



Creating Wealth,
Reducing Poverty,
and Building a Better World

CANADIAN CO-OPERATIVES IN INTERNATIONAL DEVELOPMENT



Desjardins

Développement international

CANADIAN
CO-OPERATIVE
ASSOCIATION



ASSOCIATION
DES COOPÉRATIVES
DU CANADA



société de coopération pour le
développement international



Foreword

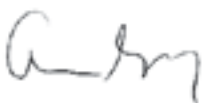
There is no single, simple way to eradicate poverty and create wealth.

Some of the initiatives should emerge from an examination of the international financial and trade system. Some must come from policy initiatives by governments at all levels. Some ultimately must come from local communities and individuals, from the poor villages and urban slums that are abundantly obvious throughout the world, but particularly in less developed countries. In the wake of the financial turmoil that struck the global economy in 2008, the time is right to rediscover one of the best kept secrets of the economic world that addresses some of the underlying issues of poverty in developing countries: the strength of the co-operative approach.

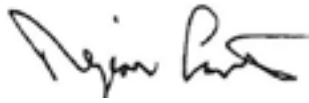
The essence of the co-operative approach is disarmingly simple: maximize the capacity of local groups and communities to control their own destiny through business enterprises they own and operate in a democratic manner. This approach, when encouraged and enabled to flourish, can be remarkably successful, simultaneously creating economic wealth while sustaining cultural vitality, fostering democratic practices, and reducing poverty.

Not surprisingly, the key to this publication's success was co-operation. Three of the Canadian co-operative movement's leading organizations joined efforts to make it happen: *Développement international Desjardins* (DID), *Société de coopération pour le développement international* (SOCODEVI) and the Canadian Co-operative Association (CCA). Our organizations exist because of the co-operative spirit and vision lived by our members from across Canada. Our organizations succeed because of the strength of our co-operative partnerships, examples of which can be found in the pages that follow. We are also proud of the mutually beneficial relationship that we have established with the Government of Canada, through the Canadian International Development Agency.

With this publication, we wish to contribute to the recognition, visibility and advancement of the co-operative movement – in Canada and around the world. We draw on the strength of the Canadian co-operative movement to support the creation and development of co-operatives in developing and emerging countries, empowering communities and enabling them to take control of their social and economic lives.



Anne Gaboury
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Executive summary

Co-operative enterprises create and help share wealth. Run by democratically elected leaders, co-ops, as they are familiarly known, exist to meet real needs identified by their members in the countries where they operate. They allow millions of people to access basic services that are essential to maintain and improve their quality of life.

Co-operatives exist because people believe that it is possible to build more prosperous, inclusive and responsive societies through collaboration rather than competition. Co-operatives are businesses that promote healthy competition; that share good ideas; that promote solidarity in times of crisis. Co-operatives are constantly looking for new answers to meet the demands of their members and their communities.

Co-operatives are **resilient** businesses. They resist crises better than other private companies. They are less present in the media than traditional financial institutions because they are not publicly traded, but they are no less present in the economy of many countries. The 300 largest co-operatives in the world have total annual revenue of more than \$1.6 trillion. Co-operatives provide more jobs than all the multinationals in the world.

Co-operatives are real **schools of management and governance** for millions of people who learn to run a business in a democratic manner by valuing transparency and sustainable development. Open to all those who share the goals and values of co-operation, co-operatives help integrate people into the formal economy who would otherwise have been excluded.

IN CANADA, we have a rich history of successful co-operatives. We have every reason to be proud.

Co-operatives **innovate**. Their members access new technologies, improving business performance, increasing income, and helping their members and communities better withstand personal and natural crises. Co-operatives co-operate. By working together, they share innovations and best practices.

Each and every co-operative member is an **entrepreneur**, whether she or he is a farmer, trader, professional, or retailer. These entrepreneurs can count on other co-operatives for products, financial services, as well as business advice to improve the efficiency and performance of their own businesses and to create wealth in their communities.

The reasons that co-operatives succeed are well-known. In Canada, we have a rich history of successful co-operatives and extensive experience in learning from other countries and sharing best-practices in co-operative development. We have every reason to be proud.



