

CANADIAN CENTRE FOR THE STUDY OF CO-OPERATIVES (CCSC)

Top Co-op Issues 2021

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EXECUTIVE SUMMARY

For the fourth year running, a survey of Canadian co-operatives leaders found that the most pressing challenge facing the sector is a general lack of **awareness** about the co-operative model. As one of the 311 respondents to the 2021 Canadian Centre for the Study of Co-operatives (CCSC) annual survey noted, “we can’t tackle any of the other issues on the list if policy makers and citizens don’t understand the value of co-operation in our society.”

Respondents tended to link the **awareness** issue to a concern about the dilution of the meaning of ‘co-operative’ due to increasing use of related terms like ‘membership’ in customer loyalty programs, the misuse of the term ‘co-operative’ by companies trying to bolster their environmental, social and governance (ESG) bona fides, and even confusion with college and university student internship programs. By contrast, some respondents to the 2020 survey linked this **awareness** issue to the delayed roll out of COVID-19 programs for credit unions.

Of note, the 2021 CCSC survey generated almost six times more respondents than in 2020, and almost 10 times more than in the first years of the survey. In 2021, the CCSC worked closely with Co-operatives and Mutuals Canada (CMC) to promote the survey. It is difficult to say how this increased response rate affected the survey results, if at all. As noted, **awareness** remained the salient number one issue. There was however a reshuffling of the other priority issues.

For example, the 2021 survey found that the second most pressing issue facing co-operatives was **access to capital**; it was ranked third in 2020. While there is some evidence that established larger co-operatives [do not have difficulty obtaining financing](#), it is a concern for many of the large number of smaller to mid-sized co-operatives that responded to the 2021 survey. They say lenders struggle to understand how co-operatives can, for example, increase sales but not retained earnings (because they keep prices low or flow back profits in the form of patronage dividends) or lenders who confuse co-operatives with non-profits or governments who design programs ill-suited to co-operatives.

The third most pressing issue is **leadership**, which ranked fourth in 2020. Respondents said they have current and pending retirements within their organization have created significant concerns. As respondents noted, the challenge is not just finding people who have the time, energy, and skill to

lead but who also understand the co-operative model and can serve as co-operative ambassadors in their community.

Concern about **governance** dropped to fourth place in the 2021 survey, down from second in the 2020 survey, which was distributed a few weeks after the sale of Mountain Equipment Co-operative (MEC) and a related debate about whether its demise could be linked to governance failings. While the MEC sale is now complete and the debate is less heated, the issue remains a concern. As one respondent noted, “too many mid-sized co-operatives have no director training and there is a lack of understanding as to what the role of the board is and what their role means in the context of a co-op.”

While **awareness** continued to be the number one concern in 2021, the slow return to something looking a bit more like normal – coupled perhaps with a large increase in the survey response rate – seems to have shuffled some of the sector’s priorities. It will be instructive to see if, and how, supply shocks, inflation, higher interest rates, and the war in Ukraine affect the 2022 survey results.

SOMMAIRE

Pour la quatrième année consécutive, un sondage auprès des chefs de file des coopératives canadiennes a révélé un manque général de **sensibilisation** concernant le modèle coopératif comme étant l’enjeu le plus pressant du secteur. Comme l’a noté l’un des 311 participants au sondage annuel du 2021 mené par le Centre Canadien d’Etude des Coopératives « nous ne pouvons pas résoudre aucun des autres problèmes énumérés si les décideurs et les citoyens ne comprennent pas la valeur de la coopération dans notre société »

Les participants avaient tendance à lier le problème de **sensibilisation** à une préoccupation concernant la dilution du sens de « coopérative » en raison de l’utilisation croissante de termes semblables comme « membre » dans les programmes de fidélisation de la clientèle, l’utilisation abusive du terme « coopérative » par les entreprises essayant de renforcer leur bonne foi environnementale, sociale et de gouvernance (ESG), et même à la confusion avec les programmes de stages pour étudiants collégiaux et universitaires. En revanche, certains participants au sondage de 2020 ont associé ce problème de **sensibilisation** au déploiement tardif des programmes COVID-19 pour les coopératives de crédit.

