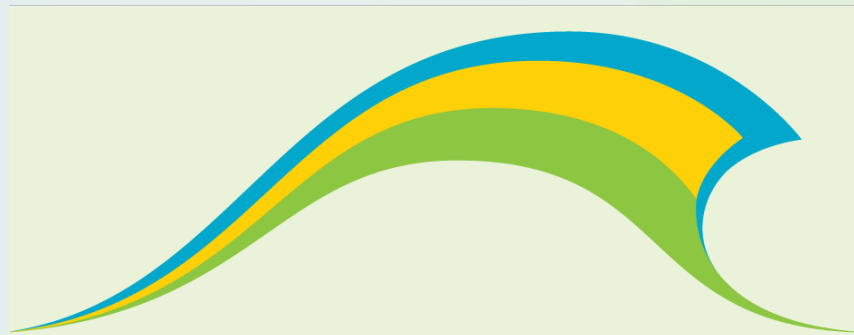


Operational Challenges of Conducting Impact Studies in the Co-operative Sector

Réseau de recherche pour mesurer la
DIFFÉRENCE COOPÉRATIVE



Measuring the Co-operative Difference
RESEARCH NETWORK

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Introduction

- Measuring the Co-operative Difference Research Network
- National Study on the Impact of Co-operatives
 - Set out to study impact
 - Quickly realized that we could only do economic impact
 - Social and environmental impact of co-operatives needs thoughtful, detailed attention
- How to do economic impact study (methodology)
 - Economic impact methodology paper
 - Challenges in conducting economic impact study

Why is conducting an economic impact of co-operatives study important?

- No study of this nature has ever been done nationally for Canada
- We should know our sector
- Provide baseline economic information about the co-operative sector
- Findings can then be used by sector, policy makers, academics, sector associations etc
- Benchmark and spin off for future studies
- Findings can be used in comparison studies

Other Impact Studies

- Deller et al 2009 – US study out of University of Wisconsin
- Zeuli et al 2003, 2007 – US study
- Karaphillis 2012 – Nova Scotia
- Leclerc 2010 – New Brunswick
- McKee 2011 - US

Objectives of this presentation

- To discuss challenges of conducting a national economic impact study (in Canada) and to provide preliminary insights into how they can be addressed.

Issues

1. Data Collection
2. Data Analysis
3. Data Interpretation

Data Collection – Enumerating the Population

- Downside
 - Difficult because not all co-operative data is in one place
- Upside
 - Some sectors have trade associations, others do not to help with total numbers
 - Data can be found through other channels
 - Academic collaborators
 - Web searches
 - Other data sets and databases
 - Other apex organizations

Data Collection – Identifying Co-operatives

- **Downside**
 - Can be difficult to distinguish co-operative population from other organizational structures
 - Need to establish criteria for defining a co-operative
 - Need to be broad to capture, but not so broad it loses its meaning
 - Depending on criteria, comparison between studies can be difficult or impossible
- **Upside**
 - Criteria can be developed, explained and implemented

Data Collection – Defining the Time Scale

- **Downside**
 - Finding right amount of time to be considered to be part of the population
 - Minimum and maximum
- **Upside**
 - Need to identify criteria so full potential picture can be painted

Data Collection – Defining the Region of Study

- **Downside**
 - Deciding whether to include all co-operatives operating in given area or only those incorporated in the area
 - Dealing with headquarters issue
- **Upside**
 - Provincial, state or regional level studies trickier because need to pull out individual or regional data from aggregated total co-operative data
 - Few co-operatives export so do not need to disaggregate domestic and international data

Data Collection – Surveying Co-operatives

- Downside
 - Accessing data
 - Finding standardized data
 - Low response rates
 - What data is collected?
 - Survey (cost, right respondent, timeliness of collection, sample vs census
 - Independent data
 - Quality of data
- Upside
 - Many different stakeholders in collecting data

Data Analysis – Identifying the Unit of Analysis

- **Downside**
 - Analysis needs to be done at sector and sub-sector level
 - Grouping all data together creates an aggregation basis since co-operatives in different sectors have different product mixes, technology and behaviour)
 - Not easy to separate as co-operatives do not easily fall into one sector or another
- **Upside**
 - Can define criteria for splitting the data by sector and subsector

Data Analysis – Adjusting the Standard Impact Methods (I-O Model)

- Local purchasing
 - Downside – difficult to measure contribution to local economy, which is an important impact for co-operatives
 - Upside – new codes refined according to business structure, new multipliers calculated for co-operatives
- Patronage
 - Downside – limitations to measuring patronage, need to account for patronage as this can support local impact
 - Upside – can find ways to account for patronage to understand impact on local economy by locally owned business
- Top-down vs bottom up
 - Downside – how well does it reflect the region?, need local economy to drive the model, expensive to design
 - Upside – analyst can manipulate the model to reflect the local economy

Data Analysis – Accounting for Unique Outcomes of Co-operatives

- Downside
 - All models (I-O) treat all business structures the same
 - Can not assess the unique value of co-operatives such as competitive yardstick, holding down prices
 - Provider of goods and services in area that wouldn't have them
 - Snapshot of economy so no trends, understanding of contribution to long term resilience of local economy
- Upside
 - Additional analyses could be done to capture these

Data Interpretation – Defining the Counterfactual

- Downside
 - Counterfactual issue
 - Assumptions about what the economy would provide and what local employment would be if the co-operative was not there
- Upside
 - Can attempt to do this through models and asking co-operative managers about what would happen if there was no co-operative

Some Limitations

- Not measuring social and environmental impact of co-operatives
 - Not intention, but we think a big part of co-operatives' impact
- Not measuring the co-operative difference
- More analyses/studies needs to be done to capture co-operative difference

Conclusions

It is possible to do?

Yes.... but....