

[www.e-Dialogues.ca](http://www.e-Dialogues.ca)  
Royal Roads University  
**Co-operatives**  
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Series IV of The Solutions Agenda

### Participants

**Professor Ann Dale**, Moderator, Canada Research Chair, Sustainable Community Development, Royal Roads University

**Maureen Cureton**, Vancity

**Graham Anderson**, Shift Urban Cargo Delivery

**Chris Diplock**, The Vancouver Tool Library

**Eric Tusz-King**, EnerGreen Builders Co-operative

**Ian MacPherson**, Professor Emeritus of History, is a former Department Chair, Dean of Humanities, and director of the British Columbia Institute for Co-operative Studies at the University of Victoria.

**Rebecca Foon**, Director, Sustainability Solutions Group

**Yuill Herbert**, Director, Sustainability Solutions Group

**Rob Newell**, Research Associate, Canada Research Chair, Sustainable Community Development, Royal Roads University

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### Ann Dale

Welcome everyone, beautiful sunny day here in Ottawa, about 20 degrees. Today, we are going to talk about the co-operative sector, and its relationship to sustainable community development. Given its 'growing' size in globalization, it amazes me that it is not taught as an economic model in most business schools in the country? Before we dive in, however, could I ask you to each briefly introduce yourselves and your interest in co-operatives?

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### Ian MacPherson

I first became aware of co-operatives as a farm boy in the 1950s. I wrote a Ph.D. on the Co-operative Union of Canada in the 1960s and have carried on research in the area (along with other things) ever since. I have served on boards of various kinds of co-ops at the local, regional, national, and international level since 1970. I have published extensively in the field and presented papers, etc., at some 300 events in over 70

countries. I led the process and wrote the documents that created the ICA Co-op Identity Statement in 1995. My particular concern is to promote Co-operative Studies as an academic discipline and to encourage consideration of how co-ops can contribute to peace.

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### **Rebecca Foon**

Hello everyone, thank you so much for taking part in this e-Dialogue. My name is Rebecca Foon and I am a director with Sustainability Solutions Group, a national worker's cooperative committed to working on creative sustainability strategies with other coops, government, organizations and institutions. I am very much looking forward to this conversation.

You can check us out here: [www.sustainabilitysolutions.ca](http://www.sustainabilitysolutions.ca)

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### **Yuill Herbert**

Hi all, my name is Yuill Herbert, very excited about this conversation. I'm deeply involved in coops, serving on the boards of Canadian Worker Co-operative Federation and Canadian Co-operative Association. I also work for SSG.

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### **Graham Anderson**

Hello All, I'm also looking forward to the conversation! I'm one of the co-founders of Shift Delivery Co-op, a worker co-op using cargo trikes for deliveries in Downtown Vancouver. I also volunteer on the board of the East End Food Co-op in Vancouver, as well as the city's Active Transport Policy Council.

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### **Eric Tusz-King**

I first became aware of co-operatives as a student in the 1970's in university with the Student Christian Movement. Since then I have been involved in buying co-ops, housing co-ops, investment co-ops, worker co-ops, and mostly recently a multi-stakeholder social co-op.

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### **Chris Diplock**

Hey everyone, I've been involved in coops since I moved to BC seven years ago. I was one of the founding members of the Vancouver Tool Library Cooperative. I recently

worked on a project with the BC Cooperative Association and am also leading a research project into Vancouver's sharing economy called [The Sharing Project](#).

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### **Robert Newell**

Hello everyone, my name is Rob Newell. I work with Ann as an associate of her Canada Research Chairs in Sustainable Community Development program. Much of the work I do involves finding creative ways of disseminating research and reaching broader public. I find the cooperative model quite interesting as it does seem to have a focus on reaching out to communities and organizations and creating networks. I'm looking forward to the discussion.

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### **Maureen Cureton**

I'm Maureen Cureton - I work in Community Investment with Vancity community credit union (a financial co-op). My work focuses on environmental sustainability --helping build a vibrant local green economy, and in strengthening our local economy more generally. I serve on the CCA's Environmental Sustainability committee with Yuill (p.s. Time for a meeting Yuill!)

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### **Ann Dale**

Shall we get started with our first question? In your opinion, in what fundamental way do cooperatives differ from investor owned corporations?

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### **Ian MacPherson**

Co-operatives should (and usually do) differ from investor-driven firms in several ways.

1. They are associations of people not investment vehicles. Invested capital is entitled to a return but it should be limited, not speculative. It is not part of the managerial process, except in the sense that paying membership fees is necessary for voting entitlements.
2. They have a deep commitment to service. The old line was: co-operatives could just "break even" and be a great success. They can have a large bottom line and be a failure. A little glib but there is a point to be made.
3. They are based on stated values. The International Co-operative Alliance's Co-operative Identity Statement (1995) building on a multi-national consultation involving some 20,000 people, adopted the following list of values: Co-operatives are based on the values of self-help, self-responsibility, democracy, equality,

equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

4. They are based on principles, including a “new” one in 1995 (#7), which states: Concern for Community: Co-operatives work for the sustainable development of their communities through policies approved by their members. This principle was the subject of much discussion and represented the best compromise that could be accepted at that time. The principle is being revisited. It may be changed or an “implementation” statement added, notably to be more specific about environmental issues. The discussion on this possibility will occur at the ICA General Assembly in South Africa next month.
5. They have members who should “participate” as owners, as users and as investors. Their participation as owners is as persons entitled (usually) to one vote per person, regardless of investment, as well as in various other ways in the governance and activities of the co-op. A big challenge is to make sure members are aware of the three dimensions of membership. Co-operatives have generally not been good at encouraging member investment.
6. They have a commitment to communities or a community (as defined by the members), that is not just a marketing strategy, but an ingrained part of what they do and how they function.
7. They tend to take the long view. That means they plan to be “there” for the long term. It is not difficult to find co-operatives that have been there for a century or more (though names might have changed).
8. A portion of their assets should be held as a common asset, a balance-sheet recognition that it is a multi-personal or community effort.
9. It should operate on democratic principles. What the practices are in a given co-op depends upon the type of co-op and the stage at which they find themselves.
10. They should associate in meaningful ways with other co-operatives, including federations, alliances, and partnerships. These associations should be with “their own kind” but also with other types of co-operatives.
11. They should undertake educational/training programmes and support community educational activities – in schools and in the general community.
12. They accumulate assets through federated structures and resources and not just at a local level. This kind of collaboration is not easily recognized outside the movement (sometimes not even within) and its value is not always appreciated.

