



A Robust Co-operative Development Environment?

Notes from the Co-operative Innovation Project — September 2015

Co-operative enterprises are a superb fit for rural and Aboriginal communities to solve locally-based problems with innovative solutions that suit the local context. What is needed for co-ops to grow and thrive?

Co-operative Development: What is It?

Co-operative development is, simply, the development of co-operatives (whether that is starting new or growing existing co-ops). To best promote co-operative development, there must be a robust co-operative development *environment*.

The Co-operative Innovation Project

From 2014-2015, the Centre for the Study of Co-operatives at the University of Saskatchewan led the Co-operative Innovation Project, looking into the possibilities of co-operative development in rural and Aboriginal communities in western Canada.

Through on-line and telephone surveys and open events in rural and Aboriginal communities in Manitoba, Saskatchewan, Alberta, and British Columbia, the Co-operative Innovation Project asked: what are the needs in your community? And, what do you know about co-ops?

What we found

While there are broad trends, each community has different needs, and different local abilities to solve those needs. That's where co-ops – which are built from the ground up, in a community, addressing community need by using and building local resources – will be an excellent solution.

In Canada, co-operative development is often referred to as a series of steps that a group must follow to develop a new co-op. These steps – such as business planning and creating articles of incorporation – only start after a group decides to form a co-op.

At the Co-operative Innovation Project, we believe that co-operative development starts before a group decides to

form a co-op. In fact, we believe that the first step is to inspire the idea in the first place.

Co-operative Development: Four Phases

How do you develop co-ops? There are four main phases. They are:

Inspire: How do we inspire communities to consider co-operative solutions to meet their needs? The co-op business model is innovative, robust, and adaptable to many situations, but few people think about using it. People and communities can be inspired to consider the co-op model.

Explore: Is the co-operative approach right for the community to solve its identified need? Not every business works best as a co-op, and not every community is the right fit. This stage explores the co-op model and empowers local decision-making and adaptation. It also addresses political implications head on: will a co-op work here?

Create: How do we support setting up new co-operatives? How can we make sure a community understands both the co-op model and the innovative ways to use and transform it so that co-ops are responsive to the local community and start strong? No two co-ops are identical. Helping a group navigate creating their co-op is critical. This includes helping to decide how to structure its governance, its legal and business aspects, and its sustainability over the long term.

Thrive: How do we provide on-going support for the growth and development of co-ops? It's one thing to start a new co-op; it's something else to help that co-op grow, change, and adapt, and continue to be strong. Co-operative development that helps a co-op

to thrive checks on the co-op regularly, to see where it needs support.

The moving force of co-operative development – its energy and drive – is education and outreach. This force moves through the four core stages of co-operative development (Inspire, Explore, Create, Thrive) as well as through the four cultures within which co-op development exists (see below).

Four cultures central to co-operative development

The four cultures that are required for strong co-operative development are at work at both the local and the societal level:

Co-operative culture: the co-operative sector of existing co-operative businesses (local to international), drawing on a deep history and large community dedicated to collective problem-solving worldwide.

Community culture: rural and Aboriginal communities, at all levels (local to national) that are open to innovation, willing to take risks and invest in new ideas and change, and are connected to and invested in community.

Political culture: informal and formal politics and policies, from local gatekeepers and leaders to national politics, supportive policies and innovative strategies (local to federal).

Business culture: the business milieu within which a co-op business operates: competition, collaboration, and mentorship (local to international).

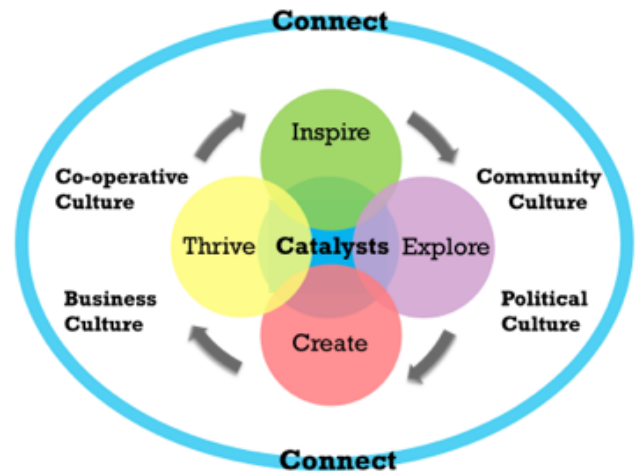
Catalysts

At the core of co-operative development are *catalysts*. A catalyst is someone who engages at all stages (Inspire, Explore, Create, and Thrive) with communities, up-and-coming, and established co-ops, and engages with all cultures (co-operative, community, political, and business). A

catalyst can be anyone, from a local leader to a provincial co-operative development specialist, who helps co-ops grow.

Finally, the co-operative development environment must be connected to be robust. Through strategic connections, the co-operative development environment leverages communities looking to use the co-operative model to address community needs and solve local problems.

Model of a Robust Co-operative Environment



Why co-ops work – and why we need more of them

Co-ops are often more sustainable and resilient than entrepreneur-based businesses. Built by and for communities, they allow for a larger measure of self-reliance and local power than other business models. In an era when government is moving toward locally-based solutions that build communities, the co-op model is a great fit. What can government do to help more co-ops grow? Be an active and supportive member of the co-operative development environment: inspire, explore, and create co-ops that thrive.



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