WHAT IS A CO-OPERATIVE?

A co-operative is a privately owned business that operates on sound business principles and competes in local and global markets. The principles on which co-operatives operate and their management structure distinguish them from non-co-operative business and account for their distinct contributions to social and economic development. A co-operative is designed to meet its member/owners' aspirations and economic and/or social needs.

The first modern co-operatives emerged in early 19th century Europe in full-crisis. Early co-op leaders sought to counter impoverishment and job losses brought on by the industrial revolution. Working conditions were extremely difficult and child labor was commonplace. Based on the ideas that human capital is more important than financial capital, and that the economy must serve people and not the contrary, these leaders established consumer and financial co-operative businesses owned by consumers and/or workers. To this day, co-operatives continue to innovate and provide services that meet the changing needs and aspirations of their members.

Co-operatives are major players in the global economy.

Co-operatives are active and growing in many sectors where people have economic and/or social needs. Co-operatives are successful businesses in finance, agriculture, mining, technology, forestry, in the generation and distribution of electricity, communications, healthcare and education. For example, agricultural co-operatives play a major role in food production in almost all countries. Ninety per cent of farmers in Korea and Japan are members of an agricultural co-operative. In France, 40 per cent of agricultural production is channeled through a co-operative and 60 per cent of retail financial services are offered by co-operatives. In Canada, 35 per cent of maple syrup produced is produced by co-operatives.



A co-operative is a privately owned business that operates on sound business principles and competes in local and global markets.

Co-operatives are major players in the global economy. Over one billion people are members of a co-operative. One hundred million men and women work in co-operatives, or 20 per cent more than in all the world's multinationals. Canadian co-operatives and credit unions control an estimated \$370 billion in assets.

Although co-operatives take many forms, they follow the same seven international co-operative principles: Voluntary and open membership; Democratic member control; Member economic participation; Autonomy; Education, training, and information; Co-operation among co-operatives; and Concern for community.



THE CO-OPERATIVE
ADVANTAGE IN
INTERNATIONAL
DEVELOPMENT

Co-operatives

Creating and sharing wealth, and reducing poverty

People aspire to live in dignity and security. A certain level of wealth and stability is necessary to create and maintain a living environment where individual and community dignity and security is possible.

Co-operatives create wealth. Co-operatives pool their members' assets, purchasing power and expertise. As a result, co-operatives can improve the diversity and quality of products and services available in a sector, and link individuals through the co-operative to local and global markets, thus improving incomes and creating meaningful jobs. Well-organized co-operatives push the limits of economic efficiency by building strong economic and socially cohesive communities. The knowledge and skills created by co-operatives have an immediate impact on their members and a long-term impact on society at large.

TRANG NGUYEN owns a half hectare of land in the Mekong Delta in Vietnam. Working alone, Mr. Nguyen is able to produce a relatively good amount of rice. But the size of land is too small to feed his family and to have enough rice to sell to educate and care for his two children. The arrival of the dairy co-operative, Evergrowth, in his area allowed him to obtain a loan to buy his first dairy cow.

He sold the cow's milk to the co-operative and for the first time in his life, he began to have a steady income every week. Part of this income was reinvested in milk production, and the rest was used to rebuild his house. Five years later, he has four dairy cows. He is no longer poor.

His children can aspire to join the middle class in his country.

He is one of 1,223 members of the co-operative.



Co-operatives allow groups of people to acquire and access basic services such as drinking water, water for irrigation, healthcare, education and energy. Financial co-operatives are, for many, the only place where they can safely save money and access loans at affordable rates.

But co-operatives enable much more. They are an economic instrument in the hands of individuals who together take control over their economic livelihoods. The development of a co-operative can be an inclusive process that helps to reduce the main causes of poverty. Co-operatives can reduce isolation and contribute to social cohesion because they affect all stakeholders.

Co-operative success is linked directly to the success of its individual members. By sharing benefits among members in proportion to their commitment to their co-operative, the wealth created by co-operatives benefits its members, their families and the community.

