RED Ochre Board 2011). The regional boards thus supported the argument of this thesis that there are important opportunities for community-based economic development in forestry resources. Social enterprises can provide a key mechanism, moreover, to fulfill these development opportunities.

Although they had community and stakeholder involvement in economic and community development, the regional boards did not have land use management authority and forestry expertise. On the other hand, DNR (Department of Natural Resources)-Forestry are the forest management authority and has expertise without an explicit mandate for rural development or community well-being. As a result, employment creation or benefits to local communities was not their priority as a resource management agency. In response to the industrial transition in NL, especially in fisheries and forest industries, the SBDA and RED Ochre Board collaborated with MFNL and proposed a community forest (CF) pilot project in the GNP, intending to benefit the

communities. The proposed CF includes 21 communities, of which five are municipalities, ranging from the River of Ponds in the south to St. Barbe in the north of the region of the NP (Kelly 2012).

The non-timber based forest resource plan of the SBDA and RED Ochre Board fell under the mandate of DNR-Forestry that was focused on forest sustainability. In the initial stage of the CF pilot project, workshops and seminars were held, involving stakeholders, community representatives, experts and representatives from other provinces.

Figure 9 Proposed community forest area



Source: Map collected from Erin Kelly (2012)'s article available on: https://www.mun.ca/harriscentre/reports/arf/2011/11-ARF-Final-Kelly.pdf

SBDA and the RED Ochre Board allied with DNR-Forestry with an integrated mandate (Kelly 2012). The integrated mandate was to facilitate decision making to a community forest authority (CFA). The CFA would work for an economically holistic approach to forest resources and allocate timber for commercial uses that would not conflict with the traditional mandate of DNR-Forestry (Kelly 2012). The outcomes in this case remain uncertain. However, an initial proposal for a CF was submitted to the Province in 2011 and as of 2015 SBDA still had not received a response.

St. Mary's Bay Community Trust (SMBCT): SMBCT is a community land trust that was incorporated in 2015 in St. Vincent's, NL as a not-for-profit association. Though there is very little published information on this organization, its facebook page indicates it has vision to build up a local community-based economy rooted in the sustainable use of the resources of the St. Mary's Bay region to provide appropriate stewardship, management, and guidance for economic development supported by local resources. Their activities are guided by progressive land use planning and a stewardship plan and is consistent with municipal land-use plans. The mission of the organization is to encourage community participation in stewardship of the resources of the St. Mary's Bay region guided by ecological principles, sustainable economic development and cultural preservation (Facebook: St-Marys-Bay-Community-Trust).

The SMBCT's efforts have included a 2015 study to document the history of sawmilling in the greater St. Mary's Bay area. The purpose of this study was to assess the potential of the industry as a means for sustainable management of local forest resources and enhancing the local economy. The study included a survey of current and past sawmill industry representatives in the

region, documentation of volumes and kinds of materials produced by the industry in the area, and an assessment of the effects of forest management policies on the industry as well as the potential for reviving sawmilling in the area. Respondents suggested that sawmill owners had seen reduced allocations for log cutting over the years to the point where commercial operations are no longer economically viable (e.g. from permits for 100,000 down to 3000-5000 Foot Board Measurement annually). Some suggested, as has been noted in this thesis, that government policy has favoured larger operators and that their large equipment, particularly mechanical harvesters, has led to clear-cutting of large areas in relatively short periods of time. This method results in the removal of all standing trees rather than the traditional practice of leaving a continuous flow of mature trees available for cutting and milling. This is combined with reduced forest regeneration due to moose populations. The study further noted that the region's forests are managed independently from wildlife and other land use interests rather than taking an integrated approach that includes non-timber values, again supporting the issues raised earlier in this thesis. Among the study's recommendations was a suggestion to develop a forest strategy for the St Mary's Bay area that would support the local sawmill industry (Billah 2015). This initiative further demonstrates the potential for policy makers to support building community interest in developing forms of social enterprises engaged in the management and development of forest resources.

