Le mouvement coopératif au coeur du XXIe siècle

Gagnon, Alain-G., Girard, Jean-Pierre

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COOPERATIVES IN THE REST OF CANADA
CHALLENGES AND OPPORTUNITIES

Ian MacPherson
British Columbia Institute for Co-operative Studies
University of Victoria
The cooperative movement in what is commonly called English-speaking Canada is a large and complex movement, tied together loosely by history, a tradition of movement loyalties and self-interest. This paper, following a brief description of the movement, describes the challenges confronting it within its five main spheres of activities: its relationships with members, its structures and affinity groups, its connections to communities, its relations with the state and its challenges in developing effective management practices appropriate for cooperative enterprise.
In many of his columns, Alan Fotheringham likes to make fun of TROC – “the rest of Canada.” It is an easy target because it is a rather incongruous assembly of areas and attitudes, fiercely regional in perspective, typically and deservedly proud, sometimes cantankerous, often suspicious, at times insular, at others insecure, and on occasion admirable. In comparison to Québec or the United States, it is not a collection of parts that relatively easily makes a national whole; its efforts to create consensus frequently fall far short of the mark; its uncertain sense of self is a quandary that frequently reduces Canadians to bores at international gatherings. To build on Joe Clark’s arresting phrase, “the Rest of Canada” can perhaps be best understood as a community of communities, with the emphasis more typically on the strength of the ties that internally unite communities than on the communal quest for those things that they might usefully do together. Both insights have some meaning when one considers what is usually called the English-Canadian or Anglophone cooperative movement. As in other places, in English Canada the cooperative movement is a creature shaped by its economic and social environment.

The roots of the Anglophone cooperative movement run deep in Canadian history, its most vital sources laying in the warp and woof of regional, ethnic and class divisions within Canadian society. It emerged as one of the voices and forces of those who, because of geography, income or identity, were outside the centres of power: first as the handmaiden of rural protest against the domination of urban places; then, through stores and credit unions, as a vehicle for the classes ignored or maltreated by the existing formal market place; and latterly, as a movement among those seeking communal responses to the social and economic dislocations of modern life.

The Anglophone movement varies significantly across the country, taking on regional viewpoints, reflecting underlying differences in economic circumstances, and reacting variously to the pressures within contemporary society. Most of the cooperatives, moreover, are under provincial jurisdiction; thus, while there are many similarities in regulatory practices and philosophies, there can be significant differences in the way governments treat and, especially, encourage cooperatives. Given the variety of cooperatives and the differing roles they play, it is not

1. The use of the word “Anglophone” to describe the non-Francophone cooperative movement in Canada is not completely satisfactory from either an historical nor a contemporary perspective. There have always been a small but significant number of cooperatives in which languages other than English have been dominant. In the early years of the twentieth century the languages were usually European, for example German, Polish and Ukrainian; in the latter part of the century, they were Asian, for example Punjabi and Korean. In the Arctic, Inuktitut can be heard as much, or more than, English. Moreover, usually for practical reasons, sometimes for political ones, Francophone cooperatives outside Québec, particularly in the financial sector, have been associated with “Anglophone” cooperatives at different times and for different purposes.
surprising, therefore, that the Anglophone movement has weak national bonds but strong local and sectorial associations, particularly when contrasted to the Québec situation.

Today, the Anglophone movement has achieved impressive size (Government of Canada, 2000). All told, they have 7,839,190 members in nearly 4,000 associations with over $66,000,000,000 in assets. The volume of business conducted by the cooperatives, not including credit unions, exceeds $22,842,200,000. It is important to acknowledge that these statistics represent a considerable achievement. The cooperative movement is a significant economic and social force built over the years by generations of dedicated people, including both elected and employed leaders. The full impact of the movement has never really been calculated, however, especially when one considers its contributions to social capital and its recycling, through communities, of the money distributed as patronage refunds, a form of wealth distribution different from the practices of capitalist enterprise.

