Model of a Robust Co-operative Development Environment

Contents*

* Reference: Co-operative Innovation Project (January 2016), *Model of a Robust Co-operative Development Environment*. Part of Co-operative Innovation Project Final Report. Centre for the Study of Co-operatives, University of Saskatchewan.

Introduction and Aims

Co-operative development is the process by which co-operatives are formed, grow, and thrive. It also refers to work that supports the larger co-operative environment. These two levels are nested and sometimes it can be difficult to say which activity belongs where.

There are three aspects to co-operative development: the creation of new co-operatives, strengthening or growing existing co-operatives, and strengthening communities based on co-operative principles, including building up knowledge networks that understand and promote co-operatives.[1] "Co-operative Development" is a catch-all term that encompasses activities that support the health of the entire environment.

Although co-operative development is widely practised around the world with many successful variations, there has been far less work on *conceptualizing* co-operative development.[2] Co-operative development is typically described and explained as a series of steps or phases.[3]

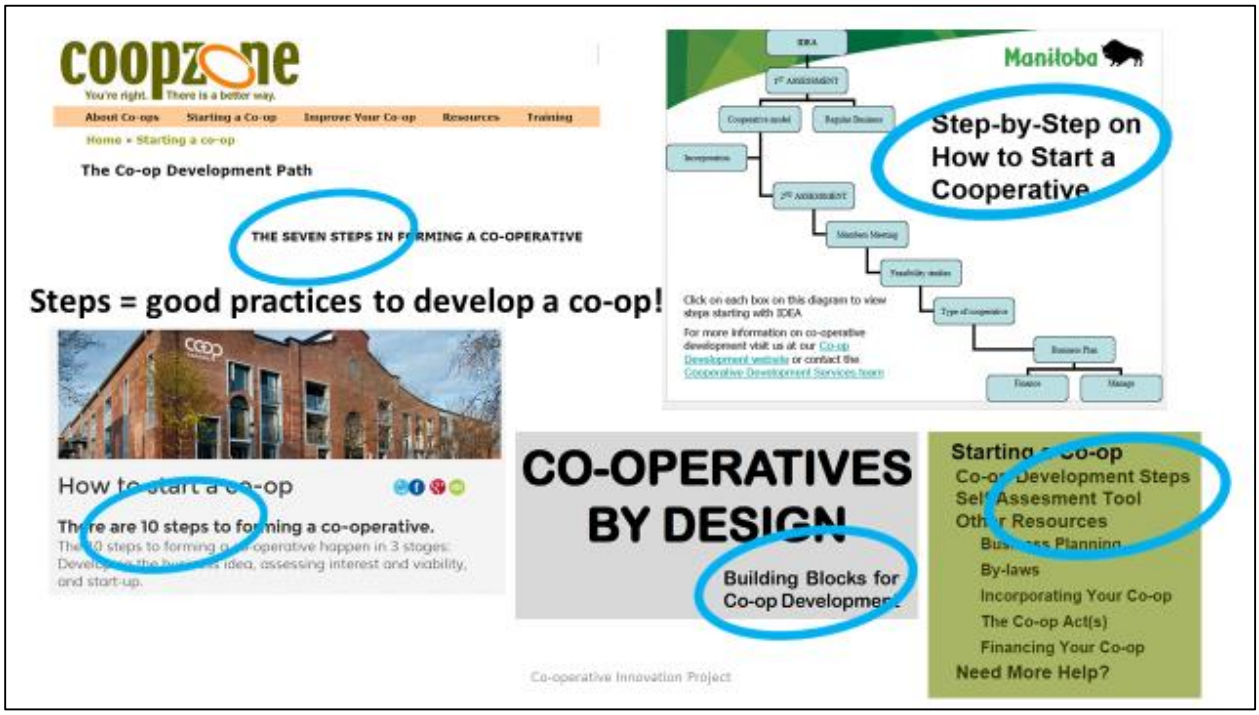

Figure 1: Steps to co-op development. CIP screen captures 2015

However, our definition shows that co-operative development encompasses both the steps to develop one co-op and the process of building a robust co-operative environment.

Building a model that reflects the multiple activities and players required for and involved in co-operative development is no small task. A conceptual model can be used as a guidance tool. It allows those who work within the field of co-operative development to visualize the process and

find ways to see where each piece fits into the larger whole. A model can also be used to measure success and to identify gaps or areas of concern, where current development practices may not match the conceptualized robust model.

This chapter will provide an overview of the Co-operative Innovation Project model of a robust co-operative development environment.

Methodology

This chapter is built on the assessment and information provided in the previous four chapters in this section: an overview of co-operative development as a concept; an exploratory analysis of Aboriginal co-operative development in western Canada; an analysis of existing co-operative development associations and their activities in western Canada; and an analysis of co-operative development practitioner experiences in western Canada. The chapter begins with a review of the co-operative development model created by the Plunkett Foundation and shows how it is integrated with our analysis of western Canada's co-operative development environment to create a new model. Any quotes provided in this chapter come from interviews with working co-op developers from across western Canada.

The Plunkett Model in Western Canada

The Plunkett Model

The UK's Plunkett Foundation has developed a model of co-operative development that describes four critical phases: *Inspire, Explore, Create, and Thrive*. Following is an explanation of these phases from http://www.plunkett.co.uk/the-plunkett-way.

> ***Inspire***
>
> *We inspire communities to realise the potential they have within themselves of tackling the issues they face. We do this in a number of different ways, for example by proactively promoting the co-operative approach through national and local media work, or hosting and attending community events.*
>
> ***Explore***
>
> *We then help communities to explore different ways of addressing their specific needs, which could be by visiting specific examples.*
>
> ***Create***
>
> *Our expert team then works with the community to help them create their co-operative, drawing on our wealth of knowledge and experience, as well as our specially-developed tools and resources.*
>
> ***Thrive***
>
> *Once up and running we help the community to make sure their co-operative continues to thrive by supporting them through our membership scheme, by representing their views to*

governments, funders and other support organisations, or helping them to address another issue by setting up another co-operative.