13. Volunteers provide resources and are expected to undertake complicated tasks for limited rewards.

14. Income differentials among employees are not as great as in the private sector (though this may be changing).

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### **Eric Tusz-King**

I am answering this question specifically from being a member of a worker co-op. Workers own the company rather than are employees of the company. Workers are the managers and can make decisions that represent the needs of the workers:

- hiring standards
  - wage rates
  - scheduling workers to projects
  - responsibility of workers to do management tasks
  - hiring & firing
  - mark-up or margin on materials and services purchased
  - charge out rate for labour
  - benefit from receiving patronage bonus when there is a profit
  - or share the debt after a bad year or project
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### **Robert Newell**

I find this model of collective ownership and responsibility to be a rather interesting difference between the cooperative and 'conventional' (so to speak) business model. Time and time again during our case study work, we find that community engagement and engaging multiple stakeholders to be a vital part of implementing a community plan or initiative...whether land-use planning, climate change, etc. In this way, I sort of see the organization as a community and the cooperative model as encouraging a forum of multi-stakeholder engagement, the members of the cooperative being stakeholders.

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### **Eric Tusz-King**

This comment from Robert starts to answer what makes co-ops sustainable. That is, co-ops build community in a wide variety of ways.

- co-ops encourage more co-ops to be developed
- co-ops train people and get people's mindsets and values focused on what is good for the community.
- co-ops train people in community-building skills, e.g., conflict management, decision making (democratic or consensus)

### **Rebecca Foon**

Yes I totally agree.

Co-operatives and credit unions are community-based organizations - and foster deep values about cultivating community well being - so therefore care not only about the bottom lines of their businesses, but also about the needs of their members and the quality of life in their communities. And because of this philosophy, there are many benefits for members including working in a supportive environment that builds and encourages building social capital, democracy, cultivating linkages to the community and other coops, reducing isolation, supporting each other in fostering overall health and wellbeing.

Here are some main fundamental ways cooperatives differ from investor owned corporations:

- Co-ops and credit unions work to meet the needs of their members, whereas most investor-owned businesses exist to maximize profit for shareholders.
  - Co-ops use a system of one-member/one-vote, not one-vote-per-share. This helps to serve common interests.
  - Co-ops and credit unions share profits among their member-owners.
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### **Yuill Herbert**

One of the interesting implications of the principles and the structure is that profit plays a different role in co-operatives than in investor-owned corporations. Profit is one of many means to the end of serving the members whereas in investor-owned corporations, it is very much the end and everything else is the means.

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### **Maureen Cureton**

Yuill, while at their core, corporations exist for profit, I have the pleasure of working with many of Vancity's business members --these are entrepreneurs that have established corporations --and they are also people who share the same deep values and commitment that we have at Vancity for caring for our community and our environment.

I believe there are small and large companies that are equally or more committed than (some) co-ops to supporting community and environmentally progressive management. I think some co-ops pay lip service to some of the principles of coops --in particular #7. Concern for Community (the principle in which concern for environment is embedded. That's not the case for Vancity or SSG of course :-)

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**Yuill Herbert**

Agreed, but by using a more traditional business model, do they not compromise some of the social imperatives of sustainability, for example equality and democracy. Some of the larger cooperatives are straying from the notion of equality, but not to the same degree of investor-owned corporations? In other words (to be provocative), aren't these progressive businesses owned by individuals who haven't yet discovered the cooperative model? Others might argue, that the cooperative model holds one back, tyranny of the lowest common denominator and would restrict lone wolfs like Ray Anderson of Interface.

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**Robert Newell**

The counterargument would be that the lone wolf scenario is not actually the most common route for innovation to form. I think it was Steve Johnson in his book, *Where Good Ideas Come From*, that argued that very few breakthrough ideas come from 'eureka' moments, i.e., the singular scientist in the lab making the big discovery. Instead, he citing this idea of the Parisian cafe model where people share ideas, building to a bigger innovation. So, albeit I do see the 'tyranny of the lowest common denominator' argument, I think it would be fair to say that there would be a mass of untapped potential if we relied entirely on lone wolves.

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**Rebecca Foon**

I love this Rob - and totally agree...

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**Ann Dale**

Does all this cooperation 'slow' down business and decision-making?

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**Yuill Herbert**

I think it does slow things down (at least in our case it certainly does). But usually that is a good thing as we certainly would make a lot more rash decisions. And probably that would be the case for all coops - perhaps they are more risk averse.

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**Eric Tusz-King**

Yes, it often does, but that is a problem sometime and sometimes it is not. It becomes a problem if it stops progress or decision making altogether. It is a benefit when the time is well used to bring people in who might have been alienated or not considered an option

that need to be developed. Working with First Nation people has shown me that haste too often makes waste.

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### **Maureen Cureton**

Co-ops exist for the benefit of their members & community. This differs from investor owned corporations. Other key ways in which co-operatives differ from other businesses:

- Co-operatives are democratic organizations, owned and controlled by their members on a one-member, one-vote basis
- Co-operatives are values-driven enterprises that are guided by seven international principles
- Co-operatives have social as well as economic objectives and put people before profits
- Co-operatives are rooted in their communities; the jobs and wealth they create remain in the communities in which they are located.

Vancity is a credit union, i.e. a financial co-operative that is owned by its members. Our co-operative business model is one of our greatest strengths and makes us fundamentally different from banks and other shareholder-owned businesses. Like a bank, we offer our members financial products and services to help them meet their financial goals and build their personal wealth. BUT unlike banks, we are owned by and exist for the sole benefit of **our members and their communities**. That's why we help members meet their financial goals in a way that also strengthens their community, translating their deposits into millions of dollars of credit, grants and shared profits to support local economic, social and environmental initiatives.

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### **Ann Dale**

So they differ greatly in terms of their commitment to the community in which they are embedded, in employee practices, in a different bottom line. But how successful are they in the mainstream economy. Welcome, Maureen. How big is the sector internationally, how big in Canada, how stable are they?

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### **Maureen Cureton**

**STABILITY:** The five-year survival rate of co-ops in BC is 66%; Industry Canada figures are 39-43% for conventional business start-ups.