Il convient de noter que le sondage du CCSC 2021 a généré

près de six fois plus de participants qu'en 2020, et près de 10 fois plus que lors des premières années de l'enquête. En 2021, le CCSC a travaillé en étroite collaboration avec Coopératives et Mutuelles Canada (CMC) pour promouvoir le sondage. Il est difficile de dire comment ce taux de réponse accru a affecté les résultats de l'enquête, le cas échéant. Comme on l'a signalé, **la sensibilisation** est demeurée le principal défi. Il y a cependant eu un remaniement des autres questions prioritaires.

Par exemple, le sondage de 2021 a montré que le deuxième enjeu le plus pressant auquel les coopératives étaient confrontées était **l'accès au capital** qui était classé troisième en 2020. Bien qu'il semble que les grandes coopératives bien établies [n'ont pas de difficulté à obtenir du financement](#), ce dernier reste une préoccupation pour de nombreuses coopératives de petite et moyenne taille qui ont participé au sondage de 2021. Ils disent que les prêteurs ont du mal à comprendre comment les coopératives peuvent, par exemple, augmenter les ventes mais pas les bénéfices non répartis (parce qu'elles maintiennent les prix bas ou reversent les bénéfices sous forme de ristournes) ou les prêteurs qui confondent les coopératives avec les organisations à but non lucratif ou avec les gouvernements qui conçoivent des programmes mal adaptés aux coopératives.

Le troisième problème le plus urgent est **le leadership**, classé quatrième en 2020. Les participants ont mentionné que les pensions de retraite, courantes et futures, au sein de leur organisation ont créé des inquiétudes importantes. Comme les participants l'ont noté, le défi n'est pas seulement de trouver des personnes qui ont le temps, l'énergie et les compétences nécessaires pour diriger, mais qui comprennent également le modèle coopératif et peuvent servir d'ambassadeurs coopératifs dans leur communauté.

L'inquiétude concernant **la gouvernance** a reculée à la quatrième place dans le sondage de 2021, contre la deuxième dans le sondage de 2020, qui a été distribué quelques semaines suite à la vente de Mountain Equipment Co-operative (MEC) et à un débat connexe contestant si sa disparition pourrait être liée à des défaillances de la gouvernance. Alors que la vente de MEC est maintenant conclue et que le débat est moins houleux, la question demeure préoccupante. Comme l'a fait remarquer un des participants, « trop de coopératives de taille moyenne n'ont pas de formation d'administrateur et il y a un manque de compréhension quant au rôle du conseil d'administration et sa signification dans le contexte d'une coopérative ».

Alors que **la sensibilisation** a continué d'être la préoccupation majeure en 2021, le lent retour à une vie presque normale— associé peut-être à une forte augmentation du taux de participation au sondage—semble avoir bouleversé certaines des priorités du secteur. Il sera instructif de voir si, et comment, les chocs d'offre, de l'inflation, de la hausse des taux d'intérêt et la guerre en Ukraine affectent les résultats du sondage de 2022.

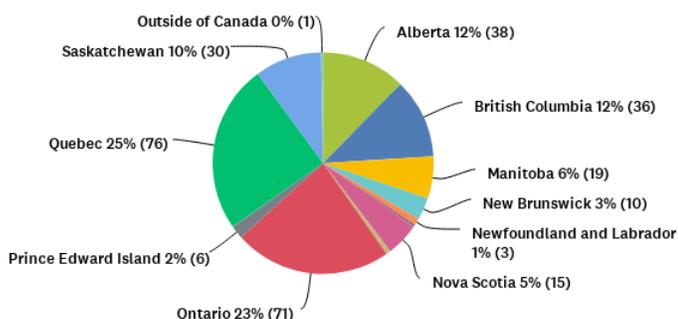
1.0 INTRODUCTION

2021 marks the sixth annual Top Co-operative Issues Survey, which asks Canadian co-operative leaders — including chief executive officers/executive directors, managers, board members, and researchers — what they view are the most pressing concerns facing co-operatives today.

As in years past, the survey was administered as a bilingual survey and respondents were able to participate in English or French. Data were collected between December 1, 2021, and December 31, 2021. In addition, this year, the Canadian Centre for the Study of Co-operatives (CCSC) partnered with Co-operatives and Mutuels Canada (CMC) to administer the survey to reach a broader network of co-operatives and credit unions across Canada. In total, 311 leaders from the co-operative sector completed the survey, which is almost six times more than in 2020 and almost ten times more than in 2019.

