

Scott MacAulay

The community economic development tradition in Eastern Nova Scotia, Canada: ideological continuities and discontinuities between the Antigonish Movement and the Family of community development corporation¹

ABSTRACT The eastern part of Nova Scotia in Atlantic Canada is home to two well known initiatives in *community economic development* (CED); the *Antigonish Movement* of co-operatives and a group of *Cape Breton community development corporations*, referred to here as *the Family*. The Antigonish Movement is the older of the two, originating as a response to economic crisis in the region in the years leading up to World War II. The Family of community development corporations began in the 1970s with the establishment of its flagship corporation, New Dawn Enterprises Limited, now the oldest community development corporation in Canada. In the literature, the two are said to represent a common tradition in the region of trying to combat excessive external control of the economy through the creation of community controlled businesses. The tradition, however, is also an ideological one, with important continuities and discontinuities. The purpose of this article is to provide a critical assessment of these continuities and discontinuities by focusing on the activities and organizational forms adopted by each of the initiatives. The article identifies issues that arise out of democratic and non-democratic

1. A preliminary version of this article was presented at the Atlantic Association of Sociologists and Anthropologists Annual General Meeting, *Globalization: Its Dynamics, The Challenge, Strategic Responses*, Saint Mary's University, Halifax, Nova Scotia, October 22–24, 1998.

forms of CED practice. It is concluded that the Family's community development corporations represent, at best, a pale shadow of the promise for democratic and participatory CED contained in the co-operative and adult education program of the Antigonish Movement.

Introduction

Practitioners of community economic development (CED) in eastern Nova Scotia, Canada do not hesitate to trace their heritage back to the Antigonish Movement, a movement of co-operatives and adult education which began in the region in the 1930s. The Antigonish Movement has an important place in the history of co-operative development in Canada (MacPherson, 1975) and has been the focus of attention by activists and academics throughout the world (Doyle, 1995). Today's practitioners credit the Movement with providing both inspiration as to what can be achieved and with philosophical guidance. This article challenges the easy association these practitioners make with the Antigonish Movement by focusing on a network of community development corporations which exist in Cape Breton² today. This network, for reasons explained below, is referred to as the Family. It is argued that the continuity the Family claims with the Antigonish Movement is problematic because of important ideological discontinuities. More generally, the argument demonstrates what is at stake when practitioners adopt a non-democratic model for CED organization. In Canada (Shrage, 1997) and internationally (Craig and Mayo, 1995), the debate over democratic (bottom-up) and non-democratic (top-down) approaches to CED is crucial to how CED is to differentiate itself from conventional economic development. The aim of this article is to contribute to that debate.

The article begins with brief descriptions of the Antigonish Movement and the Family of community development corporations. It proceeds to document claims that the Antigonish Movement and the Family can be understood as part of a common tradition. The relevant ideological continuities and discontinuities are then discussed by looking at how each initiative approaches the issues of property and profit, governance and accountability, and education.

The Antigonish Movement

By most accounts, the Antigonish Movement³ was an inspired and innovative effort to respond to the dismal social and economic conditions of

2. Cape Breton is an island and is the eastern-most part of the province of Nova Scotia.

3. The Movement takes its name from the town of Antigonish, home of St Francis Xavier University. It was the Extension Department of the university which took the lead in organizing co-operatives and credit unions throughout eastern Nova Scotia.

farmers and fishers, and later, miners in eastern Nova Scotia in the 1930s. The inspiration and leadership came from two priests, Dr Jimmy Tompkins and Dr Moses Coady. Tompkins and Coady together fashioned a program of economic reform which drew variously on the ideals of progressive Roman Catholic social philosophy; practical lessons in social reform from university extension and adult education programs in Europe, the United States and Western Canada; and the promise of economic gains for workers and primary producers, as evidence in Great Britain, through the formation of co-operatives and credit unions (Alexander, 1997, chapters 4 and 6; Mathews, 1999). The innovation of the Antigonish Movement was its combination of a commitment to economic democracy through consumer co-operatives with a program of adult education that was to be brought directly to workers and primary producers (MacPherson, 1975; Lotz, 1997; Alexander, 1999). The vision was all encompassing. As Moses Coady put it:

We start with the simple things that are vital to human living and move on up the scale to the more cultural and refining activities that make life whole and complete. . . . Through credit unions, co-operative stores, lobster factories and sawmills, we are laying the foundations for an appreciation of Shakespeare and grand opera (Coady, 1939, p. 68).