STATS on size of sector in Canada:

- There are 9,000 co-ops and credit unions in Canada, serving 18 million members
  - 4 out of 10 Canadians are members of a co-op.
  - Credit Unions are co-ops --and Canada has the highest per-capita credit union membership in the world at 33%.
  - Collectively, co-op members in Canada control more than \$48 billion in assets, and co-ops exist in virtually every sector of the economy, from agriculture, retail and financial services to housing, child care and renewable energy.
  - Co-ops in Canada employ 150,000 people & hold more than \$330 billion in assets (on behalf of our members).
  - There are more than 680 registered co-ops in BC, serving 2 million members.
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### **Robert Newell**

The stability figures are rather striking. It seems to relate with what Graham was noting with cooperatives as being a key component of a resilient economy.

When we were doing research on the 'de-growth movement' (a movement that challenges the traditional model of constant economic growth), we found that the term 'de-growth' could be anxiety inducing, and indeed separating away from the growth model could make people uneasy. Part of this was due to this idea that people wouldn't be able to have their sum of wealth for retirement if moving away from growth. So, the cooperative model was suggested as a potential way of creating a 'safety net', i.e., sharing wealth, resources...more or less taking care of one another. I see these observations of how cooperatives lend to stability and resilience as contributors of this 'safety net'.

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### **Chris Diplock**

A lot of good points there. A coop can be great or terrible but what a coop becomes is **EQUALLY** in the hands of it's membership.

I think this is why we see coops have the reputation that Eric brought up. I don't know of a better model that can balance so many different goals. Coops strive for business success but also community impact.

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### **Graham Anderson**

One of the most exciting differences in my mind is the ability to retain and redistribute wealth within the community. Rather than profits being concentrated in the hands of

shareholders with little connection to the community, benefits are returned directly to members and the communities they serve. Rather than concentrating wealth, co-ops tend to distribute more equally to a community of members. This makes a thriving co-op sector a valuable component of a resilient local economy.

When these distributions are strategically directed toward environmental and social projects in the community, as in the case of Vancity, the impact can be very transformative.

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### **Ann Dale**

Can you give me some concrete examples? Don't hesitate to add hyperlinks, if you want.

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### **Graham Anderson**

Yes, I think [Vancity](#) is probably the best example. They distribute 30% of net profits to members and communities every year, amounting to \$238 million since 1994. Much of that is directed to organizations and projects that align with their vision to redefine wealth and support the social and environmental health of the community. In Vancouver, this funding has been instrumental in supporting countless non-profit and community groups (including Shift), and makes so much good work possible. Again, if that money had been invested in conventional banking it would have been sent to the pockets of shareholders with little connection to the community.

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### **Maureen Cureton**

As Graham mentions -- Vancity's model is to leverage our members' investments to provide the financial services they need and to guide and direct more and more of this investment into businesses, coops, NFPs, social enterprises that have a strong social and/or environmental missions. We still maintain our commitment to 30% of our profits going back to our members and our community --but beyond that we want to leverage our \$17 billion in members' assets to help grow healthy communities, foster a vibrant local green economy and encourage and enable our members (and broader community) to move toward low carbon economy & lifestyles. We have a long way to go, but its an exciting mission, and its wonderful to have other coops in our community -- like Shift, the tool library and Sustainability Solutions Group--sharing our vision -- and doing their part to advance healthier more sustainability communities. We're also proud they are our members.

### **Graham Anderson**

But a co-op doesn't have to be as visionary and transformative as Vancity to have a net positive impact on the community it serves. I had the opportunity to attend the [Federated Co-op AGM](#) this year and a couple things stood out to me.

They are a consumer co-op with grocery stores, gas stations, and an oil refinery. But they still deliver significant community benefits relative to conventional corporate structures. For example, customers at their gas stations receive member distributions at the end of each year, as much as 8 or 10 cents per litre on gasoline- again, a significant economic benefit to retain and recirculate that wealth in the community.

And while I wouldn't yet consider them a leader in sustainability, the fact that I was able to attend, participate, and directly ask questions to the CEO and management team in front of a thousand other delegates is also a testament to the co-op model. The democratic structure of a co-op at least provides this forum for participation and community accountability.

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### **Maureen Cureton**

Seriously Graham -- you are pointing to the giving of discounts on the purchase of fossil fuel as a shining example of the benefits of a co-op? Surely we agree that pricing can be a strong driver of behavioural change for taking action on climate change. So, I would not count rewarding people for buying gasoline as a great example of cooperative principle #7. American Express gives members money back -- which you could argue "circulates in community." Sharing of dividends or patronage is fine --but think we need to be much more strategic and thoughtful in how coops benefit our members and how we "give back to community." What if Federated invested that money in renewable energy or in supporting transit infrastructure in their communities?

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### **Graham Anderson**

I'm not saying it's a shining example of environmental sustainability. I agree that pricing is a driver of behaviour change for taking action on climate change. And good point about principle #7.

What I'm saying is that at a very minimum, even a co-op with an oil refinery is better than a conventional oil business because a portion of profits is retained and reinvested in the community. Also recall that Federated primarily serves rural or farm-based communities across Western Canada, and they often provide critical grocery and fuel services that are otherwise not available in smaller communities.

Could it be better invested in transit or renewable energy for sustainability? Of course, and I was raising the need for more of a sustainability focus at this year's AGM.

**Ann Dale**

So, all this emphasis on relationships, how does their governance differ from traditional Boards of Directors?

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**Maureen Cureton**

Co-operatives are democratic organizations, owned and controlled by their members on a one-member, one-vote basis. That said --let's get real-- small worker co-ops have their members highly engaged in governance and decision-making. Large consumer coops --like MEC and Federated Coop --I would be surprised if many of their members even realize what it means to be part of these coops. For Vancity, we work hard to engage our members --encouraging democratic engagement in voting for our Board of Directors and in participating in the AGM. We get very low participation rates. We are working on new/additional strategies of ways to engage our members. Quite simply featuring them in our advertising (commercials, print media, videos, etc.) --is one way we are messaging that Vancity exists for the purpose of serving our members and by elevating the & personalizing who are some of our members --maybe people will start to really get that they are part of a cooperative community in being a Vancity member. Here's an e.g. of a **commercial** featuring members & employees talking about being part of Vancity.