As shown in Figure 1, the largest number of survey respondents was from Quebec, followed by Ontario, then Alberta, British Columbia, and Saskatchewan.

Figure 1: Geographic Location of Respondents



Next, Table 1 provides a portrait of the size of co-operatives that participated in this survey. Of the 282 respondents that indicated that they are currently working at a co-operative (as opposed to working at a university or recently retired), we found that the median number of employees in their co-operatives was 10 and the participating organization with the greatest number of employees was 16,150. Three quarters of respondents (the 75th percentile) who answered this question had 35 or fewer employees, indicating that the greatest participation in the survey was by small co-operatives, which

are usually defined as having fewer than 50 (in the service sector) or 100 employees (in good productions).¹

Table 1: Attributes of participating co-operatives

	Minimum	25%	Median	75%	Maximum
Number of employees	0	3	10	35	16,150

As with the 2020 survey, this survey incorporated a pre-populated list of top co-operative issues derived from past survey findings. The list was randomized for each respondent. Respondents were asked to select the top three most important challenges uniquely facing co-operatives in Canada in ascending order, followed by an open-ended invitation to elaborate on each of the selected challenges. A selection of anonymous respondent quotes from the survey that pertains to each identified challenge can be found in Appendix A. The survey can be found in Appendix B.

Data were inversely weighted to reflect the ranking hierarchy, then tallied to produce an overall score. For example, the top issue identified by each respondent was assigned the largest value, the second issue was assigned the second largest value, and the third issue was assigned the lowest value. The values were then compiled and summated for each issue to create an overall score for each issue, then ordered to produce an overall ranking.

2.0 FINDINGS

In 2021, the top five most important challenges uniquely facing co-operatives in Canada, as identified by co-operative leaders, are as follows:

1. Improving awareness about the relevance of the co-operative model with the general public, members, youth, government, and other stakeholders

For the fourth year running, the need to improve awareness about the relevance of the co-operative model was cited as the number one challenge for the co-operative sector. This issue garnered 26% of all votes cast. As one respondent noted, “We can’t tackle any of the other issues on the list if policymakers and citizens don’t understand the value of co-operation in our society.”

¹ For some definitions, see: <https://www.benchmarklaw.ca/2019/09/28/definition-of-a-small-business-in-canada/>

Even for members of the public who may know what a co-operative is, respondents observed they can be largely apathetic or uninterested in understanding the benefits of the co-operative model, how the model would benefit local consumers and their communities, or how co-operatives could be in harmony with many people's core value systems.

Some co-operative leaders indicated that creating awareness of co-operatives amongst youth is paramount to the health of the sector but continues to be a challenge. Some respondents said that, compared with previous generations, today's youth do not appear to have a good understanding of the rationale for co-operatives or how co-operatives might benefit them. Similarly, respondents said that government agencies and policymakers often do not understand the unique needs of co-operatives and the benefits of providing more support to co-operatives.

The general lack of understanding makes it difficult for co-operatives to distinguish themselves from competitors. For instance, some co-operative leaders said that the use of the word "membership" is proliferating with customer loyalty programs and co-operatives are at risk of being unable to differentiate. Other co-operative leaders expressed frustration that co-operatives are increasingly being confused with student internship programs and organizations that use the term to market their products in an environmentally friendly manner. Additionally, some co-operative leaders say that members of the public mistake co-operatives for non-profit organizations.

To remedy this awareness problem, some co-operative leaders say that primary, secondary, and postsecondary institutions, and especially business schools, should include co-operatives in their curriculum. Others say that more efforts should be made to promote and increase the visibility of co-operatives. One area to start is within local communities. Another area is existing memberships of organizations.

2. Access to capital/financing (for growth, technological spending, and other)

The 2021 survey found that co-operative leaders put the need for access to capital/financing as their second biggest challenge (up from third in 2020 and garnering 17% of the overall vote). They increasingly need this financing to digitize their businesses given shifting shopping patterns coming out of COVID-19 but also for more traditional investments like

buildings, equipment, and renovations.

