Chapter 5
Solidarity Co-operatives (Quebec, Canada): How Social Enterprises can Combine Social and Economic Goals

Jean-Pierre Girard, University of Sherbrook, Canada,
in co-operation with Geneviève Langlois,

In many European countries, multi-stakeholder co-operatives provide a positive contribution to the renewal of the co-operative model by offering relevant answers to new needs that combine social and economic dimensions. However, in North America, this model has a very limited impact, except in the Canadian province of Quebec where solidarity co-operatives can be found. In the ten-year period from 1997 to 2007, 479 solidarity co-operatives were created. The solidarity co-operative was developed to attract new key players of the civil society. Indeed, solidarity co-operatives can be set up in many original ways in various branches of industry, including new ones for co-operatives such as environment, leisure, fair trade and health care.

After an overview of the development of multi-stakeholder co-operatives from a global perspective, this chapter explains the genesis of the idea behind solidarity co-operatives in Quebec and present the legal provisions which define the concept and which prescribe its policies. This is followed by a brief portrait of the development of the formula following the legal act which led to its existence in 1997, and by data that relates to the current number of co-operatives and participant members, branches of the industry and their regional distribution. The last section offers an overview of the key findings of a research project dedicated to the impact of solidarity co-operatives on social cohesion and will focus on solidarity co-operatives evolving in the health care sector. A set of recommendations concludes the chapter.

Introduction

Possibly like no other place in North America, over time, Quebec in Canada has been renowned as a favourable ground for co-operative development. Co-operatives can be found in a wide variety of branches of industry, from natural resources to services such as housing, health care and funeral arrangements. Until recently, the three main types of co-operatives have been producer co-operatives, worker co-operatives and consumer co-operatives, the latter being most popular.[1]

In 1997, the National Assembly of Quebec amended the "Co-operatives Act" to allow the creation of solidarity co-operatives. According to the Act, "the solidarity co-operative concurrently consolidates members who are users of the services offered by the co-operative and members who are workers working within this co-operative. Moreover, any other person or company who has an economic or social interest in attaining the objective of the co-operative can also be a member of the co-operative. This member is herein named a 'supporting member'" (Quebec, 1999).

It is highly likely that such co-operatives are the first of their kind in North America. Due to the novelty of the model and possibly the linguistic barrier,[2] very little has been written on this subject despite very impressive data for Quebec's limited population of 7.7 million.

During a ten year between 1997 and 2007, 479 solidarity co-operatives were inaugurated and 300 remain in operation today. This may express some kind of renaissance of the co-operative movement. Solidarity co-operatives were designed to attract new actors of the civil society. Indeed, they offer many possibilities such as being set up in original ways and across various branches of industry including those which are new for co-operatives such as environment, leisure, fair trade and health care. Finally, over a relatively limited period of time, they can be viewed as a means to galvanise the role played by the co-operative sector.

In other words, solidarity co-operatives represent a re-articulation of the linkages between economic and social spheres in an environment where the global economy and new technologies call for a potentially unlimited mobility of capital, labour and knowledge. The local roots of solidarity co-operatives, which are owned and operated by local actors for the benefit of their members, represent an obstacle to this delocalisation and maintain the balance between local socio-economic needs and the challenges and opportunities presented by the global economic system. The association of workers and users within the same organisation makes possible the emergence of a jointly constructed demand and supply unit. This

organisational form is also proving to be a new means of building on the resources contributions offered by volunteers, which reinforce the value of donations and reciprocity. In other words, solidarity co-operatives opened the door to what Laville (1997) calls the mix (hybridisation) of resources: those arriving from the market from the sale of services or products, the redistribution of resources kept by public authority (such as taxes) and transformed into subsidies or otherwise, and those deriving from voluntary contributions (reciprocity). Moreover, the presence of supporting members – individuals or organisations as defined by the already mentioned Cooperative Act – reinforced the link between the co-operative and its surrounding local territory and community.

The consequences produced a series of unique and innovative experiences such as:

- The intensive mobilisation of a small community of 3 000 inhabitants to save the local ski resort. In two weeks, almost a USD 500 000 were collected from donations to buy the ski centre and create a solidarity co-operative to manage it. This solidarity co-operative, *Co-opérative de solidarité récréotouristique du Mont Adstock*,[3] has been in operation since 1998.
- In 2003, a group of doctors operating a medical clinic in Gatineau (near Ottawa) decided to sell their clinic to the community to reinforce local roots. In less than five years, almost 10 000 citizens chose to become members of the Aylmer Health Coop,[4] subscribing USD 50 as a social share.
- In St-Tharcicius, an isolated area in the Gaspé region of Quebec, citizens who were confronted by the closure of all essential services decided to set up a solidarity co-operative to deliver basic proximity services such as a convenience store, oil and so on.

These cases are among a series which highlight that by combining economic sustainability with a strong social impact, solidarity co-operatives can represent the means to ensure the survival of communities.

This chapter aims to discuss the level of development of solidarity co-operatives in Quebec. After an overview of the development of multi-stakeholders co-operatives from a global perspective, the chapter will explain the genesis of the idea behind solidarity co-operatives in Quebec and present the legal provisions which define the concept and which prescribe its policies. Analysis will be taken forward through a brief portrait of the evolution of solidarity co-operatives since the legal act which led to their existence in 1997. Data will also be presented that relates to the current number of co-operatives and participant members, branches of the industry

and their regional distribution. The following section will offer an overview of the key findings of research which examines the impact of solidarity co-operatives on social cohesion and will focus on solidarity co-operative evolving in the health care sector. Conclusions will primarily focus on current challenges that face solidarity co-operatives as they develop. Some recommendations will also be provided.

Development of multi-stakeholder co-operatives from a global perspective

From a global perspective, the idea of multi-stakeholder co-operatives is both new and old at the same time. It is new in the sense that it has only been 20 years since the model has had formal legal recognition in various national or regional European Union public authorities. The general background of co-operative development, at least for the 20th century, has been characterised by the hegemony of single member co-operative models such as consumer, producer or worker co-operatives. However, the concept of a multi-stakeholder co-operative is also old because the idea of a close and permanent link between the co-operative and its community was important for the co-operative's precursors and has crossed co-operative development over decades.

Ian MacPherson (2004), who was Chairman of a committee of the International Co-operative Alliance (ICA) on co-operative principles from 1992-1995, proposed an in-depth overview of this idea starting from a communitarian philosophy base taken from Robert Owen[5] and Rochdale Pioneers (1844). MacPherson focused on recent ICA congresses appealing for change. For instance, the congress held in Moscow in 1980 where Alexander Laidlaw in his report (1980) on "Co-operatives in the Year 2000" identified several challenges confronting co-operatives. For Laidlaw, within a set of four major opportunities, the idea of building co-operative communities is particularly powerful. At the 1984 ICA Hamburg Congress, Micheal Trunov of the former USSR presented a paper which advocated a strong and positive social role for co-operatives.

MacPherson specifically saw the 1995 ICA Manchester Congress as the consecration of the reconnection of co-operatives with the community. He calls it the social dimension of co-operatives and it involved at least six components. They include: inserting the words "cultural", "social needs" and "aspiration" into the accepted definition (the first definition ever agreed to by the international movement); inserting the words "social responsibility" and "caring for others" into the value statement; concretely encouraging inclusive membership approaches; emphasising member

involvement and control (a characteristic that would naturally broaden co-operative mandates); emphasising "common capital" rather than continuing the tendency to think of co-operatives as mere agglomerations of members; and of course, specifying a commitment to "sustainable communities" in the seventh principle (MacPherson, 2004).

This seventh principle of the Co-operative Identity Declaration stated that "co-operatives work for the sustainable development of their communities through policies approved by their members" (www.ica.coop).

Macpherson describes a strong tendency amongst many co-operative organisations to "cut and paste" management theory from other kinds of enterprises, mainly investor-driven firms. MacPherson suggests the result of this is clear. They de-emphasised democratic control structures and questioned the idea and practice of "common capital" systems. Moreover, co-operative communitarianism represents a true alternative to the ascendancy of private enterprise models. "Co-operative communitarianism is based on grassroots control and initiation and is committed to practicing reciprocity and mutuality. It excludes a kind of individualism that believes individual development is at least as dependent on group association as on individual initiative."

Even if at the national level there are a number of differences. For a growing number of analysts, it is clear that for a few years, the "orientation of the international co-operative movement moves in the direction of revitalising the communitarian tradition" (Borzaga and Spear, 2004).

Galera (2004), quoted by Borzaga and Spear (2004), proposed an interesting framework which helped to situate the diverse kinds of co-operative development models. It is understood that this was included, in points two and three of the multi-stakeholder co-operative model:

1. The mutualistic model: characterises co-operatives which strictly promote members' interests.
2. The sociological model: characterises co-operatives more open to community interests.
3. The in-between model: refers to those systems where the mutuality concept, as defined in laws which regulate co-operatives, has been open to different and often opposing interpretations - defending co-operative's mutual nature or claiming co-operative social function.
4. The quasi-public model: characterises co-operative organisations perceived as public enterprises and whose governing rules are dictated by public authorities.

