

# Tracking the Social Impact of Solidarity Co-ops

*Is the multi-stakeholder approach a way to combat exclusion?*

By Jean-Pierre Girard, in collaboration with Geneviève Langlois

*In June 1998 customers of the Mount Adstock alpine ski resort, located in the Amiante region about a hundred kilometres southwest of Québec City, came in for a shock. On account of lack-lustre sales revenue and some severe financial difficulties the resort owner decided to sell the resort and permit buyers to dismantle the equipment a sure sign of final closure. That would deny hundreds of resort customers access to their favourite winter activities. Thirty or more seasonal jobs were on the line as well.*

The mayor of the town, a businessman in daily life, decided to launch a rescue mission. Something big, something community-driven. Two key questions needed answering: what legal form should it take, and what kind of capitalization would it require? After getting in touch with an agent of the area's regional development co-operative, the promoters chose (not without some apprehension) a new form of co-operative a solidarity co-op.

What sets the solidarity co-operative apart from other types consumer co-ops, worker co-ops, etc. are its member categories: consumer-members, worker-members, and "supporting members" who have an interest in the co-op's economic or social purpose. Persons from any of these member categories can take part in the annual general meeting. In addition, each category of member should have at least one representative on the board. (Supporting members may not exceed one third of membership).

What this structure offered to the promoters was a diversity of interested parties and thus a broad base of support for the project. Still, it was a leap into the dark. At the time there were hardly any precedents in Québec with solidarity co-ops, and none at all involving ski resorts!

Yet within two weeks almost \$500,000 was amassed and the asset base necessary for the acquisition was in place. The purchase proceeded.

By 2003 the *Coop de solidarité récréotouristique du Mont-Adstock* was employing 35 seasonal workers, and two during the summer.



Of the thousands of people using the co-operative's services, a little more than 405 were member-users. The retention of this resort closed the loop on the region's array of recreational tourism products: a golf course at the foot of the ski slopes and, less than five kilometres away, Frontenac National Park, which offers a great range of outdoor activities 12 months a year.

This project is indicative of what Québec's National Assembly had in mind in 1997 when it amended *The Co-operatives Act* to permit the formation of solidarity co-operatives: a flexible structure that can respond to the socio-economic issues facing diverse local actors. Putting it another way, in an age of globalized markets and disintegrating community, solidarity co-operatives are a post-modern approach to the practice of local development.

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In the 2004-05 ski season the Mount Adstock Recreational Tourism Centre broke all previous records by playing host to over 32,000 visitors. Photos: Station touristique Mont Adstock.

## A Strategic Nexus

Numerous studies have demonstrated how, with the expansion of the market economy, the opening of markets, and the extraordinary mobility of capital, our so-called post-modern societies have the tendency to generate social exclusion at a variety of levels. This situation places the co-operative at a strategic nexus. As an organization that reconciles enterprise with association and endeavours to satisfy its members rather than offer the maximum return on invested capital, is the co-operative better able to strengthen social cohesion than other models?

That is the question that *Centre de recherche sur les innovations sociales* (CRISES) of the *Université du Québec à Montréal* (UQAM) has decided to explore. Since 2002, CRISES has been collaborating in the research project, “Co-operative Membership and Globalization: Creating Social Cohesion through Market Relations.” A pilot of the University of Saskatchewan’s Centre for the Study of Co-operatives, this project aims to get a better grasp of the impact of co-operatives on social cohesion within the context of economic globalization.