The Eastport Community Forest Association : A forest inventory for the years 2007 – 2012 indicated that a volume of timber was suitable to harvest in the area of the Eastport Peninsula known as Magic Arm. Residents of the area became aware and concerned about possible harvest, essentially in their backyard. Representatives of the residents' correspondence with forest

managers and government indicated their displeasure with the planning process of timber harvesting in clear cut methods (Philpott 2008). Government delayed further planning, and then engaged the Model Forest (MFNL) to assist it in resolving these issues. The determining factor was whether there was interest in creating a Community Forest Network to facilitate the sustainability of communities' economies, cultural values, and local ecosystems (as discussed above).

As part of this process, MFNL investigated and identified 17 distinct issues related to forest resources in the Magic Arm area, and they organized them into four main themes: deriving local benefits, conservation and environment, commercial adjustment, and ecosystem change. Three months of consultations were held from January to March 2008 through interviews, phone meetings, and e-mail communication, involving government and non-government stakeholders like: municipal government leaders, commercial sawmill licensees, domestic sawmill licensees, scientists, funding agencies, government resource managers, environmentalists, interest groups, and cabin owners. The consultation's result conveyed some go-forward sustainable activities. The process identified key partners, funding sources, startup costs, and outlined key provisions for a business plan and marketing strategy as part of a proposal for creating a Community Forest Network (CFN) as a means of engaging the community in the sustainable management of their local resources. In the beginning of 2010, the Eastport Community Forest Association was established after a long consultation (Philpott 2008). The outcomes of the Association to date remain unknown as it was beyond the scope of this study to examine this case beyond available secondary sources.

Though the government had intentions towards supporting communities' right to have a say in the management of adjacent natural resources in a five-year Forest Management Plan for Crown Lands from 2006 to 2011 (Philpott 2008), there are not yet found any formalized community based forest resource management in NL. But the initiative provides yet another mechanism for enabling coastal communities of NL to have a say and participate in decision making on how their future will unfold. Constraints to a formal community forest tenure policy favors pulp and paper operators over other businesses and forest users, and with an aging population's lack of willingness to take entrepreneurial risks and regional cooperation is a major concern (Kelly 2012). Nevertheless, the cases examined above highlight how emerging community based and oriented organizations can facilitate the development of social enterprise activities.

The important lesson is that community-based organizations, even if not government policy makers, have begun to see the opportunities in forestry-based development initiatives.

Chapter-5: Findings and Analysis of Case Studies

5.1: Context of studied social enterprises:

A series of factors such as Sir Grenfell's development and the cooperatives movement for NL communities (Mitchelmore 2014), foundation of the Fishermen's Protective Union's in 1908 by William Coaker and their political movement (Haive and Haiven 2006), Canadianization of fisheries and granting quotas to privilege local community socio-economic development (Allain 2010; Foley et al. 2015) were very influencial in the development of resource-based community organizations and social enterprises in NL. Though social enterprise activities are vast in terms of different sectors and areas around the world, this thesis studied natural resource dependent social enterprises in the area of forestry and shrimp fisheries in NL to examine their impacts in community sustainability. To do so, the thesis provided a brief overview of the context of these two sectors in NL and provided an analysis of a number of social enterprises in forestry and shrimp fisheries that were relevant to understanding the challenges and opportunities of natural resource-based social enterprises in the province. As the research scope of the province is relatively large, WNLDC from forestry and SABRI from fisheries (one social enterprise from each sector as a representation, both active within the northern peninsula region of NL) were examined through field visits and key informant interviews. Study findings about these two social enterprises were analyzed in more detail in the thesis, based on literature review and primary data collected from the field visits through interviews, field experiences, and community context.

5.2: Why are the case study organizations social enterprises?