At this point, it is important to ask why multi-stakeholder co-operatives have received such attention in such a short length of time. There is no single reason explaining the heightened interest in this co-operative model. Rather, the interaction of a range of factors is to blame.

Global economy, global technology

In terms of economic globalisation and its many consequences, it is clear that under a competitive environment and the possibility of potentially unlimited mobility of capital, labour and knowledge, many enterprises interact at the global scale without specific respect to their territory of origin. In Münkner's view (2004):

> *"Multinational firms and global players restructure their enterprises in search of best conditions for profit making, irrespective of negative side effects for others (workers, consumers or citizens) leaving the inhabitants of villages and small towns without employment and basic services (shops, banks, schools and public transport) turning workers settlements into settlements of unemployed". (Münkner, 2004)*

Among many possible strategies, an enterprise can easily outsource services to save costs without considering the community where it is located. Therefore, there is a clash between the global economy and civil society which raises a fundamental question: how is it possible to maintain a strong link between the global economic processes and local territories?

Demographic changes

Low birth-rates and extended life expectancies combined with the evolution of medicine and pharma-drugs have provoked a dramatic demographic change in our society. Despite high immigration rates, society is increasingly ageing. For instance, in Japan, between 1980 and 2005, the proportion of the over 65 year-old age group doubled. In 2006, this group represented approximately 20% of the total Japanese population, a proportion that will reach 40% by 2050.

In reference to this important challenge facing developed societies, Münkner suggested that:

> *"…this development is accompanied by growing individualism, loosening of family structures, single household of young professional, abandoning traditional patterns of family care for the handicapped and for the elderly, relying more and more on the public security system. The growing needs for health care, residency*

with services, assistance and other put a lot of pressure on public state resources, but the system has to be supported by fewer active contributors." (Münkner, 2004)

Role of the state

The "glorious 30th", which refers to the post-Second World War period (1945-1975), has been characterised by continuous economic growth. This phenomenon, combined with "oil shock" and inflation since the mid-1970s, has forced the state to reconsider its role. This trend has been amplified by many consecutive deficits, resulting in a debt that has skyrocketed and an important charge to public finance to pay interest on the debt.

But how is it possible to combine budget cuts and expanding needs, especially on the social and health services side? This question has driven a search for alternative and innovative means to fund and deliver public services. For instance, solutions might involve combining voluntary contributions with public funds or thinking about using public-civil society partnerships to deliver of services. This search for new methods needs to be efficient, effective and responsive. Furthermore, in the view of Restakis and Lindquist (2001), who led the "The Co-op Alternative: Civil Society and the Future of Public Services" project for the Institute of Public Administration of Canada, it is also a question of calibrating a new role for the State. They highlight "the emergence of a widespread perception that the traditional roles and responsibilities of governments are inadequate to meet the pressing challenges facing our society."

The added value of the multi-stakeholder co-operative model

At international level, the belief that the co-operative model was the best organisational model to maintain a close link between the economy and the territory spread quickly. According to Draperi (2003), many points support this view:

- Co-operatives were created by local actors.
- Co-operatives depend on voluntary and joint involvement.
- The capital of co-operatives, indivisible and inalienable, cannot be delocalised.
- The spatial scale of co-operatives generally matches the scale of the surrounding territory.

- The development of co-operatives is the responsibility of the members and takes place with respect to the one member, one vote principle.

Mobilising civil society by promoting a culture of innovation, responsibility and accountability is seen as a key advantage of the co-operative alternative (Restakis and Lindquist, 2001). For Stefano Zamagni's (2001), "co-operatives embody a natural advantage in the delivery of what are termed relational goods….Co-operatives will out-perform capital-owned, for-profit corporations when the essential service being delivered entails a specialisation and a focus on human relations." Furthermore, it is trust in co-operatives which gives them the opportunity to co-operate in the production and delivery of relational goods.

Multi-stakeholder co-operatives pursue a compromise between diverse stakeholders and intend to manage the diversity of interests under a superior interest - the interest that underpinned the co-operative at its inauguration. For Münkner (2004), in multi-stakeholder co-operative models, "the disadvantage of increased costs caused by interest harmonisation and decision making is balanced by a number of advantages of this specific organisational typology, namely better quality of services (services correspond to the users' needs) and reduced transactional costs (due to trust relations, resulting from knowledge of local conditions and stakeholders' involvement)."

Legal recognition of multi-stakeholder co-operatives

In 1991, Italy was the first country to adopt a law that formally recognised multi-stakeholder co-operatives as a specific form of social co-operative. This legal recognition came after nearly 25 years of experimentation at the local level. Subsequently, Quebec (Canada) (, Portugal and France also enacted new laws or proposed amendments of existing co-operative laws in 1997, 1998 and 2001 respectively. As Münkner states, "in other countries, multi-stakeholder co-operatives are established under current co-operative law (Germany), under special laws for community benefit organisations (United Kingdom), non profit associations, societies with social objectives (Belgium) or under general law (Denmark)."

It is important to note that some laws characterise the field of activities of multi-stakeholder co-operatives and others simply focus on the notion of multi-stakeholdership.

In Italy, Law No. 381/1991 stated that the goal of social co-operatives is to pursue the general interest of the community. Social co-operatives were to

promote personal growth and integrate people into society by providing social, welfare and educational services (Type A co-operatives) and undertaking different activities for the purposes of providing employment for disadvantaged people (Type B co-operatives) (Galera, 2004). In France and Quebec, multi-stakeholder co-operatives are not required to focus on a specific sector of activity.

Background of solidarity co-operatives in Quebec

The mutual and co-operative development

The presence of co-operatives in Quebec is part of a long term development tradition involving collective enterprises, which began in the mid-19th century with mutual societies. In Peticlerc's view (2007), the first step of the social economy was expressed with the inauguration of mutual societies or mutual aid societies to offer various kinds of protection, including fire and life insurance. A strong sense of solidarity and self-help was forged during the foundation of this movement, which was largely driven by craftsmen, specialised workers and farmers.

Inspired by the principles of Pope Leon XIII's *Rerum novarum* and then by Pius XI's *Quadragesimo Anno* and the encyclicals setting out the Church's social doctrine, at the end of the 19th century and at the beginning of the 20th century, the Catholic clergy saw the need to actively participate in the improvement of the material conditions of workers in both urban and rural areas. "Credit unions and other co-operatives were seen as a solution favouring an economic and moral recovery, a means of supporting agricultural progress and, ultimately, a mechanism for strengthening the bonds uniting the people and their spiritual leaders" (Girard, 1999).

If the period between 1830 and1930 is seen as the birth of the co-operative movement in Quebec, which includes the farmers' co-operative and, in 1900, the establishment of the first *caisse populaire* by Alphonse Desjardins in Lévis – the starting point of the very important and successful co-operative organisation known as the *Mouvement des caisses Desjardins* – , the following years, from 1930 to 1945, can be seen as a period of proliferation and diversification of the co-operative model. The co-operative formula was increasingly applied across various sectors including housing, student needs, food supply, forestry industries and funeral services.

From the end of the Second World War until the early 1960s, the oldest movements such as credit unions, continued to evolve and consolidate their activities. For other sectors, however, development was less dynamic.

The period from 1960 to 1980 is described as the Quiet Revolution. Driven by a tide of national affirmation, the Quebec public system took on a key role across a range of social and economic activities. It replaced religious institutions in the health and education sectors, created numerous Crown Corporations that participated in economic development and introduced a series of laws, regulations and standards governing a number of other spheres of activity (Girard, 1999). This period was characterised by vitality and diversification. Plans were made to expand co-operatives in structured sectors and, just as with the period between 1930 and 1945, to develop co-operatives in new sectors. For instance, the support of already well-developed co-operatives enabled the establishment of co-operatives involving Inuit groups in the northern part of the province, in small native communities along the Hudson and Ungava Bays. These co-operatives fulfilled a dual role: the marketing of products and the supply of essential goods.

The final period of evolution from 1980 to 2000, was characterised by change, transformation and new dynamism. According to Girard (1999), this period "has been more one of personal success, individualism and a tendency to turn inward. The market and the interaction of supply and demand define the new order. However, through this new approach, in which United States influence is not insignificant, some excellent local development initiatives, driven by a philosophy of endogenous development, have emerged" (Girard, 1999). With union support, a network of ambulance service worker co-operatives[6] came to life after the purchase of a paramedical enterprise from a private owner. Today, except for the region of Montreal (Inland), this co-operative network became a major actor. A particular type of co-operative formula has also been recognised under the Cooperatives Act- the worker-shareholder co-operative. It resembles the stock ownership programme for workers in a private enterprise. Examples from the rural perspective can be found in current practices in France. French Farmers established *co-opératives d'utilisation de machinerie agricoles* (CUMA) and, in some cases, they still follow the concept of resource sharing, *co-opératives d'utilisation de main-d'oeuvre* (CUMO). Some groups of co-operatives, such as that of the Quebec United Fishermen (*Pêcheurs unis du Québec*), have, for various reasons, disappeared.

