

# Co-operative Spotlight

November 2009

An overview of  
Saskatchewan co-operative sector  
news and activities

## SCA's Grand Opening Reception

Held  
Monday, November 9  
3 p.m. to 5 p.m.  
#120 - 128 4th Avenue S.

Saskatchewan Co-operative Association held a reception on November 9th to celebrate our new office location at #120 - 128, 4th Avenue South.

Located in the Affinity Credit Union building, the new space is much more visible and spacious. "The new office is a wonderful space. Now that we are starting to settle in, and having visitors pop by, the office is feeling like a new home for SCA," says Victoria Morris, Executive Director. "Affinity Credit Union's Staff, Executive Team and Board have gone above and beyond our expectations in assisting us with this move. We greatly appreciate their assistance."

Beryl Bauer, Chair of the SCA Board, commented, "Affinity Credit Union has really demonstrated their support for the co-operative community in Saskatchewan by assisting SCA in



locating our office in the Affinity Building. SCA is so grateful for all of the support that Affinity Credit Union has provided both in securing

this new office space as well as ongoing support of SCA's programs over the years."

Please drop by to see the new office!

## Multi-stakeholder Co-op Legislation: The Need for Progressive Legislative Change - by Rob Dobrohoczki and Kama Soles

Saskatchewan has a long history of co-operative innovation. Charles Dunning's 1923 Liberal government hailed Saskatchewan as the "co-operative province." Co-op legislation needed to be innovative throughout Saskatchewan history in the development of the retail, wheat pool and credit union movements. There has always been tension between the existing, established co-operative sector and new, emerging co-operatives. Saskatchewan is missing one model of innovative co-operative: the multi-stakeholder co-operative. Known as "solidarity co-ops" in Quebec and "social co-ops" in Europe, this model brings together different member categories such as consumer-members, worker-members, and "supporting members" who have an interest in the co-op's economic or social purpose. Has the co-operative province fallen behind the innovation curve?

The province has been innovative in response to the co-operative sector dominated by the pooling, retail, and credit union movements in drafting its co-operative legislation, with important changes over the years to reflect new trends in housing, worker, community service and community clinic co-operatives. These co-op structures now exist as "silos" under which they have specific sections in the legislation, or recently, as in the case of New Generation Co-ops, their own

legislation. Governments tend to defer to the expertise and demands of the existing sector, in part, because the sector asks for autonomy, a co-operative principle in itself. The sector itself must be innovative

however. Multi-stakeholder or solidarity co-ops do not fit into the "silos" under which the registrar must place a co-op under the act. They can at once be a worker, retail, and community service co-op, with different voting rights for each class of member. Multi-stakeholder co-operatives are democratically empowering and can enrich economic agency by providing a flexible structure that responds to the socio-economic issues facing communities, empowering disadvantaged groups, promoting social integration of citizens, and developing community involvement. These multi-stakeholder co-ops are not currently facilitated under Saskatchewan legislation.

**This model brings together different member categories such as consumer-members, worker-members and "supporting members" who have an interest in the co-op's economic or social purpose.**

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Co-operatives exist in Saskatchewan because people in communities learned to think in innovative ways to develop and preserve their communities (Hammond-Ketilson et al. 1998). This province now needs to continue such innovation in meeting the social and economic needs of communities. The intent of co-operatives is to empower individuals by bringing people together to achieve something they could not manage alone. Co-operatives offer economic democracy through the principle of a common sharing of power: it allows for equal participation on the decision-making process, regardless of the economic position of the various members involved (MacPherson 1996). A multi-stakeholder co-op can bring together workers, users, and community stakeholders to promote solidarity.

Multi-stakeholder co-ops have the potential to offer new kinds of partnership and governance among civil society, private organizations, and various local actors in seeking solutions to needs that are not met or not met sufficiently (Girard and Langlois 2005). Joining workers and users in the same organization allows mutual balance of supply and demand. This structure is also a new way to use volunteer and activist resources, which reinforces the values of altruism and reciprocity. Multi-stakeholder co-ops are an original way of reconstructing the link between the economic and the social spheres. They have different classes of memberships, each democratically represented, and this process of working together builds solidarity among different interests and perspectives. Governance is a negotiated settlement. Multi-stakeholder co-operatives are often not considered profitable from a financial point of view, but are socially profitable and place this social value above profit (Girard and De Bortoli 2004). This is particularly important for disadvantaged groups seeking empowerment, independence and interdependence, and building capacity within community.

