

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

Top Co-op Issues 2022

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April 2023

usaskstudies.coop



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Study of Co-operatives

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EXECUTIVE SUMMARY

For the fifth straight year, a survey of Canadian co-operative leaders found the **lack of awareness** of the co-operative model amongst Canadians continues to be the most pressing issue facing the co-operative sector. As one of the 75 respondents to the Canadian Centre for the Study of Co-operatives' 2022 Top Co-op Issues survey noted, *"The co-operative model is well-suited to address the challenges we are facing as a society today. However, very few people know about the model, and are not likely to be a member or work or volunteer for a co-op. Connecting people to the model is critical, and we have to think of new ways to talk about what we do."*

Co-operative leaders see lack of awareness as a sector-wide challenge that requires sector-wide collaboration to address.

For the second year in a row, respondents identified **access to capital and financing** as the second most pressing issue facing co-operatives. While co-operatives need funding to upgrade infrastructure and equipment, invest in new technologies, and train staff, they face limited capital-raising options. Due to a lack of understanding of the co-operative model, lenders are hesitant to lend, and government funding is often not available, or difficult to obtain; and while raising funds from members is always an option, there are associated challenges with securities regulations and potential disruption to member and user-led governance

Tied for third place was the need to **develop strong co-operative leaders**. Respondents noted that a growing number of senior leaders in the co-operative sector are at or near retirement. Meanwhile, co-operatives struggled to find and develop young and diverse co-operators who are ready, able, and willing to lead their organization into the future. Recruiting leaders from outside the co-operative sector comes with risk, as co-operative leaders are wary of following in the footsteps of [Mountain Equipment Co-operative](#).

Also, tied for third place was the issue of **policy changes that do not account for co-operatives**. Due to policymakers' and regulators' lack of awareness of co-operatives, co-operatives continue to be left out of and/or run into eligibility issues for potentially beneficial policy, programs, and partnerships with government.

Rounding out the top five this year, respondents continued to express concern about co-operative **governance**. They point out that co-operatives continue to be caught between the need for professional board members with strong skillsets and the danger of adopting practices from outside the sector that increase the risk that co-operatives will become pale imitations of investor-owned firms, a process known as 'isomorphism.'

SOMMAIRE

Pour la cinquième année consécutive, un sondage auprès des chefs de file des coopératives canadiennes a révélé un manque de sensibilisation concernant le modèle coopératif qui persiste comme étant l'enjeu le plus pressant du secteur coopératif en 2022. Comme l'a noté un des 75 participants au sondage annuel mené par le Centre Canadien d'Étude des Coopératives sur les principaux enjeux des coopératives : « le modèle coopératif est bien adapté pour relever les défis auxquels nous sommes confrontés en tant que société aujourd'hui. Cependant, très peu de gens connaissent le modèle, et il est peu probable qu'ils soient membres, travaillent ou fassent du bénévolat pour une coopérative. Connecter les gens au modèle est essentiel, et nous devons penser à de nouvelles façons de parler de ce que nous faisons. »

Les chefs de file perçoivent le manque de sensibilisation comme un défi sectoriel qui nécessite une collaboration au sein du secteur pour être résolu.

Pour la deuxième année consécutive, les participants ont identifié l'accès au capital et au financement comme le deuxième problème le plus pressant auquel sont confrontées les coopératives. Bien que ces dernières aient besoin de financement pour mettre à niveau leurs infrastructures et leurs équipements, investir dans de nouvelles technologies et former du personnel, elles sont confrontées à des options de mobilisation de capitaux limitées. En raison d'un manque de compréhension du modèle coopératif, les prêteurs hésitent à prêter et le financement gouvernemental est souvent indisponible ou difficile à obtenir. Bien que la collecte de fonds auprès des membres soit toujours une option, il existe des défis associés à la réglementation des valeurs mobilières et une perturbation potentielle de la gouvernance dirigée par les membres et les utilisateurs.

À égalité pour la troisième place, il y a le besoin de former des leaders coopératifs solides. Les participants continuent de voir les chefs de file du secteur coopératif entrain de vieillir et proches de leur retraite, tandis que les coopératives ont du mal à trouver et à développer des coopérateurs jeunes et diversifiés qui sont prêts, capables et enclins à diriger leur organisation vers l'avenir. Le recrutement des chefs de l'extérieur du secteur coopératif comporte des risques : les dirigeants de coopératives craignent de suivre le pas de Mountain Equipment Co-operative.

De plus, à égalité au troisième rang se trouve la question des changements de politiques qui ne tiennent pas compte des coopératives. Vu le manque de sensibilisation des décideurs et des régulateurs à l'égard des coopératives, les chefs de coopératives continuent à faire face à des problèmes d'éligibilité à des politiques potentiellement bénéfiques, des programmes et des partenariats avec le gouvernement.

Les participants ont continué d'exprimer leur inquiétude au sujet de la gouvernance coopérative comme étant la cinquième préoccupation majeure de cette année. Ils soulignent que les coopératives continuent d'être prises entre le besoin d'administrateurs professionnels possédant de solides compétences et le danger d'adopter des pratiques extérieures au secteur qui augmentent le risque que les coopératives deviennent de pâles imitations d'entreprises détenues par des investisseurs, un processus appelé « isomorphisme ».