The web portal of the "Quebec Co-operative and Mutual Council" (*le Conseil québécois de la coopération et de la mutualité*[7] *CQCM*), for co-operative enterprises and insurance mutuals in Quebec is the source of impressive contemporary data on co-operatives:

- 32 000 co-operatives and 39 insurance mutuals.

- 8.5 million members (individuals and enterprises).
- 87 000 jobs of which 60% are provided in co-operatives operating outside urban centres;
- USD 22 billion annual turnover.
- Based on a survey from the Quebec government's co-operatives branch,[8] the survival rate of co-operatives is much higher than that of traditional enterprises: after five years, 64% of co-operatives survive compared to 36% of for-profit enterprises; and after ten years, the figures stand at 46% compared to 20%.
- A deep and diffuse network is operating. This network is based on sectoral activities (Federation), regional collaboration (regional development co-operatives[9]) and at the provincial level, CQCM gathering the sectoral federation, RDC's, and University research institute devoted to co-operative studies.

The emergence of a need

It is clean then that since 1997, just as with many places across the globe, Quebec has been the scene of major co-operative development. It resulted from the decline of single owner, consumer, producer and worker co-operatives. From a stakeholder's perspective, despite:

> *"…practicing a model of unique partnership, these different types of co-operatives are not sheltered from the tensions brewing between members who may have different, or opposing, interests. Therefore, in financial services cooperatives, the investing member seeks to maximise the return on his deposits. On the contrary, the borrowing member looks for the lowest cost at which to borrow money. But it remains that the group of these co-operatives, contrary to the mutual responsibility cooperative, responds to a single line of reasoning: consumption, (producer) distribution and work". (Girard, 2004)*

The background to the concept of the multi-stakeholder co-operative in Quebec relates to solidarity co-operatives and also stems from different sources. At least four major issues can clearly be identified which, over a period of around ten years from 1986 to 1996, contributed to a debate surrounding the underlying principles of solidarity co-operatives:

1. Local development.
2. Disappearance of villages or the closure of proximity services.

3. Development of daycares (nursery schools).
4. The issue of occupational integration.

A fifth issue gave the process its final push to become a reality in 1997:

5. Home services for the elderly.

Local development

As with many places across the world, for long periods in Quebec, the practice of community development was associated with that of territorial development. However, over time, this notion of community development adopted a more specific or grassroots notion, the concept of local development. In practical terms, it refers to groups of citizens who are actively involved in the well-being of their community and representatives of institutional players at the local level, such as municipalities, credit unions, chambers of commerce, and so on. These stakeholders seek to build relationships with organisations with the goal of promoting discussion, implementing development strategies and giving initial support to new businesses. "Notwithstanding the fact that democratic operating rules are being established, these structures which balance various interests should have adhered to the legal form of the non-profit organisation, because the provisions set by the Co-operatives Act (uniqueness of owner) did not promote choosing the co-operative model" (Girard, 2004).

The disappearance of villages

Quebec is a large territory, almost three times the size of France. There is a strong concentration of population along the St. Lawrence River (Montreal, Trois-Rivières, Quebec City, and so on) but besides this axis, the territory is predominantly rural. Many villages developed alongside primary activities such as agriculture or forestry. Over time, however, urbanisation has resulted in many citizens, especially the young, leaving rural areas in favour of towns and cities. Faced with decreasing populations, many villages began to lose their proximity services such as post offices, petrol stations and grocery stores. Their loss presented a very serious threat to the survival of many rural communities.

Under these circumstances, the idea of consolidating individuals and organisations, private or public, gained ground amongst those concerned with establishing an enterprise to offer basic minimum services to ensure the survival of communities. However, these organisations had to have the capacity to welcome diverse stakeholders. At that time, this requirement was

not legislated for under the Co-operatives Act, which instead focused on singular or individual ownership.

Development of daycares

Over the past decade, the increased participation of women in the labour market has put heavy pressure on the development of childcare services. In these services, at least two important stakeholders are present: parents and educators. Sometimes, daycare is run for the employees of a private organisation, a hospital, a college, the head office of a large bank, and so on. As a result, the enterprise can also have a special interest in the service. The difficulties that co-operatives faced at that point to consolidate the diverse interests of wide groups of stakeholders resulted in daycare centres favouring the non-profit organisation model. None the less, thousands of enterprises came to life across the province.

Labour market integration

The fourth issue is related to the integration or the re-integration of disqualified individuals into the job market. As shown by an OECD study, the number of jobless people in the 25 OECD countries rose from 11.3 million to 30 million between 1973 and 1991 (OECD, 1994). In Quebec, in 1993, the real unemployment rate stood at 22.8% of the active population, which equates to 873 000 jobless people (Fortin, 1993). In addition, in 1994, the total beneficiaries of social welfare was 800 000 individuals or up to 10% of the total population of Quebec. Therefore, globally speaking, there was a growing tension between wealth creation and job creation. It is important to note the increased number of projects which had the goal of raising employment levels. For instance, many projects offered individuals an on-the-job apprenticeship of approximately six months. This process was administered by a structure looking to accommodate the various interests already in place. These included the interests of the trainee and the beneficiary of the service, as well as those of the supervising organisations. Again, due to the lack of adaptation to the co-operative model, these projects, of which most of it came into life during the 1990s, used the non-profit organisation legal scheme.

Hence, over the years, these new social and economic realities, emerging from new needs and supported by many civil societies actors, fuelled research into the "Co-operative Movement". Discussion focussed on how to modernise the co-operative model. It is important to note the contribution of the "Co-operative Research Centre" at HEC Montreal, the

most prestigious Business School in Quebec to this debate. Indeed, a few years before the "Co-operatives Act" amendment, which opened the door for multi-stakeholder co-operatives, the *Centre de gestion des coopératives*[10] conducted a pilot project which combined occupational reintegration and home services (maintenance) for elderly and disabled people in a town called Mont-Laurier, situated 250 km north-west of Montreal (Ouimet, 1995). This project, called *Défi-autonomie*, led in conjunction with Local Community Health Centres (*Centre local de services communautaires*[11]), also showed the need to create a new co-operative model with the capacity to capture the interest of diverse stakeholders. A number of collaborators of this university co-operative research centre were aware of the multi-stakeholder co-operative concept since they participated in an international conference on worker co-operatives held in 1984. During this 1984 conference, researchers were exposed to the growing role of social co-operatives in Italy and the case of multi-stakeholder co-operatives in the Mondragon area in the Basque region of Spain). They also had the opportunity to exchange valuable information with participants and organisers following the conference.

Home services

In relation to home service, a major event catalysed a move from reflection to action. Facing important public debt and low levels of job creation, the government of Quebec hosted the "Economic and Job Summit" in 1996. The idea behind the Summit was simple, but challenging. It aimed to gather together a large number of key figures in Quebec society such as businesses, labour unions, co-operatives, women organisations, municipal associations, and so on. The task was to find practical solutions to control public debt and improve Quebec's performance in relation to job creation and maintenance.

Over a few months, from March to October, work was split among clusters, each of which gathered together representatives from diverse organisations, with the aim of generating ideas that could be presented at the final session in Montreal in October 1996. One cluster was specifically dedicated to social economy under the name *le chantier de l'économie sociale*.[12] This cluster was formed from representatives of socio-economic organisations such as Community Development Corporations and Community Economic Development Corporations, women's organisations, labour unions, Desjardins, Quebec's Co-operative Apex organisation (CCQ), and so on. This cluster quickly identified home care services as a potentially fruitful idea:

"Following the example of other Western countries, Quebec must come to terms with its noticeable aging population. Sheltering in a public environment for those who are aging and are losing their autonomy where its physical limits are concerned, is considerably expensive; consequently, the government has decided to encourage elderly people to stay home. In this context, through the network of Local Community Health Centres, the government can, in principle, ensure a delivery service of assistance and care to these persons, but not work and domestic help". (Girard, 2004)

Taking into account the fact that a significant portion of these custodial services were carried out without any fiscal control, the idea to structure the services around the inauguration of Homecare Social Economy Enterprises (HCSEE) was championed by many. "In doing this, one seeks on the one hand to bring this service delivery out of the informal economy, and on the other hand to promote job creation, especially for persons excluded from the job market (measures enabling re-entry into the labour force)" (Girard, 2004).

