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# Collective Entrepreneurship and Regional Development: Case Study of a New Brunswick Cooperative\*

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## Abstract

In this article, we address the question of regional development by arguing that a new approach motivates government policies at this level. We present the case study of a cooperative representing a strategy of a community trying to better control its socio-economic destiny. By taking charge of its destiny and influencing the rules that will preside over its socio-economic development, the community (including employees) is thus able to influence the orientation of its development according to the larger needs of the community. In other words, an opportunity is created to define socio-economic development according not only to economic demands, but also to cultural and social ones within the community. Many situations present themselves on the continuum that goes from strictly private entrepreneurship that first and foremost satisfies the needs of the owners, to collective entrepreneurship geared towards serving the association of workers and the community's interests. Our case study demonstrates the role played by the mobilization of certain social actors in the community, in the creation of a collective enterprise. It also shows how the conditions of this entrepreneurial effort may prevent the redefinition of economic rules that would not easily allow a development based, at least in part, on the larger demands of the community.

## Introduction

In the social sciences, an enterprise is generally seen as coming from society (Sainsaulieu, 1990), that is to say, as the product of the society in which it is based. The enterprise comes from society in the sense that it represents a way through which members of a

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society can satisfy their needs. From that perspective, the form the enterprise takes, its very organization, is not unrelated to the social issues affecting that society. We should thus see the enterprise in a new light. Rather than appearing as an autonomous – or independent – entity, resulting from the initiative of a single entrepreneur, it presents itself as the result of a collective will, a collective effort. If all enterprises are to be seen this way, it is still important to note that some of them seem to evolve independently of their immediate social context, following the individual interests of their owners. However, other entrepreneurial forms, stemming from a collective initiative and the association of its members can better reflect the interests of a community.

The study of such collective enterprises will serve to update, globally, the issues that are part and parcel of socio-economic development in the surrounding society. Socio-economic difficulties that characterize several regions can favor such collective initiatives, pointing the way toward solutions to the developmental issues faced by these regions.

In this article, we first address the question of regional development to demonstrate that a new approach motivates government policies at this level. We then present a socio-economic profile of New Brunswick to better appreciate what is at stake when we consider regional development in this Canadian province. Finally, the case study of an enterprise presents an original strategy of a community trying to better control its socio-economic destiny. This case further illustrates that enterprises rooted in their respective communities offer the latter a better control over their own development.

## A new political approach to regional development

Studies in regional development show a change in orientation regarding the development of laggard regions with government not as ready to intervene in the top-down fashion it did so often in the past (Chiasson, 1998). Indeed, if the State retains a role in the socio-economic development of regions,<sup>1</sup> that role is defined in concert with the regions taking charge of their own development. From that new perspective, local resources whether they are economic, cultural or social, find their strategic value in the socio-economic development of regions. Even if the State still contributes economically, it seems that regional development can no longer be understood without taking into account each region's cultural and social dimensions.

A strictly economic, not to say technocratic, approach would not be sufficient to foster regional development (Lévesque *et al.*, 1996). Some studies have shown that

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<sup>1</sup> We are talking about the socio-economic development of regions so as to emphasize that it encompasses not only an economic dimension, but as well social, cultural and political dimensions; that it is defined through social, cultural and political frameworks; and that it contributes to the global social life of regions.

regional economic development relies upon social and cultural factors (Chiasson, 1998; Klein, 1992) but there is a risk that these factors could be instrumentalized by the State using them for strict economic/accounting goals. To escape this trap, the recognition of the importance of social factors needs to be accompanied by the recognition of the relative autonomy of communities striving for empowerment, to take charge of their own development. At the same time, these factors remain the condition for local autonomous undertaking of economic development (Chiasson, 1998). Without getting into the debate that has surrounded this question, let us underscore the importance that this socio-cultural aspect has taken in economic regional development.<sup>2</sup>

One can appreciate the importance that aspect has taken today in the usage made of notions of social capital and networking that, briefly stated, try to demonstrate the role assumed by the links between individuals in economic development and business practices (Lévesque and White, 1999). Notions of local governance and empowerment attempt to illustrate the role of the local political dimension in economic development (Methot, 1999; Jenson, 1999; Hewit de Alcantara, 1999). Similarly, the notion of social cohesion tries to demonstrate how the different socio-economic actors (local, regional and state) contribute to the reinforcement of ties between members of the community.