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**Ann Dale**

Thanks, Maureen. A side question, when I am working on community case studies, quite often, I find that Vancity has 'seeded' the project with a small amount of money-- where does your funding innovation come from? United We Can, are there others you can name?

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**Maureen Cureton**

Vancity is committed to investing in our community to enhance wellbeing. Rooted in that is environmental sustainability. When we see the potential of an organization like United We Can or a co-op like Shift Urban Cargo, or research like the Sharing Project and the Tool Library Coop --we bring our resources to support it. We provide a continuum support & offer a variety of resources from our technical expertise to impact businesses, coops, NFPs and social enterprises. Our technical support might be coaching on start-up or in planning for growth...or critique the growth model, or training on how to reduce your carbon footprint, or in convening meetings and events for shared learning or building partnerships. Our support may also come in the way of financial support --from grants, to a innovative and conventional debt financing including micro loans to enterprises that are higher risk. We leverage a variety of financial tools that these organizations may not even realize we are using --to the community --they just see that

that there was funding. This is the seeding we have done. Here's one of our stories --on [Victory Gardens](#) and here can read more Vancity stories of [impact](#).

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### **Yuill Herbert**

But why do you think Vancity is so different from other credit unions in Canada? What is its unique magic factor in terms of its commitment to sustainability?

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### **Maureen Cureton**

Perhaps Vancity just got started a little sooner than some others CUs. Our journey. I think too many coops, credit unions and businesses still think of sustainability as a burden or responsibility, and for many organizations, this results in token efforts or a lack of authenticity about their commitment to sustainability. Vancity's thinking on enviro sustainability started from a perspective of responsibility – i.e. to manage our coop in a more sustainable way, & a responsibility to support and enable our members and our community to shift toward sustainability. That was well over a decade ago, and Vancity embarked on journey of embedding it across our organization. So, this gets folks thinking about how it integrates or influences other decisions. With this foundation, we're now making great leaps into truly integrating social & enviro sustainability into our strategy and really deeply into our DNA. While moving forward, we've returned to our coop roots i.e. Vancity exists for the service of our community. While that service is to enable wealth, we now define wealth as wellbeing -- healthy communities & as part of that, healthy environment. This thinking guides our strategy and our decisions making -- its so exciting to share this journey with colleagues who now see this as opportunities, not responsibilities. We won't succeed unless this is directly link to the very fundamental service of banking though -- so this is the strategic thinking that gets me so jazzed to go to work every day. While directed at the corporate sector, the [work of Porter, Kramer et. al](#) on Shared Value is very much aligned with our strategic thinking.

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### **Graham Anderson**

Maureen, was Vancity's move to Sustainability driven by members through democratic channels, or was it more a result of internal leadership? Is a co-op's sustainability leadership ultimately dependent on the values of its membership or can these be independent?

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### **Ann Dale**

Graham, two key points for the difference in governance, participation and community accountability, to which I would add a third -- transparency?

### **Eric Tusz-King**

When I was engaged in the anti-apartheid movement in Canada I attended an annual meeting of Scotia Bank on behalf of the United Church of Canada Pension Fund. There was little appreciation of democracy in that meeting. The rule that governed there was gold rules!

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### **Yuill Herbert**

I think the governance is remarkable and challenging. As democratic organisations, anyone can be elected to the board of any coop as long as they are a member. This means that the Chair of the Board of Cooperators, one of the largest insurance organisations in Canada is a farmer and he is a great chair. You would never see that in the corporate sector. Notably, Cooperators is a successful business. Average people can govern major businesses, coops prove, you don't need to be a lawyer or MBA, and perhaps it is even better if you are not!

There are challenges with this governance system- if the members aren't paying attention they may not elect good leadership to their boards or people who represent their interests.

There was considerable controversy around MEC's latest election process for example.

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### **Rebecca Foon**

So fascinating, what I love about this is how you can get incredible diversity and interdisciplinary thinking within the board structure. And that is where some true innovation can grow from - especially when ideas continue to build off of ideas...in a democratic open and supportive way...

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### **Chris Diplock**

Just to add to Eric's comment. I think those last two points of training and community building can also be found on a non-profit society's board.

As Yuill pointed out, I think the democratic nature of a coop's board is what sets it apart. I think that the diversity that comes from the democratic process greatly contribute to a coops longevity and resilience.

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### **Ian MacPherson**

What strikes me from what I have seen here so far is the variety of backgrounds and interests. In other words, the co-operative approach is very flexible and that is a great

strength, though it means that uniformity is hardly a virtue. It also calls out for a lot of tolerance as to how we severally try to carry out what we want to do. On the other hand, there appears to be considerable consensus around some features: values, democracy, engagement, etc.

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### **Yuill Herbert**

Ian, I think you worked on the revision/adoption of the seventh cooperative principle, concern for community. Can you explain about how this was challenging or exciting in the context of the diversity of the movement.

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### **Ian MacPherson**

Hope I am not responding too much!

The stakeholder reference raises difficult issues. If, as was suggested, it means members, there are no issues, I think. Where issues arise are: when (in other than worker co-ops) they raise questions about the roles of employees; when there is desire to involve people and organisations that might be impacted by whatever a co-op might do, which can affect how boards are constructed); and when a co-op wants to address seriously issues that are considered by some to be beyond its mandate. I think environmental/broad sustainability issues could be among these.

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### **Ann Dale**

You can't respond too much, your historical perspective is much valued.

Our next question, Is there a relationship between the sustainability imperative and the cooperative model?

For me, sustainable development can be regarded as a process of reconciliation of ecological, social and economic imperatives. And equitable access is fundamental to its implementation.

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### **Ian MacPherson**

This is hard to estimate, hard to measure. Like beauty, it largely depends upon what attracts the eye.

It is difficult to make the case quickly and easily, but one can go back into the rural co-op circles of even a hundred years ago and find examples of thinking very much in line with contemporary concerns about sustainability in the broader sense. Typically, it can be seen within the influence of what is commonly called the agrarian myth, part of which

was reverence for the soil, much in the tradition of Robbie Burns and others: the idea that whatever is done should not destroy or weaken the natural resources that are employed. In fact, the first “environmentalist” of that type I met was in the 1960s: a man named Ralph Staples, onetime president of the Co-operative Union of Canada and, as we used to say, a son of Old Ontario. One can also readily find such thinking within the Antigonish movement, notably in Hugh MacPherson and Moses Coady.

