

Examining Success Factors for Sustainable Rural Development
through the Integrated Co-operative Model

Section Six

Canada Country Research Report

*Integrated Models of Co-operative Development in Canada:
A Case Study of Arctic Co-operatives Limited*

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1. Purpose of the Research

The purpose of the research was to expand the existing knowledge base regarding how to improve livelihoods and reduce poverty in a sustainable way in rural communities. Application of the research findings will improve programming for rural development, both in Africa and in Canada, through using new knowledge gained about integrated co-operative models in practice. In this research, “integration” is used to refer to ways in which co-operatives work together to increase their own business success, thus better meeting the needs of their members.

In the East African context, the research explored the added value of an integrated approach to co-operative development as a tool for rural development, in excess of the benefits offered by development through a single co-operative. The research assessed whether rural development through co-operatives works better when the co-ops are integrated, and if so, under what conditions this integration works best. In the Canadian context, the research sought to identify an example of integrated co-operative development that could serve as a comparison to the examples found in Uganda, Rwanda and Tanzania.

Canada’s Arctic co-ops provide a very interesting example of co-operative integration. This federated system operates in an area of Canada where diffuse population, dependence on natural resources, challenging geography, and poverty are important issues that co-operative models are attempting to address. Across Canada’s Far North, integration takes place through a federative structure where 32 independent, multi-purpose co-operatives own and control their federation, Arctic Co-operatives Limited (ACL). What makes this federation unique is the coupling of wholesaling services (Arctic Co-operatives Limited) with financial services (Arctic Co-operative Development Fund), resulting in increased capacity in human, financial, commercial, and managerial resources (Hammond Ketilson and MacPherson 2001).

In the present research, the advantages and disadvantages of this model in terms of meeting the needs of low income, remote rural dwellers and helping them create sustainable livelihoods, is

explored. The research report documents the strengths and weaknesses of the Arctic Co-operatives Limited development approach, as well as the contextual drivers.

The research examined the following questions:

- What types of co-op integration are taking place and are working in rural areas of Canada?
- What are the lessons learned from Canada's history with integrated approaches to co-op development and functioning?
- What are the strengths and weaknesses of the federative structure of Arctic Co-ops Ltd. in terms of achieving rural development goals?
- What factors contribute to the success of Arctic Co-operatives Limited?
- How does the co-operative development model work in the Arctic?
- What can we learn from this model that is transferable to other settings?

2. Methodology

Building on the foundation of existing studies by the Centre for the Study of Co-operatives, (Hammond Ketilson and MacPherson 2001; Hammond Ketilson and Brown 2009), the research method included

- a literature review of models of co-operative integration in Canada
- a review of national and provincial co-operative development policy in Canada through the examination of relevant government and co-operative sector websites
- in-depth interviews with key informants of Arctic Co-operatives Limited

Because travel in the Arctic is so expensive, additional information was gathered through participant observation at three ACL Annual General Meetings in Winnipeg. Each member co-operative sends delegates to attend the AGM and associated training sessions offered at that time. Extensive review of published material regarding Arctic Co-operatives Limited, as well as organizational documents supplemented the key informant interviews.

3. Context

In the late 19th century, farmers in Quebec, Ontario and Atlantic Canada developed co-operative creameries and cheese factories to meet the needs of the growing dairy industry. Alphonse Desjardins founded Canada's first caisse populaire in Lévis, Quebec in 1900. And in the first decade of the 20th

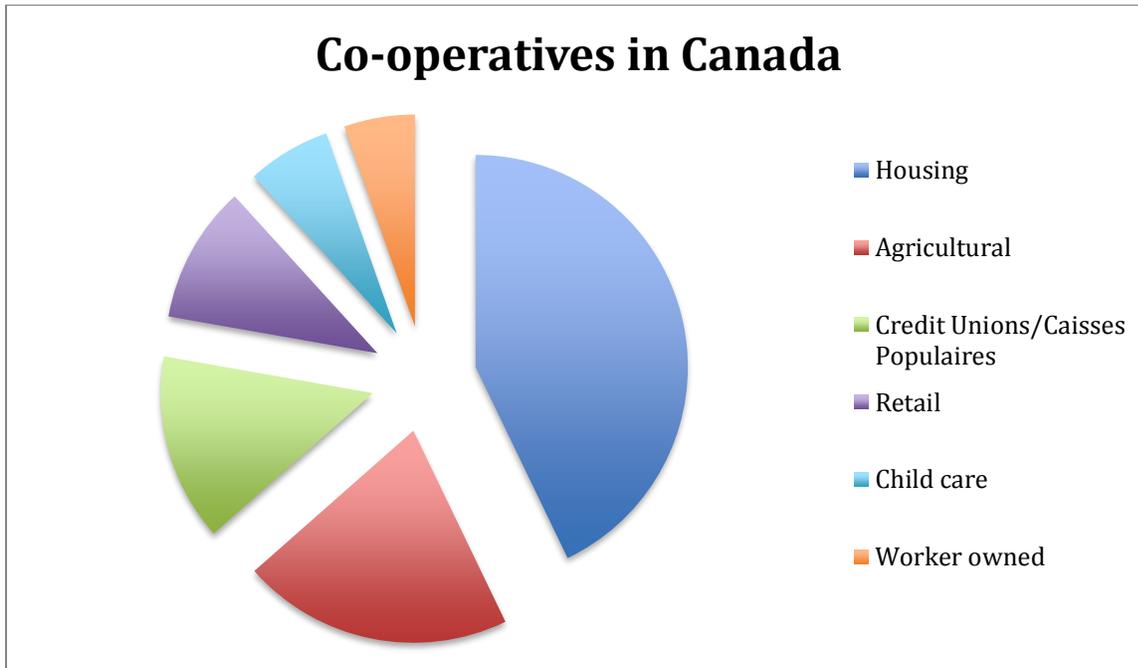
century, farmers in western Canada organized co-operatives in an effort to market their products (Co-operatives and Mutuals Canada 2016).

Since that early beginning, co-operatives have developed widely in Canada in numerous kinds of communities (MacPherson 1979; Fairbairn 2001). They have proven to be a sustainable model for rural development (Fulton and Hammond Ketilson 1992; Hammond Ketilson et al. 1998; Gertler 2004) and play an exceptional role in northern communities (Hammond Ketilson and MacPherson 2001). Newer types of co-operatives such as those involved in health, housing, childcare, alternative energy generation, and neighbourhood development address the economic needs of low-income and other urban as well as rural groups (MacMurtry 2010).

The distribution of co-operatives — their historical strength in rural communities and their new role in some indigenous and marginalized urban populations — is not accidental. It reflects the degree to which they developed by making use of social cohesion (Fairbairn and Russell 2014), both exploiting it and fostering it, as well as democratic structures and processes in order to thrive in settings where other forms of enterprise could not succeed so well (Hammond Ketilson and MacPherson 2001; Fairbairn and Russell 2004d).

Today there are approximately 8,500 co-operatives and credit unions in Canada, providing products and services to more than 17 million members. They exist in virtually every sector of the economy, from agriculture, retail and financial services to housing, childcare, funeral services and renewable energy. Co-operatives have more than \$330 billion in assets, owned by their members and the communities they serve. Across the country they employ 150,000 people and are led by 100,000 volunteer directors and committee members (Co-operatives and Mutuals Canada 2016).

Co-operatives in Canada by Area of Activity



Source: Canadian Co-operative Association, *The Power of Co-operation: Co-operatives and Credit Unions in Canada*, Ottawa.

If we examine financial co-operatives specifically, we find that one in three Canadians is a member of either a *caisse populaire*, or a credit union. With over 2,600 locations, *caisse populaires* and credit unions together, are the second largest lender to small business in Canada, an essential economic driver for many communities in Canada. The results of a 2010 survey of members by the Canadian Federation of Independent Business revealed that in some regions of the country financial co-operatives hold between 38.6 percent (Manitoba and Saskatchewan) and 48.6 percent (Quebec) of market share when it comes to lending to small and medium sized enterprises. More than 1,100 Canadian communities have no financial services apart from those provided by a credit union or *caisse populaire*. However, despite the strength of the co-operative sector, especially financial co-operatives, rural dwellers, in particular, remote rural dwellers, continue to experience a lack of access to services and affordable, accessible finance (Credit Union Central of Canada 2014).

3.1 Aboriginal Co-operatives in Canada

There are an estimated 123 co-operatives in Canada today that have a large number of Aboriginal members (Canadian Co-operative Association 2012). These co-operatives are generally located in small, remote communities and are involved in a wide range of businesses. Co-operatives in Northern Canada were started in Inuit, Inuvialuit, and Dene communities to compete with existing food merchants and to ensure that pricing of consumer goods fairly reflected costs. They were also established to enable the marketing of Aboriginal art to southern markets. Subsequently, the co-operatives have expanded to meet numerous vital needs of Arctic communities, including cable service, tourism, snowmobile sales and repair, construction, hotel accommodations, and operation of local airports, to name just a few (Hammond Ketilson and MacPherson 2001).

Co-operatives enhance opportunities for the development of social capital within Aboriginal communities. For example, by working through Arctic Co-operatives Limited, remote communities have not only accessed a broad network of suppliers for products and services, but they have also absorbed new ideas, training programs, and managerial expertise that was not easily available in the North (Hammond Ketilson and MacPherson 2001).

4. Co-operative Development Policy in Canada ¹

Responsibility for co-operative development rests primarily with provincial co-operative associations, as well as sector-based federations whose mandate includes co-operative development, such as the Worker Co-op Federation and the Co-operative Housing Federation of Canada. The mandate of most sector-based federations, however, is primarily to service the business needs of its member co-operatives. Two notable exceptions stand out, Federated Co-operatives Limited which this year has funded the creation of a not for profit co-operative development organization, Co-operatives First, and Arctic Co-operatives Limited, which serves as the territorial co-operative association in conjunction with its role as a full-service wholesaler to its member co-ops. The national co-operative association, Co-operatives and Mutuals Canada,

¹ See Appendix I for the full literature review. Many thanks to Victoria Taras, doctoral candidate in the Johnson Shoyama Graduate School of Public Policy, for her assistance with the research and writing of this section.

plays an important role in terms of educating the public regarding the co-operative sector, as well as lobbying the federal government for a supportive legislative and policy environment. They are joined in this latter role by the Canadian Credit Union Association,² which lobbies specifically on behalf of credit unions.

Responsibility for co-operatives is shared by both the federal and provincial/territorial governments, with each having different co-operative legislation. Co-operatives typically incorporate at the provincial level, but federal legislation is available to co-operatives whose business crosses provincial boundaries. Type and level of support for co-operative development at the federal or provincial level has varied over the years by government in power, as well as by province.

At various times since the 1940s, federal and provincial governments have encouraged the development of co-operatives among Aboriginal peoples, particularly in the Arctic and the northern Prairies. They have provided comparatively little support in recent years (Hammond Ketilson and MacPherson).

4.1 Federal Perspectives on Co-operative Policy

Today at the federal level support typically comes in the form of enabling policy but it would be fair to say that this support does not single co-operatives out for preferential treatment as compared to that provided to small and medium sized business.

Progressive Conservative administrations during the 1980s were particularly interested in co-operative housing as a strategy to increase the availability of affordable housing in Canada. Under the Section 95 program (1979–1984) and the Federal Co-operative Housing Program 1986–1991 (appendix 1, page 2), the mortgages of many housing co-ops across the country were supported.

The liberal administration under Paul Martin was successfully lobbied by the national co-operative associations requesting support for co-operative development in a broader range of

² Formerly Credit Union Central of Canada, <http://www.ccu.com> accessed February 23, 2016.

sectors. This lobbying effort resulted in the Co-operative Development Initiative 2003–2013 (CDI), which provided funding for advisory services, research and knowledge development, and innovative co-operative projects (Special Committee on Co-operatives 2012). By leveraging the in-kind work of twenty-one co-operative sector organizations across the country in the program's delivery, the foundation for much of the co-op development happening today was laid. This program supported important capacity building at the provincial co-op association level, and in several provinces, the leveraged support resulted in provincial governments making significant financial contributions toward co-operative development (Canadian Co-operatives Association 2011).

The conservative government under Stephen Harper was not open to renewing the program, nor did they show much interest in co-operatives during the United Nations declared International Year of Co-operatives 2012. Rather, they cut the CDI program and slashed funding dramatically to the Rural and Co-operatives Secretariat, the only federal agency with a mandate for co-operatives.³ In addition to the research it published, for more than twenty years the Secretariat had surveyed nonfinancial co-operatives in Canada, publishing a comprehensive set of co-operative statistics used by the sector and researchers alike.

The Harper government was also responsible for ending two important federal tax credits for Canadian credit unions (Canada's Economic Action Plan 2013). The government reasoned that this provided "neutrality of the tax system" (Canada's Economic Action Plan 2013), while the sector accused the government of misunderstanding the unique requirements of credit unions, such as a sufficient retained earnings pool, or the societal benefits they produce that is facilitated by the deductions (Pigeon 2014). The sector viewed these changes as a clear indication of the government's failure to understand the basic premises of co-operative organizations.