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*What is a Multi-stakeholder Co-op?*

*Multi-stakeholder co-ops (MSHC) take into account a broader scope of stakeholder groups. One defining characteristic of MSCH's is that it has at least two different types of members. Each member type has certain rights set out in the co-op's rules. For example, membership types may include: workers, producers, consumers, investors, or other support members. Multi-stakeholder co-ops are also known as solidarity or social co-ops.*

**About the Authors:**

**Rob Dobrohoczki is a Saskatoon Lawyer, Businessman, Doctoral Candidate, Instructor of Co-operative Law at the University of Saskatchewan College of Law and Vice-President of the Good Food Junction Co-op at Station 20 West.**

**Kama Soles is currently an Interdisciplinary Masters Candidate at the Centre for the Study of Co-operatives, investigating the potential of the multi-stakeholder co-operative model for empowering people with disabilities.**

Despite the success in Quebec and recent legislative changes to facilitate the model's spread in Ontario, and in neighbouring Alberta, currently Saskatchewan has no facilitating framework for multi-stakeholder co-ops. The reason maybe is that public policy on co-operative development has tended to be driven by significant players in the co-operative sector: co-operative policy has tended to be reactive to sector demands rather than proactive toward innovation. It is a self-fulfilling prophecy however. These types of organizations will rarely organize as co-ops until there is facilitating legislation, they will instead organize as non-profit corporations, worker or community service co-ops, and this could result in missing the potential strength of being a "solidarity" co-operative that aims to build upon the strengths and capacities of many stakeholders to get a project moving. Without the institutional framework, organization becomes difficult, and pressuring the sector to lobby for legislative change is difficult without players.

However, there are always spaces of resistance. Many co-ops operate informally in nature with many stakeholders involved in the absence of a legislative framework. Many have informal arrangements and understandings among membership about board representation and informal partnerships with organizations. Compared with traditional non-profits, these organizations rely far more on the broader representation of stakeholder interests and on participative and democratic management than on distribution of surplus. Multi-stakeholder co-op models may be possible to structure with existing legislation under provisions allowing for different classes of membership (provisions aimed at investor shares) or through structuring second tier co-ops. But for the most part, they exist today not in legal form but in practice, despite the legislative silos.

More importantly for the Saskatchewan Co-op sector is the demographic shift these co-ops represent. The organization of "solidarity" co-ops has been a bridge in Quebec to organized labour, a bridge lacking in Saskatchewan as a common nexus or a common project between the labour and the co-op sector, and are a preferred model of organization of an activist urban youth, the next generation of co-operators. A legislative framework would strengthen this bridge. Co-operative regeneration alone would warrant a look at the model in Saskatchewan, a province rapidly urbanizing, with a burgeoning Aboriginal youth demographic for which co-operative principles may have cultural synergies to traditional values of decision making and collective ownership.

The expansion of co-operative governance to now involve a variety of stakeholders in the decision-making process (volunteers, workers, consumers, local communities, etc.) can only be brought by legislation permitting these

# Historic Union Co-op Agreement Announced

Steelworkers Form Collaboration with MONDRAGON, the World's Largest Worker-Owned Co-operative

Pittsburgh (Oct. 27, 2009) – The United Steelworkers (USW) and MONDRAGON Internacional, S.A. today announced a framework agreement for collaboration in establishing MONDRAGON cooperatives in the manufacturing sector within the United States and Canada. The USW and MONDRAGON will work to establish manufacturing cooperatives that adapt collective bargaining principles to the MONDRAGON worker ownership model of “one worker, one vote.”

“We see today’s agreement as a historic first step towards making union co-ops a viable business model that can create good jobs, empower workers, and support communities in the United States and Canada,” said USW International President Leo W. Gerard. “Too often we have seen Wall Street hollow out companies by draining their cash and assets and hollowing out communities by shedding jobs and shuttering plants. We need a new business model that invests in workers and invests in communities.”

Josu Ugarte, President of MONDRAGON Internacional added: “What we are announcing today represents a historic first – combining the world’s largest industrial worker cooperative with one of the world’s most progressive and forward-thinking manufacturing unions to work together so that our combined know-how and complimentary visions can transform manufacturing practices in North America.”

Highlighting the differences between Employee Stock Ownership Plans (ESOPs) and union co-ops, Gerard said, “We have lots of experience with ESOPs, but have found that it doesn’t take long for the Wall Street types to push workers aside and take back control. We see MONDRAGON’s cooperative model with ‘one worker, one vote’ ownership as a means to re-empower workers and make business accountable to Main Street instead of Wall Street.”

Both the USW and MONDRAGON emphasized the shared values that will drive this collaboration. Mr. Ugarte commented, “We feel inspired to take this step based on our common set of values with the Steelworkers who have proved time and again that the future belongs to those who connect vision and values to people and put all three first. We are excited about working with MONDRAGON because of our shared values, that work should empower workers and sustain families and communities,” Gerard added.

In the coming months, the USW and MONDRAGON will seek opportunities to implement this union co-op hybrid approach by sharing the common values put forward by the USW and MONDRAGON and by operating in similar manufacturing segments in which both the USW and MONDRAGON already participate.