It is important to note that this trend to resort to local resources lies in the broader context of the disengagement of the State, which is redefining itself into a supporting role rather than a leading role in regional development efforts. Klein (1992:200) reminds us that regional development policies, were part of the Welfare State and as such could be considered as the “spatial dimension of the Welfare State”. Regions facing challenges and/or lagging socio-economically were thus considered a brake slowing the development of the national economy. With the transformation of the Welfare State came the redefinition of regional policies where communities *de facto* became more and more responsible for their development. Some even go as far as to argue that regions would be better off if market forces were allowed to operate unfettered (McMahon, 1996, 2000a, 2000b).

In such a context, regions are led to mobilize around socio-economic development initiatives. This fosters the “emergence of the local” (Methot, 1999; Lévesque, 1999; Favreau, 1998), which, in turn, has become an important theme in regional development. In this article, we present a case study that helps to illustrate what special shape this “emergence of the local” can take in the New Brunswick context. This case study looks at an enterprise whose creation and existence result from a collective initiative. The case illustrates a collective initiative in the forestry sector, where loggers have banded together in order to protect their jobs and improve their working conditions. This case study will allow us to better understand the role played by the social dimension in regional development as well as appreciate how various forms of collective enterprises can be effective tools in regional development efforts. Before

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<sup>2</sup> This question reflected on the terrain all the tension that prevailed, and still prevails, between community and state approaches to regional development.

presenting the case study, we will briefly outline what is at stake in regional development in the New Brunswick context.

### **Economic development in New Brunswick**

New Brunswick (see map in appendix A) is a province of Canada located on the East Coast. It has a population of approximately 730,000, of which over a third have French as a first language while nearly all the rest have English as a first language. The vast majority of the francophone population consider themselves “Acadians”, decedents by birth or by “adoption” of the settlers of Acadia, a French colony founded in 1704 in what are now broadly the three maritime provinces of Canada, including New Brunswick. This province has been a privileged recipient of the economic development policies of the central state (Savoie, 1992).

The existence of government programs to foster regional development is a relatively new phenomenon (Savoie, 1992; Desjardins, 1993). This issue was first brought up by the Gordon Commission, which indicated that specific and important measures were required to improve economic development prospects for the four eastern provinces of Canada (Atlantic Canada). A first program was created in the very early 1960s by the Diefenbaker government. The program’s objective was to foster development in regions with high unemployment and low growth.

Over the next four decades, a panoply of programs was created, using different approaches. During the late 1960s and early 1970s, growth pole theory was very popular. Government programs, inspired by François Perroux’s thesis (Perroux, 1988), focused on growth areas in lagging regions in order to generate development. By the late 1970s, the number of regions covered by these efforts had multiplied to include much more prosperous regions than the initial ones. Also during the later 1970s, the federal government relocated some services – and the jobs associated with them – in lagging regions. By the early 1980s, industrial development had become popular and regional development programs were modified accordingly. Finally, by the mid-1980s, entrepreneurship became the focus of regional development efforts.

There were also critiques of these various approaches. In New Brunswick in the early 1980s, Pierre Poulin advocated local development so as to allow communities to take charge of their socio-economic development. This perspective was taken up again and developed by different authors in the 1990s. In that period, authors of local, regional and community development opted for “valuing the possibilities intrinsic to each region by encouraging initiatives from within the milieu itself and cooperation between local and regional agents” (Côté, 1993; our translation). The same general orientation can be found in Higgins and Savoie (1994) who claim that we need to “focus local and regional development programs on problems and potentials particular to smaller regions” (our translation).