The Harper government, however, did create the Special Committee on Co-operatives. One of its recommendations was that responsibility for co-operatives should be moved from the Co-operatives Secretariat located in Agriculture and Agri-food Canada, to Industry Canada (Special

³ Canadian government cuts co-op development program, slashes Co-operatives Secretariat by Donna Balkan, April 2012. <http://www.thenews.coop/37588/news/co-operatives/canadian-government-cuts-co-op-development-program-slashes-co-operatives-secretariat/>. Accessed February 25, 2016.

Committee on Co-operatives 2012), which was acted on by the government. The research function of the former Secretariat was eliminated with the move to Industry Canada, but the collection of co-op statistics and maintenance of the database continues.

A new federal government was elected in October 2015. The newly elected government intends to extend its previous support to housing co-ops, including construction funding for new housing co-ops. These discussions of co-ops are couched in other housing concerns such as the prioritization of investment in affordable housing and seniors' facilities, building and refurbishing housing units, and Housing First initiatives (Liberal Party of Canada 2015a, 2015b).

4.2 Provincial/Territorial Perspectives on Co-operative Policy

Most co-operatives are incorporated under provincial or territorial legislation, and because the legislation varies from one jurisdiction to another, the level of support and quality of enabling environment, also varies. The provinces of Quebec, Saskatchewan, and Manitoba have the highest concentrations of co-operatives in Canada. These co-operative development success stories can be attributed to favourable government policies, either historically or today.

4.2.1 Quebec

Quebec is frequently cited for the extensive support and encouragement given to co-operative development. There is a legacy that has lasted decades where the provincial government has provided a relative abundance of support for co-op development including technical, financial and preferential policies. The Coopérative de développement régional (CDR) network is managed by the Conseil québec coopération et mutualité (CQCM) and funded primarily by the government. Partnerships exist between the state and the co-op sector toward R&D funding that align public policy, programs, and resources with sector structures, needs and objectives (Diamantopoulos 2011).

New legislation and statutes have also been introduced to enable worker and solidarity co-operatives; to build a domestic capital pool that will in part be used to fund co-op development; and to launch solidarity finance instruments that benefit co-ops including the Co-operative

Investment Plan where savings can be obtained by investing in one's own co-operative, and venture capital funds with tax advantages for Quebec investors (Diamantopoulos 2011).

Co-ops are likewise preferred in certain areas of program delivery such as forestry and, more recently, ambulance services. About a third of Quebec's ambulance services are provided by worker co-ops as a result of contract negotiation and coordination between the government and the ambulance co-op sector. Public policy also spurred the development of homecare solidarity co-ops.

The Chantier de l'économie sociale works closely with government to provide support for new social enterprises including co-ops. The ministry of finance receives direction from both the Chantier and the CQCM, and overlap between the two organizations are resolved by the inter-departmental secretariat for the social economy. The Action Plan for Collective Entrepreneurship was released jointly by the government and the Chantier, and it aims to advance the development of emerging co-ops and other social economy organizations. The provincial government also contributes to the Chantier's social economy development fund (Diamantopoulos 2011).

Under the Régime d'investissement coopératif (RIC) in Quebec, members and employees of producer or worker co-operatives who invest in co-operatives receive a tax credit. Nova Scotia has created a similar support mechanism, which encourages the capitalization of co-operatives. A community investment tax credit enables an individual to invest in community projects, co-operatives, and private business projects and receive a 35 percent provincial tax credit, which is RRSP-eligible (Special Committee on Co-ops 2012).

4.2.2 Manitoba

In the past decade, Manitoba has experienced increased interest by major co-operatives in the province and the provincial government in terms of supporting co-op development. Since 2005, the Manitoba Co-operative Association (MCA) has been successfully lobbying the provincial government for further investment in the co-operative sector. The success was first marked by the 2007 government commitment of \$250,000 per year for five years toward co-op development. The following year, the government launched the Co-operative Community Strategy toward the same goal, which sparked collaboration between the co-op sector and the government, and

resulted in the creation of the Co-operative Development Tax Credit, which is managed by the MCA. In 2013, the position of co-operative chair at the Business School, University of Winnipeg was created as a result of co-op sector investment, financial support from the provincial government, interest from the Business school. This was part of the same agreement between the government, the university and the co-op sector to develop a degree program in co-operative management (Juarez Adeler 2013).

4.2.3 Saskatchewan

The New Democratic Party (NDP)⁴ laid the ground work for co-operative development during the 1940s and 1950s with heavy support from its Department of Co-operatives and Co-operative Development. This proactive support in form of development staff continued until the early 1980s when the Progressive Conservative party was elected under Grant Devine. Despite restructuring the department out of existence, the province provided various incentives in support of co-op development and the number of new co-ops incorporated continued to grow (Hammond Ketilson et al. 1993). The NDP were reelected in early 1990s and reestablished the department responsible for co-operatives, the Co-operatives Directorate. And while there continued to be an open dialogue with the co-operative sector, dedicated support in terms of staff and program funding subsequently diminished. This open dialogue came to an abrupt end with the election of the Saskatchewan Party in 2007. Saskatchewan has an analogue to Quebec's Co-operative Investment Plan, which allows the capture of RRSP and labour tax credits to those who invest in their co-ops, but it is not as compelling and is largely unknown and unused by start-ups (Diamantopoulos 2011).

Critiques of the current government, the Saskatchewan Party first elected in 2007, contend that

As a result, small, infrequent, and limited policy and program gains in Saskatchewan were readily and routinely set back by a change of administration, creating quicksand for co-operative development. This was particularly true on the new development frontiers for co-operative development in urban Saskatchewan (Diamantopoulos 2011, 307).

⁴ Formerly the Co-operative Commonwealth Federation.

4.3 Conclusions

It is quite evident that where legislative and policy support is present, coupled with access to funding or other types of incentives, such as tax credits, and supported by agencies whether government or sector -based, co-operative development proceeds and is often, the model of choice. In Canada, however, because responsibility for co-operatives is divided between the federal and provincial or territorial levels, co-operatives are often caught between the differing policy agendas of the jurisdictions, falling through the cracks in between. Nowhere is this more true than in Canada's North.⁵

5. Literature Review: Integration in the Canadian Co-operative Sector ⁶

Co-operatives are dynamic organizations that lend themselves well to a variety of integration models. Because ownership is not found solely at the managerial level but among the members who are typically users as well as leaders, member preferences will drive a co-op's integration strategies. The sixth co-operative principle — co-operation among co-operatives — sets the stage for various models of integration between and among co-operative organizations.

Coordination is often facilitated by collaboration mechanisms. These mechanisms are influenced by power disparities between co-operatives, which constrain the structure of the collaboration or the conduct of co-ops. This in turn determines the co-ops' roles and nature of integration (Kurimoto 2008, 65).

Integration can also occur within a co-op when it expands to include multiple links of the value/supply chain into its purview. Integration as a whole can increase a co-op's chances of long-term survival by spreading risk, creating economies of scale, or providing allies in times of need (Fairbairn, Fulton, and Pohler 2015, 4). In North America, integration is increasingly popular and can be achieved through expansion, networking, strategic alliance, federation membership, amalgamation or merger. Any given region can house a variety of models of

⁵ See, for example, the efforts to develop much needed financial services in the Arctic through establishing credit unions, discussed in detail in the case study of Arctic Co-operatives Limited.

⁶ Many thanks for this section go to Victoria Taras, doctoral candidate in the Johnson Shoyama Graduate School of Public Policy and research assistant to this project.

integration, and that can be an optimal strategy for the region (Fairbairn, Fulton, Hammond Ketilson, Krebs, and Goldblatt 1993).

5.1 Vertically Expanded Co-ops

A vertically expanded co-op offers multiple services along the value/supply chain to its member-owners. For example, the US-based Dairy Farmers of America offers farmers services that include farm supply retail and management consultations, product quality assessment, food processing, insurance, financing, and lobbying (Dairy Farmers of America n.d. a, b; Knudson 2008). According to Greer (2008), American electricity co-ops could benefit financially from this type of integration as well as horizontal integration, which occurs between co-ops. Canadian examples include Federated Co-operatives Limited, Canada's largest co-operative. With vertical expansion, a single large co-op can successfully expand to occupy numerous links along the value chain.

5.2 Networks

Co-ops that occupy a niche along the value/supply chain can become integrated with other co-ops that occupy similar or complementary niches as part of a network. Any integration between co-ops may be considered to be a network (Kurimoto 2008), or networks may be specifically those examples where integration is loose and relatively informal (Fairbairn, Fulton, and Pohler 2015, 10), with the co-ops having access to each other's ideas and know-how.

Both trust and reciprocity are required to maintain networks between co-ops. Pesämaa, Pieper, Vinhas da Silva, Black, and Hair (2013) refer to networks as "inter-organizational commitment." According to them, the strategies that emphasize trust and reciprocity differ but are used simultaneously. Trust leads to inter-organizational commitment by first building interpersonal commitments through the sharing of strategies, resources, and mutually beneficial goals. Meanwhile, reciprocity between organizations is a give and take strategy where both co-ops benefit, and yields the same outcome as trust.

Networks increase the success of all co-ops involved (Holmlund and Fulton 1999). Governance structures that include networks or other kinds of collaboration with other organizations or

governments are widely believed to be superior for many types of organizations in a variety of contexts (Bevir 2012; Laforest 2013; McChrystal et al. 2015; Pentland 2012; Phillips 2010; Sørensen and Torfing 2009). Key elements of collaborative relationships include trust and inter-connectivity between partners resulting from frequent contact and open channels for dialogue. This encourages a flow of ideas and knowledge transfer, which in turn increase effectiveness and innovation (Bevir 2012; McChrystal et al. 2015; Sørensen and Torfing 2009).

Networks can operate in a variety of ways. Rules may be made haphazardly (this is referred to as a “mutual adjustment” inter-organizational structure by Kurimoto (2008)), but when the network is large, heterogenous, or requires a high level of competence, governance structures are needed to maintain it (Fairbairn, Fulton, and Pohler 2015, 10). According to Kurimoto (2008), “alliances” are a form of integration where formal rules based on negotiation are created and maintained, such as federations and strategic alliances, while “hierarchies” have a highly formalized rule structure whereby co-ops act as a single organization, such as through mergers. Environmental context such as regulations and market concentration influences the type of inter-organizational structure that emerges. In its broadest sense, all types of integration between co-ops can be considered a network.

Networks can be created in numerous ways. A co-operative council, for example, facilitates the creation of a network by uniting different kinds of co-ops within its community, as well as other actors in the community, toward the goal of community improvement. It is well-suited for generating ideas and mobilizing its community. For example, it can mobilize resources to support local initiatives. However, co-op councils are best at the front-end of development, and other networks or alternative types of integration may be better equipped for further development (Fairbairn et al. 1993).

5.3 Strategic Alliances

A strategic alliance is a form of network where a partnership between co-ops and/or other types of organizations is formed to collectively manage the flow of goods and services along the value/supply chain (Holmund and Fulton 1999). By becoming aware of, and involved in, the larger process and choosing their own partners, co-ops in strategic alliances are empowered to

maintain their independence (Holmlund and Fulton 1999). According to Uzea and Fulton (2014), strategic alliances are popular and have the potential to increase benefits to participating co-ops such as a stronger bargaining position, economies of scale, and access to each other's experiences and successful ideas. However, they are vulnerable to opportunistic behaviour from these same participating co-ops because member-owner interests may be prioritized over the alliance's collective benefit. It is possible to implement strategies to mitigate the opportunistic behaviour.

In 1996, Arctic Co-operatives Limited partnered with the telecommunications provider NorthwTel and the communications company National Aboriginal Services Company (NASCo) to form ARDICOM, an advanced digital communications alliance that, among other benefits, improves government and business service to Northern communities (Arctic Co-operatives Limited 2007; Industry Canada 2013). Together they were able to fill a need recognized by each partner but that could not be filled without the alliance.

Fairbairn et al. (1993) discuss partnership between emerging co-ops and established co-ops as a form of strategic alliance. They state that creating this kind of partnership is singularly effective at helping emerging co-operatives because it can provide them with "assured supply, a preferential trading relationship, or good public, community, and co-operative relations" (42). The emerging co-op's board of directors may include a representative from the established co-op, for example, until viability is demonstrated.

Strategic alliances can emerge between co-ops and governments (Bevir 2012). Governments are commonly involved in strategic alliance relationships with organizations outside of the public sector, including co-ops. Co-ops whose goals are aligned with those of the government are seen as implementers of public policy in a direct or indirect way, and as such their governance may be broadly constrained by government taxation, regulations, contracts, laws or by-laws in exchange for the right to operate, status as a registered charity or incorporated not-for-profit organization, the right to amalgamate with other co-ops, the right to amend the co-op's articles, and/or the receipt of government support (Corporations Canada 2014, 2013; Quarter, Mook, and Armstrong 2009).