1.0 INTRODUCTION

While co-operatives emerged as solutions to shared problems across almost every imaginable area of economic activity, they were also the result of, and contributed towards, a movement of ideas built around values of self-help and solidarity and equity and equality, all grounded in a bedrock of democratic practices and education about the co-operative model. On the basis of these shared values and principles, co-operatives have long collaborated regionally, nationally and internationally, in support of shared concerns and objectives.

The Canadian Centre for the Study of Co-operatives' (CCSC) top co-op issues survey aims to identify those shared concerns and objective. Now in its seventh year, the survey specifically asked Canadian co-operative leaders what they viewed as the most pressing concerns facing co-operatives. We collected data between December 1, 2022, and December 31, 2022. As in years past, respondents were able to participate in French or English.

Survey Design

Like the 2021 survey, this survey incorporated a pre-populated list of top co-operative issues derived from past survey findings. The list was randomized for each respondent. Respondents were asked to select the top three most important challenges uniquely facing co-operatives in Canada in ascending order, followed by an open-ended invitation to elaborate on each of the identified challenges. [Appendix A](#) reproduces a selection of anonymized thematically representative quotations for each challenge. For the survey tool, see [Appendix B](#).

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

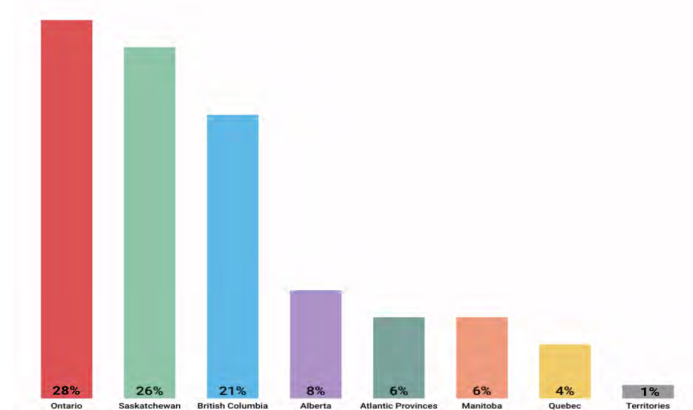
Profile of Respondents

Replicating last year's approach, the Canadian Centre for the Study of Co-operatives (CCSC) partnered with [Co-operatives and Mutuals Canada](#) (CMC) to administer the survey to reach a broader network of co-operatives and credit unions across Canada. In total, 75 leaders from the co-operative sector

completed the survey. While this represents a turnout more than double the response rates seen in the first five years of the survey, it is a significant decline from the record 311 responses received in 2021.

As shown in Figure 1, the largest number of survey respondents was from Ontario, followed by Saskatchewan, then British Columbia. This weighting aligns with the distribution of the 2020 survey; however, in the 2021 survey, Quebec accounted for 25% of the 311 respondents versus 4% in 2022. This could help to account for the differences in response rates between the 2021 and 2022 surveys.

Figure 1: Geographic Location of Respondents



Survey respondents largely held management (38%) or board (28%) roles, with another 10% describing themselves as co-operative researchers/academics/scholars and 8% of respondents saying they were co-op developers. The remaining 16% described themselves as legal partners, consultants, advisors, retired executive members, or involved co-operative members.

The median number of employees for co-operatives with a survey respondent was 50 while the participating organization with the greatest number of employees had 6,644. Overall, we found the greatest participation in the survey was by small-sized co-operatives (i.e., between 1 and 99 employees).¹

2.0 FINDINGS

In 2022, the top five most important challenges uniquely facing co-operatives in Canada, as identified by co-operative leaders, are as follows:

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

For the fifth year in a row, co-operative leaders identified the need to improve awareness about the relevance of the co-operative model as the top challenge facing the Canadian co-operative sector. In 2022, this issue garnered 28% of all votes cast, a slight increase compared to the 26% of all votes cast in 2021.

Specifically, respondents observed that awareness of co-operatives amongst the Canadian public remains low. Some argued that low awareness was especially acute, and problematic, amongst youth and policymakers. Geographically, lack of awareness appears to be especially pronounced in big metropolitan cities.

Respondents expressed dismay about the lack of awareness given their belief that the co-operative model is well suited to solve some of Canada's most salient problems, such as affordable housing, [healthcare](#), senior's and long-term care, and access to credit. Given the model's instinct towards caring for community, supporting local economies, and embodying democratic decision-making, respondents felt that it should align well with those who care about these values, including many young people. Respondents also observed the model tends to resonate with individuals once they learn more about it. As one respondent wrote, "Every time I talk about cooperatives someone says, 'Man, this is a great way of doing things. Why have I never heard about it?!'"

¹ According to Innovation, Science and Economic Development Canada. See: <https://ised-isde.canada.ca/site/sme-research-statistics/en/research-reports/sme-profile-co-operatives-canada/sme-profile-co-operatives-canada>

Some respondents attributed this gap in public knowledge of co-operatives to an inherent bias within the media and the educational system to use the for-profit sector as the norm and default form of business. Others contend the co-operative model does not align with pervasive political rhetoric that favours the primacy of the neo-liberal economic model and, thus, struggles to gain mainstream visibility.