It is in the following terms that Gilles Paquet (1996) of the University of Ottawa

puts the problem of small communities in the new economic world order: either small communities will find their place in that new order or they will disappear. For Acadian society, this means that “small communities have an extraordinary chance to build a more important place for themselves in the new economic world order than the devolution of governance previously led to believe” resulting in a weakening of the nation-state (Paquet, 1996; our translation). Following in those footsteps, Cyr, Duval and Leclerc specify that “the milieu will be creative if it undertakes and innovates; [...] it is through a spirit of innovation and enterprise that small communities can assert their independence” (Cyr, Duval and Leclerc, 1996; our translation). Gagnon and Klein (1992) however, stress that local communities are endowed with unequal resources, and that we are witnessing an increase in social and territorial inequality, the marginalization of resource-regions, and the exclusion of the rural and peripheral communities. Hence the importance, in their opinion, of reinforcing dialogue and a partnership approach in order to revalue peripheral local spaces and reinforce a feeling of belonging to those territories.

To this socio-economic challenge we must add a socio-cultural challenge, since Acadian communities must fight linguistic assimilation and a loss of identity that are often the end result of leaving rural francophone areas (Bassand, 1992; Desjardins, 1996). They must insure the socio-economic vitality of their territory in order to preserve their local populations. Consequently the challenge to create jobs in principally Acadian regions is a major issue for Acadian society, not only from an economic angle, but from a cultural one as well. Recent studies on local entrepreneurship show that Acadian regions compare well with the rest of the province. Again, according to Cyr, Duval and Leclerc (1996), of the Université de Moncton, “the number of manufacturing businesses per inhabitant was higher in Acadian regions than in Anglophone ones, small and medium sized enterprises (SMEs) played a more important role in the net creation of jobs in Acadian regions, and Acadian businesses exploited outside markets more than those of the rest of the province”. One obstacle remains, however. Just as Côté (1993) pointed out 20 years ago during a conference at the Université de Moncton, a very significant number of jobs are still directly tied to the transformation of natural resources, which often presents a major obstacle to economic development in those regions. The two principal challenges presented – in Acadian regions – by these sectors stem from their seasonal nature as well as their limited prospects for growth and, consequently, for generating further employment.

On the socio-cultural level, colleagues at the Université de Moncton do not fail to point out that even if assimilation has more or less been neutralized in Acadian regions in the North of the province, in the economically more dynamic Southeast, particularly in the Moncton region, assimilation proceeds at a rate of 7 to 8 percent. In the rest of the province, especially in the very Anglophone regions of Saint John and Fredericton – again economically more dynamic than the North, the rate of assimilation “will hit 46 percent” (Cyr *et al.*, 1996:14). Job creation and socio-economic development in rural regions thus remain an imperative, both economically and culturally.

## Socio-economic profile of New Brunswick

New Brunswick has three dominant economic poles: the cities of Moncton, Fredericton and Saint John, though the latter has faced some difficulties due notably to the industrial structure of its economy. A breakdown of the province's key socio-economic indicators (see Tables 1 and 2) confirms this statement and highlights the urban-rural duality that exists in the province. It is important to note, however, that we find relatively prosperous zones in rural areas situated in proximity to urban centres. This can be seen in Table II from the data on the percentage of individuals that work in their residential census subdivision (CSD) and on the percentage of individuals that work in another CSD but still in their census division (CD) of residence.

**Table 1: Socio-economic profile of New Brunswick, by county, 1996 or 2001, part 1<sup>3</sup>**

Territory	Population (2001)	Population Variation 1996 to 2001 %	Francophone Population (1996) %	Participa- tion rate <sup>4</sup> %	Employment / Population 15 years + %	Unemploy- ment rate %
New Brunswick	729,498	-1.2	33.0	62.2	52.6	15.5
Albert	26,749	1.0	5.0	67.3	60.8	9.6
Carleton	27,184	1.0	1.6	64.0	57.4	10.4
Charlotte	27,366	0.1	2.0	62.8	48.1	23.5
Gloucester	82,929	-5.3	83.7	57.3	44.9	21.7
Kent	31,383	-2.2	75.7	61.1	46.4	24.0
Kings	64,208	-0.8	2.9	65.9	59.1	10.3
Madawaska	35,611	-3.3	94.4	59.9	51.1	15.0
Northumberland	50,817	-2.6	26.9	57.9	43.7	24.6
Queens	11,862	-4.9	5.3	55.3	44.0	20.5
Restigouche	36,134	-6.6	62.1	55.9	43.0	23.0
Saint John	76,407	-3.7	4.5	59.5	50.6	15.0
Sunbury	25,776	1.6	7.8	68.6	60.9	11.2
Victoria	21,172	-3.5	41.5	60.9	50.4	17.2
Westmorland	124,688	3.4	40.7	64.9	57.7	11.1
York	87,212	1.7	6.0	67.7	60.3	10.9

Source: *Statistics Canada, 1996 and 2001 Census Data.*

<sup>3</sup> Note that the only data available from the 2001 census is, at this time, population data. Consequently, for other variables, we use data from the 1996 census.