The movement’s most evident strength lies in Western and Atlantic Canada and the Aboriginal communities of the Arctic region. Support in agricultural areas has historically been strong and continues to be so despite pressures discussed below. The credit union movement has become the chief competition of the chartered banks, notably in Saskatchewan and British Columbia, and the associated insurance companies are strong organisations, one of them among the largest fire and casualty companies in Canada. The consumer movement has relatively secure niches in western Canada, generally in smaller communities and particularly within the petroleum industry. It has been well established in Atlantic Canada, although today it is facing increasing competition from large chain stores. The 60 cooperatives in the Arctic are the second biggest employer, after government, of Aboriginal peoples in the region; they are best known as the principal marketers of Inuit art. The housing movement, having languished somewhat since the general withdrawal of government funding in the 1980s, is showing signs of rebirth. The worker cooperative movement, while small, is robust and searching creatively for ways to foster new growth. There are promising opportunities for the expansion of Aboriginal cooperatives and for the development of a range of social cooperatives.

2. The following figures and charts are derived from Co-operatives in Canada (1998 Data). Given the topic of this paper, they are somewhat misleading in that they include Francophone cooperatives in the provinces outside Québec.

3. There is one large exception to the small-town base of the western consumer cooperatives, and that is the Calgary Co-operative which has over 360,000 members and $600,000 in annual sales. It has 18 modern shopping centres strategically located in the city and a market share of over 40% in the retail trade.
CHALLENGES

At all times, though, cooperatives confront challenges. Some of them are the normal consequences of struggling in the marketplace; some come from issues inherent in cooperative approaches; some emerge because of accumulated inadequacies; and some develop because cooperative movements should always be pushing the limits of existing economic and social structures and thought. All of these kinds of challenges are evident within the Anglophone movement in Canada today.

This chapter will consider these challenges within the five spheres of activities in which cooperatives most commonly function: their relationships with members; their structures; their associations with communities; their relationships with the state and their approach to management as that word is commonly understood.

Membership

Like the Platte River, the support for English-Canadian cooperatives among its 7,800,000 members often appears to be an “inch deep and a mile wide.” There are pockets of members in nearly all cooperatives who have a deep and abiding commitment to their cooperatives; people who understand their organisational distinctiveness and embrace one or other variant of cooperative thought. They are, however, a minority: most members of cooperatives are attracted essentially by their economic advantages or by their convenient location. This lack of understanding is explained by three main factors. First, many cooperatives, particularly those that have grown quickly in recent decades, have inadequately educated their staffs and members about the nature of cooperative thought and cooperative organizations. Second, the public education system does not teach students about cooperatives – their history, their organizational principles and their broad potential. Third, there is a lack of a strong literature dealing with cooperative enterprise, analysing cooperative organizations, investigating the ways in which cooperative solutions might be more broadly applied to contemporary issues or arguing for a strong role for cooperatives within government policy frameworks. The Canadian Co-operative Association, operating with a limited budget, and the small programmes within a few universities have attempted to overcome these inadequacies, but much more than they have been able to do needs to be done – both by them and by the sector generally.

Another challenge is that the active members of many cooperatives are not representative of the Canadian population. Typically, most of them are older, meaning that boards of directors and annual meetings
are populated by people in the fifties and sixties, if not older. It will be
difficult to respond to this challenge. Few young people have any under-
standing of cooperatives, and their opportunities to learn about them are
limited; most lack the time to become seriously engaged in cooperative
organizations, even if they are interested.

Moreover, for much of the twentieth century the cooperative move-
ment has been caught in an unannounced, scarcely noticed, struggle with
various forms of unempathetic individualism. Born in the salons of
Vienna, Paris and New York, shaped by the disasters of group think in
the great wars, disillusioned by the collectivism practiced in the name, if
arguably not the spirit, of Marx, often besotted by the indulgences of
consumerism, most kinds of individualism of the century have limited
the possibilities of genuine cooperation. In fact, cooperation, possessing
a weakly developed ideological base, has never responded effectively
to the kinds of individualism that have characterized the twentieth century;
thus it has difficulties in competing for the support of the young in the
present age.

Similarly, and with the exception of housing cooperatives, the
engaged membership and the leadership of the Anglophone movement
struggle to reflect the diversity of the Canadian experience well. Typi-
cally, cooperative gatherings are predominantly made up of older men,
most of them of North Atlantic ancestry. While this situation is changing
and gradually more women are accepting leadership positions, progress
is slow (Brown, 2000). Many of the newer kinds of cooperatives, more-
ever, such as in the health or caring professions, naturally have more
prominent roles for women.