In response, some co-operative leaders expressed a need for the co-operative sector to consider changing the way they communicate about the model. As one respondent wrote, *“The ability to articulate the value of being a member of a co-operative is important to the long-term viability of co-operatives. This is more challenging given the lack of understanding by youth (and others) about the terms we use. While values aligned, the old-speak of being a co-operative doesn’t resonate.”*

For respondents, this need to better communicate the story of the co-operative model and why it is relevant and valuable in Canada today spans the entire sector and requires a sector-wide collaboration to address. They acknowledge that no one co-operative can afford pan-Canadian advertising. However, communicating as a sector could offer a path forward to creating awareness at a population level. As one co-operative leader summarized,

As a sector we do not do a good job of explaining we are all the same or how we are connected (instead of co-operation it appears more like competition). If we are not sharing the same message with the general public, then they do not understand or realize we are all the same. Messaging, storytelling, co-operation all need to be improved to address this issue.

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

For the second year in a row, the second most important challenge was access to capital, garnering 13% of the overall vote, down from 17% in 2021. Co-operative leaders cited an increasing need for funding to upgrade existing infrastructure and equipment; invest in new technologies, such as digital infrastructure and renewable energy projects; and incentivize staff training and development.

However, respondents reported there are limited options for co-operatives to raise capital and/or source financing in comparison to investor-owned firms (IOFs). Due to a lack of understanding of the co-operative model, financial institutions are hesitant to lend to co-operatives. Some

respondents noted this caution is also exhibited by credit unions when it comes to supporting new and young co-operatives.

Co-operatives also have less access to government funding and, when funding is available, it can be a long-drawn-out process to access and involves adherence to arduous criteria and rules. Internally, co-operatives face the continuing challenge of balancing the need to retain earnings to grow the business and providing returns to members; turning to outside capital is often complex, costly, and can challenge co-operative governance practices.

3a. Developing strong co-operative leaders

Also for the second year in a row, and with 12% of the overall vote (down from 13% of the overall vote in 2021), the third most important challenge facing the Canadian co-operative sector was the need to develop strong co-operative leaders. In particular, numerous co-operative leaders indicated that while members of their respective boards are beginning to retire, their organizations often did not have strong succession plans in place to replace those leaders with new, young, and diverse co-operators who are ready, able, and willing to lead the organization into the future.

Instead, co-operative leaders are seeing more and more individuals recruited from outside the co-operative sector take on leadership roles. While this fills an immediate need, it also comes with significant risk. As one respondent summarized,

Co-ops are different and when we bring in leadership from non-co-op orgs two things happen. 1. Leadership buys into the co-op model/values/principles and becomes a proponent. The leadership believes in the model and drives the organization with Co-op at the forefront. 2. The leadership does not buy into the model and therefore drives the co-op towards a more investor-owned firm operation and mandate. #2 puts the whole sector at a high risk, if leadership does not understand or buy in then we are looking down the demutualization path (MEC). The language and viewpoints used by these leaders is different than co-op leaders, and over the long term can have an effect on the co-op. Co-op leadership, especially at the senior level is incredibly important to ensure long term viability and success.

3b. Policy changes that do not account for co-operatives

Tied as the third most important issue in 2022 was the issue of policy changes that do not account for co-operatives. (garnering 12% of the vote). This represents a jump since 2021, where this issue ranked fifth with 8% of the overall vote. Here, co-operative leaders point out that policymakers at all levels of government lack awareness and understanding of the co-operative model. This lack of understanding and awareness results in co-operatives often not being considered by policymakers as a valid and viable solution to many of Canada's problems. For instance, co-operatives have demonstrated a track record of addressing affordable housing, healthcare, and long-term care, and could potentially do more with additional government support.

Co-operative leaders also lamented the "one size fits all" government policies that offer no special consideration for the co-operative model. Too often, policymakers presume the IOF model as the default or norm. Policies reflect this assumption and co-operatives, in turn, need to adapt, "fit in", and/or continually remind policymakers of their distinctiveness. This can be particularly challenging when trying to raise capital from members under securities rules created with investor-owned firms in mind. One respondent used the example of carsharing co-operatives not having access to electric vehicle (EV) purchase incentives.

4. Co-operative Governance

The fourth most important issue was co-operative governance. It garnered 7% of the overall vote in 2022, down from 10% in 2021 when it also ranked fourth. Specifically, respondents expressed concern that some co-operatives and credit unions are starting to look more like IOFs than co-operatives. According to co-operative leaders, this stems from longstanding, ongoing tensions and divisions within co-operatives. This is illustrated in divides between those who support seeking out professional board members or board members with certain professional skills and experience (typically from outside the co-operative sector) versus recruiting engaged members who are passionate about the co-operative but often lack such professional skills. On the one hand, proponents of professional board members maintain the need for highly skilled leaders on the board (including those proficient in government relations, regulations, finance, legal, marketing, human resources, etc.), arguing that deficits in such expertise and experience can result in an ineffective

board. These respondents noted that co-operatives operate in an evolving and demanding sector, where changes in technology, member demographics, mergers, and new competitors are rapid, and require expert governance and decision-making to respond to those demands. On the other hand, critics of professional board members cite the case of MEC to illustrate how a co-operative can lose its identity and values when board and management leadership lack a strong understanding of co-operative principles and governance.