The Plunkett model features four equal phases that foster high engagement with the local community.

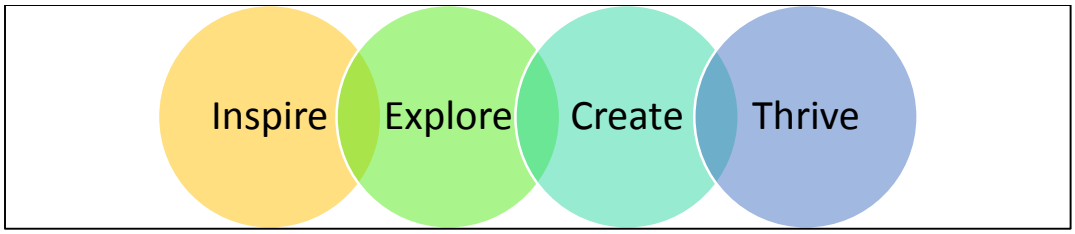

Figure 2: CIP rendering of the Plunkett model

Plunkettism embraces a style of co-op development that is integrated and highly engaged *before* a community decides to use the co-operative model and stays engaged *after* a co-operative is formed and begins operations.

The Co-operative Innovation Project argues that a robust co-operative development environment should pay attention to all four stages of the Plunkett model. We analyzed current practices reported by co-operative developers against this model.

Inspire

During the *Inspire* process, co-op developers meet communities where they are, promoting community self-help and initiating a discussion around needs. The co-op developers we interviewed reported that western Canada's provincial associations are more reactive responders than proactive engagers: "We're very reactive as opposed to being proactive and I think that's on all of our wish lists, is to be able to go out to these communities and really promote the co-operative model instead of waiting for somebody to come to us." Another said, "We could respond, not just respond to the needs but help do more of that kind of inspiring role. Because right now, although we have interest areas, we're largely reactive to groups that come to us."

The most effective co-op development practices relate back to the original explanation put forward by co-op developers: Co-op development is a conversation. In-person and group conversations, instead of reading about co-ops online, generate a more robust co-op development process.

As part of the *Inspire* process, co-op developers call for more community animators, "people that go to a community, talk about how great co-ops are and how good they are for regional economies, and how you have examples in the communities as businesses that they could start off as a co-op structure and things like that and just get people interested in the model." Another said, "We need people on the floor. That's the bottom line for me, we need to be able to send people out to communities to talk to them about it."

Community "animation sessions," are popular. "We turned up … to do a community animation session expecting about 30 or 35 people and we got over 200 people show up. People I mean literally standing in the streets because they couldn't get into the venue anymore." Developers note that community meeting practices were once common in community development, and co-

operative developers were actively part of the process. Such practices have waned, along with co-operative growth and co-op knowledge.

A critical piece of the *Inspire* phase — one that we found during the CIP process in communities — is that the meetings themselves are valued. They create space for a community conversation. "There's a part of that there that's opening it up, having people empowered, not directing it too much, having the co-op model as an option, and not the only option, and having that tolerance to say … at least co-ops have been injected into the process." The conversation becomes a long-term play.

Another developer noted:

> There's also big benefits in bringing people together and to compare notes and to be inspired. Because we've done a few co-op development specific events over the past few years. We got a lot of great feedback because it was the only opportunity for people to come together to talk … and learn things that work and people's challenges. Sometimes a big reward is that more broader inspiration.

When asked why there aren't more of these events, the response was: "Co-ops are really good at talking to themselves and to each other, but we're not as good at talking with the public, or even our members." There is a communication piece to *Inspire* that needs effort.

One interesting component of an *Inspire* activity is when a developer creates a co-op model that addressed a need in one place (such as the ElderCare co-ops or the Unleashing Local Capital initiative around investment co-ops) and then strategically markets that model in other places. This provides an easier path for co-operative development in that the model has concrete examples, but there are also risks. Groups that are "seeded" can potentially be more dependent on the co-op developer than those who come to the developer with an independent plan and idea.[4]

Explore

Once a community or a group becomes aware of and interested in the co-op model, the conversation shifts to *Explore.* Typically, this is the point where western Canadian co-op developers enter the picture: a group approaches the provincial association or other co-op development agency or business as a resource centre. Reacting to the first contact, the co-op developer starts to scope, guide, and respond.

Interestingly, the *Explore* phase should have a critical element. Groups need to understand that the co-op model is not always the right model in a given situation, or suitable for the dynamics and attitude of a particular group or its leadership. "I'm very open about it. I don't want people adopting a co-op model and putting a lot of work into it if it's not the right model. So I explore that with people pretty upfront." Another said, "I take the position that not everybody who wants to start a co-op is meant to start a co-op. We would rather work with people and develop strong sustainable co-operatives than develop a co-operative without them really having a clue what that is." Some will tell a group straight out: "I don't think you have what it takes to be a co-operative. And I have had to say that, which is not an easy conversation. [But] I need to … feel comfortable with the co-ops that I've incorporated knowing that they will be part of the co-operative community."

Part of the *Explore* phase is making sure that both the group development and business development aspects of a potential co-operative will be sound. Group visualization exercises, self-assessment, and other tools will help both the group and the developer know if a group is working as a co-operative. Business development, including feasibility studies and business plans or other technical documents, can be part of this process, and can be particularly useful in discovering if a co-op business idea will have local traction before more effort goes into creating it.

Using the Plunkett model in the UK, groups might be encouraged to visit other groups that have gone through a similar process to create a similar business. In western Canada, there are no mechanisms to support such peer-to-peer mentoring or connections.