Depending on their home institution and interests, researchers have approached the work from different perspectives. The contribution of CRISES has been to study something that is unique to this country, solidarity co-operatives. We have analyzed

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*La Coopérative L'Églantier*, at Saint-Pascal in Québec's beautiful Kamouraska region, has been the answer of some residents to their demand for just, healthy food (including fair trade coffee and information workshops). Not an easy go in an area known for industrial agriculture! Nevertheless, their tenacity has met with such success that a second point of service in nearby Rivière-du-Loup is under consideration. Photo: la Coopérative L'Églantier.

them in terms of five dimensions of identity tested in an earlier study of financial services co-operatives: territorial jurisdiction, accessibility of services, working conditions, democracy, and connectivity.\*

- *Jurisdiction*: As in other parts of North America, the perception of jurisdictional boundaries is being redefined. Does the identity of solidarity co-operatives accord with this new context or rest on traditional one (which in Québec is that of the Catholic parish)?
- *Accessibility*: Do solidarity co-operatives adequately foster access to services or goods? Do they try to develop new ones? These are crucial questions. Access is often a principle motive for the creation of organizations, like improving access to health services.
- *Working conditions*: Are the working conditions in solidarity co-operatives equivalent or superior to those in organizations active in the same sector?
- *Democracy*: This element refers to the democratic process inherent to the co-operative: representative democracy, direct or deliberative. It also refers to the selected democratic structure the composition of the board of directors (diversity, homogeneity, etc.), the existence of committees, etc.
- *Connectivity*: This dimension is the basis for the concept of social capital. It concerns the relations between the various actors (individual or collective) within a network, at one and the same time nourished by and generating those values of trust and reciprocity that foster co-operation and contribute to social cohesion.

To date four case studies have been completed, each involving a different sector. Mount Adstock Ski Resort is a venture in recreational tourism. In Saint-Camille, *La Corvée* is concerned with alternative medicine and recreational services. (See sidebar, next page.) Two other solidarity co-operatives, *Domaine-du-Roy* (St-Félicien) and *L'Églantier* (St-Pascal de Kamouraska), offer home care and health food, respectively.

## Preliminary Results

The four case studies indicate a significant contribution by solidarity co-operatives to social cohesion in terms of most of the analytical dimensions established for this research.

All four fall within the jurisdictional definition in place in Québec since the early 80s, that of the regional municipality. But, as the case of Saint-Camille demonstrates, the co-operative does not limit its service offer to local people, but extends it to the residents of other towns.

In every instance, access to services and goods was improved or diversified. Again, this is particularly apparent in the case of Saint-Camille, which extended its initial range of services services that, it is worth noting, were *already* an extension made to the existing ones in order to meet community needs.

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In terms of working conditions, the impact of the solidarity co-operative is perhaps less evident (they cannot be abstracted from the regional or sectoral economic realities), but it is there, nonetheless.

Where the results are very positive is in the matter of connectivity. Establishing co-operatives such as these necessitates the mobilization of a range of actors. As the co-operative develops, so does a delicate web of interconnection between both individuals and organizations. Similarly, in its functioning the co-operative facilitates connections between the various stakeholders (consumers, workers, etc.)

In terms of democracy, the results to date are somewhat less conclusive. While one co-operative has been content to follow the old formula of democratic representation, another has a very homogeneous board of directors regardless of the diversity of its members, and yet another leaves practically no room in its deliberations for the worker-member.

There may be a number of ways to explain this phenomenon. The solidarity co-operative is a relative newcomer to the landscape of co-operation in Québec. Adequate training in complex governance for management as well as directors is still hard to come by. (How do you reconcile opposing interests frankly and constructively?) Then there is the whole weight of inherited cultural models to consider.

Currently, amendments to *The Co-operatives Act* are under consideration that will make it possible to create a solidarity co-operative with two categories of member, rather than three. Moreover, existing solidarity co-ops will be able reduce their member-categories from three to two. Although these new provisions may facilitate the management of solidarity co-operatives, there remains nevertheless an issue of habituating people to this type of governance.

The fact that within eight years nearly 300 solidarity co-ops have incorporated in Quebec speaks to the importance of this organizational model as a response to the needs of local development actors. One might even hypothesize that there would be still more, were the model better known. It's still a stretch for people to consider buying shares in an organization that tries above all to deliver social returns, not just financial dividends.