Some co-operative leaders also expressed concern about co-operatives adopting governance practices rooted in the for-profit model, without taking the time to adapt these to the co-operative model. As one respondent articulated, *"Cooperative culture is different from non cooperative culture and philosophy. Therefore industry best practices are important and tend to be used as co-op best practices, which they are not."*

Within the governance theme, some respondents also pointed to the need for more diversity and fresh perspectives on co-operative boards. However, according to some respondents, leaders in the co-operative sector are not pushing hard enough for change, resulting in a culture of insufficient board turnover, a dearth of fresh ideas and skills, and stagnation. Relatedly, respondents tied the governance issue to the need to improve member awareness of, and engagement with, their co-operatives as a way of finding new, motivated candidates.

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

Coming in fifth, with 6% of the overall vote, was the challenge of senior management adopting practices from the for-profit sector and applying them within the co-operative context, without fully taking into consideration the uniqueness of the co-operative model. This issue jumped four spots from ranking ninth in 2021 when it also garnered 6% of the vote. Numerous respondents attributed this tendency to the practice of hiring senior managers from outside the co-operative sector. In addition to their lack of experience working in co-operatives, these managers are typically trained in mainstream business schools rooted in the for-profit model and provided very little to no education on co-operatives, either. Therefore, when those senior managers apply best practices from the for-profit model without the benefit of experience and understanding of co-operative management, it can lead to negative outcomes for co-operatives. For example, one respondent wrote, "a worker co-op seeking to increase its profitability may look

to cut costs by cutting wages and benefits which may be counter-productive to achieving workers' goals." To address this challenge, co-operative leaders expressed a need for teaching and training opportunities to expose leaders to management practices that are a better fit with the co-operative model.

6. Nurturing cooperation amongst co-operatives

The sixth most pertinent issue identified in the 2022 survey, with 6% of the overall vote, was the need to nurture cooperation amongst co-operatives. In 2021, it ranked seventh with 7% of the overall vote. According to respondents, the status quo within the sector is a *lack of cooperation*. Some respondents attribute this to feelings of territorialism, organizations not seeing value in working together, and/or the pervasive influence of corporate culture, i.e., organizations are independent and competitive, rather than cooperative.

Some respondents also mentioned they have observed an increasing disconnection and lack of engagement between large and small co-operatives. This lack of cooperation is seen as a missed opportunity. Respondents stressed the importance of Principle 6—co-operation among co-operatives—and the potential for co-operatives to be more effective in scaling and sustaining their businesses by working together.

7. Co-operative Development

The seventh top issue in 2022, with 5% of the overall vote, was the need for increased co-operative development. In comparison to 2021, this represents a drop from being the sixth ranked issue and garnering 7% of the overall vote. While there was broad recognition that co-operatives can help solve some of Canada's most pressing issues in the areas of healthcare, long-term care, and housing, there was also an understanding that the sector needs assistance in developing new co-operatives and scaling up existing co-operatives. In particular, co-operatives need access to more co-op developers, and professionals with co-operative expertise and experience in fields such as law, accounting, business development, and wealth management.

Another potential path forward is to form win-win partnerships between the co-operative and public sectors. For instance, some respondents pointed to the potential of co-operatives to help address Canada's long-term care crisis that was magnified during the COVID-19 pandemic.

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

- **Retaining Competitiveness** – Co-operatives operate in environments with fast evolving markets and global challenges. They struggle to show how they operate differently than competitors while managing the strain from these challenges.
- **Need for Innovation** – Some co-operative leaders observed that co-operatives are often traditional, risk averse, and reactive, rather than proactive. Some co-operative leaders wonder whether there needs to be a more innovative mindset within the culture of the co-operative sector.
- **Research on co-operatives** – Some co-operative leaders expressed a need for more research on co-operatives—namely, research on co-operative housing and the important and unique role co-operative members play in governance.
- **Member Engagement** – The issue of new members not participating or contributing to the co-operative remains an issue for some co-operative leaders, especially within the co-operative housing sector.
- **Combating Climate Change** – In the face of climate change, loss of biodiversity, and environmental degradation, there is a need to define what role(s) co-operatives play and should play.

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

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

“Awareness about co-operatives remains low, even among co-ops! I have also found this year when I do introduce co-ops to my students, they are quickly enamored but do not view co-ops as the model that is taking action on climate change. We need to work on this!”

“I have observed on many occasions the lack of understanding of the value of co-ops and the nature of the co-operative business model with people generally and with elected government officials and their staff. There is also an awareness gap amongst students at the post-secondary level, just as they are about to make significant decisions on their future including employment, investing, and spending.”

“There is a continued lack of awareness as to what co-ops do and how they differ from other forms of business. They are not leveraged to their full potential in policy initiatives and could contribute so much more to social and economic initiatives.”

“The co-operative model is well-suited to address the challenges we are facing as a society today. However, very few people now about the model, and are not likely to be a member or to work or volunteer for a co-op. Connecting people to the model is critical, and we have to think of new ways to talk about what we do, as the Rochdale Pioneers and the 7 principles are not relevant and will not be useful.”

“We are impacted by our ability to grow and create a more co-operative society by the lack of awareness. This lack of awareness impedes our work with regulators, our marketing and our ability to communicate our value proposition clearly.”

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

“Very difficult to raise capital within a cooperative model. That is a competitive disadvantage compared to other business models.”