At this point, the question of the legal form of the organisation arose. Specifically, should the new organisation be a non-profit or a co-operative? The initial solution was to use a combination of both options, but an inequality quickly appeared. If the non-profit organisation legal framework was in fact open to the presence of many stakeholders, this was not the case for the co-operative's single member base. In other words, by choosing consumer co-operatives or worker co-operatives, important stakeholders of this service, the users or the workers, were marginalised. To avoid this unfair choice between non-profit organisations and co-operatives, the representatives of the CCQ took this opportunity to ask the government to improve the co-operative model by creating a new kind of co-operative based upon the idea of the multi-stakeholder approach. Work was undertaken "to give a legal basis allowing for interests to be expressed by the various actors affected by these co-operatives' lines of activities. We are therefore speaking about the interest of the user who seeks to satisfy his need for home services as much on the level of cost as on the quality of the service, of the worker, in terms of work and salary conditions and of organisations or individuals which, without being directly involved in offering these services, share the same objectives of the organisation" (Girard, 2004).

Starting with the formal commitment of the Government of Quebec to recognise this new kind of co-operative, a close and very fruitful collaboration between the CCQ and the government branch responsible for administering the Cooperatives Act, the *Direction des coopératives*, enabled the amendments to the Act to be completed. The National Assembly adopted

these changes in June 1997 and thus solidarity co-operatives came into being.

Amendments to the Co-operatives Act in 1997 therefore gave substance to the concept of the solidarity co-operative under article 226.[13] The main provisions are linked to four keys elements: definition, capitalisation, composition of the Board of Directors and patronage refund.

Definition

The definition of the solidarity co-operative does not confer it with a specific mandate. For its mandate, we need to refer to the general definition of the co-operative which is based on article 3 of the Co-operatives Act:

> *"A co-operative is a legal person in which persons or partnerships having economic, social and cultural needs in common unite for the prosecution of an enterprise according to the rules of co-operative action to meet those needs". (Quebec, 1999).*

Article 226.1 only discusses member categories, without attributing a specific purpose to the solidarity co-operative, unlike the Italian social co-operative model which has a defined mandate.

> *"The solidarity co-operative concurrently consolidates members who are users, services offered by the co-operative, and members who are workers of the cooperative. Moreover, any other person or company who has an economic or social interest in attaining the objective of the cooperative can also be a member of the cooperative. This member is hereafter named a "supporting member" (Quebec, 1999).*

Therefore, this initial formulation of solidarity co-operatives specified that the organisation had to gather user and worker members and was permitted, if desired, add a third category, that of supporting members.

Recent changes

In November 2005, a set of changes was made to the articles of the Act related to solidarity co-operatives. Two changes need to be addressed:

- The member base: The solidarity co-operative is a co-operative consisting of at least two categories of members among chosen users, workers and supporting members. There is no longer the obligation to constitute the co-operative with user and worker members.

- A person cannot belong to more than one category of members in the co-operative. For example, an employee who used to be both a worker member and a user member can now only belong to one category.

The first point is important. Other than the fact that an existing solidarity co-operative can reduce its member categories from three to two, it enabled all single member co-operative organisations, whether made up of user or worker members, to add the category of supporting members and become a solidarity co-operative. This point will be discussed below.

Development of solidarity co-operatives[14]

In June 1997, in the days following the legal recognition of solidarity co-operatives, two solidarity co-operatives were inaugurated. During the remainder of 1997, 21 additional solidarity co-operatives were created (Table 5.1). Of this initial group of 23 solidarity co-operatives, 11 previously existed in another category of co-operatives and asked to modify their legal assets to become solidarity co-operatives (Chagnon , 2008).

The number of solidarity co-operatives founded kept increasing and on July 31 2007 reached the impressive peak of 479 co-operatives. From 1998 to 2005, the evolution of the number of solidarity co-operatives created was relatively consistent, growing from 17% to 32% of all co-operatives established. However, in 2006, this figure jumped to 62% of the total number of new co-operatives due to new legal provisions, especially the provision pertaining to the category of members. In other words, solidarity co-operatives have become the most popular form for new co-operatives in Quebec. From 2004 to 2006, solidarity co-operatives grew from 7.4% to 10% of the total number of active co-operatives in the province.

Table 5.1. Solidarity co-operatives based on year of establishment

Year established	Co-operatives established	Solidarity co-operatives established		Active solidarity co-operatives[1]	
		count	%	count	%
1997[2]	127	23	18.1	21	91.3
1998	189	32	16.9	18	56.3
1999	185	45	24.3	18	40.0
2000	169	46	27.2	8	17.4
2001	142	31	21.8	12	38.7
2002	169	36	21.3	20	55.6
2003	220	51	23.2	26	51.0
2004	115	33	28.7	25	75.8
2005	131	42	32.1	40	95.2
2006	157	81	61.6	81	100.0
2007	98	59	55.1	59	100.0
Total	**1 702**	**479**	**28.1**	**328**	**68.3**

Notes: 1. Active co-operative: a co-operative that is not undergoing a dissolution process. Co-operatives can also be classified in another category, that of declaring cooperatives, i.e. ones that have sent an annual report, including financial data, to the *Direction des co-operatives*; 2. Data dated July 2007, however 1997 includes 11 co-operatives established before 1997 that modified their articles of incorporation in order to become solidarity co-operatives.

Source: Direction des coopératives, MDEIE, 2007.

Data from this Table 5.1 shows that as of July 31st 2007, 68.3% of the co-operatives established since 1997 were still active, which represents 328 co-operatives of a total of 479. Closer examination of the data reveals that solidarity co-operatives established between 1999 and 2001 show the most important rate of inactivity. There is no clear explanation for this situation other than a general one- the promoters could not render the project profitable and decided to stop.

From November 17 2005, when new amendments relating to solidarity co-operatives were made to the Co-operatives Act, to July 31st 2007, 144 solidarity co-operatives were created. Among them, 61% gathered all three types of members. Of this total of 144, nine single member co-operatives decided to modify their articles of incorporation to become solidarity co-operatives. Finally, three solidarity co-operatives eliminated the category of worker members to preserve only two categories, the users and the supporting members.

Areas of activity

Solidarity co-operatives are present in a great variety of areas, but are most numerous in the services sector with a notable concentration in social services, leisure and personal services or home care services (Table 5.2).

In the latter case, the 1996 Summit is an important milestone and tool to understand the level of commitment made by the Quebec Government. Following the suggestions of the cluster devoted to social economy (*chantier de l'économie sociale*), the government was asked to support the development of HCSEEs:

> *"In encouraging the establishment of a network of HCSEE, the government had as a goal to bring this service delivery out of the informal economy, and also to promote job creation through measures enabling individuals excluded from the job market (mainly women who are single parents) to re-enter the labour force. The provincial government has supported HCSEE by providing subsidies for the establishment of these enterprises (USD 40 000 for each enterprise). It has also developed a financial aid programme at the request of users wishing to receive domestic help services and frail seniors requiring regular housekeeping services. The programme is entitled the* Programme d'exonération financière en services à domicile *(PEFSAD). The users only have to pay part of the cost of the services they receive. The subsidy provided is based on a household's income and size. Although services are billed at USD 14 per hour, the user only pays between USD 4 to USD 10; the balance is covered by the PEFSAD. Over a period of seven years, approximately USD 160 million has been invested in this programme". (Girard, 2006)*

In 2005, there were 103 HCSEE in Quebec. At that time, it was estimated these enterprises had an annual turnover of USD 91 million, provided employment to nearly 6 000 individuals, and offered a total of 5.5 million hours of services per year. Most of these services were delivered to the elderly and the remainder, mainly to active households. Nearly 55% of the HCSEE operated under the non-profit organisation legal model and 45% were registered as co-operatives. Most of these co-operatives favoured the solidarity model.

Table 5.2. Solidarity co-operatives based on their area of activity

Sector	Established	Active	
	count	count	%
Accommodation and food services	29	18	62.1
Arts & crafts	4	3	75.0
Arts & entertainment	33	21	63.6
Blueberry farms	2	2	100.0
Business services	31	22	71.0
Cable distributors	2	2	100.0
Clothing	4	0	0.0
Commerce	20	16	80.0
Community groups	1	0	0.0
Computing	12	6	50.0
Construction	1	0	0.0
Consulting services	9	7	77.8
Daycare centres	11	5	45.5
Economic development	12	6	50.0
Education	10	7	70.0
Farming	18	10	55.6
Fishing	3	1	33.3
Food stores	24	13	54.2
Forestry	9	6	66.7
Housing	15	13	86.7
Leisure	60	45	75.0
Manufacturing	5	3	60.0
Other services	29	24	82.8
Personal services	44	37	84.1
Printing and editing	11	8	72.7
Purchasing groups	2	1	50.0
Recycling	15	9	60.0
School co-operatives	2	0	00.0
Social services	50	37	74.0
Transportation	8	2	25.0
Utilities	3	3	100.0
Total	**479**	**327**	**68.3**

Note: Data as of July 31, 2007

Source: Direction des coopératives, MDEIE.