Create

Co-op developers report that the bulk of their energy goes into this phase, which is the technical stage of co-op development. It includes critical details such as writing business and marketing plans, writing by-laws and setting out the technical aspects of the governance process, addressing and launching member recruitment drives, deciding and arranging financial matters as well as the legal and accounting aspects of the business, and incorporating the co-operative.

So, when is a co-op a co-op? "That's a moving target," report the co-op developers. "For some, it's as early as forming a steering committee … for others, it's when they get their certificate of incorporation." Essentially, it's "when a co-op becomes a thing that lives and breathes on its own." There's a moment when the original co-op members take ownership amongst themselves, "when the dynamic really starts to change." In other cases, it isn't necessarily a co-op even if it's incorporated: "They're just a co-op on paper, because they have their incorporation papers, they're not necessarily up and running or sustainable or successful or financially viable."

Clearly, creating a co-operative requires a heavy investment in time, energy, and money. "It's not unheard of for it to take two to three years before you're even incorporated, just because it takes that long to hammer them out." But, co-op developers note, "you shorten that to your detriment, in some cases." Getting to incorporation quickly does not necessarily make for a stronger co-op:

> The challenge is that co-op development is a long-term, in-depth, intensive process. Being a co-op developer is a much more in-depth involvement than just reviewing a business plan or pointing someone to a business plan template. That group development and understanding of co-ops takes a lot of time.

Thrive

Thrive activities are those that help a co-op, once it is in operation, to grow and be sustainable. Activities can include capacity building through board education, governance, refresher seminars, mergers and expansions, business improvement and growth, strategic planning, training exercises, and so forth. Other *Thrive* activities involve networking events, where co-ops can get together and talk to one another, comparing notes and exchanging ideas. In the UK through Plunkett, co-ops find the collective development of joint purchasing or procurement agreements between co-ops to be immensely useful in helping their core businesses to do better. One developer noted that a critical

time for such activities is around four to five years in operation — the question is, "What's next?" or "Where do we go from here?"

Thrive activities can also involve "rescue" operations for a co-op that is in trouble. One developer called that a "pre-mortem." The co-op was still alive and in operation, but was almost finished as a co-op. Others might be "sputtering." The question becomes, what should be done to restructure, refinance, or reinvigorate it — or, should it be saved? Just as deciding *if* a co-op is the right model, sometimes good co-op development must recognize when a co-op is no longer a co-op.

Thrive activities matter. There is a clear appetite for such activities in the existing co-operative community. When an association increases its services to existing co-ops, refocusing activities not simply on building new co-ops but servicing and supporting existing co-ops, the level of engagement and connection grows and the sector focuses on its health:

> There's a different level of connection. There's a level of trust, interaction, collaboration…. We're doing a lot more work internally with our co-op members now, and that's been very gratifying. They're now coming to us as a resource. Whereas before it almost felt like we were another non-profit they had to support.

Despite some encouraging signs of progress, *Thrive* activities receive less attention than new co-operative builds. If co-operative development is focused primarily on "how to build a co-op" and the number of new co-ops incorporated each year is counted as "success," then the energy goes towards growing new co-ops rather than helping existing co-ops to *Thrive*. Developers note this trend: "A big part that we need to be concerned about as developers is the after care and how you keep the co-op vital over time." In order for these activities to be valued as a critical component of robust co-op development, the metrics and measurements must change. If the only metric is to count new co-ops, then co-op development will be weak.

The Plunkett Stages Recast

In western Canada, co-operative development tends to follow a *responder* approach. A community or group decides to look into the co-operative model and contacts its provincial association or another co-op developer or agency for assistance. While there is strength to this approach, it cannot reach out to communities that may benefit from the co-operative model as an appropriate local solution.

In the *responder* approach, the stages that receive the most attention are *Explore* and *Create*. A potential co-operative group approaches the co-op development experts looking for help to build a co-op. Often, the group is looking for help to negotiate the technical steps to creating a co-operative (legal, business planning, raising financing, and so forth) that fall primarily within the *Create* stage of the Plunkett model. There is little focus on Plunkett's *Inspire* or *Thrive* components.

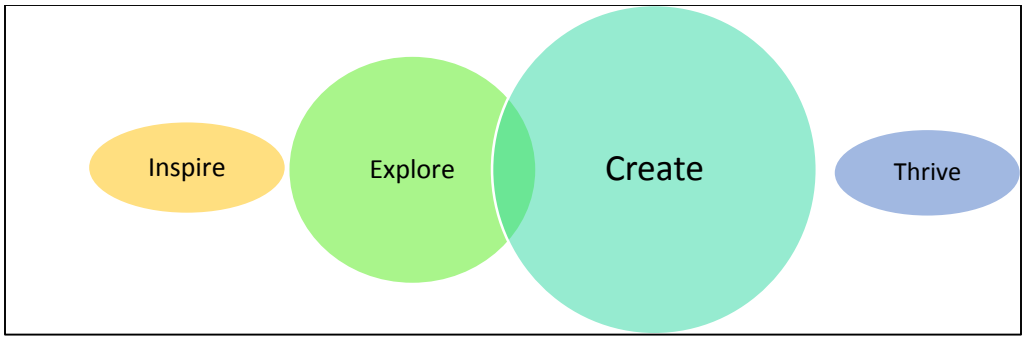

Figure 3: CIP analysis of contemporary western Canadian co-operative development using the Plunkett model

While often depicted as a step-by-step process, co-op development isn't that direct. The steps aren't sequential. Each group will take a slightly different path and may need help in a different area. By the time a group is ready to launch its co-op and open doors as a business, it has probably gone through many of the steps, in whatever order. We cast the Plunkett phases at the heart of our conceptual model as a Venn diagram, where the stages can overlap.