I think the roles of co-ops in the health food movement of the 1960s and 1970s was remarkable and it would be appropriate to honour that contribution, while recognizing that a huge opportunity was missed because of the inability of that movement to build beyond local structures. Of course, one might argue, as with anarchism, that that was inherent in their approach and constructing large institutions risked destruction of the spirit of the movement. I understand the argument but think that in reality it provides a comfortable cloak for a narrow and self-centred vision. And so today, I understand, the largest producer of environmentally-sensitive food in the US is Walmart. It should have been a co-op network. Nevertheless the health food movement, significantly structured through co-ops, deserves to be acknowledged: in Canada as well as the US. The “Fed-Up” co-ops were not just a passing phase in the consumer movement, as the Kootenay store in Nelson demonstrates.

Another, more recent development that deserves recognition is the role co-ops have played within local food production. This is a classic role, echoing what was done over the years to encourage “buying locally” but it has taken on new life. The problem is that it brings up the issue of proto-co-ops, always a problem if one is trying to make the case for co-ops. It also raises questions about “social enterprise”.

There are several websites that highlight sustainability dimensions of the movement, though they sometimes need to be ferreted out of the general information provided: the CCA and some of its provincial associates; Credit Union Central of Canada; Canadian Worker Co-op Federation; the National Co-op Business Association in the US; the Co-operators Group in the UK; and, of course, the ICA.

I would personally highlight: Co-op Atlantic, some credit unions (most obviously Vancity but also United Communities in Ontario and Assiniboine in Manitoba); the ecofarms such as the one near Duncan in BC; some of the housing co-ops (such as Edible Space in Vancouver); the many co-ops involved in Fair Trade around the world (though I sometimes wonder about how reliable are the evaluation systems for them); the “binners” co-ops, mostly in Latin America; some of the Japanese and Korean consumer co-ops (such as the Seikatsu Club and iCo-op); some of the co-operatively-organized ecotourism programmes (India, Haiti, Belize, etc.); some of the New Generation agricultural co-ops that are based on strong environmental concerns.

The challenge here for me is that we should be thinking about how to recognize strong efforts and not just sustainability perfection according to one standard or another. The point is that an older and large co-op that is making a serious and continuous effort but still has a long way to go is as worthy of recognition as the new co-op that is based on sustainability principles from the beginning. It is not easy to travel that road and requires

persistent determination to do better. It also requires levels of understanding and empathy from others that is not always evident in the co-op or wider world.

Contributing to sustainability for me also includes using co-ops to bridge differences that beset many regions around the world: in the Middle East, parts of Africa, some Asian countries and various locations in fact in all countries. Sustainability means finding ways to work together in the common good, the ultimate co-op promise, and we need to think more directly how it works and what can nurture it.

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### **Rebecca Foon**

Because co-ops and credit unions are rooted in a distinct values-based and community-owned and controlled alternative - it creates an interesting platform for a very innovative relationship between the sustainability imperative and the cooperative model, especially when we look at the seven principles guiding the cooperative model. SSG and the Canada Research Chair (Sustainable Community Development) are collaborating with the International Cooperative Alliance (ICA) on a high level scan of sustainability practices in cooperatives around the world. We have been working with the international cooperative alliance on a coop sustainability scan - check out this [website](#) that is starting to highlight cooperative sustainability projects from around the world.

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### **Ian MacPherson**

“Sustainability” has always been central to the co-o message. The complexity is that what it means has always been changing. Originally, sustainability referred to how individuals and families could sustain a full and satisfying life. Essentially, that meant how could people survive within the world as it was or could be anticipated it would become. For the Rochdale Pioneers, that meant: having unadulterated food, paying reasonable prices for what they purchased, and being assured that, all along the supply chain, people were being fairly rewarded. They had a broad view (interestingly enough passed over fairly quickly) about creating colonies of harmony based on democratic practice and lifelong education. Within their views can be found the seeds of the consumer theory of co-operation, which came to argue for “intelligent” and fair consumption practice.

For the people who started what we call credit unions, sustainability meant ensuring that “ordinary” people could control financial institutions that would give them and their communities the capacity to control their own lives. The assumption was that the democratic control of the financial system would ultimately create more sustainable household and build more sustainable communities.

The advocates of worker co-ops believed that sustainability meant creating firms that provided good jobs at fair wages and that enabled workers to have some voice in the operation of the places where they worked.

Promoters of agricultural/rural co-ops were concerned with developing the knowledge, resources and training that would allow farm families and rural communities to thrive amid the “scientific” and technological changes that swept the country sides of most northern countries from the mid-nineteenth century onward and many southern country sides in the twentieth century.

In many ways, such understandings of sustainability still have cogency: Many people around the world have to struggle to buy reliable food at fair prices, to have some influence in the financial systems that control their lives, to have some assurance of decent work for decent wages under decent conditions, and to surmount the problems of rural poverty.

Nevertheless, from the 1960s and 1970s onward, the concept of sustainability expanded to be concerned with “spaceship earth” and all the pressures that were being applied to her and that could be anticipated as population expanded and pressures on her resources increased.

This new understanding of sustainability posed both problems and possibilities for co-operatives. On the one hand, it brought into question many of the assumptions upon which most existing co-operatives (and the societies within which they functioned) based their programmes: e.g., “scientific” agriculture (which typically meant extensive use of chemicals and very invasive practices) and the belief that growth was the only way to create a strong, “sustainable” economy. Naturally enough, perhaps, many within the movement resisted the alarm calls and changed only gradually – though it should be said that many of the old order” co-ops have changed significantly over the years.

On the other hand, some co-operatives and co-operative people challenged aspects of those (and other common) assumptions – a few even challenged them entirely. They were at least partly joined by many who were raising the alarm and who found the co-operative model an attractive way to organize economic and social activities in which they were interested. One might say they did not work easily together, partly because of the kind of leadership that tended to emerge (there were a lot of bishops and not enough worker priests and nuns). The result, though, was the emergence of numerous new co-ops with strong environmental commitments and a gradual expansion of interest and commitment within older and larger co-ops.

