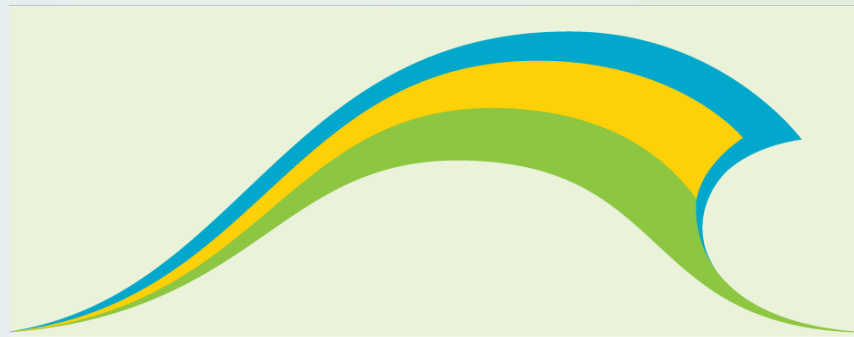


Collective Entrepreneurship and Canada's New Co-operatives

Réseau de recherche pour mesurer la
DIFFÉRENCE COOPÉRATIVE



Measuring the Co-operative Difference
RESEARCH NETWORK

Marcelo Vieta
Fiona Duguid

Introduction

- Part of MCDRN National Cluster
- Phase I
 - How many cooperatives across Canada were funded in the CDI I funding cycle, what the funding was for, and how much funding was delivered across Canada.
 - Emerging economic sectors of co-operatives with provincial breakdown.
- Phase II
 - Why groups used the cooperative model—rather than investor-owned, private sector or non-profit organizational models—to meet the social, cultural, environmental, or economic needs of their members and communities.