Even if productions of Shakespeare and opera did not emerge to put the run to the fiddle and the rum in eastern Nova Scotia, there can be no question of the economic importance of the Antigonish Movement by the late 1930s. In 1938 in Nova Scotia co-operatives members numbered 10,000, with 142 credit unions, 39 co-op stores, 11 fish plants and 17 lobster factories (Alexander, 1997, p. 88). As for its adult education program, by 1940 the Antigonish Movement spawned over 1000 study clubs throughout the province. These study clubs or 'kitchen meetings' were facilitated by educational materials provided by the Extension Department of St Francis Xavier University. They were the foundation of regular conferences to discuss 'common educational, social and economic problems' (Coady, 1971, p. 90). Adult education for the Antigonish Movement was a way to liberate people by giving them the skills they needed to participate in a democracy (Welton, 1995). Co-operatives were a practical application of that goal. According to Coady, '[i]f we want real political democracy we must have economic democracy' (1971, p. 99).⁴ In line with Roman Catholic social philosophy as articulated in Pope Leo XIII's 1891 encyclical *Rerum Novarum* and later in Pius XI's 1931 encyclical *Quadragesimo Anno*, Coady tried to create middle ground between the excesses of unfettered capitalism and state controlled socialism (Alexander, 1997, pp. 47–64).

4. The ideals of the Antigonish Movement are still remembered and valued today. The consumer co-operatives and credit unions that resulted from the Movement face a steady barrage of criticism for becoming too bureaucratic and marginalizing the social message of Tompkins and Coady. See *University and Community, The Antigonish Movement: Beyond 2001*.

The Family of community development corporations

Today, in the United States and Canada, community development corporations are the organizational form usually associated with CED. The Cape Breton community development corporations discussed here are a group of corporations in industrial Cape Breton which de Roche (1998) describes as a distinct 'Family' of CED organizations. Family members include New Dawn Enterprises, the oldest community development corporation in Canada, BCA Holdings,⁵ New Deal Development Limited, and Tompkins Development Corporation, named in honour of Jimmy Tompkins. The concept of family suggests a number of common characteristics.

First, these corporations are situated in a quasi-urban setting, the Cape Breton Regional Municipality, which includes the former City of Sydney and large coal and fishing towns such as Glace Bay, New Waterford, North Sydney and Sydney Mines. Second, they are all structured as not-for-profit corporations which means that while they function as businesses, all profits must be reinvested and not distributed to individual shareholders. Third, their mission can be summed up as doing business with a community purpose, using business methods to address a community need, when both public and private sectors are hesitant or unable to do so. Fourth, volunteer directors are recruited and appointed according to their expertise and willingness to serve the mission. Fifth, as deRoche (1998) puts it, they share similar 'origins and inspiration' (end note, p. 223). MacSween (1994), the president of New Dawn Enterprises, argues that the origins and inspiration rest largely in the person of Father Greg MacLeod who has been a constant player in the Family as organizer, board member and intellectual mentor.

According to MacLeod (1986), New Dawn Enterprises emerged from the economic frustration that was mounting in Cape Breton in the early 1970s. Government efforts to kick start regional development in Atlantic Canada were either being ineffective, in the instance of heavily subsidized industry imports which would quickly leave to pursue richer incentives, or harmful by encouraging the collapse of 'unviable' communities through growth center strategies.

