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# NATIONAL ASSEMBLY

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FIRST SESSION

FORTIETH LEGISLATURE

Bill 27  
(2013, chapter 22)

## **Social Economy Act**

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**Introduced 19 March 2013**  
**Passed in principle 6 June 2013**  
**Passed 10 October 2013**  
**Assented to 10 October 2013**

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**Québec Official Publisher**  
**2013**

## **EXPLANATORY NOTES**

*The object of this Act is to recognize the contribution of the social economy to the socioeconomic development of Québec and to determine the role of the Government in that area. It works to promote the social economy and support its development through the creation and adaptation of policy tools, and to foster access to the Administration's measures and programs for social economy enterprises.*

*The Chantier de l'économie sociale and the Conseil québécois de la coopération et de la mutualité are designated as primary interlocutors of the Government on the subject.*

*The functions of the Minister of Municipal Affairs, Regions and Land Occupancy as regards the social economy are clarified, and a Panel of Social Economy Partners is created to advise the Minister.*

*Ministers must take the social economy into consideration in measures and programs, when updating those measures and programs, and in developing new tools for enterprises. They must also, whenever it is relevant, promote the social economy initiatives carried out in Québec and at the international level.*

*Lastly, measures are proposed to ensure the Administration's accountability with respect to the social economy through planning, follow-up and reporting, including the adoption of an action plan and the tabling of reports on the carrying out of the Act.*

## **LEGISLATION AMENDED BY THIS ACT:**

- Act respecting the Ministère des Affaires municipales, des Régions et de l'Occupation du territoire (chapter M-22.1).

# **Bill 27**

## **SOCIAL ECONOMY ACT**

AS social economy enterprises operated by associations, cooperatives and mutual societies have been contributing to the development, occupancy and socioeconomic vitality of Québec and of its territories since the mid-19th century;

AS social economy enterprises are the result of the commitment and entrepreneurial drive of people who grouped together to produce goods and services, thus furthering the aspirations and contributing to the well-being of their members and the community;

AS social economy enterprises have the capacity to mobilize forces in the community to meet its needs, thus becoming an important lever for collective wealth;

AS social economy enterprises are based on collective values that are reflected in various ways in the enterprises' structure and method of operation, and give rise to a sustainable solidarity economy;

AS most social economy enterprises are grouped within two large organizations, that is the Chantier de l'économie sociale and the Conseil québécois de la coopération et de la mutualité, which are supported by regional and sectoral networks;

AS, in addition to social economy enterprises, various organizations act as support in that area, offering expertise, resources and various services;

AS Québec's experience and expertise in matters of social economy are shared in numerous forums and are internationally recognized;

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

### **CHAPTER I**

#### **OBJECT AND APPLICATION**

**1.** The object of this Act is to recognize the specific contribution of the social economy to the socioeconomic development of Québec, in numerous sectors of activity and in all of Québec's territories.

The Act also determines the role of the Government in the social economy.

**2.** The objectives of the Act are

- (1) to promote the social economy as a lever for socioeconomic development;
- (2) to support the development of the social economy by creating and adapting policy tools with a view to fostering coherence in government action and transparency; and
- (3) to facilitate access, for social economy enterprises, to the Administration's measures and programs.

**3.** "Social economy" means all the economic activities with a social purpose carried out by enterprises whose activities consist, in particular, in the sale or exchange of goods or services, and which are operated in accordance with the following principles:

- (1) the purpose of the enterprise is to meet the needs of its members or the community;
- (2) the enterprise is not under the decision-making authority of one or more public bodies within the meaning of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1);
- (3) the rules applicable to the enterprise provide for democratic governance by its members;
- (4) the enterprise aspires to economic viability;
- (5) the rules applicable to the enterprise prohibit the distribution of surplus earnings generated by its activities or provide that surplus earnings be distributed among its members in proportion to the transactions each of the members has carried out with the enterprise; and
- (6) the rules applicable to a legal person operating the enterprise provide that in the event of its dissolution, the enterprise's remaining assets must devolve to another legal person sharing similar objectives.

For the purposes of the first paragraph, a social purpose is a purpose that is not centred on monetary profit, but on service to members or to the community and is characterized, in particular, by an enterprise's contribution to the well-being of its members or the community and to the creation of sustainable high-quality jobs.