My conclusions are:

- Sustainability is a persistent thread within the co-operative world.
- As a concept it will always have to struggle on ground that is contested and constantly shifting.
- The co-operative model can be usefully employed in addressing sustainability issues – especially because of its capacity to undertake new activities, its ability to mobilize social capital, its educational capabilities, and its democratic structure.
- One should not expect all co-operatives or all co-operators to march in unison.

- There will be significant issues between some established and new co-operatives.
  - The best general commitment one can hope for is that most co-operatives will undertake each year to improve their practice and expand their understanding.
  - Ultimately, the best way forward will involve consensus and reasonable compromise, a fairly common outcome of co-operative initiatives, but a messy process that will make some impatient.
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### **Ann Dale**

Eric, the importance of place is something I think about a lot in my work, especially place-based policy-making and how to implement it in a federal system. I guess it is unhealthy when a business becomes displaced? Chris, and others, what do you think?

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### **Eric Tusz-King**

Looking at sustainability in a narrow ecological way, the most significant relationship to the sustainability imperative and the co-op model is that the members of a co-op usually have a significant relationship with the local environment because that is where they usually live. They do not usually want to spoil their nest!

From a wider perspective of sustainability (ecological, social & economic) the members and in my worker co-op experience want the co-op to be sustainable for the long haul so they have work, pensions and group insurance, etc. The members are not looking for large profits or looking to go somewhere else. They are committed in time and energy to make the co-op continue for themselves and the next generation.

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### **Ann Dale**

Chris, can you talk a little about The Sharing Economy? Any websites I could go to?

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Chris Diplock

Absolutely I can.

Here's a good start and a great [online resource](#).

For more local conversation check out [The Sharing Project](#).

The term the sharing economy usually refers to the lending, borrowing, bartering and swapping of goods services and spaces. It can include renting as well. While there's a lot of movement in the sharing economy from the corporate sector (Think AirBNB, Car2go), there is a huge presence in the new movement from grassroots organizations.

Many of them cooperatives. The Vancouver Tool Library, The Toronto Tool Library, Modo the Car Co-op for example.

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### **Maureen Cureton**

While this may not be the main motivator for many people to share, I think the building of a sharing economy can have myriad environmental and social justice benefits. Do we each need a car if we can share one through modo the car co-op? --Will we drive less if we car share (I can testify to that. It makes me think twice before taking fossil-fuelled trip). Do we all need to accumulate endless "stuff" that we don't use every day --or can we share? Can this enable us to disconnect consumption from quality of life or lifestyle experiences? Consumption is big nut to crack if we really want to move toward environmental sustainability. And then on the social justice side --by sharing, people may have access to goods and services that might otherwise drive them into debt to purchase, or they simply would have to do without. Brilliant cooperative concept -- will Canadians embrace it?

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### **Chris Diplock**

A lot of good questions Maureen. Sharing really resonates with people because they can receive the benefit of ownership without needing to own it outright. Through co-owning and sharing people can build relationships and reduce their consumption. At The Sharing Project, we've got our report on sharing in Vancouver coming out tomorrow, so if you'd like to know about the potential for its growth, check out our website.

What's really shifting is the models and platforms we're using to share. People opening up to sharing is going to take time and we'll need to really communicate those benefit.

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### **Robert Newell**

Chris, I was wondering about the Sharing Economy in terms of regulating how 'fairly' the participants are acting. I can see a risk of a 'tragedy of a commons' situation, where certain individuals abuse public good. So, it seems that a sharing economy would be regulating by people working at a centre of operation, i.e., Tool Library, but also heavily by a shared set of values and philosophy. Have you seen (or do you see) these sort of operations being complemented with outreach to inspire these sort of values, or maybe this is not even necessary?

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### **Chris Diplock**

There's some unique parts of the new sharing movement that deal with making interactions "fair". From my experience with the Vancouver Tool Library, we've seen a

really low rate of theft or delinquency. I think if co-ownership is built into the model, it has a lot to do with why people care about what they're sharing.

Also, new online platforms create profiles which allows for trust to be built online.

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### **Robert Newell**

That's encouraging. Psychologically speaking, social norms have seen as powerful influences on behaviour. It seems that co-ownership helps craft these norms.

I'm glad you brought up the trust aspect to. This is rather important, but it sometimes seems forgotten when ideas like personal and property security come to the front. The trust is the 'encouraging' approach, where the security being the 'barricading' or 'protecting' approach.

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### **Rebecca Foon**

And trust cultivates bonds and social capital - helping to foster deeper connections, relationships that also builds a foundation for creative thinking, innovation and positive action.

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### **Ann Dale**

I cannot agree more with you, but what about cultural differences and values differences, especially in rural communities. Back East, I live in the bush, and all of our snow blowers broke down at the same time. I tried simply to convince two neighbours to share a snow blower, no way, some cultural differences, but the private property regime and privacy are so very embedded, another topic for another day, we need more social media on the benefits of sharing, cooperating and collaborating?

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### **Chris Diplock**

I would also mention that "Coops helping Coops" has been a huge part of what's helped this movement spread. Co-ownership and the sharing economy are closely linked and I think cooperatives have a big role to play as it develops.

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### **Rebecca Foon**

Definitely. We have been inspired by Mondragon, and actually had our retreat there last year which was fascinating.

One of the many things that is inspiring about Mondragon is the tight model of inter co-operation between 120 coops, plus having a credit union and social welfare system embedded in the model. This gives Mondragon an incredible and diverse network helping to foster resilience and support - giving them capacity to be flexible and adapt to the unforeseen. In addition to this, the R&D and educational arms of Mondragon is a huge enabler for innovation.

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### **Robert Newell**

I have a question regarding the coops helping coops concept. I was talking with a colleague yesterday about the cooperative model, and we do recognize that cooperatives can exist as revenue generating enterprises within a neoliberal society. Maureen, you mentioned that corporations exist for profit, but I'm wondering what holds back a cooperative organization of striving for the promise of profit, or is this a risk? Any thoughts?

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### **Yuill Herbert**

Many co-operatives chase profits. In fact profits are necessary for most co-operatives since outside investors are often willing to invest in an organisation they can't control. This means that profits are critical to expansion. From our perspective profits are a constraint, not a goal, whereas meaningful employment is the goal!

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### **Robert Newell**

Interesting, sort of like acting for-profit operationally but non-profit philosophically.