## La Corvée

Saint-Camille is located about 30 minutes drive from Sherbrooke in Québec's Eastern Townships. During its Golden Age in the years 1910-20, the village had 1000 residents and its economy boomed. Then followed the slow agony of depopulation experienced by so many places. By the late 1980s, Saint-Camille's population had fallen to 440.

A clutch of leaders were determined to put the breaks to this decline. They put up their own money to create a fund to support initiatives in local revitalization. The mandate of the fund was not to subsidize projects but to extend loans for start-up capital.

The first project was the restoration and renovation of the old general store into a cultural centre. As this project found its feet it repaid its start-up loan to the fund. In the late 1990s, another project took shape: the restoration of four units of housing in the rectory of the Catholic Church (see photo, above). To meet local needs, two new buildings were constructed next door and added another five units. All nine are intended primarily for Saint-Camille seniors no longer able to live independently. They called the initiative *La Corvée*. But it didn't stop there.

In 1999, in order to consolidate activities and expand co-operative services, residents established a solidarity co-operative with two important mandates: to encourage practitioners of alternative medicine to set up shop in Saint-Camille, and to launch a recreational program, particularly for seniors.

Alternative medical services are provided by, among others, an osteopath, an orthotherapist, an acupuncturist, and a massotherapist. They are offered through a community health clinic on the ground floor of the rectory building where a community kitchen and a common room are also located.

The recreational services take a variety of forms: relaxation activities, group games and discussions, and physical activities for small groups. (Youth and seniors have worked together in the planting of trees and shrubs and set up community gardens.) In February 2005, this co-op had 45 consumer-members, 2 worker-members, and 15 supporting members.

These initiatives have not gone unnoticed. In 2002 *La Corvée* won the Prix Ruralité awarded by Agriculture and Agri-Food Canada to development projects that use rural resources to benefit local and regional communities. In 2004, the Public Health Association of Québec presented the co-op with its award for excellence and innovation in health promotion. ■

Given proper explanation, and the skills adequate to governing organizations of this type, the great potential for developing solidarity co-ops in socio-economic contexts marked by excessive social exclusion is easy to imagine. Note: it is no panacea for everything that is wrong with our system. But it is one more option for those wishing to explore new ways to demonstrate the engagement of civil society in a world transformed by globalization.

## Reference

\*Malo, Marie-Claire, Benoît Lévesque, Geneviève Huot and Omer Choinard. *Coopératives financières et cohésion sociale: quelle interface dans le nouveau territoire « local » à l'ère de la mondialisation?* Projet de recherche enterpris avec la collaboration de Secrétariat aux coopératives et Ministère du Patrimoine canadien, 2001. The French-language case studies produced in the course of this research project are available on the CRISES website in the collection *Étude de cas d'entreprises d'économie sociale* (items ESO505, ESO409 and ESO408): [www.cris.es.uqam.ca/pages/fr/publications.aspx](http://www.cris.es.uqam.ca/pages/fr/publications.aspx) - cahiers



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*Co-operative Membership and Globalisation: Creating Social Cohesion through Market Relations* is the largest research project on co-operatives ever undertaken in Canada, and has received major financial support from the Social Sciences and Humanities Research Council of Canada Strategic Themes program. For more information on the project, visit [www.socialcohesion.coop/index.htm](http://www.socialcohesion.coop/index.htm).

## Solidarity Co-operatives in Québec\*

Industrial Sector	#
<b>PRIMARY</b>	
Agriculture: farming, stock-raising, agricultural services	10
Others	6
Subtotal	16
<b>SECONDARY</b>	
Printing and publishing	6
Manufacturing: sawmilling & other wood products	5
Others	5
Subtotal	16
<b>TERTIARY</b>	
Personal Services	38
Recreation	29
Social Services	19
Food (stores/specialty stores)	17
Arts	15
Business Services	13
Hotel and Restaurant	12
Others	80
Subtotal	223
<b>TOTAL</b>	<b>255</b>

\* As of December 31, 2003. Source: *Direction des coopératives, Gouvernement du Québec*

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