New Dawn Enterprises, by far the largest of the community development corporations, has over the past 20 years established a track record as a successful business and is playing a large role locally in the provision of health related services and housing. In 1996, New Dawn and the enterprises it owns had assets of \$20,000,000 and employed 100 people (MacSween, 1998, p. 81). BCA Enterprises, a not-for-profit venture finance enterprise (in the founding and management of which MacLeod and New Dawn were

5. BCA Holdings also uses the term 'family' to describe this group of community development corporations (1998, p. 19), but it is to Professor deRoche that I am most indebted for its applicability here.

key players) currently has an investment fund of \$1,000,000 and has pursued a mixed strategy of loans and equity financing in enterprises which face closure or the threat of off island ownership. BCA credits itself with creating or maintaining over 100 jobs (BCA, 1998, p. 2).

The Family of community development corporations is a strategic effort by a small group of people in the community. They volunteer their expertise and scarce time to work on behalf of the whole community. For MacLeod (1997), pp. 147–148 '[i]n a community business the board has to do what is best for the total community whether the total community is involved or not'.

The Antigonish Movement and the Family

Evidence for the argument that the phenomenon of the Family of community development corporations needs to be understood in light of the ideas and achievements of the Antigonish Movement is substantial. Within the Family itself, the link is explicitly acknowledged. For example, in a proposal submitted to the federal government's Atlantic Canada Opportunities Agency, BCA (1998) explained that its roots lie in the Antigonish Movement, arguing that the 'movement inspired community leaders to consider a local investment organization like BCA' (p. 19). MacSween states:

New Dawn's philosophy is grounded in the adult education principles and practices of the Antigonish Movement as established by Moses Coady and Jimmy Tompkins. Their emphasis on the value of co-operation and the potential of each community to determine its economic destiny serve as New Dawn's philosophical anchors (1998, p. 80).

Academics like Mason (1990) have identified the tradition of self-help in Cape Breton as fundamental to:

the emergence of community development initiatives in Cape Breton . . . [T]he vision and activities of the co-operative leaders of the 1920s and 1930s have . . . permeated the history of the Cape Breton area and coupled with the tradition of trade union activism the movement contributed much to the popular sense of self-reliance of the population (p. 15).

A well known commentator on community economic development, Jim Lotz (1998) considers New Dawn and the Antigonish Movement as part of a common history that has much to teach the outside world.

The Antigonish Movement flowered here, and the community economic development ventures that started with New Dawn have created a history of local achievement through which both local residents and government officials have learned much about working together in mutually beneficial ways. That history, in fact, is a rich and marketable resource (p. 253).

Continuities and discontinuities

So, what is the same and what is different about the Antigonish Movement and the Family of community development corporations? One obvious difference is that the Antigonish Movement favoured the co-operative form of enterprise. MacLeod (1998) argues that the Family's adoption of the community development corporation model is a practical innovation. 'The co-operative form', he states, 'has proven inadequate in the face of radical economic changes during the last 30 years or so. . . . It has not been flexible enough to create jobs and ensure economic survival in marginal economies' (p. 57).

Specifically, co-operatives are considered to be unifunctional, as dictated by the type of legislation that exists in Nova Scotia, and by the general tendency of the co-operative ownership model to veer toward a narrow understanding of its 'primary intent or concern . . . [as] the well-being of a special interest group: member-consumers or employees. Co-operatives normally claim to represent the good of their own members; usually they do not aspire to meet broader community goals' (MacLeod, 1998, p. 57).

The structure of community development corporations, in contrast, is established under legislation which allows a not-for-profit holding company to own for-profit subsidiary corporations which manoeuvre in the capitalist economy with the same flexibility as other conventionally incorporated enterprises. Moreover, community development corporation advocates argue, the model averts the problem of special interest groups because the structure reflects a trusteeship model in which the assets are managed in the name of, and can only be used for, the interests of the whole community. Thus, the values (communitarian values,⁶ MacLeod says) underpinning the Antigonish Movement and the Family are the same. They represent the continuity. It is simply the technique, the structure, that has changed. This, according to the Family, represents the discontinuity.