Co-operative housing, for example, must operate within broad constraints determined by governments including “the occupancy agreement signed with each member; the applicable provincial or territorial co-op act; the applicable human rights legislation; and any operating agreement it has signed with the government” (Canadian Mortgage and Housing Corporation 2014). These outline the requirement to elect a board of directors, have meetings, file provincial tax returns, and implement monthly housing charges (i.e., rent from members is due every month).

In some cases of alliance between governments and co-ops, government interference can be stifling. Saskatchewan’s community-based health co-operatives, were denied the right to offer their community members (as opposed to physician members) decision-making rights, to pay their physicians on a salary basis, and to provide the range of services they desired when *The Saskatchewan Medical Care Insurance Act* was amended in 1962 according to the Saskatoon Agreement. This was later reversed by further legislation (Gruending 1974; Marchildon and Leviten Reid 2012).

Integration with the government is most pronounced in Quebec. Its Ministry of *Économie, Innovation et Exportation* is highly involved with co-ops. In addition to the constraints listed above, the Ministry is ultimately responsible for co-op adherence to the constitution, for their operations, and for the dissolution of non-financial co-ops. Development and growth of co-ops and co-op sectors within the province is encouraged, and multiple government programs are administered by the Ministry to this end (Ministère d’Économie, Innovation et Exportation 2014).

Restakis and Lindquist (2001) argue that co-ops are singularly well-suited for strategic alliances with governments in the delivery of social services. Such alliances bring governments closer to “citizen-centred governance” and enhance the production of social capital by forging strong links between stakeholders, communities, and their members; entwining economic efficiency with social purposes; and acting as mechanisms to spread government responsibility for and authority over social service delivery (p8–9). However, too close of an alliance with governments is risky because it can narrow the co-op’s scope of attention. While governments tend to focus only on

the co-op itself, co-op missions encompass their communities and the people within them. Co-operatives in these relationships can be overwhelmed by the power differential between themselves and governments, and their goals may be compromised as a result (Fairbairn et al. 1993).

5.4 Amalgamations and Mergers

In North America, co-ops that share the same link along the value/supply chain — those that either compete with each other or offer the same products or services in different regions — can integrate horizontally with one another by joining into a single organization through amalgamations or mergers. Normally, an amalgamation is distinct from a merger because it pools the joining memberships, assets, and liabilities into a single new entity that preserves the original entities within it. A merger, on the other hand, occurs when one entity absorbs another (Canada Revenue Agency 2013). However, the definition for “amalgamations” provided by Corporations Canada, a branch of Industry Canada, when outlining its policies towards co-ops may be intended to apply to mergers as well because mergers are not mentioned elsewhere. It reads: “two or more co-operatives incorporated under the *Canada Co-operatives Act* (Co-op Act) can amalgamate, or join together, to form a single co-operative” (Corporations Canada 2013). Conversely, the language used in trade magazines often use the term “merger” when describing an amalgamation (e.g., Rural Co-operatives 2013, 2014). It is often only credit unions that engage in true mergers — and they do so frequently (Goddard et al. 2014) — while other forms of co-ops engage in amalgamations. Amalgamations and mergers integrate North American co-ops in similar yet distinct ways, but always resulting in the formation of one co-op from two co-ops.

Wheat pools in Canada have a long history of amalgamation. In 1917, the Alberta Farmer’s Co-operative Elevator Company joined with the Grain Growers Grain Company to form United Grain Growers. It amalgamated again in 2001 when it joined with Agricore — which itself was an amalgamation of the Alberta Wheat Pool and the Manitoba Pool Elevators — to form Agricore United (Earl 2009).

Credit unions engage in mergers to gain efficiencies and ensure their survival in competition with banks. That strategy can have mixed results. Fried, Knox Lovell and Yaisawarng (1999) first examined mergers between credit unions. They found that although mergers were largely beneficial to credit unions' ability to provide services valued by its members in a cost-effective way, acquired credit unions with little room for growth (e.g., they already have a strong portfolio) and with no experience with mergers are not likely to benefit from the merger. The way the merger is performed is also important, and learning by doing appears to be the best strategy. Finally, if the merging credit unions are different from one another, they are both more likely to benefit from the merger. Worthington (2004) elaborates on the last point and suggests that mergers could benefit the industry as a whole if more efficient credit unions acquire less efficient credit unions (these matches could be assisted by regulators), but is contingent on managerial ability to increase the efficiency of the acquired credit union to the same level as the acquiring one. Conversely, Ralston, Wright and Garden (2001) found that neither efficiency defined according to economic theory nor according to member preference were improved by mergers. They warn that credit union mergers may compromise the "co-op advantage" of member-oriented service, and they suggest that forming networks to pool resources, such as strategic alliances, would be a more successful strategy.

5.5 Multipurpose Co-operatives

Multipurpose co-operatives are another way that multiple member needs can be met, particularly in rural areas. A multi-purpose co-op may offer financing, produce and sell inputs, and process, package, and market products. A multipurpose co-operative offers advantages through the vertical integration of a variety of functions that all lead to the final sale of a product or service to the ultimate user. It may also engage in several unrelated lines of business, a form of horizontal integration. Where a co-op structure already exists, it is often more efficient to develop additional services to meet additional needs, rather than creating a new co-operative or other organization. Thus, members have access to numerous products and services through a single co-op.

Multipurpose co-operatives are not common in southern Canada, but are the primary model of integration in the Far North (Hammond Ketilson and MacPherson 2001). Arctic Co-operatives

Limited and its member co-ops, described in the following case study, offer a wide variety of diverse services to the most remote of northern communities.

5.6 Federations

Federations are similar to expanded co-ops because they typically offer a variety of services to their members, but they are distinct because their member-owners are other co-operatives rather than individuals. Expressed as a flat hierarchy and having roots in political structures, the term “federation” was originally coined to describe the federal government model whereby both the general and the regional governments are strong, both are empowered to deal directly with citizens in the exercise of its powers, and both are directly accountable to its citizens (Watts 2001).

The term was adopted to describe a co-op whose member-owners consist exclusively of other co-ops, who in turn maintain their strength, responsibilities, and accountability towards their own member-owners. Small producer co-ops, for example, may form federations to become competitive with their large-scale counterparts. Federations differ from franchises because of the voluntary nature of membership (Kurimoto 2008, 67). Federations are a very popular form of co-op integration and numerous examples can be found throughout the world in sectors such as agriculture, housing, retail, finance, and health (Canadian Co-operative Association n.d.; McKinsey and Company 2012; Co-operative Housing Federation of Canada 2014).

Fairbairn, Fulton, and Pohler (2015) list three attributes of federations:

- 1) Federations value knowledge or perspectives at a meso scale (i.e., local or sectoral). This implies that federations support their member co-ops. By doing so, they preserve the capacity for experimentation and innovation, process information in a way that is unique to either independent co-ops or centralized organizations, and restrain manager dominance for which co-operatives are particularly at risk.
- 2) A federation can access local or sectoral resources in a unique way by creating a communal identity, trust, and goals for the co-ops, which fosters volunteerism, leadership, and legitimacy. Ultimately, this benefits the goal of the federation, whereas the diverse purposes and stakeholders involved may otherwise pursue their own agendas and forego the efficiencies provided by federation membership.

3) Federations express and reconcile norms of autonomy and collaboration toward a common purpose. As noted above, this is the most distinct attribute of federations. If balance between autonomy and collaboration is achieved, then strength, stability, and longevity result. However, this balance may be difficult to achieve and maintain.

Federations can be either multi-sectoral or sector-specific. Sector specific federations “provide a single access point for both co-op and industry-specific information tailored precisely to the needs of a particular type of co-op” (Fairbairn et al. 1993, 38). They are useful during all stages of co-op development by helping co-ops replicate approaches that have shown to be successful. The drawback of these kinds of federations is that they require a large number of member co-ops to be self-financing, therefore they require assistance during their nascent stages. Furthermore, sector-specific federations are less useful to co-ops that cross industrial sector boundaries (Fairbairn et al. 1993).

5.7 Conclusions

Within Canada there is a long history of co-operatives as the core of community economic development, particularly in the case of the grain marketing, financial, and retail co-operatives of Canada’s West — as well as in Quebec and the Atlantic provinces. During the height of the operation of the wheat pools in the West, the co-operative development process was a collaborative effort, with Wheat Pool staff (“field men”) often taking the lead in facilitating the creation of new co-operatives and credit unions. As the co-operatives and credit unions grew in number and needs, federative structures were established to pool and leverage resources. The federation model continues as a primary mechanism for co-ordinating effort and facilitating sustainable co-operative networks.

6. Arctic Co-operatives Limited: A Case Study

6.1 Introduction

Arctic Co-operatives Limited (ACL) is an Aboriginal-owned federation of 32 autonomous co-operatives located in Canada’s Far North, which includes Nunavut, the Northwest Territories (NWT), and Yukon.

ACL provides support to a network of co-operatives, which in 2014 had combined revenues of approximately \$190.7 million. In that same year, \$11.2 million in patronage refunds were returned to members by the member co-ops. Over one thousand people are employed within the ACL network, providing wholesale services to the thirty-two member co-operatives, and serving as the territorial co-operative association across Canada's North (Arctic Co-operatives Limited 2016).

Arctic Co-operatives Limited



6.2 Aboriginal Co-operatives in Canada

There are an estimated 123 co-operatives in Canada (Canadian Co-operative Association 2012) today in which a substantial proportion of the membership is Aboriginal. Most of these co-operatives are located in smaller, more remote communities, although there has been increasing evidence of growing interest in large communities located closer to the larger cities and even some interest among Aboriginal people located in the cities.

More than half the co-operatives are in the Northwest Territories, Nunavut, and Nunavik. They had their beginnings during the late 1950s and expanded rapidly during the 1960s and 1970s, in large part because of the efforts of public servants in Northern Affairs and other “southerners”

aware of, and committed to, co-operative development. The co-operative approach has proved to be very popular in the Arctic and increasingly in the North generally; by the mid-1990s there were hardly any communities in the Far North that did not have a co-operative.

The only other major concentration of Aboriginal co-operatives is to be found in northern Saskatchewan — the co-operatives that survive from an extensive development programme undertaken by the Saskatchewan government during the 1940s and the 1950s. The remaining co-operatives are scattered across southern Canada, their origins being highly individualistic and their purposes quite diverse.

6.3 Co-operatives in the North

6.3.1 Context

While conditions have improved in many communities, the current state of social and economic development within Aboriginal communities and nations is far from satisfactory. A study of the Aboriginal economic gap in Saskatchewan (Painter, Howe, and Lendsay 2000) demonstrated that, compared to the non-Aboriginal community, Aboriginal people experience higher poverty rates, lower education levels, and chronic unemployment. The 2000 study showed that average Aboriginal personal income was 56 percent of average non-Aboriginal personal income. While 2006 Statistics Canada data reflected improvement to 60 percent in Saskatchewan and 66 percent Canada-wide, however, this still leaves a tremendous income gap when compared with non-Aboriginal Canadians (Statistics Canada 2006).

The impacts of globalization have not missed Aboriginal communities in Canada. Layoffs in resource-based industries such as mining, logging, and pulp and paper, have all had additional impact where employment is often seasonal and unemployment rates high to begin with. Communities struggling to heal from the ravages of residential school legacies are perhaps more vulnerable to the breakdown of community that often accompanies massive layoffs.

Where there is the possibility of jobs through new developments in resource extraction, First Nations communities do not always benefit as they should. Accessing additional training and postsecondary education often means travelling a long way from home. For those who leave

their communities to acquire the skills needed, the loss of their community support network makes success in urban centres difficult. Unfortunately, without strong government policies in place to encourage “northern hires,” private companies have little motivation to recruit and train locals, often finding it simpler and less costly to bring skilled labour in from other locations.

The situation confronting Inuit, Inuvialuit, and Innu is similarly troubling. Unemployment rates of 50–70 percent are common in many Arctic communities. The opportunities for young people to build careers within market economies among their own people are difficult to pursue. Too many of the most remunerative jobs are still held by sojourners from the South. The challenges confronting the Nunavut government as well as other Aboriginal government organizations are among the most complex facing any politicians and public servants in Canada today.

6.3.2 Structure of the Arctic Co-operative Movement

According to Arctic Co-operatives Limited, over 95 percent of the memberships of the northern co-operatives are Aboriginal, the remaining 5 percent being made up of southerners residing in the North. Inuit are by far the largest single group within the membership, particularly in Nunavut and Nunavik. In the western Arctic, substantial numbers of Inuvialuit and Dene are also members, and in recent years the Dene have been joining existing co-operatives in increasing numbers and starting new co-operatives.