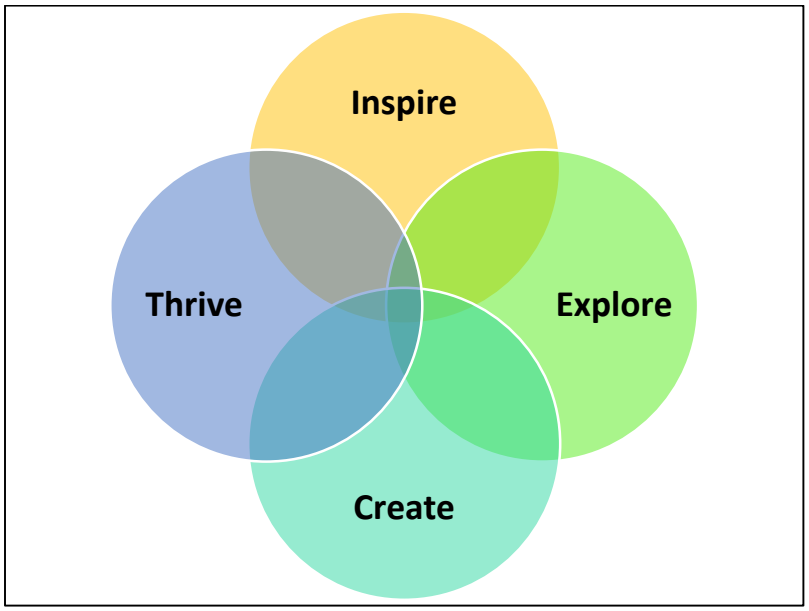

Figure 4: Plunkett phases as Venn diagram

Co-op Development Cultures

As described in an earlier chapter, there are four *cultures* central to co-operative development: community, political, business, and co-operative. Co-op development must understand and promote if, how, when, where, and why co-ops are the right "fit." A co-op must fit a need as well as a community (community culture); it must address policy and politics around co-operative businesses (political culture); it must bring co-ops forward as credible and viable solutions within the larger business environment (business culture); and it must nest co-operative development within the larger co-op sector (co-operative culture). Each of these cultures is at work at both the micro (local) and macro (societal) level. We will look at each of these in more detail.

Co-operative Culture

Macro

The co-operative sector is a critical driver for co-operative development. Co-operatives that are already operating have a role to play as living examples of the co-op model. They provide mentorship and partnership to new or struggling co-ops and can work with other existing co-operatives to build strength.

A strong co-operative sector often has multiple layers, including second- and third-tier co-ops (such as a co-op of co-ops). They also have sector-specific federations that support different kinds of co-ops (housing or retail or energy, for example). A dynamic co-operative sector sees growth and resilience through supporting co-operatives that address a broad range of needs across many communities using a variety of co-op model innovations.[5]

The role of the co-op sector in actively promoting and advocating for co-op development is just as important as the particular work that developers do in the field.[6] A thriving co-op sector will also often be able to provide co-op development funding and support, and potentially even seed financing for new co-ops.

Micro

Before a community-led initiative can use the co-operative model, its members must know and understand the model and be willing to embrace it. There is a weakening core of co-operative knowledge in rural and Aboriginal western Canada. The knowledge that does exist tends to identify large, visible co-operative institutions such as grocery stores, gas bars, and credit unions. There is less understanding of the broader applicability and potential alternative uses for the co-operative model.

Most rural communities in western Canada have some previous experience with a local co-operative business. A positive or negative outcome of that experience can have a direct effect on current and future local uptake of a co-operative initiative. While some northern Aboriginal communities have recent local co-operative experience, overall there is less direct experience or knowledge of co-ops amongst western Canada's rural Aboriginal population. Co-op development within a community with little co-operative knowledge must first build that knowledge base.

Community Culture

Macro

Communities are in the forefront when a new co-op group is considering if, how, when, and where co-ops are the right "fit" for both the need *and* the community. Each rural and Aboriginal community in western Canada has its own unique culture built on a broad range of both tangible and intangible factors. Local environment and resources support different kinds of businesses and activities, which lead to distinct needs. For example, a mining community in northern Manitoba, built on company-owned land with most residents working for the company, has a distinctly different culture from a community in southern British Columbia built on the winter ski tourism or summer cottage country industry.

Aboriginal communities have a strong community culture tied to large-scale, widespread, and historical patterns of racism, exclusion, and a problematic direct federal relationship. At the macro

level, Aboriginal communities identify strongly with other Aboriginal communities, connected by cultural ties, kinship, shared identity, and shared history.

The CIP also found some indications of provincial cultures and identities that may also shape community culture for both rural and Aboriginal communities. When we analyzed community events and participant responses, we found unique provincial-level community cultures such as the importance of industry and business development in Alberta. For co-operative development to go forward, the larger community culture must be receptive to building co-operatives.

Micro

The local community culture, particularly as it relates to local social capacity of mutual benefit and support, can make the difference between successful co-op development and a process that struggles. The CIP found four critical aspects to community-based co-operative development: clearly identified need, social capacity, business capacity, and co-operative knowledge. Social capacity, outlined in the community capacity section of this report, relates to how well a community works together to solve its needs, and if a community is allowed to work together to solve its needs.

Across rural and Aboriginal western Canada, communities self-indicated various degrees of community capacity. Some note a high capacity to work together; others indicated that this was an area of concern. Community barriers are present. Some of these barriers relate to internal community conflict or division, sometimes between community factions (related to demographic variables such as age, religion, or ethnicity, for example). Others relate to how well a community works with its neighbours: does the town and surrounding municipality collaborate on joint projects, or are there divisions? Communities note that some divisions are externally imposed through funding mechanisms that create separation and do not easily allow different parts of a community to work together.[7]

A critical component of community culture, beyond its social capacity, is its sense of empowerment. Community members must believe that they, themselves, have permission and power to initiate change, and that they can experiment with what that change might look like. If community members do not feel that they have the power or right to bring about change on their own terms, they will not act and change will not happen unless imposed from elsewhere. Yet, the co-op model cannot be imposed; communities must decide if the model is right for them. Co-op development at the community level will struggle unless the community is willing to support change.