Based on Pearce (2003), the six characteristics of social enterprises that were discussed in the literature can be found in the following table:

Table 6 Examining social enterprises

Name of Organization / Features	St. Anthony Basin Resources Inc.	Western Newfoundland and Labrador Developers Co-operative (WNLDC)
i) Has a social welfare purpose or purposes	Yes (such as creating employment, donating to hospital, playground, education etc.	Yes (such as creating employment, providing training, finding alternate economic activities for the communities to sustain)
ii) Engaging in trade in the marketplace	Sales products and services to generate profit, specifically: renting and using 3000mt shrimp quota to generate revenue	Sales products and services to generate profit, specifically: Christmas wreaths
iii) Not distributing profits to individuals	Spending revenue on a community development priority basis	Spending revenue to sustain the organizational activities that were aimed to serve the region
iv) Holding assets and wealth in trust for community benefit	Yes	Yes
v) Democratically involving members of its constituency in the governance of the organization	Yes (has community, town hall, chamber of commerce,fisher, plant worker representation)	Yes (has organizational representation that has the same mandate of community development)
vi) Being independent organizations, accountable to a defined constituency and to the wider community	Yes (accountable to the board representing communities and have to face the AGM)	Yes (accountable to the board representing communities and have to face the AGM)

Elucidation: The studied cases of natural resource-based social enterprises have social welfare purposes and are not dependent on donations, though donations and government funding are options for financing. They intend to be self-sufficient in the way of generating their revenue by engaging in the trading of goods and services. They are holding assets and investing profits for

greater community development instead of distributing and consuming profits by individuals. Those organizations are registered in different forms for business engagement purposes, but all with a mandate of social welfare. They are governed by a voluntary board of directors who are elected by the members. The organizational authorities are always bound by the constitution of the organization made by the members and accountable to the mandate, which is greater community development. In terms of democratic involvement by a constituency, they have democracy embedded in the governance of the organization in different formats. SABRI includes community representation, representatives from fishermen and fish processors, representation from the chamber of commerce, municipal, and community organizations to form their governance. The purpose of their governance structure is to include representation from different stakeholders to decide the present and future of the region of the northern region of the Northern Peninsula. On the other hand, WNLDC has been working with a greater area, including representation from the organizations that have a similar mandate of social welfare purpose only, such as municipalities, regional economic development board (no longer exist), and other social enterprises. They created a governing body from the members to run the organizational activities.

Both of SABRI and WNLDC's governing body is voluntary to take the decision on organizational activities while a paid supporting staff executes the decision making. The organizations work for community benefits with social welfare objectives through the revenue they are generating from their offered products and services. Both organizations have fulfilled all the criteria of social enterprises (featured above) that justify categorizing each as a social enterprise.

5.3: What kind of social entrepreneurs are they?

Social enterprises have social welfare purposes that are absent in commercial enterprises. Commercial enterprises operate for profit maximization while social enterprises operate to address social problems. As a result, social enterprises need social entrepreneurs with social innovations to address social problems at different scales. Zahra et al. (2009) illustrate three types of social entrepreneurs: i) Social Bricoleurs, ii) Social Constructionists, and iii) Social Engineers, which were each discussed briefly in the literature review above. Using their typology, the following table is used to describe and categorize the cases:

Table 7 Examining the type of social entrepreneurship

Type of Ent. / Name of Org	Social Bricoleurs	Social Constructionists	Social Engineers
St. Anthony Basin Resources Inc.	Y	Y	Y
Western Newfoundland and Labrador Developers Co-operative (WNLDC)	Y	Y/N	N

Elucidation: The studied social enterprises have local preference for social development and resource management as social bricoleurs, with a strong basis in local knowledge and resources such as SABRIs' Port of St. Anthony. Their business activities and scale are not only based on local markets or knowledge, however, but also take advantage of outside opportunities in developing their products, goods, and services. So, both organizations are also social constructionists by character, though they vary in scale. While they have a local mandate, SABRI's business expansion activities, operations, and partnerships do not have specific boundaries, making them beyond local. They are responsive business proponents and create a

responsive business environment. This effect of SABRI makes them social engineers to some extent, demonstrating an alternative to a for profit business through their sustainable community-operated business model. Contrastingly, WNLDC's activities are still based on local market with a local boundary that does not affects nor is influenced by outsiders, so as a result, they are social bricoleurs and social constructionists but not social engineers based on the criteria above.

5.4: Examining social, economic and environmental contributions of WNLDC and SABRI**:**

Social, economic, and environmental contributions are the three pillars of sustainable development identified and developed in the 1992 Rio sustainability conference named the Earth Summit by the World Commission of Sustainable Development of United Nations (http://www.unep.org). The idea was to attain sustainability on earth by valuing social, economic, and environmental issues equitably. The concepts are acknowledged by all states in the world and and meant to be followed in doing activities that affect sustainability. Analyzing the cases studied, we may find their following contributions in terms of the social, economic, and environmental goals set by the 1992 Earth Summit (http://www.unep.org).