The Arctic co-operatives have developed two distinct federations of co-operatives: one, Arctic Co-operatives Limited, serving co-operatives in Nunavut and NWT, and the other, la Fédération des coopératives du Nouveau Québec, serving the co-operatives of Nunavik. These federations have been instrumental in stabilizing the northern co-operatives, in developing system-wide accounting, marketing, and employment standards, and in presenting a united voice to governments.

ACL is a member/owner of Federated Co-operatives, a Saskatoon-based co-operative wholesale owned by co-operatives in western Canada (and through ACL, northern Canada).

In Québec, a second membership network exists associated with the Mouvement Desjardins. In addition to six caisses populaires owned and operated exclusively by Aboriginal people, there are approximately twenty caisses populaires providing Aboriginal people with services specific to their communities.

6.3.3 Impact on Northern Communities

The Aboriginal co-operative movement is larger than most people might expect. The seventy-seven co-operatives (Hammond Ketilson and MacPherson 2001) that voluntarily reported their association data to the Federal agency responsible for analyzing and tracking co-operatives in Canada,⁷ reported having more than twenty-four thousand members. This number is somewhat misleading in that the number of northerners using the stores is higher than that number would indicate. First, the store also serves nonmembers — a person does not have to be a member to shop in them. Second, memberships are in the name of one household member thereby including families. Since most Aboriginal families in the North are larger than the Canadian average (and often include extended families), the numbers of Aboriginal people actually affiliated with co-operatives is substantially higher than twenty-four thousand.

In total, the data indicates that Aboriginal people are more likely to be members of co-operatives than other people in Canadian society, although this rather surprising fact is largely accounted for by the high penetration of co-operatives in the northern economy. In fact, northern Aboriginal people are four times more likely than southern Aboriginal people to be members of a co-operative.

It is possible to underestimate the importance of the \$8.3 million of 2014 annual net savings returned to member co-ops as patronage dividends (Arctic Co-operatives Limited 2015). This money is generated entirely by business in the community, making co-operatives one of the most effective forms of economic development in the communities where they exist. Virtually all of the savings are distributed within the community; most of it is spent in the community, stimulating further business and economic activities.

⁷ At the time of the study being referenced, the Co-operatives Secretariat was the agency. Responsibility has since moved to Industry Canada.

The ACL network employs more than one thousand people. The vast majority of the employees are Aboriginal, the most common exception being managers, most of whom are non-Aboriginal, although this pattern is slowly changing. On average, co-operatives tend to employ slightly more people than comparable firms owned and operated by non-Aboriginal people. They also appear to be more likely to keep employees in times of adversity.

The co-operatives pay their employees at about the same rate as other similar local businesses; in fact, they pay at a somewhat higher rate. The pay level, though, is lower than the national average and may be a matter of long-term concern. It may also help explain why some co-operatives have difficulty retaining Aboriginal employees once they have become trained.

An important dimension of the role played by co-operatives is that they provide considerable education and training for the people associated with them. In any given year, about a thousand people, virtually all of them Aboriginal, are involved as elected officials in the co-operatives. In that role, they learn how to analyze business statements, work with managers, and report effectively to their communities. They take training programmes, travel to seminars, and learn about the activities of the federations. They learn about formal democratic procedures; in fact, at the time that the study was released (Hammond Ketilson and MacPherson 2001) more than half the members of the Nunavut Legislature have had significant leadership training and experience within their local co-operative.

Similarly, co-operatives serve as an incubator for employment opportunities within Aboriginal communities. Employees move among the co-operatives associated with the Arctic federations. Many have moved on to jobs in the public service and with private companies after having been trained in the co-operatives. Others have opened private businesses, sometimes competing with the co-operatives, after they have learned necessary business skills.

A distinguishing feature of the Aboriginal co-operatives is that they are involved in a wide range of businesses, the most common being in the retail trades. The co-op is the only store in some Arctic communities; in others, it is an important competitor of other stores, most of which are

owned by two northern chain-store systems. Given the accountability inherent in the co-operative structure, the stores, when managed effectively, are important guarantors of the sale of goods at the most reasonable price.

Most Arctic co-operatives, however, are engaged in a variety of activities, including the marketing of crafts, the repair of snowmobiles, the operation of hotels and local airport, and the organization of tourist activities. Many are involved in fishing and fisheries, a few in the provision of electricity and the operation of television cable systems. One operates a bus co-op that takes the children of its members to their schools.

At the individual co-operative level, the impact on community can be enormous.

The Ikaluktutiak Co-operative has had a number of significant and positive impacts on the community of Cambridge Bay.⁸ To begin with, it has been very successful at providing employment to community members in the various operations it runs. When the fishing operation was owned by the co-op, there were close to one hundred employees, and the retail store currently provides approximately twenty-seven full-time and twelve part-time jobs to community members. It is also important to note that the nature of co-operatives enables the Ikaluktutiak Co-op to play a vital role in recycling capital within the community. Profits generated by the co-op stay within the community in the form of patronage dividends and reinvestment in business operations. Businesses not owned by community members do not provide the same positive economic impact (Tupone 2001).

In summary, research has shown that co-operatives in the North, as well as in southern communities,

- Build and strengthen physical infrastructure, stabilizing and contributing to economic growth, and providing a vehicle to allow people to see the repercussions of their individual actions on the community.
- Build and strengthen individual skills, contributing significantly to the development of employment and leadership abilities within the community.
- Build and strengthen social cohesion, promoting pride in cultural identity, and local control over and reinvestment in the economy (Hammond Ketilson and MacPherson 2001).

⁸ Current population stands at approximately population 1400. Stats Canada 2011 <http://www12.statcan.gc.ca/census-recensement/2011/> accessed February 1, 2016

6.4 History of Arctic Co-operatives Limited

Co-operatives were introduced to the Northwest Territories in 1950s partly because of the assistance of government officials, as well as other champions from co-operative and religious communities. For the first few years, however, many of the co-operatives were on the brink of closure. According to MacPherson (2001) the turnaround point came when the co-ops stressed member education more, emphasizing the value of efficient business management practices aimed at creating dividends and the assuring the continuation of services. As members became better informed, they — and their co-operatives — assumed greater responsibility for their own affairs.

Our traditional way of life was often the basis of starting our Co-operatives. Arts and craft production, fur harvesting and commercial fisheries are examples of the traditional activities that were the basis of the early Co-operatives.

We wanted to develop the services ourselves. We wanted to keep the profits from any businesses in our communities and we wanted to use those profits to develop new and better services. We also wanted to provide employment for our members of our communities. The Co-operative model was the best way for us to meet these goals.⁹

In 1972, twenty-six stores joined to form the Canadian Arctic Federation of Co-operatives, forerunner to Arctic Co-operative Limited (ACL). By 1999 ACL had sales of nearly \$69 million, returned nearly \$2 million to its (then forty-three) member co-operatives, had retained earnings of \$890,000 and reserves of \$2.265 million (MacPherson 2001). It had become one of the most important economic forces in the Canadian North — arguably the most important of those owned by northerners.

The Chronology of Arctic Co-operatives:

- 1959: First co-operatives formed
- 1963: Frobisher Bay conference
- 1966: Povungnituk Conference
- 1966: Canadian Arctic Producers formed
- 1972: Canadian Arctic Federation of Co-operatives formed
- 1982: Canadian Arctic Producers and Canadian Arctic Federation of Co-operatives unite to form Arctic Co-operatives Limited
- 1985: Arctic Co-operatives Limited head office moved to Winnipeg

⁹ Interview with Bill Lyall, president of ACL from 1972 to 2014.

1986: Arctic Co-operative Development Fund created

Because of the influx of funding and its growing managerial ability, CAFC and most of the co-operatives did well until the early 1980s. The art business grew steadily, the operations of local co-operatives improved considerably, and the competence of leaders, both elected and paid, improved. Then the high interest rates so typical of the 1980s began to have their effect. By 1984, the entire system was facing bankruptcy. The dawning crisis precipitated the amalgamation of Canadian Arctic Producers and the Canadian Arctic Federation of Co-operatives to form Arctic Co-operatives Limited (ACL) in 1982. The new organization consolidated its offices, one of which was in Yellowknife, the other in Ottawa. After researching a number of locations, it located its head office in Winnipeg in 1985, a move that would save an estimated \$450,000 annually. The move also permitted the organization to distance itself somewhat from government and the kind of binding, official and unofficial, that had emerged from the financial support given in the later 1970s. The most important step in achieving increased autonomy, however, came with the advent of the Arctic Co-operative Development Fund (MacPherson 2001).

While ultimately a business decision and not without controversy, the move to Winnipeg was important because it led to greater independence from government officials. There is a delicate line to be found for co-operatives, especially as they move beyond the formative stage, when government assistance must be reduced, and that time had arrived for the Arctic co-operatives. Since then, the progress has been steady and the stability of the organization — and the co-operatives that own it — has been increasingly evident.

6.5 Current Day

Today the Arctic Co-operatives Limited service federation supports 32 autonomous co-operatives located in Canada's Far North, which includes Nunavut, the Northwest Territories, and Yukon.

ACL provides support to a network of co-operatives, which in 2014 had combined revenues of approximately \$190 million.¹⁰ In that same year, \$8.3 million in patronage refunds were returned to the member co-ops, who in turn returned \$11.3 million to their individual members. Over one thousand people are employed within the ACL network, providing wholesale services to the

¹⁰ Arctic Co-operatives Limited 2014 *Annual Report*.

thirty-two member co-operatives, and serving as the territorial co-operative association across Canada's North.

6.5.1 Vision¹¹

The Co-operatives in Canada's North share a vision of people working together to improve their social and economic well-being. We pursue this vision through democratically controlled Co-operative businesses that operate on the values of fairness, equality, self-responsibility and mutual self-help. Our Co-operatives believe in the ethical values of honesty, openness, social responsibility and caring for others.

6.5.2 Mission and Objectives

Arctic Co-operatives Limited's mission is to be the vehicle for service to, and co-operation among the multi-purpose Co-operative businesses in Canada's North, by providing leadership and expertise to develop and safeguard the ownership participation of member owners in the business and commerce of their country, to assure control over their own destiny.

ACL's objectives are:

- To improve the economic well-being of Co-op members by providing the highest long-term return for arts and crafts through the promotion and marketing of member produced products at the wholesale and retail levels.
- To provide merchandise services in a most economical and efficient way, satisfying the consumer needs of the Co-operative membership and assisting the Co-operative retail stores to improve their market share by providing top quality products and services to their member/owners and their communities.
- To improve the understanding and effectiveness of the Co-op Movement, by providing Co-operative training and education programs to inform Co-op members, their elected officials and their employees of their roles and responsibilities.
- To promote the orderly growth and financial success of the Co-operative Movement through the development and implementation of policies and practices that will generate adequate levels of earnings, members' equity and other financial strengths to enable the Co-op Movement to improve the economic well-being of their member owners.

¹¹ Arctic Co-operatives Limited, <http://www.arcticco-op.com/index.htm>, accessed February 4, 2016.

- To provide an environment to promote the recruitment, development and training of northern people in employment and management positions within the Co-operative Movement.
- To provide leadership in the growth and development of the Co-operative Movement through evaluation and participation in appropriate business opportunities and joint ventures which offer benefits to our members.
- To provide an environment for our human resources that will enable them to achieve their personal objectives while working to maximize their potential and meeting the economic and social objectives of the organization.
- To provide management, operational and technical support services to Co-operatives in the most economical and efficient way to meet the needs of Member Co-operatives and to assist them in the management and operation of their business ventures.
- To develop and maintain effective communications and member and public relations programs to increase awareness of the nature, aim and role ACL and the Co-operative Movement play in our economy.
- To represent the Co-operative Movement of Canada's North with government, aboriginal organizations and other agencies.
- To conduct our affairs in an environmentally and socially responsible manner, ensuring compliance with the law and with due recognition given to the unique cultures and customs of Canada's North.

6.5.3 Services Provided

ACL serves as the wholesaler to member co-ops, but offers a very wide range of services including accounting and auditing functions, purchasing and marketing assistance, management support and advisory services, and training and education for managers and directors. But perhaps the most important service is that provided by the Arctic Co-operative Development Fund, a financial services organization owned by the northern co-operatives.

6.6 Arctic Co-operatives Development Fund

The Arctic Co-operatives Development Fund (ACDF) is a developmental loan fund that operates within the existing integrated network provided by Arctic Co-operatives Limited (ACL). Its story begins in the mid 1980s at a time when the ACL system was experiencing severe economic difficulties.

Amid the problems of the mid-1980s, the federal government advanced \$5 million through its Native Economic Development Programme to help local co-operatives purchase supplies and modernize their facilities. The Department of Indian Affairs and

Northern Development advanced another \$5 million for the refinancing of the co-operatives. The Government of the Northwest Territories wrote off \$1.5 million it had invested in a parka factory that it had encouraged Arctic Co-operatives to take over some years earlier, and advanced \$500,000 for development projects within local co-operatives. These funds made it possible for Arctic Co-operatives to deal finally with the immense cash-flow problems created by the annual ordering programme of its central and local organizations. Most significantly, the funds were administered in such a way that nearly \$10.5 million went into a new organization — the Arctic Co-operative Development Fund — in effect, a revolving fund that created a permanent capital pool and meant that local co-operatives did not have to borrow significant funds from other financial institutions (MacPherson 2001).

