

OECD Global Action on Promoting Social and Solidarity Economy Ecosystems

Canada does not have a framework around the social and solidarity economy (SSE) at the national level. In the country, around **2.5 million** people were employed in non-profit institutions, representing **15.3% of total employment** in 2021. Women represented **76.7%** of non-profit employment in 2019.

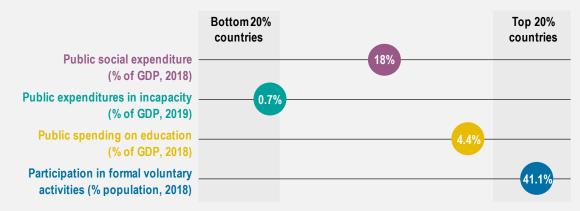
# **SOCIO-ECONOMIC INDICATORS**

Canada is a federation of thirteen provinces and territories with a federal government. It is a high-income country with a very high human development level.

	GDP per capita	Labour force participation rate	Youth not in employment, education or training (NEET)	Poverty rate	Gini coefficient	Rural population	Stakeholder engagement for developing regulations
Canada	USD 58 348	79.8%	13.7%	8.6%	0.280 / 1	27.0%	2.9 / 4
OECD	USD 53 937	73.2%	14.8%	11.0%	0.313 / 1	23.1%	2.1/4

Note: Data from Hungary refer to 2022, except for NEET (2021), poverty rate (2020), Gini coefficient (2020) and stakeholder engagement (2017). OECD data refer to 2022, except for poverty rate (2018), Gini coefficient (2020) and stakeholder engagement (2017). GDP per capita for OECD is an estimated value. The share of rural population for Canada is an estimated value. See sources at the end of the document.

## **Country position in selected social indicators**



Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

## SOCIAL AND SOLIDARITY ECONOMY ECOSYSTEM

## Definition of the social and solidarity economy in Canada

No official definition of the SSE is available in the country at the national level.

A definition of the social economy is available in the Quebec Province (see 2013 Social Economy Act, Article 3).



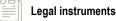
This Country Fact Sheet is prepared in the framework of the <u>OECD Global Action "Promoting Social and Solidarity</u> <u>Economy Ecosystems</u>", funded by the European Union. It is part of a series of country pages that provide information and relevant data on the social and solidarity economy ecosystems across the world.

## Institutional frameworks



#### Institutions

The Government of Canada has established the Social Innovation and Social Finance (SI/SF) Strategy with the aim to improve access to financial opportunities for social purpose organisations (SPOs). Key initiatives of the Strategy include (i) Investment Readiness Program (IRP): grants and contributions funding of USD 100 million over 5 years, and (ii) Social Finance Fund (SFF): investment funding of USD 755 million over 10 years, (iii) Social Innovation Advisory Council (SIAC): advisory group that provides strategic advice to help advance the SI/SF strategy. On the subnational level, provinces are advancing the social economy further through legislation, strategies, action plans and other support mechanisms (e.g. Quebec Social Economy Action Plan 2015-2020).



On the subnational level, Quebec has a Social Economy Act (2013).



Stakeholder engagement

The Canadian Community Economic **Development Network** (CCEDNet) seeks to increase public demand and political action for policies and programs that support Community Economic Development. It also helps its members find the resources and relationships they need to build more sustainable, equitable and inclusive locallycontrolled economies. In Quebec, innovative territories in the social and solidarity economy (TIESS) contributes to regional development through knowledge transfer in the SSE.

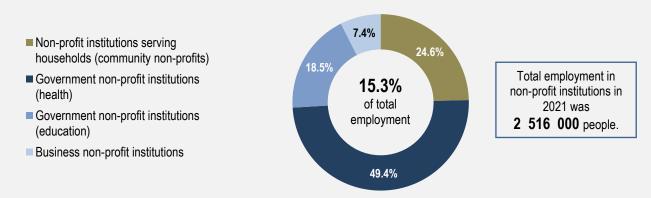
## **Main figures**

In Canada, around 2.5 million people were employed in non-profit institutions, representing 15.3% of total employment. Human health services had the highest share of non-profit employment with 44.7%. Women represented 76.7% of non-profit employment in 2019. The GDP of the nonprofit sector was estimated to be around CAD 200.2 billion in 2021.