<sup>4</sup> That means the percentage of active working population.

**Table 2: Socio-economic profile of New Brunswick, by county, 1996, part 2**

Territory	Working in CSD where living	Working in other CSD	Other CSD, same SD	Composition of total revenue (%)		
				Employ- ment revenue	Government transfers	Other
		%				
New Brunswick	36.2	48.6	33.3	71.0	19.7	9.2
Albert	12.7	71.1	5.1	75.6	13.3	11.1
Carleton	14.1	65.7	60.0	70.8	21.0	8.2
Charlotte	31.9	48.6	43.6	66.8	23.7	9.5
Gloucester	26.3	58.2	52.2	68.2	26.4	5.4
Kent	23.1	58.2	29.7	63.8	30.8	5.4
Kings	8.3	75.4	24.9	76.9	13.1	10.0
Madawaska	31.8	53.2	42.8	71.0	21.8	7.1
Northumberland	36.6	46.9	41.0	67.4	25.5	7.1
Queens	22.6	54.9	26.8	64.0	27.4	8.7
Restigouche	31.4	55.1	51.0	65.8	25.7	8.5
Saint John	76.4	10.8	5.5	68.1	20.3	11.6
Sunbury	28.8	58.0	15.3	76.7	14.7	8.6
Victoria	32.6	46.4	39.5	66.5	25.3	8.2
Westmorland	41.7	45.4	39.8	72.5	17.5	10.0
York	50.3	35.3	28.7	74.7	13.7	11.6

Source: *Statistics Canada, 1996 Census Data.*

The data also reveals very important regional disparities. Peripheral counties – far from the larger urban centres – have experienced between 1996 and 2001 an important decrease of their population (ex: Restigouche, Gloucester, Madawaska, Northumberland, Victoria, etc.) It is in these counties that we find a very important part of New Brunswick's Acadian community. Francophones are the principal linguistic group in four counties (Gloucester, 84 percent; Kent, 76 percent; Madawaska, 94 percent and Restigouche, 62 percent) and “strongly represented” in three others (Victoria, 42 percent; Westmorland, 41 percent and Northumberland, 27 percent). It turns out that, with the exception of Westmorland county – where Moncton is located – and the south of Kent (located close to Moncton), the other primarily francophone regions are relatively far from the three “dynamic poles” of the province.

As for the job market (activity rate, relationship between employment and population of 15 year old and older, unemployment rate), census data reveals that in the seven counties with an important francophone presence, only Westmorland County shows a superior performance to the provincial average. It must be mentioned however that rural anglophone counties also record difficulties (ex: Queens, Charlotte).

When looking at the composition of total income, the situation is not very different than the one prevalent in that of the job market. With the exception of Westmorland, in the counties where francophones are principally found, the portion



of total revenue generated by employment is inferior to the provincial average, while the portion of total revenue generated by governmental transfers is superior to the provincial average. Once again, we find this same trend in the anglophone rural counties (ex: Carleton, Charlotte, Queens). Is the nature of these disparities in New Brunswick between francophones and anglophones, or between urban and rural regions? Table 3 seems to confirm the trend detected in Tables 1 and 2, suggesting that the disparities are indeed urban-rural rather than francophone-anglophone.

In Table 3, the province is divided into three regions, according to the proportion of francophones in each. We can see that in each of the regions, francophones generally have a better performance than anglophones on the job market. If the disparities were francophones-anglophones, we should find the results favoring anglophones regardless of the region. This is not the case. The disparities are regional, of an urban-rural nature. The scope of the challenge in the Acadian community is highlighted by the fact that the majority of francophones can be found in rural regions, relatively far from urban centres.