Research Questions

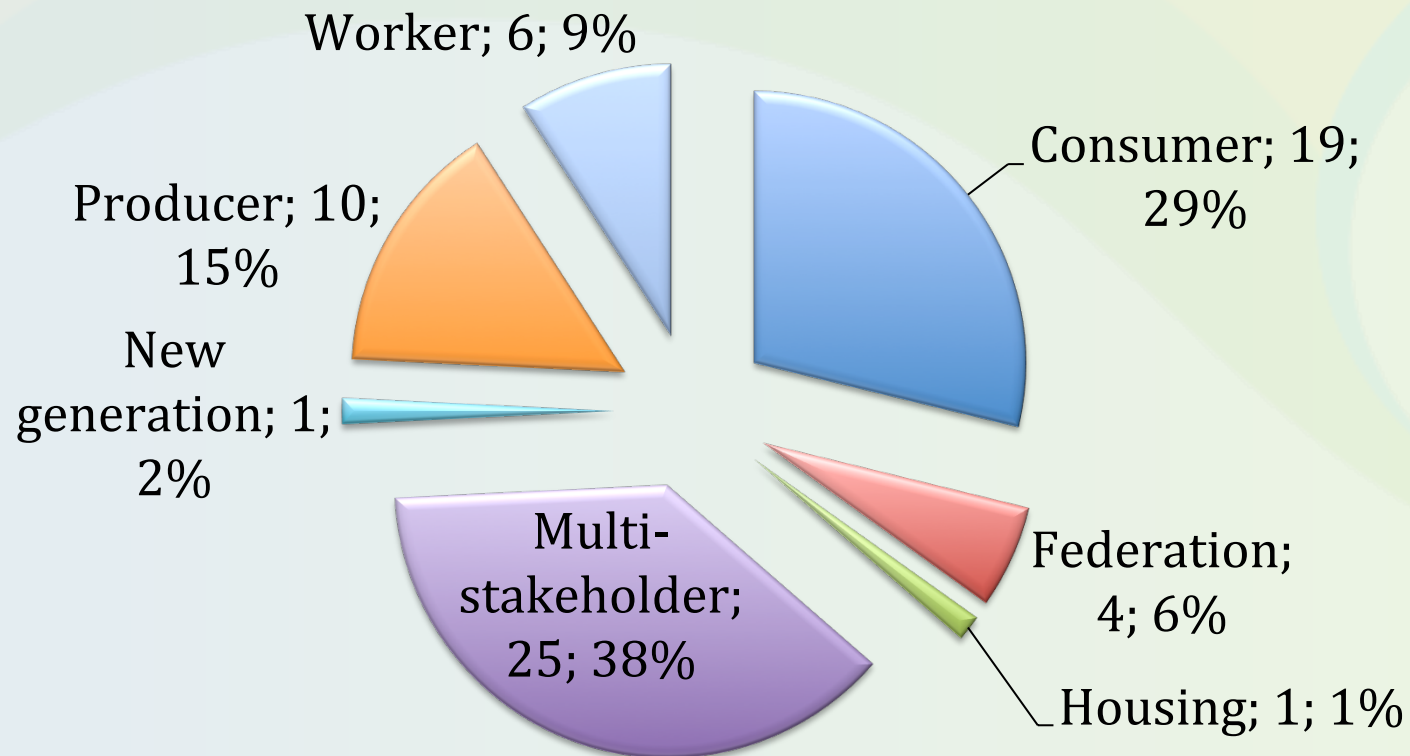
1. How have Canadian co-operatives sought to meet their members' or communities' **social/cultural/economic/environmental needs** via the co-operative model?
2. What **advantages** does the co-operative model facilitate for meeting members' social/economic/cultural/environmental needs?
3. What are the **challenges** faced in starting-up or further developing a co-operative initiative, and why and how do co-operatives succeed or fail in overcoming these challenges?
4. What **innovations** have new or expanding co-operatives forged in order to offer both members and surrounding communities new or better ways of provisioning for their social/economic/cultural/environmental needs?