“Co-ops face challenges in the balance between business investment and returns to Members.”

“Co-operatives are relatively unique in the corporate world. Government regulators and financial institutions often do not understand co-operative governance and, therefore, are less willing or able to adapt policies and procedures. As a result, co-operatives have to ‘fit into’ regulations such as securities that were created for for-profit activities. Co-operatives also have less access to governmental and financial institutions lending programs.”

“Even obtaining financing from a credit union has been challenging in the past and impacts small and starting coops negatively.”

“Our coop is over 30 years old, and all our equipment is breaking down. We have not moved forward with technology due to financing and poor community support. Training for board and staff to develop needed skills to grow the business would be great. Even an access to free legal and financial services(taxes/budgeting) would go a long way to help struggling cooperatives.”

3a. Developing strong co-operative leaders

“We are at a precipice where co-op leaders are aging out, but strong young leaders are not coming in to fill their shoes. This poses a significant threat for succession planning, but also for stability of existing and new co-ops.”

“Co-op leaders today will retire rapidly over the next 10 years. Their replacements will not all be internal promotions. A lack of general awareness of the co-operative model among potential new leaders will be problematic.”

“With the ‘war for talent’ our organization has had to bring in ‘outside’ leadership—this increases the pressure on our organization to shift away from our co-operative model, even if unintentionally and increases the pressure on co-op identity training and education.”

“In an era with multiple demands on time and attention, having people who can see, hold, and nurture a vision over both the long and short term is an uncommon skill—in addition to being committed to the cause and understanding the ‘big picture’ that co-ops are situated within.”

“The Institute of Corporate Directors and the Corporate Governance Institute hold themselves out as the ‘gold standard’ for director education, but their focus is for-profit, not co-operative governance. Additionally, business schools,

MBA education, and eMBA education share the same focus. If the academic foundation is wholly rooted in for-profit models and cases, the education stream does not provide the co-operative sector with a strong candidate pool, as there is the very real risk that products of those programs—IDC designations through executive education—do not know co-operatives nor do they view co-operatives as a viable alternative business model. (Many) years ago I took the University of Saskatchewan's Leadership Development Program, and while it was a good program, I was more than disappointed that there was no reference made to co-operatives or the co-operative business model, and when specific questions were asked about 'how does that apply to co-operatives' or 'does not the co-operative business model provide a viable alternative,' those questions were, to put it politely, dismissed. The Credit Union Institute of Canada programs and the recent Co-opDir.D designation are great add-ons to those already employed, but without co-operatives being part of fundamental business studies the co-operative sector is faced with having to 'un-learn' for-profit biases and replace them with co-operative biases. Much has been said and written about Calgary Co-op's departure from the co-operative retailing system, and that 'a professional board' (ICD designation, degrees, etc.) did not help them view their organization through a co-operative lens."

3b. Policy changes that do not account for co-operatives

"This relates to a lack of awareness within government at the provincial and federal level and how we are then left out of policy changes, For example, access to EV purchase incentives for carsharing co-ops."

"Policymakers and regulators often presume an investor-owned model as the default and may adapt to cooperatives. Policymakers need to continually be informed about cooperatives to design policies that enable a thriving economy with businesses of many sizes and institutional forms."

"The co-op movement in Canada is held back by policies and policymakers that are unaware of the model, and the breadth and power of the sector across the country. Policymakers and bureaucrats need to be informed about the model, the sector, and the need to policies that are transformative, rather than restrictive."

"Co-operatives all too often seem to stand at the back of the line behind well-organized and well-funded business

advocacy groups and large public sector interests (i.e., the Pattison Group buying up ag implement dealers across the Province of Saskatchewan) that are well-oiled machines when it comes to lobbying government and influencing (or directing) policy. Sadly, some of Canada's larger co-operatives' ability to proactively lobby government seems to lag far behind that of private industry—in all likelihood because private industry recognizes co-operatives as a potentially strong competitor and knows that if they can cause (influence) policy changes that take away "the co-operative advantage" they can substantially reduce the ability for co-operatives to be a competitive force."

"Co-op policy development is generally tied to a few niche government agencies (e.g., agriculture) but policies developed across government have impacts on co-ops and are not developed with them in mind (e.g., Industry Canada, CRA, securities agencies). These gaps mean that policies are not fit-for-purpose with respect to co-ops adding administrative costs beyond what for-profit enterprises, which are assumed to be the default form, face."

4. Co-operative Governance

"The issue is that co-operative leadership, is often coming from non-cooperative backgrounds. The movement will not stay true to cooperative values without strong governance—e.g., MEC."

"Achieving best practice Governance with highly skilled leaders within a fully democratic member driven space is an ongoing challenge. In evolving and demanding sectors, the risks can be high."

"The challenges facing co-operatives today are many—intense technological change, rapidly demographics, mergers and consolidation, new competitors to name just a few. Without good governance and good decision-making, co-operatives run the risk of not responding appropriately to these changes."

"There is a serious lack of diversity on most of the co-op boards (unsure if this lack of effort or lack of available candidates) and not a lot of activities intended to change this."

"Governance feeds off the general public awareness. If the general public doesn't understand our model, then governance also suffers. We do not have members signing up for board positions, therefore limiting board options."