5.5: Impacts of WNLDC and SABRI in three pillar metric of sustainable development defined by the United Nations Environment Programme:

Social impacts:

SABRI and WNLDC are addressing the social problems that are overlooked and/or ignored by the other commercial proponents. The studied social enterprises are working for a stable and peaceful society by protecting social values by facilitating employment creation, health services, training and education, and providing funding to support individual activities. For example,

WNLDC goes to the selected community to organize wreath making by the local people while SABRI donates to the local hospital, the tourism sector, manages a loan system for fishermens, supports locals through different training and innovative program. An interviewee on WNLDC said, “We knew that this would be a limited business. However, if you look at it socially, a person would be able to stay at home and work, make some money to help the family and keep them in the regions, keep them where their family was; maybe you keep them around their children and their school. It was helping in that way”. Besides, SABRI has scholarship program for students. Since the inception of SABRI, they donated more then $170,000 to residents who needed help and provided $600,000 to community development in the SABRI region to different groups which has significant socio-economic impacts for the region. Both organizations also create the work environment that supports family members to take part, irrespective of gender and age, in their own boats for fishing or in wreath making. On the other hand, the enterprises boards are made of community and stakeholder representatives and decisions are made in a democratic process that bring harmony to the society. All the initiatives that the enterprises are developing are creating a feeling of ownership and collaborative partnership that are shaped by and shape a strong community focused attitude.

Economic impacts:

The studied social enterprises are helping the community to reduce poverty by empowering people who are unable to access resources alone through innovative supporting programs and initiatives such as training, funding, providing instruments and technological support etc. An interviewee from the management level revealed that SABRI has a loan program of maximum $20,000 CAD for the individual fisherman with simple conditions and lower interest rate from

the financial institutions where SABRI guaranteed 50% of the loan. Also, both of the social enterprises are creating lots of direct and indirect jobs in the region. For example SABRI helped employ more than 225 individuals of the area. SABRI made possible the landing of the offshore trawlers, annually injecting $3-4 million into the local economy, and invested in excess of $16 million in infrastructure in the region since their inception. Their social innovations and social purposes attract and create enthusiastic and energetic volunteers who are gaining skills and leadership capacity that are helping them to be social entrepreneurs. They help and support the training of people through different programs that enable local community members to attain sustainable livelihoods and create jobs through different actions and innovations..

Environmental impacts:

Studied social enterprises take actions democratically and with sustainability values and objectives. For example, WNLDC is working on non-timber based activities that are minimally intrusive to forest ecosystems. SABRI has been investing in tourism and aquaculture due to the depletion of some fish species and trying to innovate using mussel and shrimp shells. Both of the organizations are working on empowering the community to access common property for a sustainable environmental management process. Most of their activities usually labor intensive processes that save energy. Their democratic decision making processes create communal feelings to manage natural resource sustainably for the future generation because that relates to their community survival. They take part in stewardship programs and are financing new environmentally friendly innovations such non-timber based activities, trails and tourism.

Analyzing the cases, the research may find the above contributions in small or large scale depending on the capability of the social enterprises in specific areas and the needs of the community. For example, an interviewee on WNLDC said that "The main interest groups being served by the WNLDC are residents and communities on the west coast of Newfoundland and southern Labrador. These communities are very rural and face large socio-economic challenges." Another interviewee on SABRI said that "They donate $150,000 for the equipment in the hospital-- that is astonishing. They also donate $25,000 for the playground for the children and have scholarships for education". With built in social well-being purposes, social enterprises in NL are contributing to the sustainable development principles in different ways, as noted above.