This article, however, takes the view that values and technique are not so easily divisible⁷ by looking at three issues which are important to understanding the ideological continuities and discontinuities between the Antigonish Movement and the Family of community development corporations. These are (i) notions of property and profit; (ii) mechanisms of governance and accountability; and (iii) the role of education.

Property and profit

One common sense view of a continuity between the Antigonish Movement and the Family would focus on the fact that co-operatives and community development corporations are not structures which have the maximization

6. For a critique of communitarian values in CED, see Sites, 1998.

7. This follows the Gramscian tradition of understanding values and technique as ideology, which constitute a 'material existence in the practical activities' in the lives of men and women (Simon, 1991, p. 59).

of profit as their primary end. Rather, property is something to be used to meet the needs of members, whether one is talking about members of the co-operative or members of the whole community. Profit may still be realized, but even then it is either redistributed to members *or* reinvested in the community. Thus, co-operatives and community development corporations socialize the ownership and use of both property and profit.

The difference is that Antigonish Movement co-operatives address their social purpose to individual consumers, who have consciously formed a collective organization for that very reason. Family community development corporations address their social purpose to the *whole* community. The trusteeship model of the community development corporations, however, means they need not be consciously formed by all, most, or even many of the people in a community. They only require the resources and expertise of a small group of people who have decided to band together in a corporation for the community good, not individual gain.

Mechanisms of governance and accountability

These understandings of social purpose inform the mechanisms of governance and accountability that operate in the co-operatives and the community development corporations. And here there is a significant discontinuity with respect to a strong commitment to democratic governance and accountability in the Antigonish Movement and a weak one in the Family. To use New Dawn Enterprises as representative of the latter, the corporation's directors are self-appointed according to criteria set by the directors themselves. The criteria have to do with ensuring the right mix of expertise at the board level and a commitment to New Dawn's community economic development mission. Officially, that mission is to be:

a community development corporation committed to establishing and operating locally-based ventures that contribute to the creation of a self-supporting community (New Dawn Enterprises, 1997).

Unofficially, MacSween (1998, p. 87) writes that the corporation is 'pre-occupied with re-making the Cape Breton community. . .'. This preoccupation is pursued through a structure which does not include democratic accountability to the community it is re-making. In fact, New Dawn deliberately keeps a low profile. The corporation's financial records and long term plans are not open to public input. In its rental housing units tenants are not given a forum, such as an advisory committee (let alone a seat on the board), to advise New Dawn's director's on quality of life issues in the apartment complexes. Froese and MacAulay (1997) report that New Dawn's tenants have little knowledge or appreciation of the fact that their landlord is a community development corporation. New Dawn is simply another landlord, albeit one that tenants believe manages things quite well.

In contrast, co-operatives are inherently democratic and participatory. As

Gregory Baum (1980, p. 191) points out, the Antigonish Movement was about organizing people to be 'co-owners of new enterprises for the distribution and, in some cases, the production of goods'. In her discussion of the centrality of democracy to Moses Coady's vision of society, Alexander (1997, p. 166) maintains that for Coady:

the adequate, sane, democratic social formula had to be such that all people, including the poor and those of 'low grade' intelligence, could make their contribution to the reconstruction of society. . . . Democracy was to be participation by the people in all the vital and important social processes – economic, political and cultural.

Clearly, the narrow trusteeship model of governance and accountability in community development corporations like New Dawn is discontinuous with the broader, more radical model of the Antigonish Movement. And, clearly, it is a stretch to imagine that the discontinuity can be explained as simply a technical flip. Underneath the two models are two distinct visions of human potential.