As one respondent summarized, *"We must remain competitive. Consumers will no longer be loyal because you are a co-op, or you are local. You must be digital, competitive and provide high quality products and services. The ability to fund this development through retained earnings is going to be more difficult."*

Many co-operative leaders said that financial institutions do not understand the co-operative model and as a result, struggle to assess value based on formulas developed with non-co-operatives in mind. This in turn leads to higher interest costs for co-operatives relative to their competitors. Some respondents pointed to a related problem, namely the difficulty lenders have in understanding the concept that a co-operative might have an increase in sales but not an increase in profit and retained earnings because of low prices or patronage returns. Other respondents added that some financial institutions view co-operatives as non-profit organizations. As a result, co-operatives must work hard to demonstrate their ability to generate revenue to pay back their loans.

Meanwhile, there continues to be a lack of alternative funding options for co-operatives. Government grants and funding programs often overlook co-operatives. As some respondents noted, the lack of public funding options is especially disappointing as it neglects the unique contribution that co-operatives make to local economies. Other co-operative leaders said that co-operatives could perhaps raise funds from venture capitalists but venture capitalists also tend to have a poor understanding of the co-operative model. They cannot see how they might benefit from the model since co-operatives do not typically sell shares that are publicly traded and fluctuate in value.

3. Developing strong co-operative leaders

Respondents indicated a more pressing need for leadership development within the sector. Whereas this theme was ranked fourth in 2020, it was ranked as the third most pressing issue in 2021 with 13% of the overall vote. Respondents reported challenges finding leaders amongst their members, employees, and executive ranks to sustain capacity in their organization and the health of the co-operative sector at large. Some mentioned that current and pending retirements within their organization have created significant gaps, while

finding members that have the time, energy, and interest to lead the organization at the board level has been difficult, especially amongst younger members. Retaining leaders has also been an ongoing challenge with some respondents reporting that their senior executives have been increasingly taking up positions outside the co-operative sector because of better pay. While respondents were clearly concerned about succession planning, they also insisted on the need to find the right leaders, people who understand and are passionate about the co-operative model. These individuals need to be strong business people but also charismatic and recognizable within the community so they can serve as ambassadors for the co-operative sector. This is a tall order of course. As one respondent said, *“It is hard to find or even retain people that have a vast knowledge of a cooperative business as well as excellent people and leadership skills. Running a coop is a very diverse job and finding people with the skills to do that is difficult.”*

To help address these challenges, respondents pointed to the need for more focused education and training of co-operative leaders and board directors, access to mentors, and opportunities to meet with other leaders and directors.

4. Co-operative governance

The issue of co-operative governance dropped to fourth place in 2021, from second in 2020. Nevertheless, the need was still acute and received 10% of the overall vote. As one respondent summarized, *“Too many mid-sized co-operatives have no director training and there is a lack of understanding as to what the role of the board is and what their role means in the context of a co-op.”* As a result, numerous respondents identified a continuing need to better educate and prepare members of co-operative boards, so they better understand the co-operative principles; the purpose of their organization; and their roles, responsibilities, and tasks as board members. Through additional training and education, respondents are hopeful that this will lead some boards to discuss issues rather than process, strategy rather than day-to-day operations, and big picture thinking rather than micro-managing, and foster a stronger commitment to the co-operative model.

The importance of strong governance was underscored by some respondents, who pointed to the 2020 demutualization of the former Mountain Equipment Co-operative, which many attribute to a failure in co-operative governance. As one respondent cautioned, *“In the absence of a concerted focus on governance, the sector faces the real risk of co-operative directors*

who are driven by considerations that fail to take into account the unique nature of co-operatives and, potentially, consider paths similar to MEC in times of crisis.”

Respondents also raised concerns about the challenges of recruiting new people and retaining current board members. Some respondents tied this challenge back to difficulties in finding and motivating members to participate and carry out governance duties for the organization. Respondents said that while there is an urgent need for co-operatives to engage in succession planning, they struggle to get a plan together and to put it into action.

Some respondents took a different approach, emphasizing some of the sometimes seemingly intractable challenges associated with democratic governance in co-operatives. They noted how co-operative decision making can be slow, inefficient, costly, and cumbersome, and how this poses challenges when it comes time to respond to a rapidly changing and disruptive environment. Larger co-operatives, in particular, find the co-operative governance model difficult to scale.

5. Policy changes that do not account for co-operatives

Up from seventh in 2020 to fifth in 2021 with 8% of the overall vote, respondents indicated that there continues to be policies and policy changes that do not account for co-operatives.