Political Culture

Macro

Informal and formal politics and policies can help a co-op to grow, or stop it from developing. At the macro level, robust co-operative development works to advocate within government and policy environments to create or adapt legislation, policy, legal frameworks, reporting mechanisms, and financing that is suitable to the needs of the co-operative sector.[8]

The larger political spectrum (from right to left) can also have a role in supporting co-op development, policy, or the broader co-operative conversation. Although co-operative membership comes from all sides of the political spectrum, some political parties have co-op development and support as part of their platform. There are both opportunities and risks associated with a direct

link between co-operatives and a political party: there can be growth in the co-op environment if and when that party holds power, but a decline, even antagonism, when it does not.[9]

Academic research has shown that federal, state, and provincial policies profoundly affect co-operative development. The most robust co-op development environment is one where government policies provide positive, supportive, and favourable roles, which may include facilitation or financial support and/or a dedicated unit of government that oversees co-operatives.[10] Political culture can provide strategies for community development, which can and should include the co-operative model.

Those who work in co-op development point to gatekeepers of co-operative conversations. Typically, these gatekeepers act to expand or restrict the use of the co-operative model. For instance, co-operatives are businesses, and as such, require legal incorporation. There are gatekeepers within provincial ministries, such as corporate registries, that can actively encourage or discourage emerging business groups from considering the co-op model.[11]

Since co-operatives are legal entities, it will usually be necessary for a developing co-op to speak with a lawyer to make sure the co-op is designed well. There are few lawyers across western Canada trained in or practising co-operative law. The lack of legal expertise also means that when governments are setting up new business policies, they may inadvertently create something that has an adverse impact on co-ops, particularly if they don't take the time to understand the co-op model. Moreover, there are few legal experts who can advocate for change and innovation in taxation or other policies to encourage growth and innovation in the co-op sector, given its unique differences.[12]

Micro

At the community level, local politics and power shifts are always at play. Co-operative development may shift power dynamics in communities and can have a positive or a negative impact on these dynamics.

Working with community-level gatekeepers is an important step in the co-operative and community development process. Gatekeepers are members of a community and understand its cultural and political environment. Their deep connection to community is acknowledged either formally — someone who has an elected position — or informally — someone to whom the community turns to "get things done." Either way, a gatekeeper is a person of influence.

While gatekeepers exist in both rural and Aboriginal communities, our community visits revealed that gatekeepers were more visible, and conversations about them more open, in Aboriginal communities. Robust co-op development must accept and directly engage in conversations about local politics. Past co-op development work in Aboriginal communities has also shown the importance of navigating the landscape between band politics and the nascent power of a local co-operative board.[13] One solution, as put forward by an Aboriginal economic development co-operative in Alberta, is that board members of the co-operative cannot also sit as political leaders. If a board member accepts political office at the band or other level, that individual must resign from the co-operative board.[14] While this strategy may not work in all situations, it was a direction taken by that board specifically to address local political issues.

Business Culture

Macro

From a business perspective, competition, collaboration, and mentorship is key to building a healthy co-operative business. While co-ops need to be connected to other co-ops, they operate within a larger business culture geared largely toward conventional business models. Connecting with and learning from the wider business community builds the business resilience and growth of a co-operative enterprise.

The danger for co-operatives is that the larger business culture has metrics tuned to conventional investor-owned businesses. Co-operatives that wish to remain viable must view all their business dealings through a co-operative lens. Demutualization is often the result when an organization loses its co-operative focus and reinvents itself as a conventional business.[15]

Co-ops also require accounting expertise. Few accountants are trained in the co-operative model, which has needs, outputs, and reporting and dividend structures that differ from conventional businesses. Business schools and places of higher education act as gatekeepers, opening the door to or restricting and limiting co-operative knowledge and training. If students go through business, accounting, or law school and never hear of the co-operative model, they will not be equipped to help communities build co-operative businesses that are sustainable and resilient. The business culture within which co-operatives operate may or may not understand, support, invest in, or make room for, co-operative enterprises.

Micro

Robust co-operative development requires technical knowledge and a local business culture that either draws on business capacity present within the community or has access to the required knowledge and skills. Business capacity is not only the existence of business experience, but the capacity to leverage that experience to build something new.

Business capacity is related to external factors such as climate, geography, infrastructure, and other supports, some of which can be ameliorated and some that is not subject to change. However, there is a level of business capacity and innovation at which external factors are deliberately used for advantage. A community-based business culture focuses on community growth and community-led solutions.