Methodology - Grounded Theory and Triangulated, Mixed-methods Approach

- Interested in founders' of co-operatives lived experiences
 - Grounded theory allows assessments of the data to emerge from the findings, rather than predetermining the data beforehand
- Methods
 - Survey (N= 66)
 - Interviews (N= 27 key respondents)
 - Focus Groups (2x2 FG, 50 participants)

Canadian Co-operative Landscape – Type

Our sample of emerging non-financial co-operatives syncs with Canada



Some of the types of co-ops interviewed

- Renewable energy
- Communication
- Community opportunity co-op
- Services with people with disabilities
- Community health and homecare
- Organic foods and consumer co-ops (consumer and multistakeholder)
- Producer co-op (multistakeholder)
- Car sharing
- Farmers' markets
- Worker co-ops
- Business conversion to work co-op
- Cultural co-ops (musicians co-op, community theatre)
- Education-based co-op
- Funeral co-op

What is Collective Entrepreneurship?

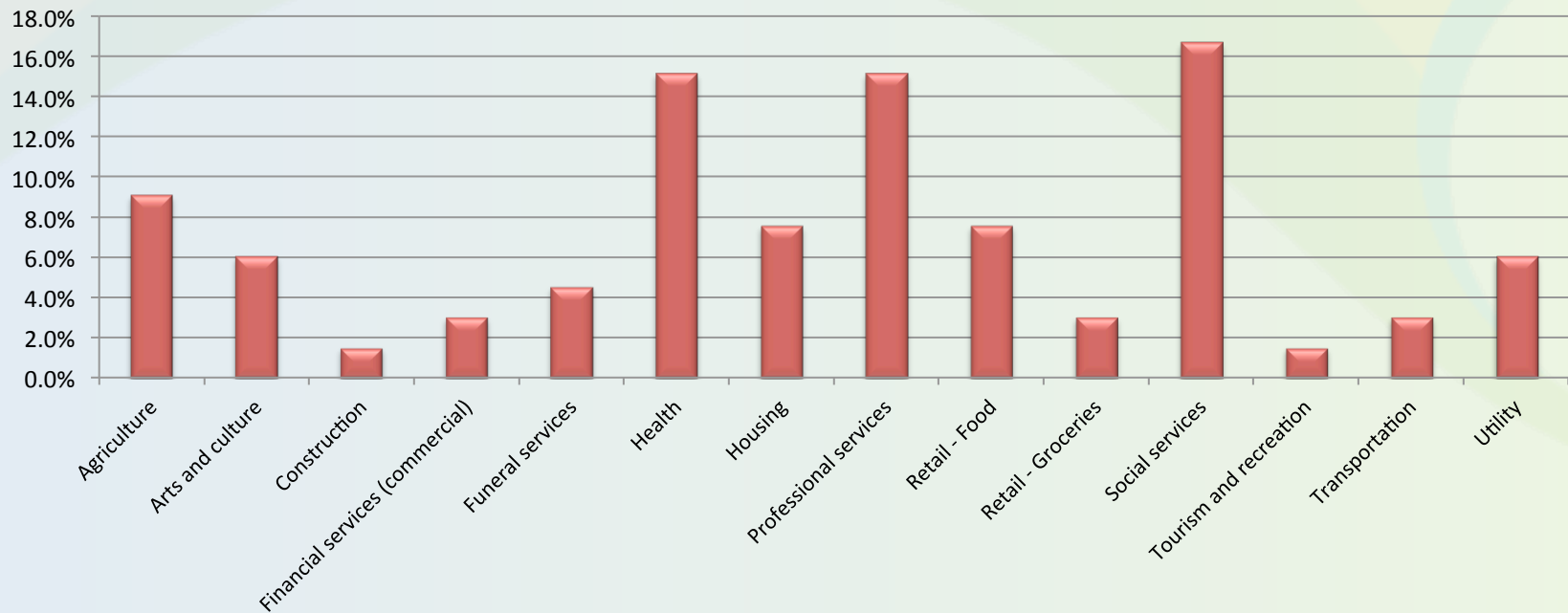
- Many of Canada's new co-ops show evidence of strong collective entrepreneurship.
- “Combines business risk and capital investment with the social values of collective action.” It exists “when collective action aims for the economic and social betterment of a locality...for the production of goods and services by an enterprise” (Connell, 1999, p. 19).
 - It is the combination of collective risk-taking, actions, and resource pooling rooted in socially driven values and objectives.