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### **Ian MacPherson**

I would be the last person to put down social entrepreneurship. Any effort to deal with the maze of social and economic problems that confront us should be encouraged. I think the co-operative model is preferable in the long run because it PROMISES the possibility of more permanence. Individuals or small groups of individuals can start with the highest motivations but they can change and lose their way. For example, in the 1920s some individuals were determined to improve housing conditions for the poor; a couple of decades later, they were slum landlords. I also think tend to be different kinds of leadership between co-op and social enterprise. On the other hand, one can hardly contest the point that co-ops too lose their commitments -- except that there are correctives in policies and member agitation, correctives less likely to be found in private enterprises.

### **Yuill Herbert**

Federated Co-operative is a fascinating example. There are not many democratically controlled refineries around! It has also succeeded in remaining as a co-operative when other co-operative organisations such as the Wheat Pool have folded.

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### **Ann Dale**

You are jumping ahead to our third question, shining lights. Yuill and Rob, can you inform our colleagues about the International Cooperatives Association project? Yuill, maybe you can explain a little about this project, and Rob, talk about some of the nascent research findings. Did you look at the relationship between co-op principles and sustainable development?

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### **Yuill Herbert**

SSG has been working with Ann and Rob to explore the relationship between co-operatives and sustainability. We were able to use a novel approach to this challenge. We drew on 50 of the seminal research papers in sustainability and sustainable development to identify key concepts in all of the papers. The software identified the common terms and then we tested these terms against the words in the co-operative principles and ultimately against the words used on samples of cooperatives from around the world.

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### **Robert Newell**

Without getting too deeply into the methodology, we compared the concepts of the cooperatives principles with a selection of sustainability literature (from prominent thinkers in the field), dividing this literature into focuses on social, environmental, and economic sustainability. Interestingly enough, the concepts from the principles strongly related to the social literature, much more strongly than to the environmental and economic. What we are seeing is that the principles, as a group, talk more in detail about social sustainability concepts than environmental or economic, where, for example, environmental might just show a strong relationship with principle 7 (i.e., sustainable community development).

Similarly, when comparing the cooperative samples from websites and annual reports to sustainability concepts, a strong relationship was noticed between the social sustainability concepts and the cooperatives materials. Interestingly enough, the websites from the cooperatives related more strongly to the sustainability than the reports samples. Without interpreting too much, it does allude to a strong communication of values through the public materials (i.e., webpages). Another couple items that stood out were that energy was a high focus in a sample of cooperatives that

were identified as leaders in sustainability, where as agriculture showed up prominently in a completely random sample of cooperatives around the world.

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### **Chris Diplock**

So just so I understand. The measurement of sustainability in cooperatives is the linkage between terms? If you find a linkage, how do you measure action on sustainability versus terminology?

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### **Ann Dale**

Well, Chris, you hit the nail on the head. That would be phase II of the project, to actually evaluate action on the ground.

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### **Yuill Herbert**

Exactly...because our scope was coops around the world we weren't able to look in detail at what they are actually doing. But we did look at annual reports as an indication of what coops are doing. The focus was, however, on how cooperatives are communicating their story and whether this encompasses the same terms from the sustainability literature.

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### **Robert Newell**

Absolutely, the study we are working with is definitely limited to what is being communicated. It is a global study, and doing a series of case studies across the world is a larger step which would have to begin by being focused on specific areas. Right now, we are looking at who is 'talking the talk' as a preliminary overview. As Ann mentioned, the 'walking the walk' or accountability would be a Phase II.

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### **Ann Dale**

Now, everyone gets a chance to boast. Can you give us some examples of cooperatives leading in sustainability and why? It is helpful to our listeners if you know of any links to include them.

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### **Eric Tusz-King**

The **Really Local Harvest Co-op** is sustainable - adds cross-culture and bi-lingual to the social dimensions of the sustainability.

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EnerGreen Builders Co-operative has shown itself as one of the most energy efficient builders of residential homes in NB. Our latest project was to build a small (1300 sq ft) energy efficient home, and our next project is to get down to 1000 sq ft. That is going against the grain of most custom home builders.

A third example is [Open Sky Co-op](#) which is a residence, organic farm, and programmes to support adults who experience barriers to employment and other life situations because they have developmental and social challenges.

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### **Rebecca Foon**

Some other cool coops to highlight:

Coopérative La Bikery is a community bicycle coop in Moncton that works to foster a sustainable, bicycle-positive environment. They are committed to encouraging people to cycle in their daily lives and helping people develop skills to maintain and repair their own bicycles.

The Coop La Maison Verte (the Coop) is a solidarity Cooperative - it is a café, a community space and local grocery store based in Montreal with a large range of bulk products and natural and organic foods managed by its members. The Coop develops partnerships with local farmers and organizes organic fruit and vegetable markets twice a week during the summer and once every two weeks during the winter.

There are lots of interesting coop listed on the [sustainability coop site](#).

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### **Yuill Herbert**

It's really interesting to think about the role of cooperatives as incubators of democracy, a training ground for a more democratic society. As fewer and fewer people participation in the political system, it will be interesting to see if people also disengage from memberships in cooperatives. Citizens and members become 'consumers', passive rather than active participants in society.

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### **Ann Dale**

I am sorry to have asked so many questions, usually as moderator, I hold back more, but your conversation has been so enriching. Our final question, have you observed any recent changes, innovations in the cooperative/sharing sector? This is also a time to address any outstanding questions, if you wish. Ian, don't mean to put you on the spot, are we making progress?

I wish to remind everyone, that this conversation is part of a series that will lead to

publishing the [Solutions Agenda](#), due out in 2014. We have other policy papers that can be found in the [policy paper section](#) of the website.

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### **Ian MacPherson**

Co-operative movements are always in a state of change and transition. They are always struggling with how to respond to what I call “spheres of concern”: relations with members, relations with communities, relations with other co-operatives and relations with governments. All of these “spheres” affect the “final sphere”: what we normally refer to as management, but it is management with a difference because the trick is to address all the spheres all the time. The threat is that one or more of them will be ignored or inadequately sustained.

Thought of this way, I think I detect an increased interest in addressing membership relationships and in improving relationships with governments. I certainly see an increased interest in community issues, but much of it is “good corporate citizenship”, an admirable enough approach, but I think the co-operative concept of “community” goes further than that.