Co-operatives A networked movement



Importance is often attached to individual performance and competitiveness, and resultant success is attributed to the individuals and institutions that compete at all costs. However, co-operative businesses prove otherwise. Co-operatives demonstrate that working together and combining resources achieves sustainable results. Co-operation among co-operatives is a principle that guides a co-operative's activities and makes it a different, powerful, economic actor.

Co-operatives build sustainability through building networks. Networks of co-operatives enable the start-up and expansion of new co-operatives; they create economies of scale; they allow for sharing of information to better grasp complex market realities; they allow for jointly-supported, ambitious research and development initiatives; and they share the risk of expanding into untapped markets. The strength of a co-operative network leads to increased sustainability of all co-operative businesses, allowing them to better serve their members and their communities.

Co-operatives are generally networked by sector. These co-op networks are built on business relationships in order that co-op to co-op linkages are sustainable. Primary co-operatives optimize functions through a second-tier organization. In doing so, the co-operatives pool their resources and standardize their systems and products, while designing a governance structure of the federation that shares responsibility and reflects each individual co-operative's uniqueness. This form of networking emphasizes shared values, learning and innovation. The best ideas are more widely shared, adapted, and imitated. Development impact is increased.

IN WEST AFRICA, the *Confédération des institutions financières* (CIF) was established in 2007 and represents six major co-operative networks operating in Benin, Burkina Faso, Mali, Senegal and Togo.

CIF was created so that member institutions could together face common concerns such as growth and innovation. The six co-op networks represent more than 500 co-operative financial institutions which represent more than three million people, a third of which are women.

These institutions offer comprehensive financial services to generate growth, which represent more than 70 per cent of the microfinance market in their areas of operation. CIF members are further members of Proxfin, an international network specializing in microfinance.



Co-operatives

Demand-driven goods and services



Co-operatives exist because of and for their members. A co-operative's primary focus is to meet its member's needs by providing quality goods and services at fair prices, in-line with industry best-practices and relevant public policies.

Consumer co-operatives design and distribute diverse products and services that are accessible to their members and the community at large, even if this does not necessarily translate into short-term profits. When a co-operative serves a diverse community, revenues generated from engaging with better-off members and clients allow co-operatives to cost-efficiently provide the same products and services to those less fortunate. Providing goods and services that the poor can access is often more costly, since these services are offered on a smaller scale, require unique distribution channels and are at times accompanied by education programs about the products or services in question. Consider how financial co-operatives reach into rural communities to offer and collect small loans and savings products, as well as training on financial literacy. Agricultural producer co-operatives in rural communities produce and distribute food, help people to better manage and own their agricultural resources, and thus contribute directly to food security.

A co-operative's demand-driven approach often extends well beyond its own members. In Senegal, for example, credit unions affiliated with PAMÉCAS have improved access to financial services for everyone in the community, forcing down interest rates offered by private money-lenders. In Mexico, co-operatives that provide coffee growers a fair price for their production are forcing traditional middlemen to increase the price they offer to buy crops from farmers, whether these farmers are members of the co-operative or not.

In the Department of Chuquisaca, **BOLIVIA**, a significant percentage of the rural population had no access to animal protein and suffered from serious nutritional deficiencies. The AGROCENTRAL co-operative established facilities which absorbed surplus corn, using it to contribute to production of eggs, chicken meat and pork. This not only helped stabilize the value of corn prices for all agricultural producers, but also diversified the food supply for the rural population.



Co-operatives Economically resilient enterprises

Co-operatives consistently demonstrate their economic resilience. Co-operatives have survived wars, major economic crises, and revolutions. They have continued to confound their skeptics by the growing economic and social space that they occupy in developed and developing economies around the world. Numerous studies have demonstrated that a co-operative business can withstand difficult economic times.