**Table 3: Participation and unemployment rates by language in New Brunswick, 1991 and 1996**

	Counties with francophone majority		Counties with strong francophone representation		Rest of New Brunswick	
	1991	1996	1991	1996	1991	1996
<i>Participation rate (%)</i>						
Anglophones	58.9	58.2	62.0	62.4	64.9	64.2
Francophones	59.8	58.2	63.0	62.9	69.0	68.0
<i>Unemployment Rate (%)</i>						
Anglophones	22.7	20.2	15.8	15.5%	12.1	13.0
Francophones	21.2	21.1	15.6	14.4%	10.7	9.6

Source: Statistics Canada, 1991 and 1996 Census Data.

The case studied in this article, Forestry Workers Association (Allardville), is located in a region with a strong francophone majority, Gloucester, where 84 percent of the population is francophone. Moreover, this region is at the periphery of the three previously identified poles of economic development.

Looking at Tables 1 and 2 we can see that this county faces, on average, more problematic socio-economic conditions than the rest of the province. This may explain why the inhabitants of Gloucester have a greater probability of working in another census subdivision than their own. This unfavorable socio-economic context may also explain the shape that entrepreneurship can take in the case presented in the following section.

## The case of the Acadie-Bathurst Forestry Workers' Association

The history of this cooperative begins in 1993 when 150 forestry sector workers came together to form the Acadie-Bathurst Forestry Workers Association (ABFWA). The co-op association office is located in Allardville in Gloucester County. The goal was to improve working conditions for these workers employed by Stone Consolidated at Bathurst. Both their remuneration and their working conditions were judged unsatisfactory. The salary was barely enough to sustain the lives of the workers' families, a situation made worse by the many delays that prevented the workers from getting their pay checks at the appropriate time. As for working conditions, one of our contacts indicated that "many loggers claimed they risked their lives to make a living for themselves" (our translation). Among other things, moonlighters as well as the arrival of forestry workers from other regions coming to exploit the resources in the North of the province threatened these workers' jobs. It should be noted that most forestry workers from the North did not belong to a labor union. As we shall see, their association, later incorporated into a cooperative, assumed the function of an association – defending the democratic interests of the workers – as well as assuming an entrepreneurial objective – seeking out logging contracts to insure continued employment.

These objectives came to fruition in a context that is important to present. It appears to be a response to the problems highlighted by the strategy employed by certain enterprises of firing their own forestry workers and sub-contracting the work to entrepreneurs on a contract-by-contract basis. In Gloucester County, it was Stone Consolidated, owner of an important pulp and paper mill, which ceased its forestry operations and fired its forestry workers. Following in the footsteps of other businesses, Stone Consolidated preferred contracting out this work on an individual basis to the loggers personally.

The workers came together as an association (the ABFWA) that gathered 280 forestry workers from the region. The challenge for the founding president of this association was to bring to the same table union workers of the pulp and paper company and non-union workers, since a certain rivalry existed between the two groups.

Once set up, the ABFWA called upon the government to serve as mediator between workers and pulp and paper company (Stone Consolidated) in case any dispute arose. The organization also brought to the fore certain problems present in the sector. It formulated recommendations concerning, among other things, the abolition of mechanical harvesters and the reorganization of forestry workers into a cooperative association, in order to eliminate moonlighting.

The organization's primary objective was thus to protect the jobs of those forestry workers, as well as insure better working conditions for them. It fought against mechanization<sup>5</sup> that appreciably reduced the need for labor, as well as against

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<sup>5</sup> Mechanization is a concept describing the use of mechanical harvesters which, with only one opera-

moonlighting. This competition exercised pressure to lower salaries and working condition norms that were to be adhered to.

In early 1994, several events intensified the conflict between bosses and forestry workers, including the neutralization of two mechanical harvesters by workers in the forest. The negotiations that followed were difficult, notably because the entrepreneurs did not recognize the ABFWA as the forestry workers' representatives. ABFWA members then refused to go to work until an agreement had been reached.