Specifically, respondents lamented that governments at the federal, provincial, and municipal level often leave co-operatives out of their consultation process. As a result, for some respondents, they find that their co-operatives are not eligible for certain government programs, such as the National Research Council of Canada’s Industrial Research Assistance Program (IRAP). For other respondents, government programs are awkward and time-consuming. For instance, respondents in the housing co-operative sector said that rent and subsidy support for co-operative housing is different than it is for other types of housing ownership.

Several respondents reported problems with taxation system, pointing to issues around provincial property tax, access to small business tax rates, access to tax credits or problems related to getting co-operative equity tax-sheltered in programs like registered retirement savings plans or tax-free savings accounts (TFSA).

Many respondents believe that the root cause of this issue lies

in government's lack of understanding of the co-operative model and the co-operative sector (hearkening back to the awareness issue identified earlier). As one respondent stated, *"in British Columbia, cooperatives are not perceived as a business model, they are more like a membership club for most people. Governments need to give cooperatives the same attention as any other corporation in terms of financial support and access to markets like any other business."* To address this issue, some respondents argued that the sector needs to engage in more advocacy with policymakers.

6. Co-operative development

The sixth top issue in 2021 with 7% of the overall vote was the need for increased co-operative development. Many co-operative leaders said that the co-operative model has a lot of potential for growth and development, including the development of services that would address many pertinent needs in Canada, such as low cost or affordable housing, nursing homes, and seniors' centres. However, respondents also identified a shortage of co-operative development support of the kind needed for start-up organizations. Some co-operative leaders said that it would help if there were more co-operative developers and more co-operative development organizations. In addition, respondents indicated that having dedicated government funding and support for co-operative development would further help to facilitate and catalyze these possibilities.

7. Nurturing cooperation amongst co-operatives

The seventh most pertinent issue identified in the 2021 survey, with 7% of the overall vote, was the need to nurture cooperation amongst co-operatives. According to respondents, there is a lack of cooperation amongst co-operatives. Co-operatives are more likely to be seen as competitors, rather than collaborators. Some respondents noted that this was more characteristic of larger co-operative systems and financial co-operatives especially. Meanwhile, other respondents noted that there is very little work being done to increase awareness and inform co-operatives of each other's existence.

Many noted that the notion of nurturing cooperation amongst co-operatives is a worthy goal with many potential untapped benefits. This includes sharing memberships, pooling resources, and addressing labour shortages.

8. Ensuring that management practices are adapted to co-operatives

With 6% of the overall vote, co-operative leaders identified the challenge of getting their senior leadership to understand the uniqueness of the co-operative model, the need to put members' first, and that a co-operative is not just another business. As one respondent wrote, this means that management *"need to choose a sort of niche strategy to compete with other market competitors, be careful with expansion and investment into things not relevant to the member's needs. Co-operative nature decides members conservative attitudes towards the portfolio and horizon of investment. Co-operative management should be open-minded, keep transparent, have more conversation with members, in their strategic and operational decision making."*

Numerous co-operative leaders acknowledged that finding a way to do business that respects co-operative values while being competitive is challenging. Nevertheless, one persistent issue is that there continues to be a lack of awareness amongst some executives of co-operative management practices versus corporate management practices. Incorporating content on how to manage a co-operative in mainstream business schools could help to address this gap.

Another suggestion provided by some co-operative leaders was the development of guidelines and best practices for management. As one respondent wrote, *"We need practices that are particularly suited to the challenges that co-operatives face (e.g., the need to bring a social face to decision-making) and that management can easily pick up and implement."* As numerous respondents noted, this is currently lacking.

Additionally, some respondents reported pointed to challenges with basic administrative functions, like accounting systems, that do not adequately meet the needs of a co-operative.

Additionally, survey respondents identified a few other issues of concern. These included:

- **Labour shortage** – As with other sectors during the continuing COVID-19 pandemic, co-operative leaders indicated that they are experiencing an intensifying labour shortage.
- **Member engagement** – The issue of members not participating or contributing to the co-operative continues to be an issue for some co-operative leaders.

- **Research on co-operatives** – Some co-operative leaders expressed a need for more research on co-operatives, namely, research on the impact and value co-operatives have in their communities and the country that can be communicated to the general public to increase understanding of co-operatives.