5.5: **The Role of WNLDC and SABRI towards community sustainability:**

SABRI and WNLDC demonstrate multiple features and activities that advance community sustainability specifically and movements towards a more sustainable society generally. The thesis examines SABRI and WNLDC's contributions to sustainable communities in NL below:

Commitment to a sustainable society: The volunteers and organizations involved with SABRI and WNLDC are committed to protecting their local values and traditions and to keeping the people in their home communities through creating employment and other socio-economic activities. The ideology is aligned with that of a sustainable livelihoods and is supported by their historical tradition and social values. This commitment is also born out of difficulties of sustaining a livelihood and access to common resources. One of the interviewees on WNLDC said, "The communities we were working with before the organization ever formed was an area that was suffering from the downturn in forest industry and fish collapse". So WNLDC was

created with a commitment to support and sustain communities dependent on traditional forestry and fisheries industries.

Changing social values and perception: The commitment to the cause (to a sustainable society) involves significant changes in patterns of behavior in individual(s). The province, especially the coastal and outport communities, used to depend on timber-based forest industries and fisheries. Due to the downturn in forest industries and fishery collapse, the communities must require industry transition to be sustained. The communities also would prefer to keep their traditional and social values. Social enterprises are working on that through social innovation, to separate the existing pattern of work and attitudes, but keep their own traditions and values that have been threatened by relocation.

An interviewee on WNLDC said, “There’s nowhere to stay down in that region due to the downturn in forest industry and fish collapse. Then, bringing any other type of business wouldn't work. So this was a business (non-timber based) that could work in that area and would sustain some employment which again goes back into the community. So we really saw this as a way of keeping the communities alive for longer”. An interviewee on SABRI mentioned, “When you are making your own decisions for your own money for the growth of your own community, people start to take a more positive approach, I think, and attitudes changes, so if you are positive all the time and you seek opportunities, things are better than any other situation”.

Collective action over common purpose: Both SABRI and WNLDC are results of collective actions of different individuals and organizations bringing together different kinds of skills,

capacities, and resources that include local businesses, town halls, community representations, government agencies committed to social, economic, and environmental development, non-profit organizations, and individual citizens. The idea is to accumulate diversified skills and resources to achieve the goals of social welfare.

Social change: The long-term goal of the SABRI and WNLDC are to contribute to sustainable communities. The hope is that the community may change patterns of behavior to better align with the ideals of sustainability. One interviewee on SABRI mentioned that "if we didn't have SABRI, we wouldn't have the community that we have today. That's how important this three thousand metric ton shrimp allocation is to this region. It created economic development in fishing industry, cold storage facility, and tourism. Also, one of the aspects we fail to realize is that not only do they direct investment in the community, but they change attitudes. All of a sudden you got a new attitude and it is a positive one that the community can survive, the community can grow, the community has future and we, the community people, are in charge of that". We can clearly see from above how social enterprises are contributing to sustainable communities in NL.

Chapter-6: Discussions, Conclusions and Recommendations

6.1: Problems and prospects of social enterprises in NL:

Social enterprises can be for profit or nonprofit socio-economic organizations that have a mandate of social welfare purposes or to address specific problems of specific groups through generating revenue from selling products and services. Social enterprises are mostly dependent on a committed board and also on supports from outside such as government or other facilitating bodies. The focus of this research has been on natural resource dependent social enterprises. Those social enterprises mostly depend on natural resource abundance, though they also depend on other factors such as markets and government supports, especially favourable policy. Their contributions to society depend on their specific mandate and capability. Based on the case studies, literature, and key informant interviews, social enterprises in NL that were created based on natural resources have the following problems and prospects:

6.1.1: Problems of social enterprises in NL**:**

Though social enterprises' contributions to community sustainability are built into their mandates, they are constrained in contributing further to community development due to various problems stated below:

Lack of supportive public body and policy: There are different organizations that are directly and/or indirectly supporting social enterprises on different scales such as Model Forest and economic development boards that were affected by public sector budget cuts (Hall et al. 2016). Foley et al. (2013) cited that in 1997, Fred Mifflin, the Minister of Fisheries, announced shrimp

resource quotas and special allocations to some of Newfoundland and Labrador's communities to increase their control of access in natural resources of fisheries. The communities had the opportunity and privilege to organize themselves and create social enterprises to use the resources allocated to them. Sir Grenfell's cooperative movements and Coaker's Fishermen's Protection Union were also influencial factors that contributed to the tradition of the social enterprises in NL fishereries sector.