The data also show that among the solidarity co-operatives recently established, some operate in new areas of activities such as wind power or land-use planning.

Miscellaneous data

Solidarity co-operatives can be found across Quebec, but they are largely concentrated in semi-urban or rural settings. In fact, solidarity co-operatives are relatively scarce in urban areas such as Montreal and its suburbs and Quebec City. No in-depth investigation has been conducted on the reasons that explain this situation but it is reasonable to hypothesise that there is a stronger sense of community in rural village compared to the city with its relatively high number of inhabitants.

Data emanating from declaring co-operatives between 2001 and 2005 shows (Table 5.3):

- An increase in the number of declaring solidarity co-operative status.
- A growth of assets.
- A decrease of surpluses.
- An increase in the number of members.

In this last case, a more detailed analysis of the data reveals that most of this growth came from members of health and home services co-operatives. Previous discussion in this chapter explained that some health co-operatives may have many thousands of members. Indeed, in one specific case in particular, a health co-operative had up to 9 000 members. The financial situation of solidarity co-operatives seems to be fragile since they must generate surpluses to support their growth.

Table 5.3. Solidarity co-operatives: data from annual reports

	2001	2002	2003	2004	2005
Number of declaring co-operatives	89	97	114	130	145
Total assets (000 USD)	23 492	27 654	30 215	44 412	50 522
Total equity (000 USD)	10 577	12 242	12 763	15 464	16 080
Turnover (000 USD)	32 765	41 464	46 760	52 929	56 604
Surplus (000 USD)	1 462	658	400	307	-220
Number of members	23 526	28 942	36 791	43 751	50 371
Number of jobs	1 877	2 193	2 020	2 209	2 124

Source: Statistic data (2007), Direction des coopératives, MDEIE.

Support for the development of solidarity co-operatives

Contrary to the prevailing situation in other Canadian provinces, the co-operative option, with its principles of inclusion, solidarity, and involvement of civil society, is clearly part of the economic and social development agenda in Quebec. However, its presence is also a result of a very supportive environment for co-operatives. Important resources are allocated to promote their development, not only financially, but also to support the start-up and growth of this type of enterprise. In fact, regional development co-operatives receive part of their income from the Quebec government based on the number of co-operatives and jobs created. Other organisations dedicated to the support of entrepreneurship and the set up of new enterprises receiving public funds, such as Community Economic Development Corporations and Local Development Centres (LDCs), can also provide assistance to new co-operatives.

In some specific cases, the well-established co-operative network can also provide support. Desjardins Financial Security, part of the Desjardins Movement offered a subsidy for the start-up of co-operatives in the home care sector in exchange for the publicity of their services.

From a financial standpoint, specific resources have been developed over recent years to finance collective enterprises. These include venture capital funds, which provide loans to co-operatives and non-profit organisation from a few thousand dollars up to millions of dollars. The *Réseau d'investissement social du Québec* (RISQ) is a non-profit-making venture capital fund whose mission is to provide financing to partnership businesses. Its objective is to support the economic development of partnership businesses by injecting monies that act as a financial lever to implement their projects. This fund can, for instance, lend up to USD 50 000, but this amount is generally combined with other financial resources, to finance projects of between USD 300 000 to USD 400 000 in size.

In the Desjardins movement, since 1971, one *caisse* has specifically targeted collective enterprises including, of course, solidarity co-operatives. This financial co-operative, known as the *caisse d'économie solidaire Desjardins* (CECOSOL), is also a member of the International Association of Investors in the Social Economy (INAISE), a global network of socially and environmentally oriented financial institutions created in 1989.

Solidarity co-operatives from two perspectives

Social cohesion[15]

It is evident that solidarity co-operatives have had an increasingly important and sizeable contribution to make to the landscape of co-operatives in Quebec. However, assessing their contribution based on the concept of solidarity is critical. In other words, their impact on social cohesion needed to be measured. This subject was the main goal of a research conducted from 2002 to 2006 at the *Centre de recherche sur les innovations sociales* (CRISES; Center for Research on Social Innovations) at the *Université du Québec à Montréal*. It was part of a pan-Canadian research project entitled "Co-operative Membership and Globalization: Creating Social Cohesion through Market Relations". The research project, co-ordinated by the Centre for the Study of Co-operative of the University of Saskatchewan, involved academics from universities across the country (Fairbairn and Russell, 2004; Fairbairn and Russell, upcoming).[16]

The project received an important grant from the Social Science and Humanities Research Council of Canada to address the following questions:

- How does membership contribute to social cohesion?
- How are locally-based identities affected in an age of globalisation?
- How are member-based businesses affected by the new economy?
- What can Canadian policy-makers learn from Canada's largest sector of member-based organisations?

Solidarity co-operatives represent a unique case in Canada in terms of multi-stakeholder co-operatives. Despite this, very limited research would been conducted on this new form of co-operative, even if the model had become more and more attractive, until it was decided at CRISES[17] to conduct concentrated research on them. As a result, solidarity co-operatives were analysed according to five dimensions that had already been used by CRISES in another research project on social cohesion and financial service co-operatives (*Caisses Desjardins*) (Malo, Lévesque, Chouinard, Desjardins and Forgues, 2001).[18] These dimensions were territory, accessibility, employability, degree of democracy and connectedness. Each was defined in the following manner:

Territory

As in the rest of North America, the territory to which one belongs is defined in a new spatial framework. The central question is, do solidarity co-operatives fit into this new framework, or do they still operate according to the traditional framework, which in Quebec was the Catholic Parish?

Accessibility

In general, solidarity co-operatives are set up to facilitate access to new products or services, or to improve access to existing ones, for current and future members. Key questions were: do they truly serve their purpose? If so, in what ways? Do they remain open to the expression of new needs?

Employability

Workers can be one of the solidarity co-operatives member categories. Therefore, in principle, focus can be given to directly improve their situation. Key questions included: are the working conditions of jobs created by solidarity cooperatives comparable to or better than those of jobs in similar organisations? Do the co-operatives contribute to integrating or reintegrating people who have been excluded from the job market over the longer term?

Degree of democracy

Based on the general principle of "one member, one vote", the co-operative model is already open to economic democracy. Key questions included: does the solidarity co-operative make improvements in this avenue? What type of democratic process is favoured in the solidarity co-operatives? Is it a representative democracy, a direct or a deliberative democracy? How is the chosen democratic structure put into practice, for example in the composition of the Board of Directors, committee structure, and so on?

Connectedness

This notion also refers to networking. In principle, the presence of numerous stakeholders opens the door to intense networking. Key questions included: on what basis of social networks was the solidarity co-operative created? Since its start up, what is its contribution in developing social ties among the various individual and collective stakeholders, particularly the different categories of members?

The study of solidarity co-operatives used a variety of research methods: a literature review, case studies, discussion groups with in-field actors and a concluding seminar. In addition, the leaders of this research benefited throughout their work from a close collaboration with the Quebec government service responsible for co-operatives, the *Direction des co-opératives*, which made it possible to have access to up-to-date data on solidarity co-operatives. Finally, a supervisory committee made up of stakeholders knowledgeable about solidarity co-operatives was set up in 2002 and gave regular feedback to the research leaders. These experts also participated in the concluding seminar.

Case studies

After careful identification and consultation of works on solidarity cooperatives, four enterprises from different areas of activity and from different regions were chosen for case studies (Table 5.4). These studies were carried out by means of a qualitative approach. With the use of questionnaires, various stakeholders were interviewed,[19] including worker members, user members and supporting members, as well as individuals working for organisations supporting the development of collective enterprises such as a regional development co-operative or Local Development Centre. In addition to examining literature such as the organisations' internal documents, annual reports and other such documents, a meticulous press review was produced for each case.

The four cases offer a very interesting view of the practical meaning of solidarity co-operatives. A detailed paper was then produced for each.[20]

La Corvée: care and services solidarity co-operative

This solidarity co-operative is located in the small municipality of Saint-Camille, at the heart of Quebec's Eastern Townships, 140 km east of Montreal. The village has a population of 440 inhabitants. This village is peculiar in the sense that it is motivated by a global spirit of action guided by collective entrepreneurship. In its August 2006 issue, the famous French newspaper *Le monde diplomatique* published an article which made the comparison between democratic life and civil society mobilisation in Saint-Camille and in the famous Brazilian town of Porto Allegre (Cassens, 2006). Hence, this solidarity co-operative has its roots in a culture of collective action.