APPENDIX A: A SELECTION OF RESPONDENT QUOTES ON THE SURVEY THEMES

1. Improving awareness about the relevance of the co-operative model with the general public, members, youth, government and other stakeholders

"The continued viability of the co-operative model requires people who understand, and more importantly, believe in it. While there is a growing acceptance of the values of being a co-operative, the words that we use, I believe, don't resonate with how youth, government and other stakeholders."

"It is challenging to make our policyholders and the public know about the difference between a 'mutual' insurer and a stock company. We could attract a lot more people if they knew the advantages of supporting a small local mutual."

"For many years we worked hard to show the uniqueness of co-op housing and I believe we made headway in those days. Now however, our newer members just refer to it as 'housing' like every other form of subsidized housing."

"Awareness of Cooperatives as a viable business model. It is not well understood. It is not taught in school. Awareness becomes a barrier to understanding."

"General public know that co-op exist but they mostly don't know how it works and what they do. Can we improve the marketing that promote cooperation."

"Older generations appear to have a better understanding of the cooperative model than younger generations do, which is a problem for the long term health of cooperatives in Canada."

"Local ownership and local control are vital for communities. Few understand the ability of co-ops to perform this role for communities."

2. Access to capital/financing (for growth, technological spending, and other)

"Banks don't always understand the co-op model and have a hard time assessing value based on their formulas. Lending rates are less competitive for co-ops because the source of capital is not clearly defined by financial institutions' standards."

"Too often the funds available to co-ops (credit union or bank loans) are contracted by the financial institution as if the

co-op was a consumer (therefore needing considerable loan guarantees). Instead, lending institutions need not just to recognize the risk involved in funding the investment needs of co-ops, but also to recognize that the loyalty, resolve, and collective ingenuity of co-op workers or members is a valuable asset, making co-ops a better bet for the future than normal capitalist enterprises, where the stakeholders usually have no day-to-day connection to the enterprise."

"Les coopératives ne sont pas toutes reconnus au même titre que les entreprises ou organismes à but non lucratif pour l'obtention de financements. La situation a beaucoup évolué en ce sens dans les dernières années, mais il reste du chemin à faire pour assurer une équité dans l'attribution des subventions et programmes de financement."

"While co-ops should be self-sustaining organizations, including generating enough capital for growth and technological transformation, the unique contribution that co-ops make to local economies and communities should be recognized when public funds are distributed for economic development."

"The coops I work with do not have access to venture capital as easily because their members tend to be financially struggling and thus cannot support capitalization. Typical VCs do not understand coops."

"Funding is always a challenge, but funding for those things that no-one else wants to fund (like painting the ceiling, a new drilled well, updating the septic system) is a real challenge."

3. Developing strong co-operative leaders

"Having a Board of directors that is strong in business experience and knowledge and also believe in the model is an on-going challenge as well as demographic diversity - younger people (in their 30s and 40s) are needed to keep it moving ahead."

"When you have strong leaders in the community, this will automatically enhance everyone's knowledge. In turn, this will promote the importance of a co-op model within the community."

"Leadership in a Co-op is key. Many Boards are made up of older Members. Encouraging younger Members to take over the reins is very difficult - can be overwhelming for them to consider."

"There must be access to appropriate training for coop leadership development right across Canada"

"Nous n'avons plus de formation sur les coopératives. Comment voulons-nous développer des leaders coopératifs alors que les leaders du monde actuel sont formés à l'entreprise privé."

"There are much easier ways to make a living! It's easy to lose great leaders to a bigger paycheque. Nurturing those who are completely dedicated is key to continued success."

4. Co-operative governance

"Mieux éduquer et préparer les membres du CA des Coop, afin qu'ils comprennent mieux leurs tâches, leurs responsabilités, et les limites de leurs interventions."

"There is a risk of more co-operatives missing the key features and distinctions of co-op governance with the increasing focus on corporate governance training. Non-co-op governance knowledge is dangerous when it isn't calibrated to fit the co-op model"

"The demutualization of MEC was a failure of co-op governance. More needs to be done to ensure that co-op directors are trained in both the basics of good governance as well as governance in a co-op context. In the absence of a concerted focus on governance, the sector faces the real risk of co-op directors who are driven by considerations that fail to take into account the unique nature of co-ops and, potentially, consider paths similar to MEC in times of crisis."