However, other research findings suggests (Myers 2009) that there is no department or agency with a mandate to support social economy organizations and activities. An interviewee on SABRI mentioned that they are intensively relying on foreign organizations to develop their production facilities and diversify their products and services. Foley et al.. (2013) also mentioned how the Fogo Island Co-op had to contact overseas organizations to develop and expand their business after failing to convince any institutions in Canada to partner with them in the development of a processing plant. On the other hand, social enterprises address social problems that are ignored or not possible (or considered feasible) to address by the other proponents, even by public authorities. SABRI is an example. Being a business proponent, social enterprises such as SABRI are taking care of the responsibilities that have traditionally been covered by public institutions and state mandates. But still they are often treated like other commercial enterprises. Though there are different programs and funding for social enterprises and non-profits, this field requires more emphasis to flourish with a favourable policy of treating social enterprises as a special economic proponent.

Lack of abundance: The selected cases are mostly dependent on access to and abundance of natural resources. SABRI is depedent on access to shrimp and WNLDC on access to forest lands and resources. But the access to and abundance of natural resources is changing. In the northern shrimp fisheries, the abundance of shrimp is unpredictable and in decline in recent years, which is undermining some social enterprises (Keenan and Carruthers 2015). Due to the depletion in shrimp abundance, for example, the Fogo Island Cooperative's special allocation has been cut, and that affected its operation in a large scale (Foley et al. 2013). Raw materials supply, product, and sales related activities are bound to slow down. Like the Fogo Island Cooperative, most natural resource dependent social enterprises have become vulnerable due to the instability of resources. An interviewee on SABRI said that they do not have any other assets and that it all depends on its 3000mt shrimp quota. SABRI is therefore highly vulnerable if drastic declines continue in the northern shrimp fishery.

Market Problem: The Canadian Business Journal (2015) depicted that the other challenging aspect of the shrimp industry is the market and market volitility. The shrimp price decreases at various periods due to the farmed shrimp in Asia. The WNLDC also has various products and services but is struggling to develop strong sales of its products (interviewee). On the other hand, there are often human made and/or natural disasters, like the global credit crunch, that also affect the viability of social enterprises and, in turn, community development and sustainability. Those uncertainties also make the social enterprises vulnerable to markets. The industries need stable markets to overcome the uncertainties for smooth business.

Sustainability of the social enterprise: Social enterprises are mostly governed by a voluntary body, elected by the members and/or from the stakeholder organizations. Though the cases studied are relatively stable social enterprises, there are always different conflicts, lack of commitment, and personal egoism present in the board. Further, WNLDC is still in its early years of development. Also, there are often some representative issues on the board due to the different group's interests. In SABRI and WNLDC, for example, these issues manigested in partnerships among the organizations for business sustainability and expansion (Interviews). Without proper motivation of board members and financial remuneration for supporting staff, social enterprises and non-profit organizations are bound to be slowed down, and that brings challenges of sustainability to the organizations.

Besides the above mentioned challenges, lack of experts on natural resources, lack of committed board members, and lack of social entrepreneurs are among some of the vital challenges in developing natural resource based social enterprises in rural and coastal communities in NL.

6.1.2: Prospects of social enterprises in NL**:**

Despite problems, social enterprises have significant prospects, especially in coastal communities of NL dependent on forestry and fishery resources. Some of the prospects are as follows:

Access to common property: Access to natural resources is competitive and access is often based on an organization's power or capacity of transforming resources to products and services. On the other hand, the community needs their own platform of capacity and voice to access

natural resources due to the required capital and bargaining power. To build this capacity, social enterprises can play a very important role in rural and outport coastal communities. However, how the communities can establish those social enterprises in the first place is a very challenging issue which requires supportive actions of the policy makers and experts, such as was the case when the federal minister distributed quota allocations to community-based interests in the northern shrimp fisheries.

Community based natural resource management: The concepts of community based natural resource management are widely adopted in theory but less so in practice. But to adopt the concepts, the existence of strong community based organizations are essential. Community organizations can play a vital role in creating a platform for community peoples and using their skills and local knowledge if they are supported to organize. The study listed several community initiatves in forestry sectors. The researcher believes that if there are supportive policy and environments put in place, those organization could develop into substantive social enterprises.