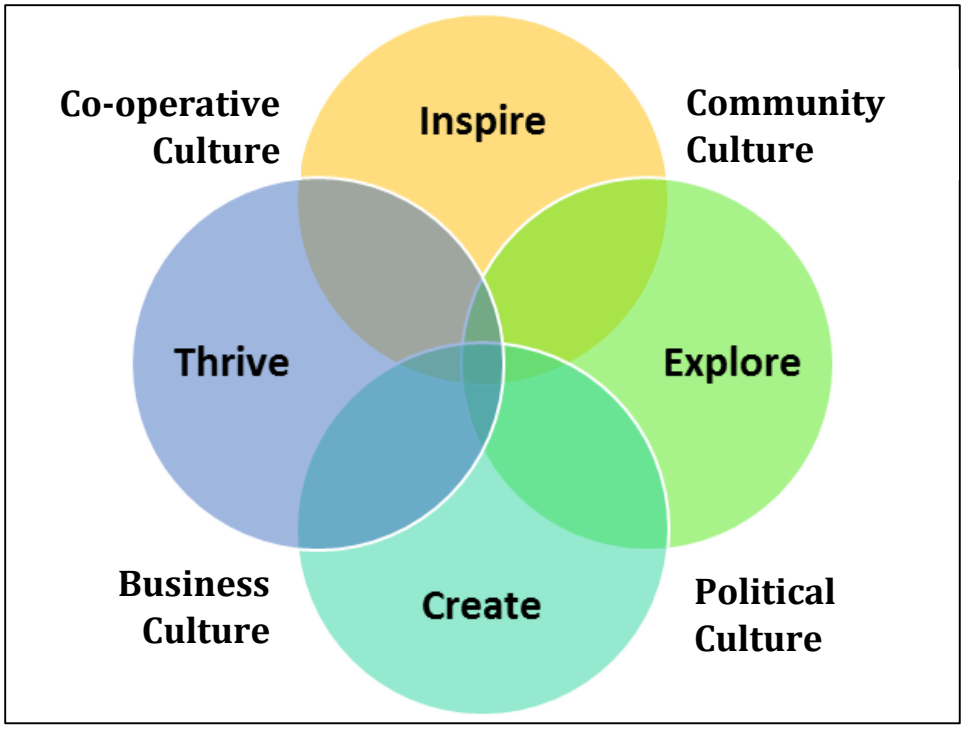

Figure 5: Robust co-op development: cultures

Education and Outreach

Education is one of the most critical aspects of co-operative development, particularly how it feeds into and supports outreach and engagement. Every one of the co-op developers we spoke with listed these components as fundamental, ongoing, and demanding.

Education is a continual process in a co-op, note the editors of a recent book about co-op development in Canada: "Educating the founding members is one stage, but members will come and go over time."[16] If the co-op itself does not provide this information, or seek it from a co-op developer as part of a *Thrive* process, it will be up to the members to educate themselves — and this rarely happens.

Building a robust co-op development environment means ensuring there is suitable support and implementation in place for education and outreach. In western Canada, all of the provincial co-operative associations invest in a variety of education components, including curriculum supports, youth events, and on-line seminars. Uptake is not always known. There is some postsecondary education and curriculum around co-operatives, but at that level, education is a choice.

Public education around co-operatives usually falls to media and marketing campaigns that aim to reach a broad audience. The challenge is matching media and marketing, which are typically one-way methods of communication. Keeping in mind the definition of co-operative development established above — "It's a conversation" — it will be necessary to find ways to create and sustain two-way conversations.

In our model, shown below in Figure 7, education, outreach, and engagement around the structure and possibilities of the co-op model are the arrows, reflecting movement. These conversations are

required within and among the four phases of co-op development — *Inspire, Explore, Create, Thrive* — and they flow through the four cultures — co-operative, community, political, and business.

Catalysts

At the heart of co-operative development are the *catalysts.* These are the people — community animators, co-operative or credit union members, federation members, co-op developers, community developers, or business developers — who talk co-ops, who make sure that co-ops are part of the conversation. No co-op development work, anywhere, begins without a catalyst making it happen.

Co-operative development at the community level is usually initiated and supported by a catalyst, the person — and there can be more than one — who leads co-operative development from within the community. While this person may also operate as a gatekeeper, he or she often works with a gatekeeper to move a project forward. A catalyst concentrates on the nuts and bolts of a project such as making arrangements, initiating telephone calls and coffee shop visits, engaging gatekeepers, and navigating local political, economic, social concerns. A catalyst may take direct responsibility for co-op development support. A gatekeeper may be less involved.

Catalysts can be found anywhere. At the community level, they may be the ones leading open community meetings. Other catalysts are at work in other parts of the robust co-op development environment, writing policy briefs for ministry officials in the political culture, writing media stories in the community culture, working in a university or community economic development agency within the business culture, or heading up initiatives in the co-operative culture. No matter which part of the model they direct their attention to, catalysts remain in the centre, as the anchor point of any co-op development conversation.

Connect

Co-op development in western Canada is nested within the four larger cultures outlined above: co-operative, community, business, and political. Through the interview and analysis process, it became clear that a fifth activity — *Connect* — is also a critical part of the co-op development process.