The scope includes non-profit institutions, namely entities in the third sector that are neither part of government nor of the private

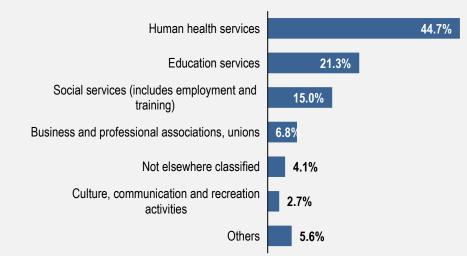
SCOPE sector, as defined in the Canadian satellite account for non-profits and volunteering. For purposes of national statistics, non-profit institutions are grouped under three categories, irrespective of their legal forms: community, business and government non-profit institutions. Only entities not directly controlled by government are included in the scope.

#### Employment in non-profit institutions (2020)

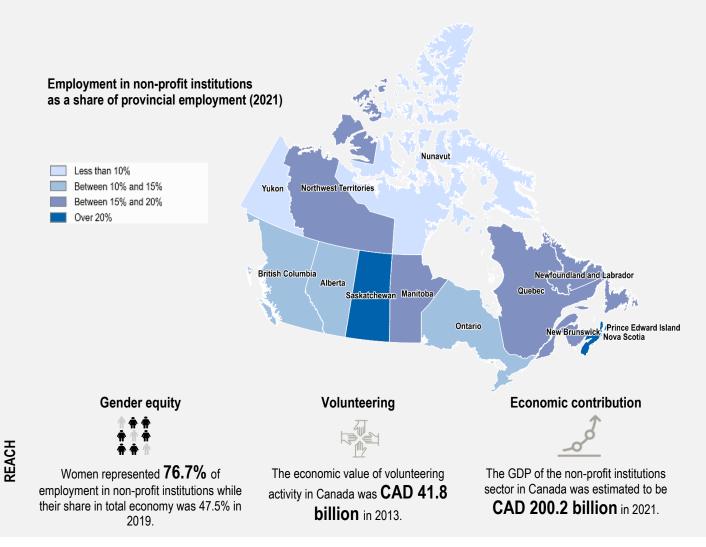


Note: Employment information is provided in headcounts.

#### Employment in non-profit institutions by sectors of activity (2021)



Note: Others include philanthropic intermediaries and voluntarism promotion; community and economic development, and housing activities; civic, advocacy, political and international activities; religious congregations and associations; and environmental protection and animal welfare activities. Detailed information for other activities is not available



### Legal frameworks

Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

For the SSE	<ul> <li>Quebec: Social Economy Act (2013) - <u>Link</u></li> </ul>
For specific SSE entities at national and subnational level	<ul> <li>Insurance Companies Act (1991). Mutuals – <u>Link</u></li> <li>Canada Cooperatives Act (1998) – <u>Link</u></li> <li>Not-for-profit Corporations Act (2009). Associations – <u>Link</u></li> <li>Income Tax Act (1985). Registered Charities – <u>Link</u></li> <li>Canada Business Corporations Act (1985). Social Enterprises – <u>Link</u></li> <li>Cooperative legislation: Yukon, Northwest Territories, Nunavut, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador - <u>Link</u></li> <li>British Columbia: Business Corporations Act (2013) - Community Contribution Companies - <u>Link</u></li> <li>Nova Scotia: Community Interest Company Act (2012) - <u>Link</u></li> </ul>
	Ontario: Credit Unions and Caisses Populaires Act (1994) - Link

Note: The list above is not exhaustive of all existing legal frameworks around SSE in Canada.

## **Fiscal treatment**

Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

Fiscal treatment of SSE entities	Fiscal treatment for contributors in the SSE
<ul> <li>Non-profit organisations and registered charities are exempt from income tax, including tax on capital gains.</li> <li>In some provinces, non-profit organisations also benefit from tax exemptions on goods and services (GST).</li> </ul>	Not available.

## Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.

$( \begin{array}{c} & & & \\ & & & \\ & & & \\ & & & \end{array} )$ Capacity support initiatives	Guidance-based initiatives				
<ul> <li>Common Approach to Impact Measurement (2018) △ Carleton University, The Government of Canada's Investment Readiness Program (IRP)</li> <li>Evaluation and impact measurement in social economy <u>TIESS</u> (2019) △ Innovative territories in the social and solidarity economy (TIESS) with funding from the Quebec Ministry of Economy and Innovation</li> </ul>	<ul> <li>Learning together: Five important discussion questions to make evaluation useful (2016) △ Ontario Nonprofit Network. Partnership Grant through the Ministry of Citizenship and Immigration of Ontario</li> <li>Measuring impact by design (2019) △ Impact Canada - Impact and Innovation Unit</li> <li>MaRS White Paper Series: Social Entrepreneurship. Social Impact Metrics (2010) △ MaRS Discovery District, funded by the Government of Ontario</li> <li>Online platform Mission. Model. Measure (2019) △ Government of Canada as part of S4ES project</li> </ul>				
Policy framework					

Ontario Social Enterprise Strategy 2016-2021 (2015) △ Ontario Ministry of Economic Development and Growth

Note: Capacity support initiatives offer dedicated funding or training from specialised intermediaries and mobilise networks of expertise and other resources. Guidance-based initiatives deliver guidance on social impact measurement approaches, which are tailored to the specific needs of the social and solidarity economy. Policy frameworks create enabling conditions and set targeted incentives to conduct social impact measurement.

### FURTHER READING ON THE SSE IN CANADA

Canada Satellite Account of Non-profit Institutions and Volunteering | Elson, Hall and Wamucii: Canadian National Social Enterprise Sector Survey Report 2016 | Canadian Community Economic Development Network (CCEDNet) | Territoires innovants en économie sociale et solidaire (TIESS)

#### **DATA SOURCES**

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, <a href="https://doi.org/10.1787/na-data-en">https://doi.org/10.1787/na-data-en</a>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <a href="https://doi.org/10.1787/data-00310-en">https://doi.org/10.1787/na-data-en</a>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <a href="https://doi.org/10.1787/data-00310-en">https://doi.org/10.1787/data-00310-en</a>; NEET (15-29 year olds, all levels of education): OECD Education at a Glance 2022, <a href="https://doi.org/10.1787/data-00654-en">https://doi.org/10.1787/data-00654-en</a>; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, <a href="https://www.oecd.org/social/income-distribution-database.htm">https://doi.org/10.1787/data-00654-en</a>; Rural population (OECD): OECD, CFE Regions and Cities databases, <a href="https://www.oecd.org/social/income-distribution-database.htm">https://www.oecd.org/social/income-distribution-database.htm</a>; Rural population (OECD): OECD, CFE Regions and Cities databases, <a href="https://doi.org/10.1787/data-00654">https://doi.org/10.1787/data-00654</a>-en; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, <a href="https://www.oecd.org/social/income-distribution-database.htm">https://www.oecd.org/social/income-distribution-database.htm</a>; Rural population (OECD): OECD, CFE Regions and Cities databases, <a href="https://doi.org/10.1787/data-00654">https://doi.org/10.1787/data-00654</a>-en; Battes contextice, <a href="https://doi.org/10.1787/data-00654">https://doi.org/10.1787/data-00654</a>-en; Public social expenditures: OECD Social Expenditure Database (SOCX), <a href="https://doi.org/10.1787/data-00654">https://doi.org/10.1787/data-00654</a>-en; Publi
- SSE data were collected through OECD questionnaire circulated in May 2022. The data for Canada were provided by the Department of Employment and Social Development based on Satellite Account of Non-profit Institutions and Volunteering.
- Further information on the methodology followed in the country fact sheets can be found <u>here</u>.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



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