Protecting community and social values: The communities have their own culture, history, and value systems of living with different identities. The Canadian Community Health Survey (2005) indicated that most Canadians have a strong or somewhat sront sense of belonging to their own communities in Canada. On the other hand, most of the youth in many rural NL communities are becoming reluctant to stay and continue their parent's profession for different reasons that may include the lack of supportive state policy to retain them by ensuring capital and techonogy and employment creation. In this situation, community based social enterprises may play an important role in retaining the communal sense of belonging and local career opportunities for

the youth through different social innovations, which may help to retain the culture and tradition of the communities that will protect the diversity and social value.

Creating an environment of self-dependence:

Social enterprises are democratically governed. All of the cases studied have been created to attain a goal of self-dependency using natural resources. SABRI is a strong model of protecting their community based on use of natural resources around their communities. Also, social enterprises create a family-like work environment where men-women and their family members can work together. That environment is not only helpful for an equitable society but also makes families helping each other.

Supportive institutions with a state mandate: A former Prime Minister of Canada (2004) described that millions of Canadians are working in the social economy and they are applying entrepreneurial creativity not for profit, but rather to pursue social and environmental goals. Social enterprises can be very important supportive tools for the state to attain and maintain its sustainable development mandates. This study shows how social enterprises dependent on natural resources are contributing to social, economic, and environmental sectors, and creating a greater number of jobs in the communities studied. The organizations can also be effective tools for collaborative networking and representations of the state agenda in communities. As a result, social enterprises have very good potential to grow as supportive institutions of governments and their community welfare objectives if they are adequately enhanced. The social enterprises also help to create local leadership and produce lots of volunteer hours for community development**.**

6.2: Conclusions and policy recommendations:

Social enterprises (SEs) as economic actors are contributing in various ways to NL, especially in fisheries sectors. But the success of SEs in NL shrimp fisheries examined in this thesis was influenced most directly by federal quota allocations, and even indirectly historically by movements of Sir Grenfell and William Coaker's The Fishermen's Protective Union. On the other hand, SEs also have a great potential in the forestry sector. Though there are few initiatives in forestry, there still is not enough enhancement due to lack of supportive factors.

Overall, SE's contributions address social, economic, and environment issues. They are creating jobs and volunteer hours and expanding economic activities through social innovations especially in rural communities that depend on natural resources. They are protecting traditions, local values, and managing common properties through a communal democratic process. However, natural resource dependent social enterprises in NL are not often promoted and encouraged by policy makers. With the closure of regional economic development boards, social enterprises have lost their most supportive institutional capacity. Also, a lack of institutional education on social enterprises means that youth are not encouraged to create social enterprises to create employment and address common problems. Besides this, research, workshops, seminars and conferences do not popularize social enterprises. On the other hand, NL is made up of sparsely populated coastal and outport communities, which presents challenges and opportunities. Those communities have to work together to make their own fate as they are inherently dependent on natural resources in which ability to use the resources is essential. In this case, social enterprises are playing a very important role over time and have the potential to play an even greater role in the future. As a result, natural resource dependent social enterprises in NL

need to be encouraged and promoted. To do so, the research is recommending the following arrangements:

Adequate government funding support and incentives: The government needs to create diversified innovative funding and other mechanisms (such as special resource allocations) to support social enterprises. We can see the success of the government incentives to SEs in northern shrimp fisheries that have had great impacts in rural and coastal NL communities. Social enterprises in NL are lacking of funds, incentives and access rights to and control over resources, especially in forestry. This leads to a lack of commitment of volunteers and boards. Both of the cases studied have different kinds of ideas that may bring good potential economic benefits to the communities. However, WNLDC is underfunded and SABRI's finance is constrained by their fixed quota allocation. As a result, they have difficulty investing in their innovations. Though the provincial government in NL is experiencing a period of serious budget cuts, there is still a need to allocate special attention to the community organizations who are contributing to the society.