A social economy enterprise is an enterprise whose activities consist, in particular, in the sale or exchange of goods or services, and which is operated, in accordance with the principles set out in the first paragraph, by a cooperative, a mutual society or an association endowed with legal personality.

**4.** In this Act, "Administration" means

- (1) the government departments and the secretariat of the Conseil du trésor;
- (2) Investissement Québec and the Société d'habitation du Québec; and
- (3) any other government agency designated by the Government and governed by the Auditor General Act (chapter V-5.01).

**5.** The Chantier de l'économie sociale and the Conseil québécois de la coopération et de la mutualité are the Government's primary interlocutors where the social economy is concerned.

## **CHAPTER II**

### **THE ROLE AND FUNCTIONS OF THE MINISTER**

**6.** The Minister of Municipal Affairs, Regions and Land Occupancy has the following functions:

(1) to develop and propose to the Government, jointly with the Minister of Finance and the Economy and after consultation with the Chantier de l'économie sociale and the Conseil québécois de la coopération et de la mutualité, policies to foster the development of the social economy in Québec;

(2) to coordinate government action with respect to the social economy;

(3) to assist the Government in the implementation of programs and measures intended for social economy enterprises;

(4) to support the Administration in carrying out the functions and actions prescribed for the application of this Act; and

(5) to work to enhance knowledge of the social economy.

## **CHAPTER III**

### **THE ROLE OF THE GOVERNMENT**

**7.** In the exercise of their powers and responsibilities, all ministers must, in their actions and with respect to any agency referred to in section 4 for which they are responsible, recognize the social economy as an integral part of the socioeconomic structure of Québec by taking it into consideration in measures and programs, when updating those measures and programs, and in developing new tools for enterprises.

In addition, whenever it is relevant, ministers must promote social economy initiatives carried out in Québec and at the international level.

## **CHAPTER IV**

### **GOVERNMENT ACTION PLAN**

**8.** The Government must adopt a social economy action plan no later than 1 April 2014. The action plan must be developed and proposed to the Government by the Minister, in collaboration with the government departments and agencies concerned, after consultation with the Chantier de l'économie sociale and the Conseil québécois de la coopération et de la mutualité. The Minister is also responsible for follow-up on the plan, reporting and evaluation.

The action plan is based on this Act and on the policies adopted by the Government with respect to social economy, and identifies the action the Administration must take to support the development and promotion of the social economy in Québec.

**9.** The action plan provides for reporting mechanisms as regards the commitments it contains and any other action taken by the Administration with respect to the social economy.

The Minister publishes a report on the implementation of the action plan no later than 18 months before the review provided for in section 10. The report is also tabled in the National Assembly as soon as possible or, if the Assembly is not sitting, within 30 days of resumption.

**10.** The Government must review the social economy action plan every five years. However, it may defer a review for a period not exceeding two years.

## **CHAPTER V**

### **PANEL OF SOCIAL ECONOMY PARTNERS**

**11.** The Panel of Social Economy Partners advises the Minister on any question on the subject of the social economy.

**12.** The Minister determines the composition of the Panel of Social Economy Partners.

In addition, when the Panel discusses a particular subject likely to be of interest to a group that is active in the social economy, the Minister invites a representative of the group, as well as any other person who, in the Minister's opinion, could enhance the Panel's understanding of the subject, to participate in the discussion.

The composition of the Panel must also tend toward gender parity.

## **CHAPTER VI**

### **AMENDING PROVISION**

**13.** Subdivision 2.2 of Division II of the Act respecting the Ministère des Affaires municipales, des Régions et de l'Occupation du territoire (chapter M-22.1) is repealed.

## **CHAPTER VII**

### **TRANSITIONAL AND FINAL PROVISIONS**

**14.** The Minister of Municipal Affairs, Regions and Land Occupancy is responsible for the administration of this Act.

**15.** For the purposes of section 12, the composition of the first Panel of Social Economy Partners must be determined no later than 10 April 2014.

**16.** No later than 10 October 2020, and every 10 years after that, the Minister must report to the Government on the carrying out of this Act.

The report must be tabled in the National Assembly within 30 days or, if the Assembly is not sitting, within 30 days of resumption.

**17.** This Act comes into force on 10 October 2013.