Collective Entrepreneurship and Social Movements

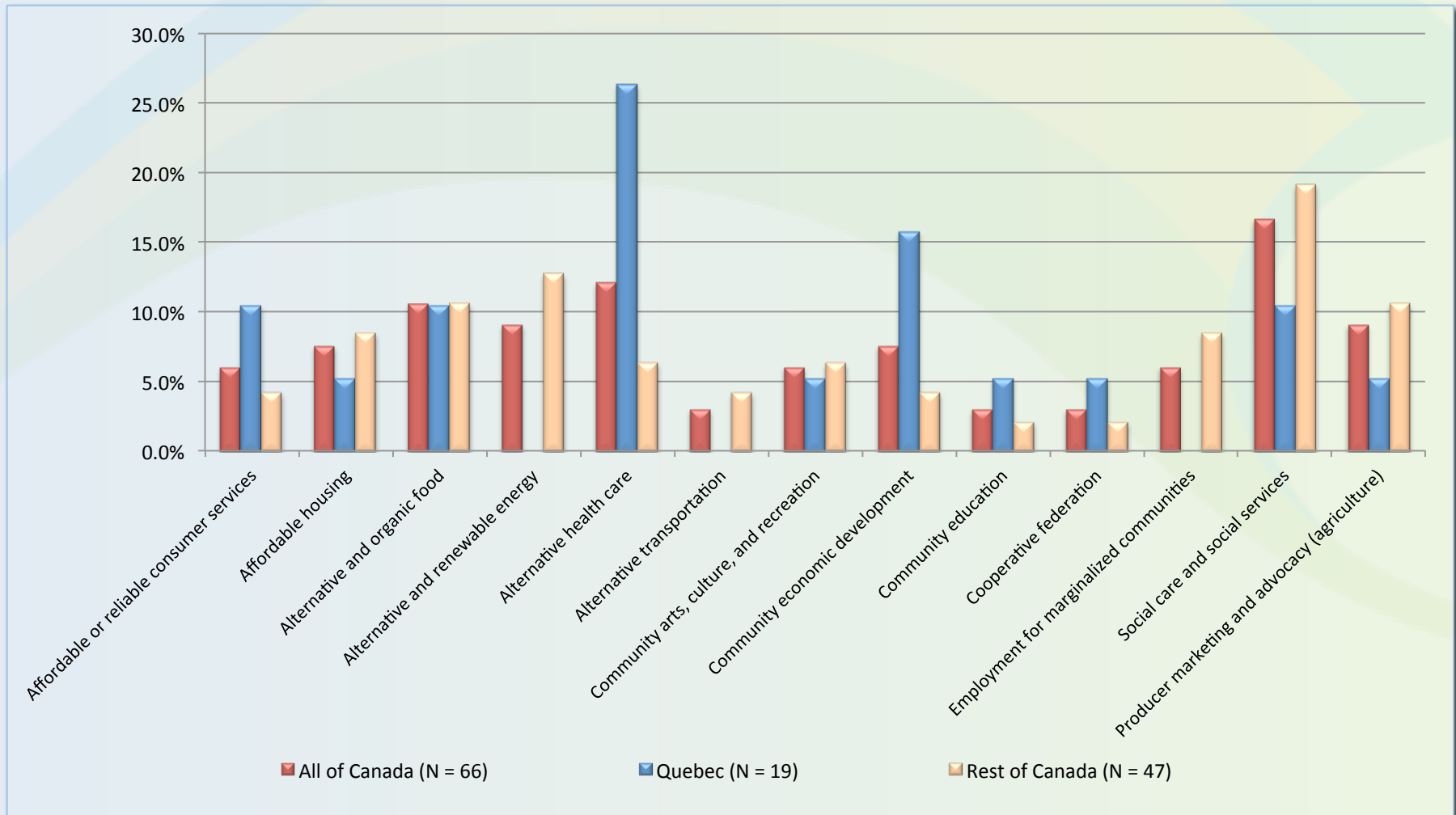
- Collective entrepreneurship is embedded in broader networks, initiatives, ideals, and even social movements.
 - “Social movements in civil society are closely linked to social entrepreneurial activity” (Spear, 2010, p. 1).
 - Cooperatives, one type of social business that have long been understood as emerging from or responding to the collective actions and demands to achieve social change (Craig, 1993; Delvetere, 1994, 1996; Diamantopolous, 2012; MacPherson, 2009; Spear, 2010).
- Collective entrepreneurs:
 1. Insider collective entrepreneurialism (within social movements)
 2. Outsider collective entrepreneurialism
 3. Social entrepreneurial activities that themselves inspire new social movements to emerge

Canada's New Co-operative Landscape – Economic Sectors

- Strongly focused on social objectives (outwardly focused to the community), rather than “mainly mutualistic” aims (inwardly focused on membership needs)



Canada's New Co-operative Landscape – Main Motivators for Start-Up



Three Emerging Trajectories for Co-operative Entrepreneurialism in Canada

1. Community Economic Development Co-operatives
 - Focused on community revitalization, needs, or socio-economic issues. Strong connections to other community organizations and/or social movements by founders. E.g., solidarity/multistakeholder co-ops with strong social objectives.
2. Conversions of Businesses into Worker Co-operatives and Community Co-operatives
 - Draw from already-existing funding mechanisms and supports in order to “co-operativize” formerly investor-owned/private/for-profit businesses or save and revitalize community assets, initiatives, or spaces through the co-operative model.
3. Canada’s Social Enterprise Co-operatives
 - Co-operatives that rely on some market activity but with strong social missions aimed at delivering particular goods and services to communities (marginalized or neglected in some way). Many of these are also “partnered” or “parented” social enterprises.