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

"In my co-op, I don't see a co-operative lens applied to the daily practice of running the organization. Many key executives are hired for their experience and skills (which comes from outside the co-op sector) but are not oriented to the co-op model. I have seen this many times at other co-ops."

"Nos gestionnaires (MBA ou bacheliers en gestion) sont formés à la sauce traditionnelle, et peu sensibilisés à la distinction coopérative et mutualiste"

"Co-operatives generally adopt management and accounting practices from the for-profit sector and apply them within co-op contexts with some modest reframing. However, this can lead to unanticipated negative outcomes. For example, a worker co-op seeking to increase its profitability may look to cut costs by cutting wages and benefits which may be counter-productive to achieving workers' goals."

"As cooperatives grow, we require appropriate tools to manage the risks and create value for our members. Many of these tools are designed for investor-owned firms and need adaptation to the cooperative sector."

"Management practices must reflect the requirements of the co-op being managed, not what commonly are referred to as best practices."

6. Nurturing cooperation amongst co-operatives

"Ironically, most co-ops act as if they are independent, individual entities with no shared interests. There is no co-operation to educate the public (particularly youth), provide a pipeline of new workers/members/owners and ensure succession and continuance of existing co-ops let alone grow the co-op sector."

"Co-operatives can best thrive when they are, and are seen to be, part of a social movement. This is also needed to achieve economies of size and scope as well as to reinforce co-operative culture and practices. Knowledge sharing is a co-op advantage, but it takes some new ways of thinking and doing."

"To remain competitive, we have to use our advantage of working together. As the co-ops in the area vary tremendously in size, we need to be able to share common and uncommon resources to allow all of us to benefit. It doesn't make much sense to me that we duplicate resources in many areas,

accounting for example, when a larger (usually) co-op probably has the manpower to handle that bookkeeping load with existing staff. The opposite could be true where a smaller Co-op might have a great hardware manager who could oversee multiple outlets. Shared efficiency resource optimization agreements between co-ops should always be considered."

"If there is ignorance about the co-op model, there is also within the sector some of the same competitive urges that we see in the corporate sector. As a result, opportunities are missed for co-operation among co-operatives that could enhance sustainability and innovation."

"We are reaching out to other Alberta, Yukon solar cooperatives that we are aware of. We wonder if there isn't a way for this inter-cooperative communication to be facilitated. We are spending staff and volunteer time undertaking our interactions."

7. Co-operative Development

"People looking to start co-operatives or convert businesses into co-operatives face challenges with relatively few co-op developers and people in related fields (law, accounting, business development, wealth management) with co-op experience able to support that work. Not sure if the challenge is lack of 'co-op developers' per se or those who work with starting/building/expanding businesses in general not having co-op knowledge."

"Co-ops rarely get formed without some assistance. Providing this assistance is critical if co-operatives are going to be around in 10, 20, and 30 years."

"The National Housing Strategy (NHS) reinstated federal leadership in housing. The importance of that cannot be overstated. And for the co-op housing sector in particular, the NHS has provided critical rent assistance to low-income households living in co-ops, where that funding was otherwise set to expire. But none of the NHS supply programs have specifically targeted co-op housing, so very few new co-op homes have been built through it. Why is this? Simply, co-ops are very good at operating their buildings and ensuring the co-op is working well as a community, which has been especially important during the pandemic. This is where co-ops excel. But they are not development experts, able to navigate NHS programs which requires the ability to secure other sources of capital and work through a complex and

uncertain application process. The only way forward is to intentionally grow co-op homes at scale, rather than project-by-project, and that requires a new partnership between the co-op housing sector and the federal government. This partnership is intended to ensure an approach to development specifically adapted to the co-op housing sector, which builds on the sector's history of development, through which more than 92,000 co-op homes have been developed, largely before 1993."

"Discussed above - long term care system is broken, elder "care" doesn't work for elders, caregivers, professionals, and families. The co-op model could truly empower seniors."

"We need more people from diverse backgrounds being trained to professionally develop co-operatives."

Other themes

"Coops often seem to be quite traditional in their thinking. That may be a result of the member elected governance model, lack of capital for R&D and expansion and generally reactive / risk adverse culture."

"My comment on other was 'Increasing market competitiveness and all the factors listed that contribute to certain limitations. What I intended by this is that considering the lack of understanding of the co-operative model paired with markets that are evolving fast and through new challenges (COVID, climate change, etc.), we're feeling the strain on having to fight to move forward while also trying to fight to show how we're different and how things like climate risk disclosures can impact us differently if our co-operative structure is not also properly considered. Then we also see our competitive environment growing with open-banking and can see the added challenges on the horizon."

"Climate change, loss of biodiversity, and environmental degradation are the epochal, existential challenges we face. Co-ops can and must embrace just transitions as a key vision and mission—and as a distinguishing attribute/capability."

"New members join and once in, they contribute very little or nothing to the coop. They treat this as a rental property. Two main reasons: No guidelines/no accountabilities"

"There is little published research on co-operatives in Canada and the United States. Research on the important and unique role co-operative members play in governance might have

helped ensure the protection of members in the Mountain Equipment Co-operative bankruptcy, for example."