Ensuring availability of expertise: SABRI innovates continuously, such as in transforming shrimp shell biproducts/waste to more useful economic products like natural fertilizer (interview). Also they has been working with Memorial University for a long time and recently the are researching with Dr. Cheema, Memorial University Professor, Department of Biochemistry, and examining the benefits of sea cucumber and blue mussel for insulin resistance and obesity (SABRI Presentation 2016). But they are depending on foreign countries especially for experience, investment and technology to implement their innovations (from interview). In

this way, natural resource dependent social enterprises in NL have ideas but do not often have enough opportunities and capacity to make projects feasible. Memorial University has programs on marine and environmental sciences, the availability of expertise to help community-based groups meet their needs in a more systematic way. So governments may have the opportunity to offer expertise in ways that can facilitate innovation for social enterprises.

Institutional education for social enterprises: Though social enterprises directly and indirectly contribute to social sustainability, there is not much opportunity in NL to encourage and teach people about it. Recently, Memorial University of Newfoundland has taken some initiative to popularize social enterprises through creating a research centre on social enterprises. The World Cooperative Monitor (2014) stated that the annual revenue of only the top 300 cooperatives worldwide is 2,205.7 billion USD. Most of the social enterprises work in underprivileged areas as they are mandated for social welfare. The rural and coastal communities in NL that are vulnerable and dependent inherently on natural resources have significant need to create SEs for better use of resources and development. But in some areas, there is a lack of skilled and educated leadership, especially expertise in natural resources. Fortunately, new initiatives like the Environmental Policy Institute and other programs in MUN are educating people on natural resources. But without social entrepreneurial skills and enough incentives, it is hard for those experts to create SEs and enhance community development. So, both for economic development and community sustainability, educational institutions, along with government, should develop more formal educational initiatives on social enterprises like other provinces, such as Quebec. Those educational institutions will encourage young people to be social entrepreneurs as well as

take risks for developing careers in social welfare sectors based on the long-term development capacity inherent in local, renewable natural resources.

Workshop, seminar and conferences on social enterprises: Besides government initiatives, educational institutions and social enterprises may offer the opportunity to organize workshops, seminars and conferences on social entrepreneurship and community sustainability. For example, Memorial University, through the Harris Centre, Office of Engagement, and Environmental Policy Institute (EPI), are committed to public engagement and regional economic development. Recently, the Holistic Sustainable Development Network (HSDN), an EPI graduate student organization, initiated a conference on sustainable communities that creates a great opportunity for sharing community experiences combined with expert opinion on the challenges and opportunities of community sustainability. More regular conferences and other public engagement initiatives may provide good opportunities to share and support social entrepreneurship for community sustainability, especially in natural resource dependent sectors and regions. To do so, government may have to embrace the opportunity to offer funding and other logistical supports.

Supplementary institutions and training to encourage social entrepreneurs: Supplementary institutions and training may help members of social enterprises to be efficient and effective in their own initiatives. SABRI has often taken different initiatives to train and employ their community people but they still lack local expertise. WNLDC also has different initiatives of wreath-making, berry-processing, marketing and promoting products electronically, which requires training. Besides that, there should be opportunities to train entrepreneurs who have

their own social innovations or good economic ideas to work in the community. Policy makers should support the provision of adequate resources to offer this type of training and other skill development education.

Government supports for production and marketing facilities for social enterprises: Both provincial and federal government should have adequate policy and resources for production and marketing facilities for the products and services of social enterprises. SABRI is dependent on foreign companies for implementing some of their innovations, such as shell transformation. As well, WNLDC is lacking markets to sell their products and services, though they have different product portfolios including Christmas wreaths and berry and mushroom processing. In this situation, government may play an important role in providing marketing facilities to the SEs who have products and services. Also, natural resource-based SEs will often require production facilities (space and/or technology), especially in fisheries, forestry and agricultural sectors and connections to existing markets.

Scope for further study: This thesis examined the impacts and potentials of natural resource-based social enterprises on community sustainability. However, there are some opportunities for further studies, including a comphrehensive comparative analysis between social enterprises and other commercial proponents in rural and coastal communitues in NL that are dependent on natural resources. This further study opportunity may explore the factors and settings to enhace social enterprises and to identify how and under what conditions natural resource dependent social enterprises can facilitate community sustainability in better way.

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