Like many others villages, Saint-Camille experienced a golden age at the end of the 19th and beginning of the 20th centuries when farming activities were very popular. After this period, the village was confronted

with a consistently decreasing population. In fact, population dropped from more than 1 000 inhabitants to nearly 500. In 1986, a group of four leaders of Saint-Camille, including the former president of a professional farmers' union organisation, the *Union des producteurs agricoles* (UPA), decided to create a for-profit company, the *Groupe du Coin*, whose mission was to support local revitalisation and preserve the community's architectural heritage. The idea was simple: create a revolving fund from which money could be taken for cash down payments on old buildings with the purpose of supporting local revitalisation initiatives. Each member provided a capital outlay of USD 1 200. As a first step, in 1986, they saved the building that had formerly housed Saint-Camille's general store. At the time, they planned to use the building to develop an interesting project for the community. Two years later, it was transformed into a community and cultural centre.

In 1998, the *Groupe du Coin* bought the church rectory, which had been put up for sale by the Parish Council. The group wanted to address the needs of elderly citizens in the community who, for years, had requested affordable and appropriate accommodation. This matter was of critical importance since if no viable solution could be found, seniors would have to seriously consider the option of moving to an urban area where it would be easier to find appropriate housing for their needs.

The group chose to build their project under the solidarity co-operative form. However, financial constraints obliged them to also inaugurate a housing co-operative.[21] It was decided that the housing co-operative's sole purpose would be to accommodate residents while the solidarity co-operative would serve as a tool to improve their quality of life as well as the quality of life of the community.

The territory serviced by the enterprise is the municipality of Saint-Camille, but no territorial limit is specifically imposed by the co-operative. Residents of many municipalities of the Asbestos regional county municipality (RCM) use the co-operative's animation services and people from across region turn to the services of the health clinic. The co-operative was constituted on 17 September 1999 as a result of the initiative of the *Groupe du coin*. The enterprise began its operations in January 2000. The foundation of *La Corvée* generated only one permanent and direct job, that of co-ordinator of both co-operatives. The role performed by this person is critical and her contribution is considerable. Thanks to government programmes, four people were also employed by the co-operative for several months, thus allowing them to acquire useful employment experience. The hiring of workers to undertake numerous repairs and renovations also gave many people within the region access to employment opportunities. The new projects that the group plan will require the hiring of

personnel on an ongoing basis, which will allow even more individuals access to employment.

The twinning of a housing co-operative to a co-operative offering alternative health care and animation services, especially to the elderly, makes this entity, commonly referred to as *La Corvée*, a model which attracts considerable interest and admiration. For instance, *La Corvée* received many prizes including one from the Public Health Association of Quebec. Through the animation services, the co-operative helps to fight isolation of seniors, develop their sense of self-help and creates strong ties among citizens.

Mont Adstock: a co-operative recreation and tourism centre

Mont Adstock is a recreation and tourism centre offering skiing, snowboarding, inner tube sliding and dog-sledding activities. Snowshoeing trails, hiking trails, observation points as well as hang glider and paragliding take-off sites can also be found on this mountain. The enterprise's clientele mostly originates from Thetford Mines, Black Lake, Disraeli and Adstock, municipalities which are located in the Amiante regional county municipality (RCM) which is situated 125 km southwest of Quebec City. However, many out-of-towners also frequent the station to practice and participate in their favourite activities.

The co-operative was constituted on 6 July 1998 after a major operation was conducted to avoid the dismantling of the mountain's infrastructures. Indeed, the private proprietor at the time suffered serious financial difficulties and wanted to close the ski station. Several buyers registered an interest in acquiring certain pieces of equipment, specifically the quadruple chairlift and the snow-making machinery. These deals would have led to the permanent closure of the ski centre as its infrastructure would have been irreparably dismantled.

In response, the mayor of the nearest town (Adstock, 2 400 inhabitants), organised a vast fundraising campaign to gather the necessary funds for the purchase of the entire station. In only two weeks, USD 480 000 was raised thanks to the mobilisation of the region's population and generous contributions of many organisations from the community. A local philanthropist also donated USD 100 000. This solidarity co-operative was the first in Quebec to establish itself in the recreational sector.

Mont Adstock is considered a local jewel by many and represents a major tourist attraction in the region. The mountain, with its 335 meter elevation, is visible for miles around, which explains why so many people consider it a regional symbol. As well as saving the station and halting the

outmigration of young people, the creation of the co-operative helped maintain 35 jobs, a considerable number taking into account the region's population. Among these workers, many are students or former welfare recipients whose jobs represent precious experience and an essential source of revenue. As of 17 June 2003, Mont Adstock had a total of 411 members, of which there were 371 leisure members, 34 business members, 5 supporting members and only 1 worker member.

Domaine-Du-Roy: home care co-operative

This solidarity co-operative was founded in 1997, amidst a wave of new HCSEEs. Following the Quebec government's involvement at the 1996 Summit, this type of enterprise enjoyed a surge in development. As has been discussed, the global idea was driven by the government's desire to establish measures in order to eliminate illegal employment and offset important budget cuts in health and social care by offering maintenance services, mostly to the elderly.

The territory served by the enterprise is Le Domaine-du-Roy regional county municipality, located in the administrative region of Saguenay-Lac-Saint-Jean. Its head office is situated in the town of Saint-Félicien which is 300 km north of Quebec City. The co-operative came to life both after the merger of two non-profit organisations offering home services as part of their mission and thanks to the important contribution of volunteers. The numerous measures created for the start-up and the development of HCSEE were also useful for Domaine-du-Roy.

The profitable collaboration between numerous important stakeholders from the community, which included the *centre local de services communautaires* (CLSC), and the favourable welcome from local population allowed the enterprise to grow in an unexpected manner. The absence of direct competitors and the gradual diversification of its services also contributed to its rapid expansion. On 31 March 2003, the co-operative had a total of 1 300 members with an annual turn-over of around USD 1.1 million. This growth shows no signs of slowing.

In an environment where the unemployment rate is high and the population ageing, the co-operative plays a dual role. It provides quality employment to many people and dispenses services to those who greatly require them, especially seniors. Besides contributing in these two ways to the well-being of the community, the enterprise helped eliminate a substantial amount of illegal employment. The hundred jobs created after its opening had a considerable impact on employability in the regional county municipality. Moreover, the development of the enterprise restored a positive image to the concept of a "co-operative". Indeed, such an

expression carried a negative connotation for certain people because of the previous closure of many similar establishments in the region. From all this evidence it is obvious that the co-operative now plays an important role within the community.

L'Églantier: health food co-operative

Over recent years in Quebec, as in other developed countries, the interest in health food has grown. L'Églantier co-operative is located in Saint-Pascal de Kamouraska, a village of 3 600 inhabitants, approximately 150 km east from Quebec City. The idea to create a solidarity co-operative dedicated primarily to the sale of health food came from a purchasing group whose wish was to improve the access of health foods to villagers, and the regional population. It was challenging not only to launch a new enterprise, but also because Saint-Pascal is a conventional village, where long-term traditions, including dietary habits, remain entrenched. Moreover, many farmers in the area practice industrial agriculture, which differs greatly from the approach taken to organic or health foods.

Benefiting from diverse contributions including subsidies for SEEs, employment programmes and volunteer work, L'Églantier achieved a position of success after a few years. Those responsible for the co-operative diversified the products and services offered. Therefore, as well as operating a grocery store, the solidarity co-operative now runs a coffee shop and a small book store. In addition, it offers courses and training sessions on diverse subjects related to health food preparation, essential oils, organic gardening, and so on.

As of February 2004, the co-operative had 274 user members, 6 worker members and 12 supporting members. Annual turnover stood at USD 267 743.

A positive impact on social cohesion

Based on these case studies and other research activities such as survey, focus groups and academic seminars, it is possible to conclude that, in general, solidarity co-operatives make a significant, and in some cases, very significant contribution to the various dimensions of social cohesion. There is, however, one exception: the degree of democracy. "Although it is useful to turn again to these dimensions, situations are not clear-cut, and can involve more than one dimension. For example, a co-operative that improves the coverage of its territory of activity will have an impact both on the relation to the territory and on accessibility. If a Board of Directors is made up of people of different origins, including supporting members, this

affects both degree of democracy and connectedness" (Girard and Langlois, upcoming).