APPENDIX B: 2022 TOP CO-OP ISSUES SURVEY

For the last six years, the Canadian Centre for the Study of Co-operatives (a research centre sponsored by Canadian co-operatives and the University of Saskatchewan) has asked members of the co-operative sector across Canada "What are the top issues facing co-operatives in Canada today?". Results from last year's survey can be found here: https://usaskstudies.coop/documents/occasional-papers/2022.05.04_ccsc_top-co-op-issues-2021.pdf

It is now time to understand how the challenges facing the co-operative sector in 2022 may be changing. This is, as always, a personal request we are sending to Canadian CEOs, board chairs, scholars, and other co-operative leaders and observers who can speak on behalf of their organizations or the sector in general. We guarantee that your responses will be kept anonymous to produce an aggregate list of the top issues currently facing co-operatives as viewed by organizations and actors in the sector. We will share the results widely with the Canadian co-operative community and we will use your responses to guide our future research. The University of Saskatchewan Behavioural Research Ethics Board (Beh-REB) has examined and approved this study (BEH#: 2269).

Many thanks for your prompt attention to this survey!

Sincerely,

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

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

7. You selected Improving awareness about the relevance of co-operative model with the general public, members, youth, government and other stakeholders as a top challenge, what is the nature of this challenge and why is it a challenge?
8. You selected co-operative governance as a top challenge, what is the nature of this challenge and why is it a challenge?
9. You selected co-operative development as a top challenge, what is the nature of this challenge and why is it a challenge?
10. You selected policy changes that do not account for co-operatives as a top challenge, what is the nature of this challenge and why is it a challenge?
11. You selected developing strong co-operative leaders as a top challenge, what is the nature of this challenge and why is it a challenge?
12. You selected ensuring that management practices are adapted to co-operatives as a top challenge, what is the nature of this challenge and why is it a challenge?
13. You selected nurturing cooperation among co-operatives as a top challenge, what is the nature of this challenge and why is it a challenge?
14. You selected access to capital / financing (for growth, technological spending and other) as a top challenge, what is the nature of this challenge and why is it a challenge?
15. You selected research on co-operatives as a top challenge, what is the nature of this challenge and why is it a challenge?
16. You selected the other option as a top challenge, please elaborate on the nature of this challenge and why is it a challenge.

This is the end of the 2022 Top Co-op Issues Survey. If you have any additional thoughts or comments that you would like to share with us, please leave them below.

Au cours des cinq dernières années, le Centre Canadien d'Etude des coopératives (un centre de recherche parrainé par les coopératives canadiennes et l'Université de la Saskatchewan) a sollicité des membres du secteur coopératif à travers le Canada sur les principaux problèmes auxquels les coopératives au Canada font face aujourd'hui. Les résultats du sondage de l'année dernière peuvent être consultés ici:

https://usaskstudies.coop/documents/occasional-papers/2022.05.04_ccsc_top-co-op-issues-2021.pdf

Il est temps maintenant de comprendre comment les défis auxquels le secteur coopératif est confronté en 2022 peuvent évoluer.

Il s'agit, comme toujours, d'une demande personnelle que nous adressons aux PDG, présidents de conseils d'administration, les universitaires, et autres leaders et observateurs de coopératives canadiens. Nous garantissons que vos réponses resteront anonymes afin de produire une liste agrégée des principaux problèmes auxquels sont actuellement confrontées les coopératives, tels qu'ils sont vus par les organisations et les acteurs du secteur. Nous partagerons les résultats avec la communauté coopérative canadienne et nous utiliserons vos réponses pour guider nos futures recherches. Le comité d'éthique de la recherche comportementale de l'Université de la Saskatchewan (Beh-REB) a examiné et approuvé cette étude (BEH #: 2269).

Merci beaucoup de votre attention immédiate à cette enquête!

Cordialement,

Marc-André Pigeon, Directeur et chercheur associé
stratégique
Centre Canadien d'Etude des Coopératives
L'Université de la Saskatchewan
<https://usaskstudies.coop>

Email: coop.studies@usask.ca

Questionnaire

1. Combien de personnes votre organisation emploie-t-elle? Si vous ne travaillez pas au sein d'une coopérative, inscrivez simplement « Ne s'applique pas » dans la zone de texte ci-dessous.

2. Où se situe le siège de votre organisation? Si vous êtes indépendant, où êtes-vous basé?

- Alberta
- Colombie-Britannique
- Manitoba
- Nouveau-Brunswick
- Terre-Neuve-et-Labrador
- Territoires du Nord-Ouest
- Nouvelle-Écosse
- Nunavut
- Ontario
- Île-du-Prince-Édouard
- Québec
- Saskatchewan
- Yukon
- À l'extérieur du Canada

3. Quelle est votre poste au sein de votre organisation ?

*Veuillez sélectionner tout ceux qui s'appliquent** *

- Membre du conseil d'administration
- Gestionnaire
- Consultant dans la création de nouvelle coopératives
- Professeur / universitaire
- Autre, svp indiquer : _____

4. Selon vous, quel est le défi le plus important auquel sont confrontées les coopératives au Canada aujourd'hui? Veuillez faire votre choix de la liste suivante (Veuillez choisir une seule réponse):