The role of education

This is brought out especially in the role of education in the Antigonish Movement and in the Family of community development corporations. Adult education was a central component of the Antigonish Movement and was viewed as integral not only to well functioning co-operative enterprises, but also to the type of societal transformation the Movement sought to achieve. The normative role of adult education was to 'mobilize people', to encourage them to 'exercise [their democratic] freedoms' through the study and changing of society (Alexander, 1997, p. 112). In his philosophy and practice of adult education, Moses Coady has been compared to Paulo Freire.⁸ Armstrong (1977, p. 1) argues that 'social freedom and justice through reflective self-awareness and active participation within a changing and changeable environment is basic to both'.

As noted above, MacSween (1998), argues that New Dawn is 'grounded in the adult education principles and practices of the Antigonish Movement'. It is difficult to see how this argument can be sustained. The Family of community development corporations has never had, nor encouraged, a program of adult education in Cape Breton similar to the study clubs which flourished in the hey day of the Antigonish Movement. Neither does it present itself through local media as a popular, grassroots critic of economic development in Cape Breton. Perhaps MacSween is referring to the educational process and experimentation the corporations have had to endure in the past twenty years. He does describe New Dawn as a 'educational

8. See Blackburn, 2000 for a discussion of Freire and community development.

event' (MacSween, 1994, p. 216), one that has had to feel its way along through financial crises and successes. This reification of the organization as having the capacity to learn, however, removes humans from the educational process. Moreover, even if we do assume that it is humans *in* the organization that actually *do* the learning, the structure of the corporation limits the learning to staff and a self-appointed board of trustees, with no mechanism in place to transfer the learning to the community.

Ultimately, the Family of community development corporations seems to be operating with a pessimistic vision of human potential; one that assumes it is unimportant if most people in the community do not participate in the 're-making' of their community. The community good can be pursued through structures which are not democratically accountable to anyone. This represents more than a simple difference in technique between the Family and the Antigonish Movement. Rather, it is ideologically antagonistic to the Antigonish Movement's strong commitment to democracy and participation and Moses Coady's (1939) call for all people to be 'masters of their own destiny'. It places co-operatives in what Fontan calls the progressive tradition of CED in which 'notions of social solidarity, individual and collective empowerment and actual control over local resources and their local development are at the heart of the desired change' (cited in Brodhead, 1994, p. 2). This is in contrast with the liberal tradition which adopts a narrow business development approach.⁹

Conclusion

It is clear that Antigonish Movement has had an influence on the CED activity that is occurring in eastern Nova Scotia today. The mere fact that the Family of community development corporations presents itself as part of the same tradition confirms the Movement's importance as a legitimator of current practice. The Family says that the values underpinning the Antigonish Movement are its own, even if there have been some changes in technique.

Ideas and practice are dialectically related, however; and this article has critically assessed important aspects of the activities and organizational structure of the Family's community development corporations. Contrary to claims of the Family and outside observers, it has argued that significant ideological discontinuities exist between the two initiatives. These discontinuities mean, in practice, that insofar as CED can be understood to value 'democratic control of institutions and programs at the local level through a process of collective empowerment' (Shrage, 1997, p. xvi) the co-operative model of the Antigonish Movement contains more promise.

9. MacSween, 1998, argues that New Dawn is part of the progressive tradition, but the corporation's weak commitment to democracy makes this claim questionable.

Scott MacAulay is Assistant Professor at University College Cape Breton.

Address for correspondence: Department of Social Science and Practice, University College of Cape Breton, PO Box 5300, Sydney, Nova Scotia, B1P 6L2, Canada. Email: smacaulay@uccb.ns.ca