Only in August 1994 an agreement was reached between the parties in dispute, primarily as a result of the intervention and mediation by the local provincial government elected representative, also a provincial government minister. It was agreed upon that the forestry workers could have a forestry concession enabling them to form a cooperative. The incorporation of the Acadie-Bathurst Forestry Workers Association took place in February 1995. The Association thus served as a launching pad for the cooperative.

Not all potential workers joined the cooperative association. Today, it has about twenty members each having 100 10-dollar shares in the enterprise. It creates work for 54 persons. The cooperative has assets of approximately \$350,000 and revenues of 1.5 million dollars.

Although unable to solve all problems faced by the region's forestry workers, the cooperative did manage to improve its members' working conditions. It established a more equitable balance of power in order to protect members' working conditions during contract negotiations. Also, in order to protect jobs in this sector, it promotes more traditional cutting technologies. According to the cooperative's director, not only is this approach profitable, it is also a practice that damages the forest far less than the mechanized approach.

Environmental concerns, rooted in the local community, are not absent from the cooperative member's minds. For example, they mapped out a forest management project for an old military "contaminated" firing range in the region. Their plan includes important sections allocated for activities other than forestry. This range, used by NATO pilots, is being decommissioned. The forest management project, which was never accepted for what is perceived by some as political reasons, featured a plan to convert the site partly into an eco-tourism park. Tree cutting would have been possible parallel to the laying out of protected zones for eco-tourists. The cooperative's presence thus offers an example of an alternative to traditional forest management and can act as a model for other forestry workers in the region as well as in other regions. It also shows an original form that regional development can take in New Brunswick.

The creation of the Acadie-Bathurst Forestry Workers' Association thus resulted from the mobilization of forestry workers opposed to certain cutting practices and working conditions related to them. Entrepreneurs who preferred dealing with workers

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tor, are more productive than several forestry workers using chain saws and other more traditional harvesting techniques. It is also often considered less environmentally friendly.

through subcontracting made these working conditions more and more precarious. This strategy individualizes the salary relationship between employee and enterprise, while also shirking on the social benefits normally offered to an enterprise's employees. Each entrepreneur negotiated each worker's working conditions on an individual basis. This made the balance of power sway considerably toward the employers, and also caused working conditions to vary according to personal relationships between individual workers and employers. This strategy put forestry workers in competition with each other, competition all the more exacerbated by the existence of moonlighting, where verbal contracts were made outside of the legal working arena.

The forestry workers' association created a vehicle to counter this individualization of contracts between entrepreneurs and workers that put the latter in a competitive position to the point of making them want to lower their working conditions in order to obtain any work.

This initiative takes the form of an association, which replaces the labor union that, by having a collective enterprise serving the local community, becomes a cooperative instead. At first glance, the cooperative can have the appearance of a labor union. However, it is important to underscore the entrepreneurial component of such an association, which would be absent in the case of a labor union. Unlike a labor union, the cooperative has an economic status rendering it inclined to make investments, purchase technology and hire laborers. Such a cooperative thus creates wealth, equitably distributed among its members.

Regional development efforts become thus rooted in local and community development as opposed to attracting foreign investment, a frequent norm with many governments. A locally rooted vision of socio-economic development does not only rely on large enterprises whose mode of operation excludes its employees' participation and limits the community's actual hold on its development. This approach has shown its limits when the attempt to pass from more individualistic (subcontracting) and precarious hiring, clashes with the strategy of uniting forestry workers in a common front against a large enterprise like Stone Consolidated. The resulting conflict was resolved by the enterprise's recognition of the birth of this new social actor. Recognition of this cooperative allows the workers to get a greater control of their working conditions. Among other things, it allows other entrepreneurial projects to be considered, to breathe new economic life into the region. This form of entrepreneurship has the advantage of defining economic development projects according to the needs of the cooperative's members, and, on a larger scale, of its community. We have to remember that it was to answer these needs that the cooperative association was created.

It must be underscored that this form of collective entrepreneurship also takes that of a community movement aiming, through those means, to improve the quality of its members' lives. The ABFWA's founding presidential message presents an interesting opinion of his region's socio-economic situation. According to him, the region is economically dependent on large foreign, and even provincial, enterprises. This situation favors a kind of enrichment that does not profit the regional and local

economy. He mentioned in an interview that if the profits stayed in the region, there would be no talk of employment problems. This situation is not only attributable to regional development policies adopted by governments, but also to the lack of initiatives by those regions' populations. Taking their cue from the cooperative association's example, people must band together to take their region's socio-economic development into their own hands.