A 2008 Quebec government study¹ found that the survival rate of co-operatives in Quebec is 62 per cent after five years and 35 per cent after ten years, compared with 44.3 per cent and 19.5 per cent for Quebec-based non-co-op firms. These findings were substantiated by research subsequently published about the co-op sectors in British Colombia and Alberta in 2011. In 2009, the International Labour Organization published research that demonstrated that co-op businesses survive crises better than most other organizations and have a higher survival rate. Desjardins, Canada's first credit union and sixth largest financial institution, confirmed this finding in 2011², noting that co-op businesses fared better than traditional businesses in the global economic downturn in 2008 and 2009³.



In January 2010, **HAITI** was struck by a devastating earthquake. Credit unions networked in the Le Levier Federation were able to support each other: less affected credit unions were able to offer liquidity to those affected by the earthquake. The Federation went on to play a key role in reconstruction efforts and became a key player in local economic development. Today, the Federation's business has grown compared to 2008, and this despite the earthquake. The Federation's member institutions have pooled their resources and invested in technology. The Federation can now offer its members new services including smart cards, biometrics, inter-institutional transactions and international funds transfers.

When other businesses were reaching out for government assistance in 2008 and 2009, the vast majority of co-operative business did not. In the financial sector, not only did credit unions and other financial co-operatives fare better than private banks during the 2008-2009 crisis, they experienced increases in their membership, their assets and their volume of savings and loans, in developed and developing countries alike.

Several factors inherent in a co-operative's business operations explain the resilience of the co-operative business model:

- A co-operative's strong roots in the community where it is owned and operates acts as a safeguard against abuses and overly aggressive business practices.
- Co-operative boards of directors are close to the membership and community because the board is composed of and governed by the members, who are accountable to their peers; fellow-members with the same stake in the business.
- Co-operatives first and foremost use their members' capital, which makes a co-op less dependent on external financing and decision making, as well as less tolerant of taking excessive risks. Wealth is created sustainably, as surpluses are primarily reinvested in the membership and the community where the co-op operates.

- 1 Ministère Québécois du Développement économique, de l'Innovation et de l'exportation, "Taux de survie des coopératives au Québec", 2008. Available at: <http://www.mdeie.gouv.qc.ca/>
- 2 Birchall, Jonathan and Lou Hammond-Ketilson, "Resilience of the cooperative business model in times of crisis", International Labour Organization, 2009. Available at: <http://www.ilo.org>.
- 3 Desjardins, "Perspectives: Spécial coopératisme et économie sociale", Volume 21 / Automne 2011. Available at: <http://www.desjardins.com>.

Co-operatives Schools for democracy



Co-operatives are democratic organizations controlled by their members who actively participate in decision making. Men and women serving as elected representatives are accountable to members. Each person can express their views, clearly stating what she or he thinks, while committing oneself to the choice of the majority. Every vote counts equally, not based upon investment.

All members are equal regardless of income, social origin, sex, religion or role in the co-operative. Many individuals – especially women – that have played significant roles in the social and political lives of their communities developed their leadership skills and the confidence to exercise these skills in their local co-operative.

Canadian co-operatives supported seven cashew grower co-ops in Chilanguera, **EL SALVADOR** where in 2010, farmers produced 13,000 kilograms of cashews for local and foreign buyers and employed 58 workers (39 of which are women). The co-operative further processed over 5,000 litres of juice concentrate from the cashew tree's highly perishable false fruit, which was previously left to rot in the orchard.

One of the woman members, Raquel Alfaro, was among the first women in her village to become active in the affairs of her co-operative. So began Raquel's journey from housewife to Chilanguera's first woman mayor – a journey that rocked the very foundation of her family. Since joining the co-op, Raquel has helped establish a fruit-processing plant in her village and a child care centre for cashew nut workers.



Co-operators hold democratic principles at heart not only because these principles are founding principles of a co-operative business but also because these principles form the cornerstone of organizations and businesses that meet peoples' aspirations.

More than 1 billion people around the world have developed democratic skills and learnt to make important decisions for themselves and their communities in their local co-ops; decisions which underpin the emergence of democratic societies that respect difference. Co-op members learn about:

- **Respect**
- **Rights**
- **Responsibilities**
- **Laws**
- **Citizenship**
- **Accountability**
- **Democratic change**

A co-op's democratic principles are nurtured through constant education and learning by and for members and the community. Members are also always learning about their roles and responsibilities and how these translate into rights and duties that are to be exercised with care.