Table 5.4. Summary of case studies

Name (year of establishment)	Place, population and region	Services and/or products offered	Data on membership and cost of qualifying shares (USD)
Co-opérative de solidarité en aide domestique Domaine-du-Roy (1997)	St-Félicien, 10 622 Lake St. John	• Home care services • Assistance in daily activities • Personal assistance	As of March 2003: 1 182 user members (10) 99 worker members (50) 18 supporting members (100)
Co-op de solidarité en soins et services de Saint-Camille – also called La Corvée (1999)	St-Camille, 440 Eastern Townships	• Access to alternative medicine professionals • Educational entertainment services	As of February 2005: 45 user members (250) Two worker members (250) 15 supporting members (250)
Co-opérative de solidarité récréotouristique du Mont Adstock (1998)	Adstock, 2 399 Chaudière-Appalaches	• Mountain offering downhill sports (ski and snowboard) and other activities including snowshoeing and hiking • Takeoff areas for hang gliding and paragliding	As of June 2003: 405 user members including: -371 leisure members (50) - 34 business members (5 000 and +) One worker member (1 000) Five supporting members (10 000)
Co-opérative de solidarité en alimentation saine L'Églantier du Kamouraska (1999)	Saint-Pascal, 3 643 Lower St. Lawrence	• Health food retail store • Coffee shop • Courses and training sessions	As of February 2003: 274 user members (50) Six worker members (100) 12 supporting members (100)

Source: Girard and Langlois, forthcoming.

Territory

For all the co-operatives studied, the territory corresponds to a definition established in Quebec since the early 1980s, that is, the *municipalité régionale de comté* (regional county municipality). This new spatial unit is

different from the traditional frame of reference, which was mainly based on the Catholic Church Parish. Of course, co-operatives must have their headquarters at a particular place, in a town or city, but their activities are not limited to that location. Thus, the co-operative La Corvée offers its services to residents of other municipalities and, of course, membership is open to people from those areas. The same principle applies to L'Églantier. Residents of other municipalities are attracted by health food products that the organisation promotes. It is the same with Adstock. People outside the immediate vicinity of the solidarity co-operatives headquaters may still use the facilities offered, namely those of the ski station.

Accessibility

Again, solidarity co-operatives have a positive impact on this dimension of social cohesion. Solidarity co-operatives greatly improve accessibility to existing or new services or products for their user members. Before starting the project, the promoters of the co-operative La Corvée in St-Camille were aware that many residents had to travel to access an alternative medicine practitioner. With an ageing population, mobility became more of a challenge. The decision was made to simply reverse the situation. Practitioners of alternative medicine such as osteopathy, orthotherapy, acupuncture and massage therapy now offer their services directly in the village. As for L'Églantier, the solidarity co-operative quickly began offering access to new products or services.

Employability

The contribution of solidarity co-operative to this dimension is less obvious. Work conditions cannot be considered apart from the real economic situation in the region or in the sector of activity – but remain a factor. The case of HCSEEs, including the Domaine-du-Roy social co-operative, helps understanding of this situation. "Since the PEFSAD support programme was set up, these organisations have helped thousands of people return to work. The great majority of them are single mothers. These organisations taken advantage of provisions to support employability, but this is not all. By training people and improving their proficiency, they have often made it possible for these people to develop not only technical skills, but also interpersonal ones. This is particularly important in view of their previous isolation" (Girard and Langlois, upcoming). Due to research constraints, it was not possible to study in detail the organisation of work, for instance autonomy versus direction, which is an important component of employability. It also affects the degree of democracy.

Degree of democracy

With one exception, La Corvée,[22] the organisations that were studied and those that participated in the discussion groups are not exceptional regarding their degree of democracy. For example, one co-operative practices the traditional formula of representative democracy. Another has a very homogeneous Board of Directors with very little concern about representing the diversity of members (age, gender, socio-economic status and so on). Another leaves practically no place in its management structure for the only worker member present. In this latter case, the Mont Adstock case study, the fact the worker membership fee was fixed at USD 1 000 makes it possible to see why this stakeholder may have been prevented from participating more actively. Indeed, for seasonal workers who receive a relatively low salary, USD 1 000 represents a great deal of money. "This very low worker membership also has a direct effect on the degree of democracy, as the pool of members to be on the Board of Directors and to take part in other democratic activities is very limited" (Girard and Langlois, upcoming).

In general, solidarity co-operatives seem to be far from organised around a democratic approach based on deliberation to produce enlightened and socially validated choices (Lévesque, De Bortoli and Girard, 2004).

Connectedness

Results for this remaining aspect of the social cohesion study are very positive, both before and after creation of solidarity co-operatives. Setting up a solidarity co-operative requires the mobilisation of a variety of stakeholders. The case of Mont Adstock highlights an impressive capacity to mobilise close to USD 500 000 in few weeks. This is particularly impressive given the area is so sparsely populated. To ensure their development, solidarity co-operatives foster the creation of networks of individuals and organisations. Supporting members, especially representatives of organisations, often have an existing well-developed network of relations. At the same time, people who direct or co-ordinate solidarity co-operatives are often involved in many groups: Boards of Directors, roundtables, consultative committees and others.[23]

Healthcare

Solidarity co-operatives have been set up in a wide variety of areas. In many cases, they are innovative not only because they gather diverse stakeholders, who are sometimes new constituents in their chosen area of activity, but also by the way they structure or offer services.

Healthcare service co-operatives (HCC) deserve particular examination. Their appearance caused a mini-revolution in Quebec[24] and they are expected to increase significantly in number in years to come. Health care co-operatives first emerged in the mid-1990s. In 2008, there were more than 30. Initially, the user co-operative model was the only avenue, but the advent of the solidarity co-operative model in June 1997 led to this form being favoured. Even among the first HCCs to be created, most changed their articles of incorporation to become solidarity co-operatives when the opportunity arose. Today, close to 95% of health care co-operatives have the solidarity status.

Healthcare co-operatives were created in reaction to doctor shortages in various regions. The main purpose that drives a popular mobilisation around HCCs is the need to attract Physicians to the community. At first glance, the global distribution of GPs seems adequate region by region. However, the micro-distribution in each region is examined more closely, there appears to be a concentration of physicians in urban areas. One of the main reasons explaining this situation is the presence in urban areas of large commercial chains, which include large-scale drugstores owned and managed by medicals clinics. They are able to offer attractive package deals to attract doctors, including turnkey approaches that allow practitioners to make up their own schedule without worrying about billing, the management of patient appointments, and so on (Assoumou Ndong, Girard, Ménard, and Véniza 2005). Citizens living in small villages where there is no doctor must sometimes drive up to one hour to reach the nearest medical clinic. Unfortunately, not everyone has the privilege of easy access to transportation.

When citizens from St-Étienne-des-Grès launched their HCC in 1995, the first established in Quebec, it was precisely to avoid such transportation problems. The way HCCs are set up and operate is simple.

- As a first step, a group of leaders identifies accessibility problems to GPs. This group of leaders generally gathers municipality officials, board members or executive directors of the local *caisse Desjardins*, and will sometimes also include representatives of the public health sector.
- As a second step, they will hire professionals to conduct a feasibility study. Funds for this study come from many sources, including donations from the local *caisse populaire*.
- The crux is to find the best way to attract doctors. Since there is a lack of GPs and they generally prefer to start their practice in urban

areas, preparing an interesting offer and finding ways to inform doctors requires a great deal of imagination.

- Generally, if the feasibility study is positive and the recruitment of doctors is also successful, it will be easy to persuade members to join the co-operative. In villages of 3 000 to 4 000 inhabitants, half of the population becoming members is an average figure. Moreover, the presence of a doctor greatly facilitates attracting other health professionals such as pharmacists and physiotherapists.

In HCCs, physicians remain independent entrepreneurs who rent office space and are remunerated on a fee-for-service basis by the public health system.

A closer observation of HCC development shows that these organisations constitute a step forward when compared to the large commercial chain models, which manage medicals clinics (Girard, 2007):

- **Positive impact of citizen awareness and mobilisation.** Citizen awareness and popular mobilisation can help influence the organisation of health services and have a positive effect on communities. Rather than remaining in an expectant or, worse still, a defeatist mind-set, people come to understand that if they take action in sufficient numbers things can change.

- **Space for debate and democracy.** Health co-operatives are created through a process of sharing, debating and defining a project, and adopting a strategy.

- **A project with a focus on users rather than profits.** Co-operatives seek to resolve problems of access to services. Although economic viability cannot be ignored, profitability is measured in social terms. The goal is to ensure that as many people as possible have access to high-quality services.

- **A basis for more fruitful collaboration with doctors.** The vast majority of health co-operatives adopt the status of solidarity co-operatives. In some co-operatives, doctors agree to join as support members. In doing so, they leave behind the status of leaseholder and opt to join in the process of co-operative democracy.

- **Many projects generated innovations in the community.** A close examination of health co-operative projects reveals that many of these organisations have introduced remarkable innovations in their respective communities.