Community Economic Development Co-operatives – Case Study

Coopérative de Solidarité Les Serres du Dos Blanc

Profile: Multistakeholder, profit, agriculture

Owners: Consumers, producers, workers (individuals, community organizations, CEGEP)

Purpose: To provide locally grown vegetables and employment in urban area

Enablers: Funding from Feds and Muni, loans from prov (RISQ), Desjardins; institutional land

Impact: Start up, can't talk about urban agriculture in Montreal without mentioning this co-op

Community Economic Development Co-operatives – Case Study

Crowsnest Opportunities Development Co-operative

Profile: A “community opportunity development co-op” to start new co-ops in rural communities. Part of AB’s “Unleashing Local Capital” initiative, profit

Owners: Local individual investors (via RRSPs and TFSAs contributions). Type A and Type B shares.

Purpose: To stimulate local economic growth and to keep local money local.

Enablers: ACCA, Community Futures, Rural AB Development Fund, CWCF model of RRSPs, Service CU of AB (for TFSA), local politicians and business people.

Impact: Operational, Saving and revitalizing community assets and businesses throughout rural AB. To replicate the model.

Conversions of Businesses into Worker Co-operatives and Community Co-operatives – Case Study

Careforce Worker Co-operative

Profile: Worker, profit, home health care

Owners: Local workers

Purpose: To provide sustainable employment in home health care sector

Enablers: Co-op developer, Fed funding, Co-operators, Co-op Council, CWCF, CU member loans

Impact: Operational, Revenues 30% in co-op, 70% labour patronage; solid reputation

Conversions of Businesses into Worker Co-operatives and Community Co-operatives – Case Study

Aron Theatre Co-operative

Profile: Consumer, non-profit theatre. A “community-recuperated” co-op

Owners: Individuals, local businesses

Purpose: To provide cultural opportunities/hub to the community

Enablers: Community bond issues (\$200-10,000), Fed grants, Trillium Foundation, Campbellford-Seymour Community Foundation, pro-bono professional services, volunteers.

Impact: Operational, keeping it local has a multiplier effect for community and other businesses. Helped revitalize downtown Campbellford.

Canada's Social Enterprise Co-operatives – Case Study

Inclusive Technologies Co-operative

Profile: Consumer, non-profit, goods and services to people with disabilities

Owners: Individuals and NGOs (BC Coalition for People with Disabilities is the parent organization)

Purpose: To provide otherwise expensive assistive technologies to vulnerable groups with physical challenges (the elderly, people with physical challenges, etc.)

Enablers: Sweat equity of volunteers, community-based committee, co-op developer, federal funding, prov govt, community bond

Impact: Start up, but lots of info to the community

Canada's Social Enterprise Co-operatives – Case Study

Eat Local Sudbury

Profile: Multistakeholder, non-profit, organic food co-op.
Inspired by the 100-mile diet movement

Owners: Individuals and local producers

Purpose: To provide locally produced food to Sudbury,
strong educational mission on healthy organic food options.

Enablers: Consumers, farmers, Big Carrot's "Carrot
Cache," Heffer International, FedNor, Trillium Foundation,
United Way (board training), ONFC, LOFC

Impact: Creating new market for local farmers and
consumers, a hub for a local Community Shared Agriculture
initiative, to establish a Good Food Box program

Conclusions: A Canadian Model of Collective *and* Co-operative Entrepreneurialism?

- **Co-ops are being used for meeting social, environmental, and community needs.**
- **Through market activity but with strong social objectives and partnerships.**
- **Despite lack of broad legislation and strong enabling environments.**
 - Like Italy in the 1980s and 1990s, bottom-up organizing by multiple stakeholders gather together around the co-operative form.
- **Supporting collective entrepreneurship for new co-op development:**
 - Many challenges are still present
 - Paradoxes of funding, volunteering, membership diversity, and participative decision-making.
 - Co-op developers are an important source for overcoming these challenges (strong across Canada).
 - New national funding strategy in synch with local co-op and social movement leaders, co-op developers, and provincial apex orgs, that is flexible and responds to new co-ops' challenges and possibilities.
 - Emulate the Quebec model across Canada? Provincial and municipal initiatives, co-operative movement, and the social economy can buttress and embrace new co-op development
 - Co-ops should be viewed as central to community economic and social development.