The fund began operation in 1986 with a little over \$10 million in assets; by 1999 its asset base had increased to over \$28 million, including more than \$18 million in investments by local co-operatives, most of it built up through dividends returned to the co-operatives each year from the fund's revenues. In addition, it has recently returned over \$1.5 million in dividends to its member co-operatives. It has operated on a tight budget, and distributed loans at low cost because of the already existing infrastructure within Arctic Co-operatives.

ACL and ACDF are governed by a single board of directors, which helps create operational efficiencies and continuity for the co-operative system. ACDF provides three kinds of financing for its members: loans for working capital; financing for facility development; and debt restructuring services. Working capital loans comprise the largest component of its lending activities. As of 2012, ACDF had increased its capital base to over \$41 million, four times its original size (ACL Annual Report 2012). Since 1986, the fund has advanced over \$527 million in financing to member co-ops.

According to Andy Morrison, CEO of ACL and ACDF, four key factors have contributed to ACDF's success.¹²

Factor One: The ACL system provides an integrated service federation within which ACDF operates.

¹² Interview with Andy Morrison, CEO of ACL and ACDF, 2009.

ACL provides operational and technical support to local co-operatives that work very closely with the (Arctic) Co-op Development Fund.... If a plan went off the rails, there was somebody that was there that could step in and support the local co-op in improving the business.... ACL provides an accounting service so all our member co-ops have regular financial statements (and) ACDF was able to monitor the performance of a local co-op. We provide management support so if you know a co-operative is experiencing difficulties, somebody can go in and support it.... Aboriginal communities do not have access to those kinds of services. The fact that it was there for the co-operatives really contributed to the stability of ACDF.

The existing ACL system provides ACDF with in-depth knowledge about their members and a cost-effective way to monitor borrowers' progress, to detect business difficulties, and to intervene when needed.

Factor Two: ACDF was sufficiently capitalized from the beginning, which allowed it to cover its operational costs and grow its capital base.

While the capitalization of most Aboriginal Financial Institutions developed at this time ranged from \$1.5 million for small local community organizations and \$8 million for province-wide organizations, ACDF was capitalized with more than \$10 million. Because of its large capital base, ACDF was able to lend a sufficient amount of money and generate enough revenue from interest payments to cover its operational expenses, maintain its capital base, and reinvest profits back into ACDF. Moreover, patronage refunds usually are reinvested into ACDF. This helped to grow member co-ops' equity in ACDF and its capital base and, as a result, increased the number of loans that could be made.

Factor Three: ACDF introduced a Share Capital Assessment Program

The Share Capital Assessment Program helped ADF grow its capital base. In addition to the regular interest rate, borrowers pay an additional 2 percent "interest," which is considered a new investment by the co-ops into ACDF. For example, if the interest rate for a loan is 10 percent, the borrower pays 12 percent, 2 percent of which is reinvested into ACDF.

Factor Four: ACDF's member co-ops demonstrate a strong commitment to the development and success of the loan fund.

Member co-ops see that the ACDF has contributed, and will continue to contribute, to the growth and success of their businesses. This can be illustrated by their decision as members and owners to reinvest patronage refunds and to support the Share Capital Assessment Program. This commitment originated before the establishment of ACDF and stems from the frustration arising from the lack of access to capital. In the mid-1970s, ACL member co-ops decided they should pool their nonrepayable contributions from the Eskimo Development Fund — a program designed to provide small loans or contributions to Inuit businesses — to create a small loan fund internal to ACL.

It was the idea of building something that all the co-ops owned together. There was a very strong commitment to repaying those amounts and they did. No co-op that ever stayed in business defaulted on them. They were all repaid... The important thing is the mindset of the model — “We’re stronger as a group than we are as individuals.” When the new (Arctic) Co-op Development Fund was started, the commitment to repay the loans was very strong. The thinking was, “If we default on something, we’re not going to have it tomorrow.”¹³

Member co-ops recognize that the ACDF has contributed, and will continue to contribute, to the growth and success of their businesses. In addition, the member co-operatives have learned that the fund is a kind of insurance mechanism through which they help each other in times of need, meaning that only one loan has not been paid — by a co-operative that had closed its doors — and most loans are repaid before they are due. Co-operatives maintain good standing with the fund partly because it is good business to do so, but also because they are working with their peers in a common enterprise.

A more recent interview with Andy Morrison, CEO of Arctic Co-operatives Limited, reveals a fifth factor: Factor Five: Co-operation among Co-operatives

The Canadian co-operative system’s commitment to co-operation among co-operatives has also contributed to the success of the Arctic Co-operatives Development Fund. Arctic Co-operatives Limited emerged in part because of the work of leaders of the Co-operative Union of Canada (the forerunner of Co-operatives and Mutuals Canada). The Co-operative College of Canada

¹³ Ibid.

provided important training for the Arctic co-operatives' elected leaders and managers during the formative period. Federated Co-operatives Limited¹⁴ has provided support for the northern co-operatives over the years, and The Co-operators insurance company has been a supportive investor and business partner. With representatives of these same co-operatives sitting on the initial board of the Arctic Co-operatives Development Fund, the fledgling organization developed with the input and ongoing support of the leaders of the Canadian co-operative system.¹⁵ Twenty years later, ACDF operates under the watchful eye of northerners, the majority of whom are Inuit, Inuvialuit or Dene.

6.7 Role as the Northern Co-operative Association

The Arctic Co-operatives model of integration is also heavily influenced by the federation's role as the official co-operative association in the North. Unlike the southern provinces where many different co-operatives belonging to a variety of federations provide member-based funding for the provincial co-operative associations, ACL's member co-operatives comprise the majority of the co-ops in the North. As a result, the federation assumes the role of a co-operative association, taking seriously its responsibility for lobbying governments regarding policy affecting northern co-operatives, as well as responsibility for co-operative development generally. One example is the ACL-led initiative to establish a credit union system in the North.

There are no credit unions in northern Canada despite notable efforts to establish a credit union system in the Northwest Territories (NWT) and Nunavut. Major northern centres such as Yellowknife, Rankin Inlet, and Iqaluit are provided with a full range of banking services by the major banks. Residents of smaller and more remote communities, however, have access to few, and often costly, financial services through a local co-operative store, or must travel long distances to access a full service financial institution. As a result, many northern communities have expressed a keen interest in establishing their own credit unions.

In the late 1980s, the board and staff of ACL and ACDF supported a drive to bring credit unions to remote northern communities in the NWT. ACDF invested considerable amounts of human

¹⁴ ACL is a member of Federated Co-operatives Limited, the wholesaler for the Co-operative Retailing System in western Canada.

¹⁵ Interview with Andy Morrison, CEO of ACL and ACDF, 2014

resources, time, and money by co-ordinating and participating in feasibility studies, recruiting consultants, lawyers, and credit union experts from the south, and working with various levels of government. This was a colossal task given that, in addition to the development of new credit unions, it required the creation of a central and a credit union deposit insurance corporation. A business plan was developed, which proposed the creation of several credit unions, a central, and a credit union deposit insurance corporation. A total of \$7 million in seed capital was required to move forward with the business plan, however, only \$4 million was raised, and governments and other organizations eventually withdrew their funding. In the mid-1990s fiscal constraint and the creation of Nunavut preoccupied governments, and the idea of establishing of a credit union system lost support (Arctic Co-operatives Limited 2004).

Over the years, ACL has provided staff and expertise in support of the further development of community co-operatives in remote communities in the Far North as well as the northern reaches of Manitoba and Saskatchewan and, most recently, the Yukon. It is this strong commitment to both initial development and long term support and mentoring that sets the ACL model apart from most other co-operative federations.

6.8 Conclusions Regarding the Arctic Co-operatives Development Model

There are a number of elements that contribute to the success of the Arctic Co-operatives Development model.

Serves as the territorial co-op association — Because Arctic Co-operatives Limited plays two roles in the North — that of a member-owned co-operative wholesaler, as well as the co-operative association for the Northwest Territories, Nunavut and the Yukon, its mandate is broader and subsequently it approaches decisions regarding co-operative development much differently than solely from the business-case perspective. There is a deep commitment to exploring possibilities and advocating for co-operatives in all regions of its territory, as well as outside. Communities who approach ACL for assistance can expect to be part of a long-term relationship, where involvement goes far beyond initial start up but continues in the form of mentorship and business support services.

Fund is like the “commons” — The Arctic Co-operative Development Fund is central to the success of all of the member co-operatives, and each co-operative is encouraged to think of it as a common resource for the use of all. With access to this common resource comes a strong responsibility for stewardship and replenishment of the fund. This understanding is facilitated through discussions at the Annual General Meeting where a culture of ownership and pride is cultivated, but in turn reinforced through an internal mechanism — the Share Capital Assessment Program — which was established by the ACDF leadership to ensure its viability for the future benefit of all members.

Takes a strategic approach — The fund is accessed on a regular basis by all to finance inventory from one year to the next. When it comes to major capital projects such as a renovation of existing facilities or construction of new, the ACL board and management take a strategic approach. All large capital projects are assessed in great detail for their feasibility. By the time a project has been approved to proceed, the business case and plan is clear. The fund is used to provide interim financing, and ACL’s management actively assists member co-ops to find external financing for the project so that the fund can be repaid very early in the project’s timeline. Whatever external agent provides the funding, be it bank or government agency, they know that the project has a very high likelihood of success.

ACL exists only for its co-ops; without its co-ops, it has no purpose — ACL board and management have a very strong commitment to the success of its member co-ops, their communities and the entire ACL system, for without the members, the wholesale has limited purpose. They will go to great lengths to ensure that the co-op is able to continue to serve its community.

It is an integrated service federation that provides extensive support to the entire system — advising, business plans, feasibility studies, training and many other forms of support. The very close relationship with the co-operatives from a business perspective, as well as a co-operative development perspective, provides far more support than start up co-ops receive in other parts of Canada.

Centrality of independent financing mechanism — Finally, the importance of having an independent financing mechanism cannot be overstated in terms of its impact on the success of this development model. Access to capital is always a constraint for a developing co-operative whether is for startup or growth; access to ongoing financing for inventory in particular, is critical for the Arctic Co-op members.

7. Overall Conclusions

Although the context — historic, political, economic, cultural — of northern Canada is quite distinctive, there is much that can be learned from the case study of the Arctic Co-operatives Limited and Arctic Co-operatives Development Fund that is transferable to other settings, in particular remote rural communities challenged by poverty, geography and climate in many parts of the world.

- The need for training and support — both in relation to the business of the co-operative but also its functioning as a co-operative association, is critical. The Arctic Co-operatives Development model provides this very effectively.
- Where a co-op structure already exists, it is often more efficient to develop additional services to meet additional needs, rather than creating a new co-operative or other organization. Thus, members have access to numerous products and services through a single, multipurpose co-op.
- The Arctic Co-operatives Development Fund would not have happened without government intervention in the form of policy and funding. The intervention, however, ended with that step. Subsequent direction came from the leaders of Arctic Co-operatives Limited, with guidance and support from leaders in other sectors of the Canadian co-operative movement. Ownership and control rested with the co-operative.

8. Recommendations

It is recommended that:

- A model for co-operative development similar to that utilized by Arctic Co-operatives Limited be implemented in communities where resources are limited or constrained.
- Training materials and opportunities be developed to promote and support strong governance within co-operatives.
- A co-op development fund be developed to ensure access to not only developmental funding (including financing inventory where appropriate) but also funds to support growth and expansion, using a model similar to that taken by ACDF.

- More information regarding the structure and operation of multi-purpose co-operatives be made available to communities across Canada.
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9. Areas for Further Research

The approach to co-operative development – both initial development and longer term growth and/or expansion – employed by Arctic Co-operatives Limited has demonstrated success as a strategy for use in remote rural communities challenged by poverty, geography and climate. The existence of the Arctic Co-operatives Development Fund is central to the success of this model. ACDF had its origins in a particular piece of government policy targeting a vulnerable population, the Indigenous communities of Canada where access to capital for enterprise development was difficult if not impossible. This issue continues to plague Indigenous communities today (Hammond Ketilson and Brown 2009). More research is required to identify if a similar fund to ACDF could be established in the current economic context.