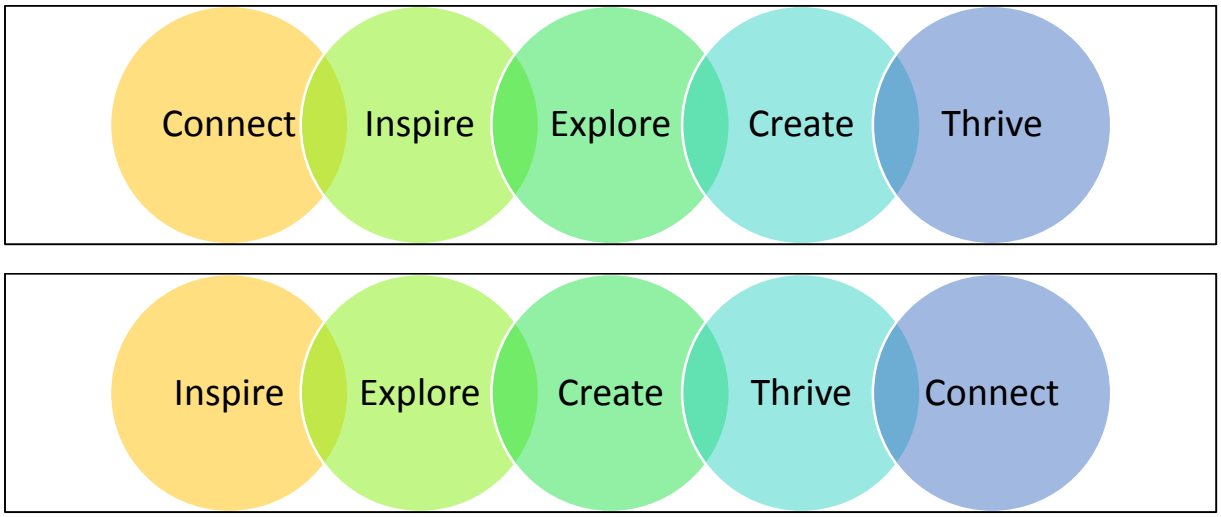

Figure 6: CIP addition to Plunkett model — Connect is in two places

While connect is an activity similar to the four at the heart of the Plunkett model and the core of the CIP model, it doesn't quite fit. It belongs *both* at the beginning of the phases, when creating connections with a community, and at the end, when a thriving co-operative reaches out to connect with other co-ops.

Connect is more than a core activity. The four cultures within which co-op development sits must also be connected to the activity of building co-ops. Finding ways to create two-way connections is key:

- Connecting to community: inspiring a community-level conversation; working with and through gatekeepers; finding and mentoring co-op leaders; identifying and clearly addressing needs and opportunities; raising the profile of co-operatives; listening to community needs and creating a toolbox of co-op examples that might fit those needs
- Connecting to business: networking with business development entities; developing educational tools around the co-op model for professionals; encouraging business media relations; connecting businesses through co-operatives (supporting new ways to create business-to-business relationships); developing business-friendly tools using a co-operative lens; working with business schools
- Connecting to politics: leveraging pan-provincial information across western Canada; working with regional partnerships; supporting and critiquing new legislation and policy through a co-operative lens; building a centre of knowledge about co-ops to act as a knowledge transfer centre and mobilizer
- Connecting to co-ops: building direct relationships with local-level co-ops to support *Thrive* activities; working with the larger co-operative community; connecting provincial associations to one another; connecting co-ops to one another to support mentorship and relationship opportunities; building a databank of existing co-ops in western Canada

Connect becomes a culture of connection. It's more than an activity; it's the strength of the co-operative network leveraged throughout the environment. Co-ops thrive when they are connected to each other. Federations, which draw together similar co-operatives under a larger co-op umbrella, are a great example: similar co-ops are connected to each other as a way to build a larger identity, share stories and ideas, and harness collective strength.

Co-op developers give examples of areas where those connections don't exist: "I look at daycare co-ops for example. Do you know how much stronger daycare co-ops would be if they came together and lobbied for what they needed? They'd be much stronger than just one little daycare co-op." International examples provide other ideas. In Italy, many of the apex co-operative federations are built not just from similar co-ops coming together, but from different kinds of co-ops, of different sizes, building a federation. The strength of their co-operative community provides lessons worldwide.

Some of the provincial associations in western Canada report somewhat limited membership, with only large co-operatives, or co-op federations or apex associations. These associations struggle with communicating directly to local-level co-operatives.[17] While this arrangement may make sense for targeted representation to the apex association, the association itself is disassociated from individual co-operatives and cannot easily make connections with them, particularly to engage in *Thrive* activities at the local level. Moreover, it may not be able to co-ordinate or support a broader environment built on a culture of co-operative connections.

CIP believes that a robust co-operative development environment is a connected environment. It is a culture that grows through activity on several levels, working with existing groups to find community-based solutions to rural and Aboriginal community problems, strengthening and leveraging existing expertise.

Co-operative development must also work to *Connect* with communities, particularly those that have strong gatekeepers or specific cultural expectations. While the Aboriginal community at large is a good example, others may include Mennonite, Hutterite, or new Canadian components within rural communities. Building the co-operative environment means connecting and leveraging the capacity of the four cultures — co-operative, community, political, and business.

There is work to be done if we are to reach the goal of a supported culture of connected co-operatives. A key first step is to identify and create a living database of all co-operative enterprises in western Canada. The database must also include community-level catalysts who are at work within the larger co-operative environment. There are major roles to be played in creating connections among the disparate pieces and players and in educating people in the wider environment about the co-operative model. There is also a role in supporting co-operatives to *Thrive* through hosting co-op–to–co-op events and providing strategic intervention and support.