At the same time, immigrant groups, which have always played a
greater role than has been acknowledged by the movement’s historians,
are becoming more evident, notably in some credit unions and social
cooperatives on the West Coast whose memberships are essentially Asian
immigrants: Sikh, Korean, Filipino and Chinese. The growth of coopera-
tives within the immigrant communities, however, is not keeping pace
with the expanding size of those communities. This does not bode well
for the future strength and stability of the Canadian movement.

Even some of the old membership circles are not as supportive as
they once were. One of the major revolutions of the twentieth century,
even though it went relatively unnoticed by most academics or observers,
has been the inexorable decline of the rural areas. It has been a desperate
struggle, only occasionally intruding into the national consciousness. In
simple terms, the most obvious rural challenge has been the need to
increase productivity quickly enough to offset the increasing input costs
on the farms, particularly when commodity prices have trended downwards, as has generally been the case. In fact, most farm families have not been able to bridge that gap; the declining few that have done so have survived only by becoming large-scale producers within the restricted possibilities of commercial agriculture. As a consequence, all across Anglophone Canada, most rural communities have declined and, on the Prairies, many have become ghost towns, the last business lights having been turned out by the managers of the co-op or the credit union.

The hidden rural struggles have encouraged a new spirit of individualism among those who have been left behind; the communitarian ethos is far less evident in rural circles now than it used to be. The rural heartland, from which so much of the Anglophone cooperative movement has historically derived its strength, no longer has the vitality or the mentality to embrace cooperative enterprise.

The challenges of membership are truly intimidating.

**Structures**

The Anglophone cooperative movement inherited the federated structures of the British consumer movement and the American credit union movement. By and large that kind of structure, with its local organizations combining to form regional or "second-tier" institutions, and those institutions combining to fund national or third-tier entities, has served the movement well and it is not likely to be substantially changed in the consumer, housing or worker movements. The structures of the credit union movement, however, are another matter, and recent efforts to create a new national entity (now probably not viable) and discussions about the mergers of provincial central credit unions suggest that the structures of the national movement will change significantly over the next few years. Moreover, on a local level, credit unions across Canada have been going through mergers at an unprecedented rate, driven largely by the need to unite to pay for the increasing costs of the new technology. The pace of structural change within the credit union movement is not likely to abate.

Increasingly, too, cooperatives have been experimenting with new ways to structure their capital base. The most dramatic example has been the offering of shares on the stock market, most notably by Saskatchewan Wheat Pool and Surrey Metro Credit Union.4 Although ownership continued

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4. One could argue, too, that the demutualization of insurance companies in recent years is a form of structural adjustment among cooperatives, but mutuals generally have not been included within the cooperative sector in Anglophone Canada as they are in some other areas.
to reside technically in the hands of the membership, the addition of the new class of investor shares – with all the rights they possess – has undoubtedly shifted the cultures of the two cooperatives and raised different priorities for their leadership cadres. The other main experiment with capital structure has been with the development of more kinds of member-owned, non-voting shares, an approach that has raised few problems, though the capital so raised is rarely inexpensive.

Another structural challenge has arisen with the increasing occurrence of social cooperatives (providing, for example, health, child and senior care services). They raise many of the kinds of issues that have characterized cooperative/économie sociale debates in Europe for decades. The standard structural issue is how to accommodate professional and community interests within the control system in the cooperative.

Finally, the new technologies pose important structural issues in addition to those that have pressured the changes within the credit union system. They are at once exciting and intimidating. The possibilities of increased communications through the Internet and e-mail could reverse the decline in member contact that generally started in most older cooperatives in the 1950s. The computer could also permit more effective alliance within and between cooperative sectors. E-commerce could provide increased services to members and attract new members. On the other hand, the new technology raises major issues of cost and investment. It propels cooperatives into larger structures. It forces often painful realignments and restructuring on cooperatives born of another communications age. It invites more alliances with non-cooperative organizations. It strains the capacity of existing management groups and tests the modernity of boards of directors.

Reconsideration of structures is a common and perpetual feature of cooperatives – it is partly what distinguishes them from capitalist competitors – but rarely have the pressures been greater.