- Améliorer la sensibilisation à la pertinence du modèle coopératif auprès du grand public, des membres, des jeunes, du gouvernement et d'autres parties prenantes
- La gouvernance coopérative
- Le développement coopératif
- Des changements de politique qui ne tiennent pas compte des coopératives
- Développer de solides leaders coopératifs
- S'assurer que les pratiques de gestion sont

adaptées aux coopératives

- Favoriser la coopération entre les coopératives
- L'accès au capital / financement (pour la croissance, les dépenses technologiques et autres)
- La recherche sur les coopératives
- Autre (veuillez préciser). Veuillez insérer un commentaire

5. Selon vous, quel est le deuxième défi le plus important auquel sont confrontées les coopératives au Canada aujourd'hui? Veuillez faire votre choix de la liste suivante :

- Améliorer la sensibilisation à la pertinence du modèle coopératif auprès du grand public, des membres, des jeunes, du gouvernement et d'autres parties prenantes
- La gouvernance coopérative
- Le développement coopératif
- Des changements de politique qui ne tiennent pas compte des coopératives
- Développer de solides leaders coopératifs
- S'assurer que les pratiques de gestion sont adaptées aux coopératives
- Favoriser la coopération entre les coopératives
- L'accès au capital / financement (pour la croissance, les dépenses technologiques et autres)
- La recherche sur les coopératives
- Autre (veuillez préciser). Veuillez insérer un commentaire

6. Selon vous, quel est le troisième défi le plus important auquel sont confrontées les coopératives au Canada aujourd'hui? Veuillez faire votre choix de la liste suivante :

- Améliorer la sensibilisation à la pertinence du modèle coopératif auprès du grand public, des membres, des jeunes, du gouvernement et d'autres parties prenantes
- La gouvernance coopérative
- Le développement coopératif
- Des changements de politique qui ne tiennent pas compte des coopératives
- Développer de solides leaders coopératifs
- S'assurer que les pratiques de gestion sont adaptées aux coopératives
- Favoriser la coopération entre les coopératives
- L'accès au capital / financement (pour la croissance, les dépenses technologiques et autres)
- La recherche sur les coopératives
- Autre (veuillez préciser). Veuillez insérer un commentaire

7. Vous avez choisi « améliorer la sensibilisation à la pertinence du modèle coopératif auprès du grand public, des membres, des jeunes, du gouvernement et d'autres parties prenantes » comme un défi majeur. Quelle est la nature de ce défi?

8. Vous avez choisi « la gouvernance coopérative » comme un défi majeur, quelle est la nature de ce défi et pourquoi est-ce un défi?

9. Vous avez choisi « le développement coopératif » comme un défi majeur. Quelle est la nature de ce défi?

10. Vous avez choisi « des changements de politique qui ne tiennent pas compte des coopératives » comme un défi majeur. Quelle est la nature de ce défi?

11. Vous avez choisi « développer de solides leaders coopératifs » comme un défi majeur. Quelle est la nature de ce défi?

12. Vous avez choisi « s'assurer que les pratiques de gestion sont adaptées aux coopératives » comme un défi majeur. Quelle est la nature de ce défi?

13. Vous avez choisi « favoriser la coopération entre les coopératives » comme un défi majeur. Quelle est la nature de ce défi?

14. Vous avez choisi « l'accès au capital / financement (pour la croissance, les dépenses technologiques et autres) » comme un défi majeur, Quelle est la nature de ce défi?

15. Vous avez choisi « la recherche sur les coopératives » comme un défi majeur. Quelle est la nature de ce défi?

16. Vous avez choisi « autre » comme un défi majeur. Veuillez préciser la nature de ce défi.

17. Ceci est la fin du sondage sur les principaux problèmes liés aux coopératives durant l'année 2022. Si vous avez des idées ou des commentaires supplémentaires que vous aimeriez partager avec nous, veuillez les noter ci-dessous.

ABOUT THE CANADIAN CENTRE FOR THE STUDY OF CO-OPERATIVES

The Canadian Centre for the Study of Co-operatives (CCSC) is an interdisciplinary research and teaching centre located on the University of Saskatchewan campus. Established in 1984, the CCSC is supported financially by major co-operatives and credit unions from across Canada and the University of Saskatchewan. Our goal is to provide practitioners and policymakers with information and conceptual tools to understand co-operatives and to develop them as solutions to the complex challenges facing communities worldwide.

We are formally affiliated with the Johnson Shoyama Graduate School of Public Policy at the University of Saskatchewan and the University of Regina. The connection strengthens the capacity of everyone involved to develop research and new course offerings dedicated to solving social and economic problems. Our most recent collaborative work has resulted in a new Graduate Certificate in the Social Economy, Co-operatives, and Nonprofit Sector.

OUR FUNDERS

The Canadian Centre for the Study of Co-operatives (CCSC) and the University of Saskatchewan acknowledge with gratitude the support and commitment of our funders.

These organizations provide the CCSC with resources and leadership, helping us to develop the knowledge needed to construct co-operative solutions to the increasingly complex challenges facing global communities.

Our co-op and credit union sector partners have contributed nearly \$12 million to co-operative teaching, research, and outreach since the CCSC opened its doors in 1984.

ABOUT CO-OPERATIVES AND MUTUALS CANADA

Co-operatives and Mutuals Canada is a bilingual association that supports and unites 7000 small, medium, and large co-operatives and mutuals throughout Canada. They contribute to the co-operative business model through government advocacy, co-operative research, education in co-operation, and spearheading network and other sector events.

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