10. Appendix 1: Co-operative Development Policy in Canada

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10.1 Federal Government Support

10.1.1 People

There are few key political leaders responsible for co-op affairs. Mauril Belanger was the Liberal Advocate for Co-operatives from 2012 until December 2, 2015, when he retired from the position due to illness (Co-operatives and Mutuals Canada 2015a). His responsibilities included chairing the all-party Co-operative Caucus. His activities are posted on the CMC website in the form of letters written by himself. Industry Canada, which is responsible for policy related to non-financial co-ops, has three ministers: the Minister of Innovation, Science and Economic Development is The Honourable Navdeep Bains; the Minister of Science is The Honourable Kirsty Duncan; and the Minister of Small Business and Tourism is The Honourable Bardish Chagger. Co-ops are not mentioned in any of their mandate letters, nor in any announcements made by the ministers to date. However, co-ops are mentioned in the mandate letter of the Minister of Families, Children and Social Development. In the mandate letter, The Honourable Jean-Yves Duclos is instructed to “develop a strategy to re-establish the federal government’s role in supporting affordable housing, including ... providing support to municipalities to maintain rent-gear-to-income subsidies in co-ops” (Trudeau 2015).

Before moving the responsibility for co-operatives to Industry Canada, the Co-operatives Secretariat located in Agriculture and Agri-food Canada was an important link between the federal government and the co-op sector. Collection and publication of statistics on non-financial co-operatives in Canada was central to its mandate, along with funding and publishing co-op specific research. The research function was eliminated in 2012 with the move to Industry Canada, but the collection of co-op statistics and maintenance of the data base continues.

10.1.2 On the Agenda

At the time of writing this section, there were two major areas of contention between the federal government and co-operatives: the cessation of two important federal tax credits for credit unions and the cessation of government funding for housing co-operatives. Both were announced in the 2013 Canada Economic Action Plan (Canada's Economic Action Plan 2013). The first credit union tax credit that was discontinued is the federal preferential income tax rate — 11 percent rather than 15 percent—that was otherwise reserved for small businesses, the SBD. The SBD largely benefits businesses with \$500,000 to \$10 million in taxable capital because it diminishes as taxable capital approaches \$15 million, at which point the deduction is not applicable. A second deduction, the ADCU, extends the SBD benefits to credit unions with income in excess of \$10 million (Baker and Gimpel 2013; Department of Finance Canada 2014; Pigeon 2014). The government reasoned that this provided “neutrality of the tax system” (Canada's Economic Action Plan 2013), while other actors (e.g., Baker and Gimpel 2013; Pigeon 2014) accused the government of misunderstanding the unique requirements of credit unions (e.g., a sufficient retained-earnings pool) or the societal benefits they produce that is facilitated by the deductions. The 2014 Action Plan discusses the possibility for credit unions to grow to a national scale — although without incentives to do so — and the stoppage of joint supervision of provincial credit union centrals by the Office of the Superintendent of Financial Institutions (Government of Canada 2014).

The Canada Action Plans in 2013 and 2015 pledged to support housing co-ops:

Building upon the prepayment flexibilities for co-operative and non-profit social housing providers announced in 2013, Economic Action Plan 2015 proposes to provide further support to social housing providers by eliminating the mortgage prepayment penalty on long-term, non-renewable loans held with Canada Mortgage and Housing Corporation. This initiative will enable eligible co-operative and non-profit social housing providers to access private sector loans with more favourable interest rates, significantly reducing their mortgage expenses... In the case of condominiums and co-operative housing corporations, the credit [Home Accessibility Tax Credit,] will be available for eligible expenditures incurred to renovate the unit that is the qualifying individual's principal residence as well as for the qualifying individual's share of the cost of eligible expenditures incurred in respect of common areas (Government of Canada 2015).

Housing co-operatives have experienced both hope and distress from the actions of the federal government in the past. The government agreed to arrange for the mortgages of many housing co-ops to be paid as part of the Section 95 Program that lasted from 1979 to 1984, and the subsequent Federal Co-operative Housing Program from 1986 to 1991 (Co-operative Housing Federation of Toronto n.d.). Because many of the mortgages were 20-30 years long and were signed in the 1990s, a number of housing co-ops are currently facing the impending loss to their budget. Housing co-op associations and their members, as well as provincial governments who cannot compensate for the loss, are asking the federal government to continue the provision of subsidies (Tucker and Kapelos 2014; Canadian Housing Federation n.d.). The federal government also used to provide operating subsidies rent assistance, but these too have been discontinued. Until recently, only a cost-sharing program existed, where funds are provided to provincial governments that can be applied to housing co-ops, but only the government of Quebec chooses to participate in this way. In 2005, the Housing Co-op Federation of Canada took administrative control over the federal co-op programs with concern for co-op housing as an arms-length agency. It has altered the policies surrounding the use of rent income for non-profit housing co-ops, it facilitates low-interest loans from Canada Mortgage and Housing Corporation, and, has established a stabilization fund to provide financial assistance to housing co-ops that are facing difficulties (Co-operative Housing Federation of Canada n.d.).

The newly elected government intends to extend its previous support to housing co-ops. According to the newly elected Liberal party's "Real Change" website, the federal government will "give support to municipalities to maintain rent-geared-to-income subsidies in co-ops" (<https://www.liberal.ca/realchange/affordable-housing/>; <https://www.liberal.ca/realchange/fighting-poverty/>). This is echoed in the PDF of the housing policy (Liberal Party of Canada 2015a), which also mentioned the source of at least some of the construction funding of new housing co-ops: Canada Mortgage and Housing Corporation and the new Canada Infrastructure Bank. The funding was also mentioned in a speech given by Trudeau during this year's National Co-op Week. In that speech, he additionally committed to "renew current co-op agreements" with housing co-ops, and made the more ambiguous statement that "we must strengthen and improve the federal government's support for [co-ops]" (Liberal Party of Canada 2015b). These discussions of co-ops are couched in other housing concerns such as

the prioritization of investment in affordable housing and seniors' facilities, building and refurbishing housing units, and Housing First initiatives. These are the only mentions of co-operatives on the Liberal Party of Canada's website.

10.1.3 Programs and Initiatives

Responsibility for non-financial co-operatives was transferred from Agriculture and Agri-foods Canada to Industry Canada in 2013 based on the recommendation of a report by the Special Committee on Co-operatives (Parliament of Canada 2013; Government of Canada 2013). Since that time other recommendations have been followed, including the creation of the webpage 'Co-operatives Policy' (Industry Canada 2013). Co-operatives Policy provides information that might be useful to those interested in co-operatives. It explains what co-operatives are, the types that exist in Canada, and answers frequently asked questions. It also provides links to documents that might be useful to those responsible for decisions surrounding the creation or maintenance of a co-op:

- Guides:
 - Creating your co-operative
 - Amending a Co-operative's Articles
 - Continuance (import) of a co-operative
 - Amalgamating co-operatives
 - Request for Copies of Corporate Documents
 - How do I file my application under the *Canada Co-operatives Act (Co-op Act)*?
 - What happens after I submit my application under the *Canada Co-operatives Act (Co-op Act)*?
- Policies:
 - Filing of Annual Returns
- Legislation
 - *Canada Co-operatives Act*
 - Canada Co-operatives Regulations
- Further Information
 - Services, fees and turnaround times
 - Forms
 - Glossary
- Other Related Documents
 - Legislative Summary: Bill S-11: An Act to Amend the *Canada Business Corporations Act* and the *Canada Co-operatives Act* and to Amend Other Acts

- Regulatory Impact Analysis Statement — Amendments to the *Canada Business Corporations Act*
- Analysis of the Changes to the *Canada Co-operatives Act* (section by section).

Useful links to other documents and websites are also provided. The first is “An information guide on co-operatives.” It provides general information on co-ops including guidance on starting a co-op and links to pertinent provincial legislation (Industry Canada, 2015). I presume that one of the purposes of this website, especially its link to its Corporations Canada branch’s website entitled “Creating a co-operative,” is to broaden and update the document created by Agriculture and Agri-Foods Canada before 2006 (Alberta Agriculture and Forestry 2006) entitled *Agricultural co-operatives: A startup guide* (Harris n.d.). “Creating a co-operative” goes over the requirements to incorporate a co-operative. It can be used alongside the information from Canada Business Network’s “Start and grow a social enterprise” page that provides links to: information on assessing the fit of revenue generation associated with social enterprise model for an organization; guidance on creating a business plan, starting a social enterprise, and managing one; information about regulation and taxation, labelled according to province; and government programs designed to assist social enterprises.

Another link found on Industry Canada’s Co-operatives Policy website keeps track of what Industry Canada has accomplished in collaboration with other organizations since it took on more responsibility of co-operatives, although Industry Canada’s role in these collaborations is unclear.

The next link on the Co-operatives Policy webpage leads to Canada Business Network’s page on co-operatives (Canada Business Network 2015). It provides links to the following:

- Documents to help determine if the co-operative model is a good fit for those thinking of starting a co-op
- Guidance on how to incorporate as a co-operative in every province, territory and for federal co-ops, including links
- Documents on taxation and regulation
- Links to co-op support organization websites
 - CMC
 - CoopZone
 - Canadian Co-operative Research Network
 - regional co-operative development organizations

- Programs and services available to co-operatives, labelled according to the province in which it they are offered if applicable
- Programs for non-profit co-operatives
 - Economic Development Initiative (EDI)
 - Computers for Schools — Industry Canada
 - Youth Internships — Industry Canada
 - Investing in Commercialization Partnerships (Southern Ontario) —FedDev Ontario
 - Investing in Regional Diversification (Southern Ontario) — FedDev Ontario
 - Innovative Communities Fund (Atlantic Canada)—Atlantic Canada Opportunities Agency

Industry Canada’s Co-op Policy page further features a link to the document *Government Response to the Report of the Special Committee on Co-operatives Entitled: Status of Co-operatives in Canada* (Parliament of Canada 2013). The document lists all the recommendations made by the Special Committee on Co-operatives in its report, along with responses to them. The responses are positive, and many include details on how the recommendation were already being met before or how they have since been implemented. The recommendations follow:

1. “That the Government of Canada highlight the strategic role that co-operatives play in our economy by educating government employees in all departments, especially those in regional development offices, and the general public on the nature and benefits of the co-operative business model.”
2. “That Canada Mortgage and Housing Corporation support housing co-operatives by continuing to provide reasonable mortgage and refinancing services.”
3. “That the Government of Canada explore the feasibility and cost of allowing Canadians flexibility to invest RRSP funds in co-operatives”
4. “That the Government of Canada work closely with regional economic development agencies to highlight the importance of co-operatives to Canadian economic development so that they can promote the co-operative business model along with other business models, and to ensure their officers have a clear understanding of how co-operatives are supported through existing federal programs and can promote such programs to co-operatives and entrepreneurs.”
5. “That the Government of Canada review the issue of capitalization of co-operatives, including its causes, effects, and potential solutions.”
6. “That the Government of Canada, in consultation with provinces, territories, and the co-operative sector, review the Canada Co-operatives Act to determine whether updates are advisable.”
7. “That the Government of Canada study the possibility of consolidating the responsibility for co-operatives under a suitable department, such as Industry Canada.”
8. “That the Government of Canada continue to reduce the red tape burden for co-operatives and businesses.”

The last links on Industry Canada’s “Co-operatives policy” website are to the websites of nonprofit organizations that help co-ops: Coopzone, Co-operatives and Mutuels Canada, Canadian Co-operative Research Network, and the International Co-operative Alliance.

The Department of Finance’s Financial Sector Policy Branch is responsible for credit unions, specifically its Financial Institution Division’s Strategic Planning and Trade section. It does not appear to provide additional programs or services specific to credit unions.

10.2 Support for Co-ops at the Provincial/Territorial Level

The following findings are descriptions of results generated from the following process: 1) a Google for “Government of (name of province),” 2) this resulted in a search bar for the government website, into which I typed the keyword “co-operatives.” Ontario and Nunavut did not have the Google toolbars, so the search bar within the website itself was used.

10.2.1 Government of British Columbia

- The first result was a link to BC’s Co-operative Association Act. Other results include the regulations and special resolution associated with the Act. The second leads to BC’s Co-operative Associations’ Corporate Registry, which provides links for those seeking information on: incorporation, changes to filed information (maintenance), dissolution, restoration, continuation Out of BC, extraprovincial co-operative associations, relevant forms, and information packages.
- Another link leads to the BC Registry Services FAQ page on co-ops that answers the following questions: What is a co-operative association? What is a community service co-operative? How many subscribers need to be provided for a co-operative association? How can I check if you have received my documents? How do I request a list of a co-operative association’s directors? How do I incorporate a co-operative association?
- Most of the subsequent results lead directly to the destination of the links from the BC’s Co-operative Associations’ Corporate Registry page or the BC Registry Services FAQ page on co-ops.
- Two other results lead to brief overviews of the Co-op Share Purchase Supplement.

10.2.2 Government of Alberta

- The first result led to an Alberta Agriculture and Forestry webpage entitled New Generation Co-operatives—10 Things You Need to Know (revised August 2006). The ten things are answers to the following questions: What is a New Generation Co-op? What types of New Generation Co-ops have been created in Alberta? Why are Western Canadian farmers considering New Generation Co-ops? When would a New Generation Co-op not be the best choice for our business venture? What are the steps required to

organize as a New Generation Co-op? What are the legal and tax issues we need to be aware of? What sources of capital are available and how can we access them? How are the business decisions made once the co-op is up and running? What other business arrangement options should we be aware of? Where can we find out more about New Generation Co-ops?