Images of MONDRAGON’s central offices in Spain.

The full text of the Agreement is available at [http://assets.usw.org/Releases/agree\\_usw\\_mondragon.pdf](http://assets.usw.org/Releases/agree_usw_mondragon.pdf)



## About MONDRAGON:

The MONDRAGON Corporation mission is to produce and sell goods and provide services and distribution using democratic methods in its organizational structure and distributing the assets generated for the benefit of its members and the community, as a measure of solidarity. MONDRAGON began its activities in 1956 in the Basque town of Mondragon by a rural village priest with a transformative vision who believed in the values of worker collaboration and working hard to reach for and realize the common good.

Today, with approximately 100,000 cooperative members in over 260 cooperative enterprises present in more than forty countries, MONDRAGON Corporation is committed to the creation of greater social wealth through customer satisfaction, job creation, technological and business development, continuous improvement, the promotion of education, and respect for the environment. In 2008, MONDRAGON Corporation reached annual sales of more than sixteen billion euros with its own cooperative university, cooperative bank, and cooperative social security mutual and is ranked as the top Basque business group, the seventh largest in Spain, and the world’s largest industrial workers cooperative.

[www.mondragon-corporation.com](http://www.mondragon-corporation.com)

## About the USW:

The USW is North America’s largest industrial union representing 1.2 million active and retired members in a diverse range of industries.

[www.usw.org](http://www.usw.org) <<http://www.usw.org/>>

More information about worker co-operatives in Canada can be found at the web site of the Canadian Worker Co-operative Federation,  
[www.canadianworker.coop](http://www.canadianworker.coop)

## Music Co-op Recognized by UK Music Magazine

Blocks Recording Club, a Toronto-based worker co-op which releases music in a variety of formats, has been recognized by UK rock music magazine NME as one of the top 50 innovators who are changing the face of contemporary music.

Blocks was listed as the 11th-most influential entry in NME's Future 50. Founded in 2003 by Steve Kado and Mark McLean, both members of local indie bands, Blocks' offerings range from opera-trained art-pop singers to electro-punk performance artists.

Unlike traditional record labels, Blocks splits the inventory of each album with the artists; the musician keeps all the profits when he or she sells the album on the road, while Blocks handles record store and mail orders.

Source: CCA Co-operative NewsBriefs, September 10, 2009

## Concentra President and CEO Announces Retirement

Myrna Bentley, president and CEO of Concentra Financial Services, has announced she will retire next March.

Ms. Bentley has been with Concentra for 35 years, the last 12 years in her current position. An executive search is under way to appoint a successor.

Source: CCA Co-operative NewsBriefs, September 10, 2009

## Canada Farm Business Management Council Presents Agriwebinars™

Webinars are a web-based conference bringing the expertise of today's agricultural leaders that will inform and inspire you from the comfort of your home or office. No travel, no cost, no reason to miss out! Agriwebinar™ is free and anyone can participate as long as they have a computer and an Internet connection. Even computers connected by a dial-up service can participate.

Upcoming Webinars:

09/11/2009, Agricultural Outlook 2010 & Beyond

16/11/2009, Buy Local, Buy Fresh!

23/11/2009, Farming in the green economy: How pricing carbon changes everything

30/11/2009, Does Health Have a Price in Agriculture?

07/12/2009, Energy Crisis: Global Profile & Canadian Context

14/12/2009, The Top Ten Stupid Things Families Do To Break Up Their Business!

18/01/2010, Viability of Canadian Agriculture - Updates for 2010

25/01/2010, Top Ten Ways to Grow Your Business

22/02/2010, Adding New Value Powers Up Your Farm

01/03/2010, Towards an Economically, Environmentally & Emotionally Sustainable Market

15/03/2010, Capturing Opportunities in Organic Agriculture: Initiatives & Trends

For more information see: <http://www.agriwebinar.com/Upcoming.aspx>

## Next CDI Funding Deadline

The next application deadline for the Innovative Co-operative Projects component of the Co-operative Development Initiative (CDI) is December 31, 2009. The application form and program guide can be downloaded from CDI's website at <http://cccm.coopscanada.coop/>

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kinds of co-operatives. Saskatchewan needs appropriate and proactive legislation to promote policy to build an emerging innovative co-op sector. This is the *raison d'être* to having facilitating legislation. Policy makers can be proactive in promoting co-operative options through acknowledgement of the model in legislation.

It is important however to keep in mind that legislative change itself is never a replacement for active co-operative development and co-operative education. History shows facilitating legislation itself, without promotion of the model within the sector, is insufficient for co-op development. Working models and examples are the best promotion of a model. But not providing facilitating legislation ensures co-op development of the model is tied at the bootstraps.

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