"La difficulté à garder et même à transmettre l'intérêt à siéger au CA d'une coopérative."

"The co-op governance model worked well for us when we were a new co-op but as we want to grow we are experiencing more challenges with how to do this with a co-op governance approach."

"La gouvernance doit se redéfinir. Le modèle actuel manque de flexibilité. Ce fait engendre des délais de réaction trop long et plus coûteux que le modèle corporatif"

5. Policy changes that do not account for co-operatives

"A lot of changes that are made do not include cooperatives. So there are a lot of grey areas especially with government programs etc. most times there are no streams coops or

parameters surrounding them so they don't qualify."

"Cooperatives are unique business structures within Canada and are often not thought of when policy decisions are made."

"First a couple of reality points: 1) Policy drives behavior. 2) Member owned cooperatives are fundamentally different than for profit enterprises. Therefore policy should address that fact."

"Les politiques sont adoptées par des gens moins informés des modèle COOP"

"Provincial policies are not adjusted for the co-op model. Example: property tax calculations"

"Rent and subsidy support isn't the same for housing co-operatives as it is for other housing environments"

6. Co-operative development

"The challenge here is that there are so many places in our society where co-ops could and should be developed. Low cost housing, nursing homes, senior centers, to name a few."

"co-ops offer affordable housing so developing co-ops would include creating more co-ops with government support."

"Artist co-ops are a developing, hybrid, commercial model that are not fully understood yet."

"In Ontario, if we are successful at promoting the co-operative model and there are groups who would like to develop co-operatives, we have a real shortage of co-operative developers to help."

"We need trained co-op developers and infrastructure (organizations) to support them."

"More focused around financing of than actual development. Obtaining appropriate funding for development of any kind is a significant challenge."

7. Nurturing cooperation amongst co-operatives

"Les coopératives des divers secteurs de l'économie transigent très peu entre elles. Elles pourraient par exemple mutualiser leurs besoins afin de réduire les coûts."

"Because many cooperatives struggle financially, they closely monitor all their expenses and constantly question and challenge the investment they make in cooperative

development that benefits all. In some cases, cooperative are more concerned about their own brand than the cooperative brand. Therefore, there is less cooperation and collaboration among cooperatives."

"Let's grow the sector and bring to the top of everyone's awareness (large and small) that we are committed to working together."

"Le mouvement semble éclaté et des liens devrait être bâties et entretenus entre tous les coopératives."

"travailler en synergie avec les autres coopératives en développement de marché croisé."

"Our co-op belongs to a national association of other media arts groups with some being co-ops, but all basically following a co-op model. This has really helped us over the years as we could speak to colleagues about their triumphs and challenges and it could help us in our future planning. Individual co-ops quite often contact each other for advice and consultation. This is a positive case of co-ops working together and we could have more of it."

8. Ensuring that management practices are adapted to co-operatives

"It is easy for leaders to fall back on what they learned through experience. When in a cooperative, there may not be resources or the opportunities to adapt business practices so they fall back on their experience."

"There is work to do to ensure the co-op serves the needs of its members. This requires management to fully grasp who their stakeholders (members) and to develop strategy accordingly."

"Due to board interaction and limited access to capital,, many co-ops are working on shoestring budgets, take longer to make decisions, and to interact with members, hence issues like transparency, deadline dates, audits, etc. need to be taken into account when management practises are entrenched in an organization."

"We need access to best practices management models for small workers co-ops."

"Trouver les outils, les règles, etc pour être conforme et faire une bonne gestion."

"Nous n'avons pas trouvé de modèle de système

d'administration et comptable adapté à nos besoins."

Other themes

"On manque de personnel, les salaires demandés sont de plus en plus élevé... ça fait mal..."

"Les coops ont les mêmes problèmes que les autres entreprises, la pénurie de main d'oeuvre en fait partie. Les salaires moins élevés n'aident pas, les valeurs des coops font en sorte qu'ils ne travaillent pas pour n'importe quelle entreprise, ce qui diminue leur potentiel de profitabilité."

"Members not participating on committees or helping out."

"Research on the many impacts have in their communities and the country, especially connected impacts and unique impacts."