Bibliography

- Alexander, A. (1997) *The Antigonish Movement: Moses Coady and Adult Education Today*, Thompson Educational Press, Toronto, Canada.
- Baum, G. (1980) *Catholics and Canadian Socialism: Political Thought in the Thirties and Forties*, James Lorimer and Company, Toronto, Canada.
- BCA Holdings Limited (1998) *Venture Capital/Investment Fund*, proposal submitted to the Atlantic Canada Opportunities Agency, BCA Holdings Limited, Sydney, Nova Scotia, Canada.
- Coady, M. (1939) *Moses Coady: Masters of Their Own Destiny*, Harper and Row, New York, NY.
- Coady, M. (1971) In A. F. Laidlaw, ed., *The Man from Margaree: Writings and Speeches of M. M. Coady*, edited by Alexander F. Laidlaw, McClelland and Stewart, Toronto, Canada.
- de Roche, C. (1998) Through a glass darkly: looking for CED, in G. A. MacIntyre, ed., *Perspectives on Communities: A Community Economic Development Roundtable*, University College of Cape Breton Press, Sydney, Nova Scotia, Canada.
- Doyle, I. (1995) The Antigonish Movement beyond the Atlantic region, paper delivered at Colloquium, 1995, *University and Community, The Antigonish Movement: Beyond 2001*, St Francis Xavier University, Antigonish, Nova Scotia, October 4–5.
- Froese, S. and MacAulay, S. (1997) The meaning of community in co-operative and community development corporation housing, paper presented at the Annual General Meeting of the Atlantic Association of Anthropologists and Sociologists, Acadia University, Wolfville, Nova Scotia, September 26–27.
- Lotz, J. (1997) The beginning of community development in English-speaking Canada, in B. Wharf and M. Claque, eds, *Community Organizing: Canadian Experiences*, Oxford Press, Toronto, Canada.
- Lotz, J. (1998) Marginality, liminality and local development, in G. A. MacIntyre, ed., *Perspectives on Community: A Communities Economic Developments Roundtable*, University College of Cape Breton Press, Sydney, Nova Scotia, Canada.
- MacIntyre, G. A., ed. (1998) *Perspectives on Communities: A Community Economic Development Roundtable*, University College of Cape Breton Press, Sydney, Nova Scotia, Canada.
- MacLeod, G. (1986) *New Age Business: Community Corporations That Work*, Canadian Council on Social Development, Ottawa, Canada.
- MacLeod, G. (1997) *From Mondragon to America: Experiments in Community Economic Development*, University College of Cape Breton Press, Sydney, Nova Scotia, Canada.
- MacLeod, G. (1998) The community business corporation: *La Empresa Social*, in G. A. MacIntyre, ed., *Perspectives on Community: A Communities Economic Developments Roundtable*, University College of Cape Breton Press, Sydney, Nova Scotia, Canada.

- MacPherson, I. (1975) Patterns in the maritime co-operative movement, *Acadiensis*, 5(1), 67–83.
- MacSween, R. (1994) *The Values Underlying a Community Development Corporation*, unpublished Ed.D. thesis, Ontario Institute for Studies in Education, Toronto, Canada.
- MacSween, R. (1998) New Dawn Enterprises Limited: A community economic development experiment, in G. A. MacIntyre, ed., *Perspectives on Community: A Communities Economic Developments Roundtable*, University College of Cape Breton Press, Sydney, Nova Scotia, Canada.
- Mason, C. (1990) Community development corporations and local economic regeneration in Canada: the Cape Breton experience, paper presented at the Annual Conference of the British Association for Canadian Studies, Liverpool, April 17–20.
- Mathews, R. (1999) *Jobs of Our Own*, Pluto Press, Sydney, Australia.
- New Dawn Enterprises (1997) *Annual Report*, New Dawn Enterprises Limited, Sydney, Nova Scotia, Canada.
- Simon, R. (1991) *Gramsci's Political Thought: An Introduction*, Lawrence and Wishart, London, UK.
- Sites, W. (1998) Communitarian theory and community development in the United States, *Community Development Journal*, 33(1), 57–65.
- University and Community, *The Antigonish Movement: Beyond 2001* (1995) proceedings of Colloquium, 1995, St Francis Xavier University, Antigonish, Nova Scotia, October 4–5.
- Welton, M. (1995) Fraught with Possibilities: Jimmy Tompkins and the Struggle for a People's Catholicism, in the proceedings of the Adult Education Research Conference, University of Alberta, Edmonton, Alberta.