The innovations associated with HCCs can be numerous and can include adding a senior's residence to a medical centre, welcoming alternative medicine practitioners, developing prevention programmes for vulnerable groups and so on. Moreover, at the end of 2007, and the beginning of 2008, two new solidarity co-operatives in the health sector, in particular, were at the forefront of such innovation:

- The *Co-op santé de l'Université de Sherbrooke* (Health Co-operative of the University of Sherbrooke) is the first in the world to be created on a university campus. Its purpose is to promote good health habits among students and employees by providing information and training sessions, health check-ups and so on. Over time, it will develop close ties with the Faculty of Medicine with the intention of introducing the HCC model to students.
- The goal of the *Co-opérative de solidarité de santé de la MRC Robert-Cliche* (Health Co-operative of the Robert-Cliche RCM) is twofold: to connect all the medical clinics of the territory (Six) to offer citizens a centralised appointment system and to be the first in Canada to duplicate the innovative health prevention and promotion model implemented in Japan by the Hans group (Girard and Restakis, 2008).

Conclusion and recommendations

In October 2007, a forum on solidarity co-operatives was organised to mark their tenth anniversary and to initiate an in depth discussion about their strengths and weaknesses. The goal was also to talk about their future. More than 150 participants came from diverse *milieus* and included many solidarity co-operatives' Board Members or Executive Directors as well as development agents. Key points raised during the discussion included (IRECUS, 2008):

- At the heart of community needs, solidarity co-operatives are essential to the sustainability of the *milieu*. They satisfy essential needs in terms of the provision of proximity services.
- Solidarity co-operatives play a crucial role in terms of mobilising citizens. They have the capacity to involve many stakeholders.
- The mobilisation of citizens generates a strong sense of belonging to the co-operative and helps to develop proximity services.
- One of the main challenges of solidarity co-operatives is to reinforce social cohesion and promote citizen responsibility.

However, solidarity co-operatives do have shortcomings. They need to improve the roles they give to workers (Cliche, 2008). More fundamentally, as the study on social cohesion has revealed, there is a necessity to develop training programmes, which are directed at managers and board members on the subject of how to manage diverging interests and practice deliberative democracy. Management of these multiple interest organisations requires specific skills if crisis situations are to be avoided. Duplicating the governance model used for sole member co-operatives or worse, for private enterprises, represents a dead end.

At the crossroad of social and economic activities, solidarity co-operatives can play a dynamic role in different communities. They can be the key to ensuring the sustainability of social innovation. Based on a comparative study of the Mont Adstock and La Corvée cases, three points seems to be particularly critical (Langlois and Girard, 2006):

- An extended presence and involvement of the founder-members.
- Consideration of the inherent characteristics and of the values the solidarity co-operative conveys during its evolution, as well as dissemination of information.
- Recognition of innovation by the majority of those on which it exerts an impact.

It is obvious that solidarity co-operatives are already embedded in what some call the Quebec model of development (Bourque, 2000), which is a mix of public, private (for-profit) and collective enterprises. Moreover, some well-established co-operative organisations with a single membership base choose to change their status to that of a solidarity co-operative. They also add a supporting member category for this purpose. By so doing, they reinforce the link that binds them to their entire area of activity, not only to users or workers.

Recommendations

- More thought should be given to the multi-stakeholder co-operative approach and the solidarity co-operative model in the determination of public policy concerning social cohesion and local development.
- In organisational innovative projects, public interest would benefit from promoting the concept of public-co-operative partnerships rather than focusing exclusively on public-private partnership options.

- Considering the growing place occupied by multi-stakeholder co-operatives, it would be relevant to gain a better knowledge of their set-up and development conditions. For instance, research could determine how initial networking is developed among diverse stakeholders including supporting members and how, over time, these partnerships evolve.
- It is a known fact that among social health determinants, one important element is the feeling that people control their life and their sense of accomplishment rather than sustainment. In this way, it would be appropriate to identify the specific contribution of solidarity co-operatives or multi-stakeholder co-operatives to the empowerment of individuals, especially in remote areas.
- The phenomenon of multi-stakeholder co-operatives seems to be growing in OECD member countries. Because of the novelty of the model, it would be relevant to conduct comparative studies on diverse indicators, such as the impact of multi-stakeholder co-operatives on civil society, the development of alternative solutions for the delivery of public services, and the combination of resources required (from the market, subsidies and the voluntary sector).

Notes

1. As for producer co-operatives, La Fédérée, an integrated federation of agricultural co-operatives, distinguishes itself with an annual turnover of USD 4G. However, this data should not mask something radically new in the Quebec co-operative sector: today, more than one out of two new co-operatives is a multi-membership cooperative or multi-stakeholder cooperative (MSC), known in Quebec legislation as a solidarity co-operative (SC). A well-known example of consumer cooperatives is the network of Desjardins financial services cooperatives, which has a global asset of 150G CAN All the monetary values in this paper were expressed in Canadian dollars. In July 2008, CAN 1= USD 0.98 and EUR 0.62. K: 000 M: 000 000 G: 000 000 000

2. French speakers represent 2% of the North American population. Unless researchers in Quebec publish in English, the linguistic barrier seems to discourage researchers from other areas of North America from studying the co-operative Quebec case. Therefore, the experience somewhat evolves in a vacuum.

3. www.montadstock.com

4. www.coopsa.org

5. Robert Owen (1771-1858) was a Welsh social reformer who developed a critical perspective of the rule of competition of human labour with machinery during the chaotic emergence of industrial towns and promoted the idea to create communities at a human scale (of approximately twelve hundred people) based on the respect of each individual.

6. Today, all these cooperatives prefer to be referred to as paramedic co-operatives rather than ambulance cooperatives. This expression seems to give a better recognition of the work done by the employees in these organisations.

7. The *Conseil Québécois de la co-opération et de la mutualité* (Quebec Co-operative and Mutual Council) plays the key role of umbrella or forum of cooperatives and mutuals. The organisation was incorporated in 1939. Up to 2006, it was known as the *Conseil de la co-opération du Québec*

(CCQ)
www.coopquebec.coop/site.asp?page=element&nIDElement=2282.

8. Only in French: www.mdeie.gouv.qc.ca/index.php?id=2206

9. Their aim is simple: to support the development of new cooperatives to maintain and create jobs at a regional level and promote inter-cooperation among developed cooperative organisations.

10. This research centre was replaced in 2001 by the Centre Desjardins en gestion des co-opératives de services financiers: http://web.hec.ca:8088/centredesjardins.

11. These are public clinics operating in the areas of health and social services. In 2005, nearly 60 such organisations in Quebec were integrated, along with other public health establishments such as hospital centres and housing and long-term care centres, into new structures called centres de santé et de services sociaux.

12. The author of this paper has been a member of the advisory technical committee of this cluster during a few months in 1996. From another point, at the end of the Summit, a group of leaders of this cluster decided to follow the actions, taking advantage of this new forum of coordination of social economy players. A few years later, the Chantier de l'économie sociale was legally registered on an NPO base. Over time, this organisation has become an important promoter of social economy projects in numerous areas. Nancy Neamtan became the cluster's first president, a position she still holds today: www.chantier.qc.ca/

13. The Act can be download free of charge at: www2.publicationsduquebec.gouv.qc.ca/dynamicSearch/telecharge.php?type=2&file=/C_67_2/C67_2_A.html

14. This section is mostly based on a recent presentation and paper on SC prepared by Jocelyne Chagnon (2008) of the Quebec government Direction des co-opératives. Unless otherwise mentioned, all the data in this section excludes financial service cooperatives (Desjardins).

15. This section was largely inspired by Girard and Langlois (upcoming).

16. Among numerous working papers, conferences, articles in peer-reviewed journals, the research resulted in the production of two books: Fairbairn and Russell, 2004, and Fairbairn and Russell, upcoming http://socialcohesion.coop.

17. The author of this chapter was the co-ordinator of this research.

18. This work on social cohesion and caisses Desjardins led to various publications in the form of case studies. The overall report was published in 2001 (Malo and al. 2001).

19. The close collaboration of co-ordinators or directors of these cooperatives was much appreciated.

20. All cases were written in French and can be downloaded on CRISES' website. The case of La Corvée, which seems to be the most interesting, was fully translated in English and can be download to on Centre for the Study of Co-operative (USAK): www.usaskstudies.coop/pdf-files/St.-Camille.pdf.

21. Until recently, housing co-operatives in Quebec had been established only under a user cooperative formula.

22. In this case, the directors of the cooperative had a good degree of experience in similar organisations.

23. A symptom of increasing institutionalisation in the area of home care service cooperatives is the fact that their directors spend a large part of their time serving on committees and other bodies in the health and social services field.

24. At this time, except very few exception apart Canada, HCC seems to be essentially a phenomenon unique to Quebec. In others provinces the citizens involvement in health matter is canalized on community health centre, a model using NPO legal framework.

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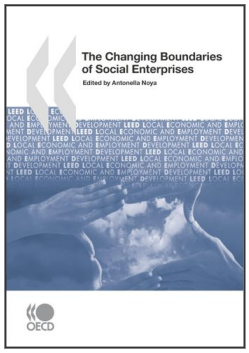

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