Communities

In many instances, cooperatives in English Canada remain deeply wedded to their traditional communities, the villages, towns and neighbourhoods in which they have existed since their birth. Typically, they are led by some of the community’s most respected citizens, men and women with a compulsion for public service. Usually, cooperatives are at least “good corporate citizens,” providing support for the community’s sports programmes, educational institutions and social activities. In some instances they are agents of transformation, sparking new economic activities and assisting groups engaged in reviving stalled economies.
Increasingly, though, the English-Canadian movement is confronted by the less easily defined urban notions of community. Large credit unions have exceedingly diverse memberships numbering hundreds of thousands. The networks that have meaning for many young people are not so much based on place as on common interests.

One response to the changing dimensions of community, of course, is to try to ignore them, as some leaders of major credit unions have done. The invariable result is a loss of competitive advantage and, more importantly, a diminution of the cooperative soul of their organization. The emphasis on community, central to the reformulation of the cooperative principles in Manchester in 1995, was not just a gesture; it was a recognition of a fundamental aspect of cooperative endeavour.

The State

With some exceptions, the English-Canadian movement traditionally has not placed much emphasis on a co-ordinated approach to governments, municipal, provincial or federal. Instead, each sector has tended to pursue its own interests, often in collaboration with organizations within their essential businesses. The agricultural producer movements, for example, have had their long-standing collaboration with fellow producer organizations in gaining orderly marketing legislation — though even that consensus has broken down markedly in recent years amid pressures from international markets and the emergence of often competing interest groups in the countryside. Since the development of the Canadian Payments System, the credit union movement has taken a continuous and sophisticated interest in the regulatory and fiscal policies of the federal government; it has been aggressive in pursuing its interests in the frequent restructuring of provincial financial institutions during the 1980s and 1990s. The consumer movement has had relatively limited expectations except for the development of the petroleum business. The housing movement, since the 1960s, has sought for ways to collaborate with government in meeting housing needs. The worker cooperative movement in recent years has requested funding to stabilize its development objectives. More generally, the English-Canadian movement has only been significantly united in the pursuit of acceptable cooperative/credit union legislation and the securing of as favourable taxation treatment as possible. Through the Canadian Co-operative Association and in collaboration with the Conseil canadien de la coopération it has worked effectively at revising the federal cooperative legislation. It has united, too, behind the Canadian Co-operative Association in approaching
the Canadian International Development Agency for the funding of overseas development work, a kind of effort for which the Canadian movement has gained an enviable international reputation.

The challenge for the English-Canadian movement today is how to develop an even more effective co-ordinated strategy in its dealings with government. It needs to struggle for a truly “level playing field,” to use a phrase that has often served to undermine mutual organizations in the past. It needs to present cogent arguments as to why the cooperative model should be an effective option for Canadians in the present and future seeking to meet their economic and social needs. The restructuring of the state in the present day offers significant opportunities for an expanded cooperative movement, but only if the case is made forcefully and government policy frameworks permit it.

Management Practice

Management practice within English-Canadian cooperatives has never been studied as it should have been. While much has been borrowed from the practice of capitalist firms and, to a lesser extent, from government managerial practice, the movement has also had its successful leaders, salaried and elected, who have worked superbly within the dynamics typical of cooperative enterprise. Unfortunately, the inadequately-developed field of Co-operative Studies within Canada has never explored their stories or understood their methods.

The principal challenge, and a pressing one, is to define essentially cooperative approaches to management. Those approaches would borrow what is useful from the capitalist and public worlds, but, above all, they would be developed from the best practices in cooperative management in our own experience and from the bedrock of cooperative values and principles. It will not be easy in an age when the orthodoxies of good management practice garnered from the capitalist firms and armies of consultants steeped in conventional business values have such overarching power.

A COMMUNITY OF COMMUNITIES

Like the societies from which it has sprung, the Anglophone cooperative movement in Canada is a maze of institutional loyalties, regional perspectives and local sensibilities. It has only a weak sense of national identity, a rather uncertain role in our body politic and a bashful place in the “public square.” It wages a constant struggle amid the economic
and social transformations of our time. It has a strong base in the realities of Canadian communities and in the aspirations of many Canadians. It has a usually unacknowledged but nevertheless important history. It has provided much and offers more. The opportunities have never been greater; the challenges have never been more obvious.

**BIBLIOGRAPHY**