- Another Alberta Agriculture and Forestry result leads to a document entitled “Business Structure Options for New Generation Co-ops,” which was published in 2003. A further result yields a robust 2005 report entitled “New generation co-ops: Alberta’s newest option for agriculture business” with chapters that describe new generation co-operatives, how they work, their advantages and disadvantages, how they add value, the different kinds of shares that can exist within them and how they can be transferred, compliance with the Securities Act, return on investment, member rights, continuance, and how to set up a new generation co-operative.
- The second result leads to Alberta’s Co-operative Act, followed by the Consumer Tipsheet and the regulations associated with the Act.
- Another result leads to the Alberta Utilities Consumer Advocate page entitled “REAs and Natural Gas Co-ops.” It includes descriptions of Rural electrification associations and Natural gas co-ops along with links to relevant contact lists and association and federation websites.
- Yet another result leads to a 1997 document that provides information on grazing associations and co-operatives, as well as grazing reserves, including a description of grazing co-ops, an explanation of how Alberta’s Co-operative Act applies to grazing co-operatives.
- Other results are ambiguous, and I am uncertain if they pertain to co-operatives as they are understood in this project. One is a spreadsheet of historical numbers (profits?) of municipal co-operative seed cleaning in Alberta, while others outlines water safety concerns in the Churchill Water Co-operative Waterworks System and other areas.

10.2.3 Government of Saskatchewan

- The majority of the results lead to The Co-operatives Act of Saskatchewan, Saskatchewan’s New Generation Co-operatives Act, The Economic and Co-operative Development Act, as well as the Acts’ descriptions, general administrative requirements, regulations, related forms, past versions of the Acts, brief notices concerning the Acts such as the dates of their proclamation or change of directors.
- Another result is a broken link entitled “Saskatchewan Celebrates Co-operatives Week”
- A further result leads to a document that provides information for establishing a new business, which may be done alone or in co-operatives

10.2.4 Government of Manitoba

- The Co-operatives Act
- The Ministry of Housing and Community Development webpage for their branch Co-operative Development Services, which provides a description of co-operatives and of services offered including information on incorporation; mentorship; interpretation of pertinent legislation, regulations, and by-laws; technical assistance; information on

assistance programs; information on training options; assistance in expansion projects; member recruitment assistance, marketing plan assistance; and general ongoing networking and referrals. Links to related documents and news releases are also featured on the webpage.

- A similar webpage to the one above provides a list of links to PDF documents that collectively provide an overview of co-operatives, followed by contact information for Co-operative Development Services.
- The Ministry of Housing and Community Development webpage for their Co-operative Promotion Board provides small grants to “promote, assist and encourage the co-op movement in Manitoba” (http://www.gov.mb.ca/housing/coop/coop_promoboard.html). It provides details on how to access these grants.
- The Ministry of Housing and Community Development webpage on housing co-operatives, which provides a description of housing co-ops, a link to a document providing further information, and contact information for Co-operative Development Services. Another webpage provides information on the different options within housing co-ops in the province.
- A pamphlet titled “Co-operatives in Manitoba” that outlines the government’s strategy for ensuring the success of co-operatives and descriptions of co-operatives including types and benefits.
- A document outlining Government of Manitoba actions for the International Year of Co-operatives 2012, including support for the Co-op Housing Community Mobilizer (CHCM) project, establishment of a Manitoba Co-op Research Fund, past changes to the Co-operative Act and past creation of the Co-operative Tax Credit fund, the creation of an activity book to help high school teachers teach about co-ops, support for the Youth Co-operative Services Program.
- The document “2014-2019: Manitoba Co-operative Community Strategic Plan: Leading and Making a Difference in Manitoba — the Co-op Way: Phase 2: A Strategy for Developing and Maintaining Manitoba’s Co-operative Community.”
- The document “Co-operatives in Manitoba: Building Strong Businesses, Building Stronger Communities!”

10.2.5 Government of Ontario

- Financial Services Commission of Ontario (FSCO) webpage that provides information on developing and maintaining a co-operative corporation in the province including summaries of the Act, regulations, and changes made to them; registering as a co-operative corporation; links to provincial resources; tips; forms; and information about the fee schedule. Other links on the Government of Ontario website lead directly to FSCO documents that can be linked from here:
 - “Co-operatives in Ontario: Guide to Setting Up a Co-operative,” which includes information on planning, financing, organizing, incorporating, and launching a co-op
 - “Co-operatives in Ontario: Legal requirements,” which includes information on membership, by-laws, members’ meetings, directors, directors’ meetings, officers,

records, distribution of surplus, securities, dissolution, articles of amendment, and maintaining co-operative status

- “Co-operatives in Ontario: Incorporating a Co-operative in Ontario with Share Capital,” which includes a glossary of terms; instructions on how it can be done; contact information to co-operative associations, federations, and organizations; and instructions for filling out the relevant forms
- “Co-operatives in Ontario: Filing Requirements and Record Keeping,” which includes information on change of location, audited financial statements, audit exemptions, articles of amendment, offering statement, material change statement, share and loan certificates, and keeping records.
- A bulletin providing information and updates on changes in trustees in the Participating Co-operatives of Ontario Trustee Pension Plan
- A document outlining the outcomes of an arbitration between The Co-operators and The Halifax insurance company. Another document outlines the same, but between the Co-operators and AXA insurance company

10.2.6 Government of Quebec

- The Co-operatives Act and its regulations; An Act Respecting Financial Services Co-operatives; Co-operative Investment Plan Act; Regulation respecting the acquisition of shares by certain financial services co-operatives;
- Most of the links are broken

10.2.7 Government of New Brunswick

- A Financial and Consumer Services Commission webpage that provides information on incorporating a co-operative including eligibility, fees, and contact information
- A Financial and Consumer Services Commission searchbar to search for co-operatives in the province
- News releases titled:
 - “Four provinces and the federal government commit to strengthen the co-operative capital markets regulatory system”
 - “New Brunswick signs agreement in principle for the Co-operative Capital Markets Regulatory System”
 - “Provincial, federal governments invest in research and development at Northumberland Co-operative Ltd.”
 - “Really Local Co-operative opens new Dieppe Market”
 - “Provincial and federal governments invest in seafood processing plant” (improved productivity of the Island Fishermen Co-operative Association Ltd.)
- A notice of extension of the comment period for the drafts of the *Provincial Capital Markets Act* and the *Capital Markets Stability Act* as they affect the Co-operative Capital Markets Regulatory System
- A transcript of the presentation to the New Brunswick Energy Commission by the Atlantic Council for Bioenergy Co-operative Limited
- 2005 and 2006 annual reports on co-ops, published by the Department of Justice and Consumer Affairs, written by Credit Unions, Co-operatives and Trust Companies Branch

- Catalogue results of certain books (and a thesis) on co-ops on the Legislative Library of New Brunswick website

10.2.8 Government of Nova Scotia

- The Co-operative Branch webpage. The Co-operative Branch is responsible for the *Co-operative Associations Act*. The website links to publications, forms, contact information to the Branch, and the fee schedule. Other results lead directly to the links supplied on the website, such as:
 - Instructions and form for annual renewal of co-ops with the Branch
 - Instructions on how to change a co-op's name
 - Instructions and form incorporation
 - Instructions and forms for special resolution filing
 - Instructions and form for updating street or mailing address, or list of officers and/or directors
 - The form for financial statements
 - The form for co-op dissolution
- A document titled "Evictions from a Housing Co-operative: Using the Residential Tenancies Act and the Co-operative Associations Act"
- Regulations associated with the *Co-operative Associations Act*
- Annual Reports on the activities of Nova Scotia Co-operatives in 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2005, 2004, 2003
- A downloadable Excel file listing co-ops in the province and their contact information. There is also an entry in the Nova Scotia Archives catalogue for the "Directory of co-operatives and credit unions in Nova Scotia"
- A news release titled "Federal, Provincial Governments Announce Housing Co-operatives Funding"
- The website for the registry of joint stock companies, which has a section on co-ops. Other results lead to links supplied on the website
- Information and form for Equity Tax Credit, Application for Certificate of Registration for a Co-operative, Department of Finance
- Form for the "Report of Recipient's Progress on Economic Development Assistance Agreement"

10.2.9 Government of Prince Edward Island

- PDF documents of the Co-operative Associations Act and its regulations
- Websites for local co-ops:
 - the PEI Certified Organic Producers Co-operative
 - Canadian Co-operative Wool Growers Limited
- Contact information and products sold by the Acadian Fishermen's Co-op Assoc. Ltd., on the Department of Agriculture and Fisheries website
- A PDF document with information about the West Prince Family Violence Prevention Co-operative
- PDF documents of the collective bargaining agreements and collective agreements between co-ops and unions

- Offering documents and letters of non-objection for the Royal Star Investment Co-operative Limited on the Department of Justice and Public Safety website
- Press release titled:
 - “Prince Edward Island agrees to join the Co-operative Capital Markets Regulatory System”
 - “Community of Tignish Celebrates Open House at the Tignish Seniors’ Home Care Co-operative”
 - “Department Supports New Forestry Co-operative”

10.2.10 Government of Newfoundland

- Website of the Registry of Co-operatives. It includes links that might be helpful to co-ops. Other results lead directly to the destination of these links including
 - Information on incorporating a co-operative and the associated form
 - Information on registering out-of-province co-operatives and the associated form
 - The Co-operatives Act Statutory Declaration form
 - About the Registry
 - Form for co-op amalgamation
 - Form for co-op dissolution
 - Form for articles of amendment
 - Information about co-op name approval
- Information on co-op development on the Department of Business, Tourism, Culture and Rural Development website. It pertains specifically to the Department’s partnership with Newfoundland-Labrador Federation of Co-operatives and their joint five-year Memorandum of Understanding. Another result discusses the two training modules associated with co-op development within the Community Capacity Building program, and a third targeted toward those involved in co-op development.
 - A PDF document titled “Module #1: Basics of the Co-operative Model” and an associated PowerPoint document
 - A PDF document titled “Module # 2: Co-operatives and The Community Development Process”
 - A PDF document titled “Co-operatives and the Community Development Process
 - Module III Workshop — Facilitators Notes” and an associated PowerPoint document
 - A PDF document titled “Co-operative Development Business Retention and Expansion (BR&E),” which describes research and its findings
- News release titled
 - “Fogo Island Co-operative Society Receives \$54,810 to Install New Sanitation System”
 - “Province Celebrates Co-op Week”
 - “Province Celebrates the Economic Value of Co-operatives”
- A PDF document titled “Provincial Co-operative Apartment Program Operational Standards 2007”
- A PDF document of a collective agreement between a co-op and a union
-

10.2.11 Government of Yukon

- The Department of Community Services' webpage on Co-operatives, with links to General Information, Legislation and Regulations, Fees, and FAQ
- A PDF document of the Co-operatives Association Act
- Broad information that affect co-ops and other organizational models such as business legislation reform, innovation exchange program, and other programs

10.2.12 Government of Northwest Territories

- A webpage on co-operative associations on the Department of Justice website that includes information about co-operatives, incorporation, and annual filing requirements. Other results provide direct links to forms mentioned on the page.
- A newsfeed whose first line is: "YELLOWKNIFE (October 18, 2010) — This is Small Business Week — a time to celebrate the small and medium-sized businesses and co-operatives, and the contributions they make to our communities and the territorial economy.
- A webpage with information on An Act to Amend the Co-operative Associations Act
- A mention of the publication "Arctic Co-operatives Limited and NWT Co-operative Business Development Fund annual report, 1994. 1995" in a PDF document of a checklist of government publications

10.2.13 Government of Nunavut

- Points of information about hotels owned by Arctic Co-operatives Limited, Padlei Co-operatives or Koomiut Co-operatives Limited
- Information about a tourism and culture funding program that artist co-ops can apply for; a news release describing the program
- Public service announcement about nutrition month that mentions that packages are available at Arctic Co-op stores
- Information about legal registries (co-ops are mentioned in the section "corporate registries")

10.3 Perspectives of Co-operative Associations Regarding Government Support for Co-operative Development

The following findings are descriptions of results generated by scrolling through the news section of co-op organization websites. I did not include articles published in other venues (e.g., newspaper articles) that were linked to on the websites.

10.3.1 Co-operatives and Mutuals Canada

At the end of November, the CMC held their CMC Delegates Meeting where "[t]he principal theme of the week was what to expect from and how to approach the newly elected government in Ottawa" (Co-operatives and Mutuals Canada 2015a). A summary of the meeting has not been

posted apart from a note that the “CMC is requesting support from the new government for our investment fund and our co-operative development strategy, The Roadmap for a Co-operative Decade” (Co-operatives and Mutuals Canada 2015a). However, a summary of the first Delegates Meeting was posted, and it mentioned a presentation by the “Parliamentary Secretary to the Minister of Industry, Mike Lake, who recognized the economic and social importance of co-operatives and affirmed the Canadian government’s intent to support the sector” (Co-operatives and Mutuals Canada 2014a).