Different movements (national or sector) are always going through periods of growth or periods of retrenchment. The causes of the shifts may be because of internal or external pressures. Thus different types of co-ops are having different experiences right now. The impact on local, provincial and national possibilities of this kind of flux is considerable.

One of the classic situations, particularly obvious right now, is that there are new co-ops meeting new needs or perhaps wanting to change how older co-ops serve their members and their communities. Almost invariably, there are tensions between new and older co-ops. I think this is evident in Canada and it may be particularly important for sustainability issues: what should be nature of the commitment? What are the requirements to make things happen? What is the appropriate pace of change? Those are questions that can create tensions.

I note a considerable interest among young people but I am not sure the movement is responding well enough to them. And among many young people, environmental issues are important, so sustainability is significant in gaining and keeping their interest.

The 1990s were a difficult time for co-ops. The apparent triumph of capitalist/free market ideologies meant (for many) that the reputed slow and stodgy methods of co-operatives were ridiculed. The 2008 depression, derived as it largely was, from slick practices in the banking world (which most co-op organisations avoided) has changed that judgement and helped to raise the question of what is real value, as opposed to glitz and make rich quick schemes. Co-ops do well when that question is raised as I think it to some extent is.

I think the International Year of Co-operatives has had a beneficial impact. There seems to be a higher level of pride within organisations and across the movement generally.

There may be some decline in excessive institutionalism. The great strength of the movement is the numerous co-operatives that thrive within it. The great weakness is their unwillingness to work together as well as possible. If that is true, that could mean that much could be accomplished.

The increased connections between the CCA and CCC open up many possibilities and, despite the apprehensions, they should be encouraged. It is some 70 years overdue.

The interest in global issues continues to be strong as does interest in how First Nations people can better employ the co-operative model.

There is a growing if poorly integrated interest within the academy in co-operative subjects. The interface between the academy and the movement has some positive features but it is still awkward and less collaborative than it ought to be. Teaching about co-operatives in the educational system is at about as common as teaching about Australian reptiles.

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### **Eric Tusz-King**

Yes:

1. The international dialogue around the 7th principle is quite encouraging, even though it has not moved forward quickly to satisfy many of us.
  2. With the IYC 2012 – co-operatives at the local level started to take themselves more seriously and re-commit themselves to the ICA principles and not to merely surviving as a business.
  3. In our province of NB, we are seeing a strong interest in small rural and urban co-ops and an interest from traditional businesses and business development professionals in the co-op model for business succession and rural community development.
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### **Ian MacPherson**

What is meant by business succession? Is it the desire of some owners to turn their organisations into worker-owned enterprises?

### **Eric Tusz-King**

This is certainly one aspect of this. Sometimes the initiative comes from the employees and a third option is when the community takes the initiative to encourage this. In the end it takes both the owner and the employees to develop a mutually beneficial way of making it work.

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### **Robert Newell**

Ian mentioned the International Year of the Coop, as well, and this leads me to a personal observation in which I was wondering if anyone would like to confirm or disconfirm. I am not working within a cooperative so I don't have the inside view, but I do feel that with IYC 2012 and just looking at recent media and reports, cooperatives are getting a bit more into the limelight. Is this true, is the cooperative model getting more attention as of recent? And, if so, why now, as it is a model that dates back a long time?

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### **Yuill Herbert**

It does feel like cooperatives have come into their own since the International year of coops. For the first time ever coops used the same logo. Now we see many coops registering .coop webpages, many of which would never have publicized that they were coops in the past. But there is still no serious effort to support coop development in Canada. This is a major gap and critical if we are going to grow the movement.

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### **Eric Tusz-King**

I strongly agree in our small region of south east New Brunswick our Tantramar Co-operative Network found co-ops and reached out to them for the first time since they were founded - decades ago.

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### **Chris Diplock**

It was interesting when Facebook did their IPO, there were some articles that talked about how private corps aren't choosing to go public as frequently anymore.

Going public for a private corporation is a good way to raise funds but it's also a way to get your equity of the corporation if you're the owner. I'm interested to see if private corps are looking at worker owned models for succession.

**Ann Dale**

What strikes me about our conversation is the sheer diversity and social innovation of the cooperative and sharing sector, a key ingredient of sustainable community development. I forget the exact reference, but cooperatives are more economically stable in economic downturns than the traditional economy, and will play an even greater role, I believe, as the economy learns to wean itself off its addiction to perpetual growth and transitions to a steady-state economy (Daly, 1997). How to scale up and scale out micro and macro innovations is a question that continues to interest, and perhaps we can resume this conversation, at another time, another place, and another space.

I have thoroughly enjoyed the privilege of moderating such an interesting group, thank you, une mille fois merci, any final comments.

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**Ian MacPherson**

I think there has been an upturn globally for about 5-6 years, partly because of the impact of the global financial problem. I also detect a lot more interest among young people. The reorientation of the ICA has had positive benefits. The growing awareness of scarcity and limits also has clearly had its impact. The question is: can this aroused interest be converted into concrete, "sustainable" impact. Everyone likes to go to meetings on interesting topics. Not everyone is willing to make the effort to actualize what has been discussed, especially in an age when so much information is thrown at us.

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**Robert Newell**

Interesting, this is a whole other topic that is too late in the conversation to dig into too deeply, but I've attended Transition Town meetings in Victoria and heard similar concerns.

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**Ian MacPherson**

Embedded in that is the question of what constitutes good co-operative leadership. It is a question that has bothered me for years, especially as to how it applies to co-ops as they go through their various stages. There are some ways of understanding the issues by looking at how co-op organizers work, but I think much more is involved. Another day.

**Rebecca Foon**

Thank you Ann, and thank you everyone for participating in this e-Dialogue. I have really enjoyed this conversation.

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**Chris Diplock**

Thanks Ann. Great to be a part of this with everyone.

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**Ian MacPherson**

Thanks all.

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**Maureen Cureton**

Thanks Ann & all. Lots of food for thought. Coops are not perfect --but there is much in our model that can and should be harnessed to create healthier communities and lead us to sustainability. Its heartening to know there are leaders and thinkers like you to help make this happen.

Looking forward to an Evening of Sharing tonight, Chris. The rest of you cooperative folks, --good to meet up electronically.

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**Robert Newell**

Thank you, everyone. Brilliant conversation and a lot to think about in terms of the role the cooperative model can play in communities and societies. Many thanks.