APPENDIX B: 2021 TOP CO-OP ISSUES SURVEY

For the last five years, the Canadian Centre for the Study of Co-operatives (a research centre sponsored by Canadian co-operatives and the University of Saskatchewan) has asked members of the co-operative sector across Canada “What are the top issues facing co-operatives in Canada today?”. Results from last year’s survey can be found here: https://usaskstudies.coop/documents/occasional-papers/2021.04.01_top-co-op-issues-2020.pdf

It is now time to understand how the challenges facing the co-operative sector in 2021 may be changing. The survey is available in English and French. You can change the language on the survey using the language button located on the top righthand corner of the survey.

Rest assured, your responses will be kept anonymous. Our report, anticipated this winter, will be informed by analysis of the aggregated response. Finally, please note that the University of Saskatchewan Behavioural Research Ethics Board (Beh-REB) has examined and approved this study (BEH#: 2269).

Many thanks for your prompt attention to this survey!

Sincerely,

Marc-André Pigeon, Director and Strategic Research Fellow
Canadian Centre for the Study of Co-operatives
University of Saskatchewan
<http://usaskstudies.coop>

1. How many people does your organization employ? If you don’t work for a co-operative, simply put “not applicable” in the textbox below.
2. Where is your organization headquartered? If you are self-employed, where are you based out of?
 - Alberta
 - British Columbia
 - Manitoba
 - New Brunswick
 - Newfoundland and Labrador
 - Northwest Territories
 - Nova Scotia
 - Nunavut
 - Ontario
 - Prince Edward Island
 - Quebec
 - Saskatchewan
 - Yukon
 - Outside of Canada
3. What, in your view, is the most important challenge uniquely facing co-operatives in Canada today? Please make your selection from the following list:
 - Improving awareness about the relevance of co-operative model with the general public, members, youth, government, and other stakeholders
 - Co-operative governance
 - Co-operative development
 - Policy changes that do not account for co-operatives
 - Developing strong co-operative leaders
 - Ensuring that management practices are adapted to co-operatives
 - Nurturing cooperation among co-operatives
 - Access to capital / financing (for growth, technological spending and other)
 - Research on co-operatives
 - Other (please specify)
 - Please enter a comment

4. What, in your view, is the second most important challenge uniquely facing co-operatives in Canada today? Please make your selection from the following list:

- Improving awareness about the relevance of co-operative model with the general public, members, youth, government, and other stakeholders
- Co-operative governance
- Co-operative development
- Policy changes that do not account for co-operatives
- Developing strong co-operative leaders
- Ensuring that management practices are adapted to co-operatives
- Nurturing cooperation among co-operatives
- Access to capital / financing (for growth, technological spending and other)
- Research on co-operatives
- Other (please specify)
- Please enter a comment

5. What, in your view, is the third most important challenge uniquely facing co-operatives in Canada today? Please make your selection from the following list:

- Improving awareness about the relevance of co-operative model with the general public, members, youth, government, and other stakeholders
- Co-operative governance
- Co-operative development
- Policy changes that do not account for co-operatives
- Developing strong co-operative leaders
- Ensuring that management practices are adapted to co-operatives
- Nurturing cooperation among co-operatives
- Access to capital / financing (for growth, technological spending and other)
- Research on co-operatives
- Other (please specify)

6. You selected *Improving awareness about the relevance of co-operative model with the general public, members, youth, government and other stakeholders* as a top challenge, what is the nature of this challenge?

7. You selected *co-operative governance* as a top challenge, what is the nature of this challenge?

8. You selected *co-operative development* as a top challenge, what is the nature of this challenge?

9. You selected *policy changes that do not account for co-operatives* as a top challenge, what is the nature of this challenge?

10. You selected *developing strong co-operative leaders* as a top challenge, what is the nature of this challenge?

11. You selected *ensuring that management practices are adapted to co-operatives* as a top challenge, what is the nature of this challenge?

12. You selected *nurturing cooperation among co-operatives* as a top challenge, what is the nature of this challenge?

13. You selected *access to capital / financing (for growth, technological spending and other)* as a top challenge, what is the nature of this challenge?

14. You selected *research on co-operatives* as a top challenge, what is the nature of this challenge?

15. You selected the *other option* as a top challenge, please elaborate on the nature of this challenge.

This is the end of the 2021 Top Co-op Issues Survey. If you have any additional thoughts or comments that you would like to share with us, please leave them below.



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