Other news posted on the CMC website (<http://canada.coop/en/programs/communications/news>) that concerns Canadian governments and co-ops is largely the positive actions and statements taken by government toward co-ops. This trend can be seen throughout Canadian co-op associations, centrals, and federations. With the CMC, this includes summaries of the content of all-party Co-operative Caucus meetings by both the chair and the CMC. Each meeting has a different theme and hears from different presenters such as Industry Canada, Canadian co-op federations, and academics. The first meeting of the Ontario Co-operative Caucus in November 2015 was also reported. The list further includes:

- promises, such as Trudeau’s acknowledgement of co-ops that was discussed above
- promises of support from the NDP for co-ops made during the federal election campaign, including fair taxation, support for the Canadian Co-operative Investment Fund, and support for a Co-op Development Strategy
- the Manitoba government’s strategy to strengthen and expand co-ops including a commitment to provide funds to co-op development
- federal and provincial support for social housing, including housing co-ops, in Nova Scotia.
- operational actions, such as when Industry Canada released an information guide for co-operatives.

The tone of contentment is interrupted only twice in reports of advocacy, but even then the tone is hopeful rather than critical. CMC Advocacy for the Canadian Co-operative Investment Fund (CCIF) during the federal election campaign was presented as “gaining traction” as evidenced by the “flurry of meetings” on the topic following the release of the related publication (Co-operatives and Mutuals Canada 2015b). Similarly, Credit Union Central leaders “Hiked the Hill” to meet with government leaders about the unfair the treatment of credit unions by the federal government. They were reportedly “welcomed” to parliament hill and an election promise was

made by Mulcaire to reverse the unfavourable changes. No other commitment to change was reported and that absence was not noted (Co-operatives and Mutuals Canada 2014b).

10.4 Sector-Based Federations

The **Co-operative Housing Federation of Canada** (CHFC) keeps close tabs on government and its posts are optimistic. It celebrates the mention of social infrastructure in Justin Trudeau's December 4, 2015, Speech from the Throne and his support for co-op housing in Minister Jean-Yves Duclos' mandate letter. They also hold Trudeau to keep his election promises concerning social housing including renewing the rent supplement for housing co-ops, but they communicate this by writing that they are "looking forward to working" with the new government (Co-operative Housing Federation of Canada 2015). The website also reports its advocacy activities during the federal election, including the call to maintain rent-geared-to-income housing assistance after agreements expire.

Neither the **Canadian Worker Co-op Federation** nor the **Health Care Co-operative Federation of Canada** include much news on its website, and none of that news discusses government.

10.5 Provincial Co-operative Associations

The **British Columbia** Co-operative Association does not have a section on its website where it features its press releases and other news posts. However, the Co-operative Housing Federation British Columbia (CHFBC) website does have such a section (<http://www.chf.bc.ca/news>). It reflects the tone of contentment found on the other co-op websites. Posts discuss the mandate letter of the Minister of Families, Children and Social Development that was discussed above and mention federal government support for housing co-ops. The Vancouver City Council is also mentioned multiple times as a supporter of housing co-ops, such as committing to partner with non-profit organizations and co-ops to develop subsidized housing. The only criticism of government is found in an article about changes made to BC's Co-operation Association Act. It conveyed information on the changes and disappointment in them. Further amendments were suggested, which, according to the update note at the end of the article, were thereafter applied to the Act.

The **Alberta** Community and Co-operative Association (ACCA) news portion of their website (<http://acca.coop/post/>) does not mention government often, but when it does it shares the positivity demonstrated by the rest of the sector. Two articles report on an ACCA interview with Mauril Belanger in which he discussed his role and actions as the Liberal party's advocate for co-operatives and his prediction of potential growth of health and renewable energy co-ops. Another article discusses the inclusion of co-ops in the Calgary Poverty Reduction Initiative when it was proposed in 2013. Upon further investigation, I found that the initiative was accepted, although I am uncertain how much its current version includes co-ops because the ACCA never again mentions the initiative, and co-ops were not mentioned in other news about the initiative (e.g., Vibrant Communities Calgary 2015).

The **Saskatchewan** Co-operative Association (SCA) website has scarce news postings, but two mention government. Both were posted in 2013 and have a stronger tone of advocacy than contentment. One discusses the intent of MP Judy Sgro to table "a motion at the Standing Committee on Industry, Science and Technology to establish a Subcommittee on Co-operatives" (Office of the Honourable Mauril Belanger, MP, 2013) because co-ops have a lot to offer. The SCA website does not mention if the motion was presented or passed, but it presumably led to the all-party Co-operative Caucus. The other article presents the call for change voiced by Saskatchewan seniors who are forming a housing co-op but find the rules in the province to be unsupportive; they are required to finance the entire project themselves rather than financing individual units in a similar way that is done with condominiums.

The **Manitoba** Cooperative Association (MCA) newsletter section of its website presents a large number of articles that discuss a variety of topics at the intersection of co-ops and the provincial government. It indicates that the Government of Manitoba is relatively generous towards co-ops and that it has a relatively close relationship with the MCA. The tone of the postings suggest that the MCA is advertising its successes and celebrating government support for co-ops. Some of the articles discuss actions resulting from the MCA's partnership with the provincial government (other entities are often also included in the partnership). The Co-operative Community Strategy partnership, for example, "aims to stimulate, broaden and sustain the development of a socially

and economically successful Manitoba co-operative community” (Manitoba Co-operative Association 2015). The Co-op Development Tax Credit Fund, meanwhile, allows co-ops to obtain a tax credit of up to 75 percent of their contribution when they donate to the fund, which was designed to encourage co-op development in the province. Furthermore, the MCA and the provincial government collaborated to create a Chair of Co-operative Enterprises for the University of Winnipeg. The newsletters also advertise funding and workshops available to co-ops through the provincial government. Changes to legislation affecting co-operatives are further mentioned in the newsletters.

On Co-op: The **Ontario** Co-operative Association does not have a news section on its website, so the “programs and services” section (http://www.ontario.coop/programs_services) will be summarized instead. The section discusses On Co-op’s heavy involvement with both the provincial and the federal governments. Its formal relationship with the provincial government is outlined: Regulatory Affairs Committee, Government Relations Committee, research, and Queen’s Park Receptions (where co-ops are given the opportunity to meet with ministers and MPPs). It also promotes the On Co-op advocacy agenda, activities, and resulting successes with both the provincial and the federal governments. The creation of the federal special committee on co-operatives (which I assume is the all-party Co-operative Caucus) is an example of its reported successful advocacy. It also offers tips on self-advocacy. Updates on federal and provincial government program changes are also mentioned in the pages on this section of the website.

In **Quebec**, the Conseil québécois de la coopération et de la mutualité (CQCM) posts articles on the news section of its website (<http://www.coopquebec.coop/fr/les-nouvelles.aspx>) that have a tone of confidence, empowerment, and success. It discusses its heavy collaboration with the provincial government including policy consultation and advocacy. Most if not all of its advocacy activities are successful based on subsequent postings, including renewing its partnership with the government and support for homecare and forestry co-ops. The website announces concrete government commitments towards co-op development including renewing partnerships, introducing and maintaining instruments, assessing means to facilitate networking between sectors in the province, and youth involvement. Government support is also reported

concerning funding for job creation in the co-op sector, for entrepreneurship, for homecare and forestry co-ops, and lowering taxes for social organizations including co-ops.

The **Newfoundland-Labrador** Federation of Co-operatives website is currently under construction and posts concerning the government cannot be accessed.

The **Nova Scotia** Co-operative Council (NSCC) website news section presents two posts concerning government. One (Myette 2014a) celebrates a partnership between the NSCC and the Nova Scotia Fisheries and Aquaculture Loan Board to enhance access to financing and mentoring services to fish harvesters and sea farmers. The other (Myette 2014) takes the opposite tone. It emphatically declares a call to action to petition the provincial government for improved healthcare. Co-ops are featured because Medical Office Management systems (MOM), which is owned and financed through Connecting People for Health Co-operative Ltd (CP4H), is reportedly denied access to the Department of Health EMR system.

The **Prince Edward Island** Co-operative Council posted a single article about government (Prince Edward Island Co-operative Council 2014). It discusses plans for a marijuana grow-op co-op in response to federal regulation changes that no longer allow individuals with medical marijuana prescriptions to grow their own marijuana. The article provides an overview of the benefits that could result.

The Co-operative Enterprise Council in **New Brunswick** discusses legislation and regulations that are being proposed or drafted. It briefly announces and provides the links to changes made to draft regulations for Community Economic Development Corporations and for small-scale renewable energy projects. It also provides a brief description and a link to the proposal for a new provincial Co-operative Associations Act.

10.6 Canadian Credit Union Association

The Canadian Credit Union Association (CCUA) is the national association for credit unions, formerly Credit Union Central of Canada. Its membership is comprised of the provincial Centrals

and Central 1, an amalgamation of Ontario and BC Centrals. CCUA plays a major lobbying role at the federal level, and the provincials interact with provincial governments.

Press releases and system releases archived on the Canadian Credit Union Association website (<http://www.ccu.com/news>), and on its former website (<http://www.cucentral.ca/SitePages/Category.aspx?SiteURL=http%3a%2f%2fwww.cucentral.ca%2f&Section=releases%3b&DocumentLibrary=Media+Room>), together indicate overall satisfaction with the federal government, but with proven capacity to (successfully) lobby when the Canadian Credit Union Association perceives a government past or potential misstep.

The most recent posts that discuss government were published this month. One brings attention to the new Code of Conduct for federal lobbyists issued by the Commissioner of Lobbying. It appears to be posted in conjunction with the other, which aims to mobilize credit union members to lobby for credit union support in the upcoming budget. This appears to be the first mentions of government in the last two years. Before that, posts discussed the Capital Growth Tax Credit proposal (which addressed the differences between credit unions and banks), the “My Credit Union Matters!”™ campaign that promoted it, the events leading up to it, or its beneficial outcome.

10.7 Provincial Credit Union Centrals

The Credit Unions of BC website does not have a news section.

There is no mention of government on the news section of the **Alberta** Credit Union Central website.

The **Saskatchewan** Credit Unions Central posted a single article concerning government on the news section of its website (Saskatchewan Credit Unions Central 2014). The post discusses the benefits of the 2014 provincial budget because it recognizes that credit unions have contributed to maintaining the current provincial tax structure and keeps the provincial small business tax rate on income.

Manitoba Credit Union Central does not post much news on its website. The one article that is posted and that mentions government (Manitoba's Credit Unions 2012) discusses support on International Credit Union Day, when the 75th anniversary celebration of financial co-operatives in Manitoba was also celebrated. The first two events of the day were the Credit Union Day Flag-Raising at City Hall and the issuance of the Credit Union Day Proclamation by the Government of Manitoba.

Credit Unions of **Ontario**, the Ontario credit union central, does not have a news section on its website.

The news section of the Credit Unions **Atlantic Canada** website does not mention government.

Appendix II: Interview Schedules

Interview Guide — Andy Morrison, CEO of ACL; first controller of the Arctic Co-operatives Development Fund

1. Please describe the membership and the governance structure of Arctic Co-operatives?
2. Please describe the kinds of services offered to your members?
3. Has Arctic Co-operatives faced any significant challenges in terms of meeting the needs of its members? If so, how has it responded to such challenges?
4. How did the idea of starting the Arctic Co-op Development Fund emerge?
5. Please talk about the early days of the fund – what were the challenges? How were they overcome?
6. In what ways has the Arctic Co-op Development Fund been successful? Why do you think the ACDF has been more successful than some of the other Aboriginal Capital Corporations created in the early 1980s?
7. Are there ways in which the Arctic Co-op Development Fund has not been successful?
8. What would you like Arctic Co-op Development Fund to achieve in the future?
9. What would you like Arctic Co-operatives Limited to achieve in the future?

Is there anything you would like to add or comment on? Is there anything that I didn't ask that I should have asked?

Interview Guide — VP Marketing; Controller; VP Member Relations, President

1. Please describe the way that the Arctic Co-op Development Fund works with regard to supporting the member co-ops.
2. Please describe the kinds of services offered to your members?
3. Has Arctic Co-operative Development Fund faced any significant challenges in terms of meeting the needs of its members? If so, how has it responded to such challenges?
4. How did the idea of starting the Arctic Co-op Development Fund emerge?
5. In what ways has the Arctic Co-op Development Fund been successful? Why do you think the ACDF has been more successful than some of the other Aboriginal Capital Corporations created in the early 1980s?
6. Are there ways in which the Arctic Co-op Development Fund has not been successful?
7. What would you like Arctic Co-op Development Fund to achieve in the future?
8. What would you like Arctic Co-operatives Limited to achieve in the future?

Is there anything you would like to add or comment on? Is there anything that I didn't ask that I should have asked?

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