However, various obstacles remain. For example, in the forestry industry sector, access to the resource is greatly limited to large enterprises. Even when talking about public forests, the perception is often that the rules of the game are such that very often only certain large enterprises have access to the resource. It often turns out that the large enterprises, with the direct or indirect complicity of government, end up managing forest resources. Their access to the resource also allows them to establish cutting contracts with subcontractors with a reduced, or non-existent, margin for negotiation. Further exacerbating the problem has been the recognition by stakeholders that the level of harvesting activity in the province's forest was unsustainable, thus leading to reduced wood allocations.

In this context of reduced access to the resource, the cooperative recently had to reduce its workforce, including members of the cooperative. This situation creates a challenge for the cooperative. Laid-off members, comprising a majority of cooperative members, may be tempted to ask for their share of the cooperative's assets, as the present law allows. This could preclude future development and even put in jeopardy the existence of the cooperative if it loses the better part of its assets. The cooperative formula is thus facing an important challenge that would not be present in a capitalist enterprise. Recognizing the limits of a region's natural resources, one can be led to ask whether such an enterprise has any option but to readjust its level of activity to adhere to sustainable practices, and a cooperative is no exception.

The Acadie-Bathurst Forestry Workers Cooperative's approach is anchored in a technology that is regarded as backward since the recent mechanization of the forestry industry. Even if the cooperative's members can understand the profitability motives that have led to mechanization in forest cutting, they nevertheless promote a divergent vision, placing employment at the centre of their preoccupations. It is also because of this mechanization that forestry jobs have been on the decline. With more traditional technology, the cooperative emphasizes job maintenance and creation. At the same time, taking into account recent development, one can ask if this approach is reducing the enterprise's competitive position and potentially harming the members' long-term interest.

The case of the Acadie-Bathurst Forestry Workers Co-operative demonstrates clearly the importance of the mobilization of the community to act collectively to create or maintain jobs in rural communities. Moreover, it demonstrates that cooperative models can be a successful alternative to private enterprises, if access to the resources is secured. Diversification of activities can also enhance the prospects of growth and prosperity. In this case, the link between association, community and enterprise was used as a tool for workers to control their destiny. This creates a real

sense of empowerment through participatory democracy. At the same time, we are reminded that in this case, the role of government to assist the cooperative association in its diversification efforts is important.

## Conclusion

A look at the regional socio-economic context of our case study allows us to understand how and why entrepreneurship can take a more collective form. Indeed, if in a “normal” economic context, one based only on mercantile rules, regions are subjected to the negative effects of their “inadaptability” to such an economy, this can lead to a collective will to take charge of their own development according to their decisions. The opportunity offered to the community (including employees) of defining the rules of its socio-economic development, allows it to orient this course according to its broader needs. In other words, a possibility presents itself to define socio-economic development according not only to economic demands, but also to cultural and social ones. Many situations may present themselves on the continuum that goes from strictly private entrepreneurship that first and foremost satisfies the needs of the owners, to collective entrepreneurship geared towards serving the community’s interests. Our case highlighted the role played by the mobilization of certain social community actors in the creation of a collective enterprise. In this case, the defining characteristic being the will to chose a path that favors more sustainable practices and offers better working conditions rather than short term profits to big private enterprises.

Local and regional development should be enabled to take place in a context where the development corresponds to the general interest of the local community. Governments should be more sensitive to the benefits of a balanced approach where the requirements of the markets and the interest of the community are both taken into account. Such an approach would allow workers, for example, greater access to the local main resource. However, the limits of the province’s forestry remain an important challenge. It will be interesting to see how the cooperative association copes with this challenge. Given its track record of successfully meeting huge challenges, it can be anticipated that this challenge will also be met successfully. At the same time, we recognize that sustainable development is a societal issue that goes beyond the actions of the cooperative and governments.

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## **Appendix A: Map of New Brunswick**