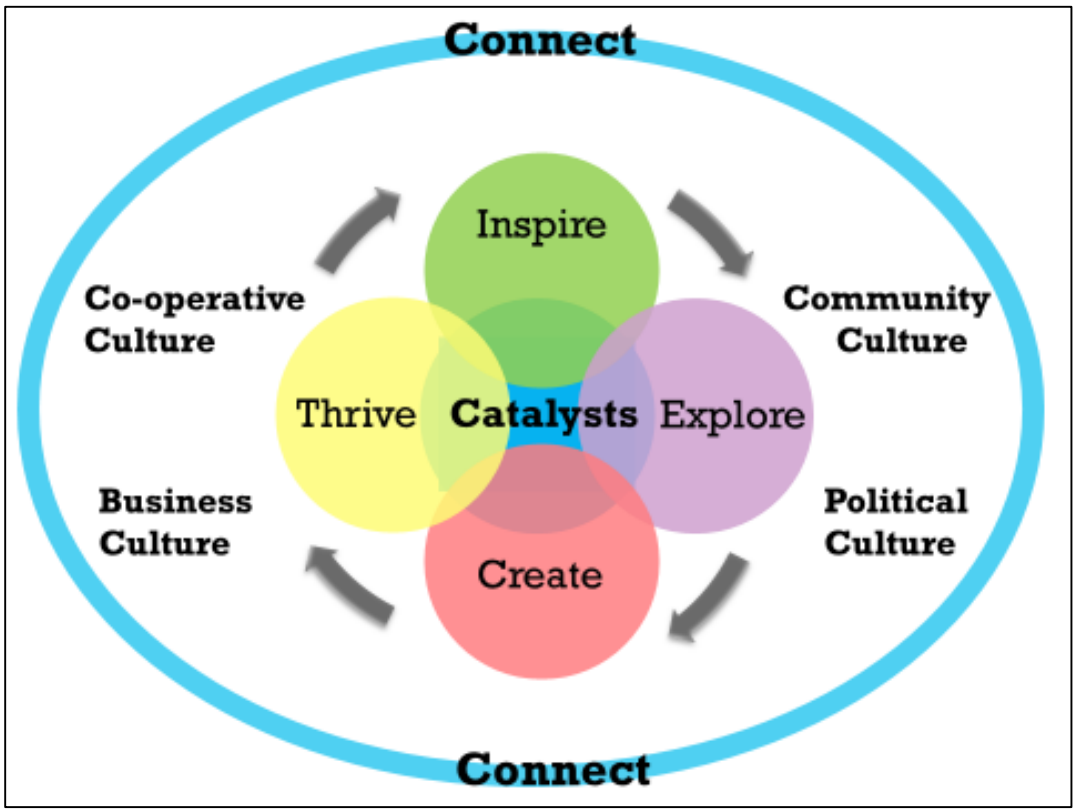

Figure 7: Model of a robust co-operative development environment

Conclusion

Western Canadian co-operative development, particularly as practised by the majority of the provincial associations, focuses primarily on the *Explore* and *Create* phases. There is less focus, energy, or commitment to *Inspire* or *Thrive* activities. Co-op development activities across western Canada, with a few exceptions, are based primarily on a *responder* model.

There are a large number of existing entities and co-operative groups in western Canada that actively support co-operative development practices and approaches. Because the ultimate goal of co-operative development is to create and support co-operatives, the work of these groups is highly valued and must continue. The CIP suggestion to pay more attention to the *Inspire* and *Thrive* stages is an attempt to make current methods stronger, with better reach, success, and growth; it should not be read as a criticism of existing approaches.

While the *Create* phase, in particular, needs to have provincial-level expertise to ensure that new and changing co-ops fit into provincial legislation, activities at the *Inspire* and *Thrive* stages are general to all co-operatives and can be supported through a larger, pan-provincial lens.

All of these activities happen within a larger environment made up of four cultures: community, political, business, and the co-op sector. A clear understanding of these cultures, and how they are at work at both the micro and macro level, allows communities to better appreciate their strengths and weaknesses, opportunities and areas for growth, as they consider co-operative enterprise solutions. For the larger co-op development community, a clear articulation of these cultures will help to identify areas of strength and areas that require more energy and investment.

Knowledge through co-op education, outreach, and engagement flows through this model. Mentorship, education, stories, sharing circles, meetings, media, websites, community events, governance and board training are all part of an ongoing process of continual learning. Without these, the parts do not move, grow, learn, or change.

At the centre of the co-operative development environment are the catalysts. Working within the four cultures, co-operative catalysts continually ask, *what about a co-op?*

Finally, a robust co-operative development environment is fully connected — defined and circumscribed by those connections, engaged in supporting, augmenting, extending, and intensifying co-operative development. Connecting the larger environment back into co-operative development activities requires focused energy, regional co-ordination, and capacity.

One final point: While the model might make it look easy, the reality is that co-op development in practice can be difficult. Even so, the model may provide a visual structure through which we can view and assess what is currently happening, and then decide where best to put effort and energy in order to create a robust co-operative environment.

All co-op development projects are creative *activities that take place within a context of limited knowledge and resources with no guarantee of success.*
Each developing co-op faces challenges that are uniquely its own.
Peter Hough, Effective Practices in Developing Co-ops

Endnotes

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[3] See, for example, Brian Henehan and Bruce Anderson, "Considering Cooperation: A Guide for New Cooperative Development" (College of Agriculture and Life Sciences, Cornell University, 2001); Sol Kinnis, Lyn Cayo, and Kathleen Gabelmann (eds.), *Co-operatives by Design: Building Blocks for Co-op Development* (BC Institute for Co-operative Studies, 2002); see also chapter one in this section.
[4] Developer interviews, CIP 2015.
[5] Fairbairn 2000.
[6] See "Starts with Existing Co-ops," previous chapter.
[7] An example is the community of Cumberland House, Saskatchewan, where there is both the Northern Village of Cumberland House and Cumberland House Cree Nation. The communities are socially and geographically intertwined, but legally they are separate. See Merle Massie and Maureen G. Reed, "Cumberland House in the Saskatchewan River Delta: Flood Memory and the Municipal Response, 2005 and 2011," in E. Carina Keskitalo (ed.), *Climate Change and Flood Risk Management: Adaptation and Extreme Events at the Local Level* (Edward Elgar Press, 2013), pp. 150-89.
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[13] Lou Hammond Ketilson, " 'To See Our Communities Come Alive Again with Pride': (Re)Inventing Co-operatives for First Nations' Needs," in Brett Fairbairn and Nora Russell (eds.), *Co-operative Canada: Empowering Communities and Sustainable Businesses* (UBC Press, 2014), pp. 209-32.
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[15] Murray Fulton and Jean-Pierre Girard, "Demutualization of Co-operatives and Mutuals," report for Co-operatives and Mutuals Canada, 2015; Murray Fulton and Peter Couchman, "When Big Co-ops Fail," http://usaskstudies.coop/documents/pdfs/When%20Big%20Co-ops%20Fail%20FInal%2003.11.2015.pdf 2015.
[16] Joy Emmanuel and Lyn Cayo (eds.), *Effective Practices in Starting Co-ops: The Voice of Canadian Co-op Developers* (Victoria: New Rochdale Press, 2007), p. 94.
[17] Developer interviews, CIP 2015.