Co-operatives

A

An inclusive business model



Co-operatives are inclusive institutions. As a result, co-operatives adapt their products and services to cater to all categories of customers, including those most often ignored by other private sector businesses. Women, youth, people with disabilities and minority cultural or ethnic communities can face social exclusion and additional challenges in escaping poverty. The co-operative business model provides solutions to help make this happen.

Co-operative principles of open membership, democratic member control, member economic participation, member education, and concern for the community form the basis of inclusion. Employing a co-operative model can mobilize resources from and for the most marginalized members of the community. Co-operatives recognize that success is based on the long-term social and economic development of the whole community. Existing co-operatives have governance mechanisms that help foster inclusion on boards of directors.

Specific vulnerable groups can join to create a co-operative business that responds to their specific needs. The flexibility of the model allows different types of co-operative businesses to be created and integrated. Informal sector workers can join to form service co-operatives; savings and credit co-operatives have been established by women owners and members in rural communities; housing co-operatives provide access to affordable accommodation in cities.

The Gujarat State **WOMEN'S SEWA CO-OPERATIVE FEDERATION**

was founded in 1992 to help poor, self-employed women to participate in the co-op movement, and to obtain steady work and income through their co-operatives. It is part of a larger family of organizations sponsored by the Self Employed Women's Association (SEWA), a nationwide trade union of over five million women in the unorganized sector of the Indian economy, begun in 1972. Today the Federation has nearly one hundred member worker co-operatives. Artisans, roadside paper pickers, farmers and traders have all benefited from its services, gaining ownership of their trade and their tools, eliminating middlemen, learning co-operative management, knowledge and technologies, and voicing their interests and concerns to state policy makers.

Women health workers have also found their collective voice through the Federation. SEWA formed India's first and only co-operative for midwives. The Midwife Co-operative gives stable employment to midwives, and provides women and their families with better access to and control over health care, especially focusing on sexual health.





Leaders in development innovation

Co-operatives innovate as community-owned private sector actors as they offer goods and services to poor men and women who are often excluded from the market. Innovation is seen as a key mechanism to reduce poverty sustainably. Whether through the introduction and application of technology or the adoption of private-public-partnerships in development programs, there is a constant emphasis on finding “new” methods to solve “old” development problems.

Drawing on the principles of open membership and democratic member control, co-operatives have membership structures that reflect the realities of their communities, the service or good that they produce and the needs of the marketplace. As a result, co-operatives are well-placed in poor communities to expand into areas not served by the state or traditional private sector, such as renewable energy or insurance. Co-operative ownership shares the risk amongst members in adopting a new technology or practice in a community, for instance in the development of updated agricultural storage facilities or the building of new water-conservation structures. Sharing risk encourages innovation and facilitates uptake of technologies and practices that reduce poverty.

MUTUAL BENEFITS ASSOCIATIONS (MBA)

are co-operative institutions in the Philippines that provide access to micro-insurance for millions of people. The mutual model shares the risk across many people, keeping premiums low and offering insurance to poor people. Beginning in 2003, the Centre for Agriculture and Rural Development (CARD) MBA began to transform a high risk, informal in-house insurance program it was providing to clients into a professionally managed mutual benefit association.

CARD-MBA received funding and technical assistance for market research, business planning, professional development, improved board governance, products and associated MIS development. In 2005, Risk Management Solutions Inc. (RIMANSI) was created to replicate the mutual model throughout the Philippines by helping financial institutions transform their own in-house programs into co-op MBAs. Today, MBAs provide life insurance to more than 20 per cent of the insured market in the Philippines.



Innovation is not new to co-operatives. Credit unions, which are now more than 100 years old, were pioneers in providing what are now known as micro-finance services to poor families, helping them to save money and access loans. This continues to be the case in developing countries around the world and now also includes micro-life, health, and crop insurance.

Over 70 years ago, poor rural communities were not seen as a profitable market for the provision of electricity and were therefore ignored by utility companies. These communities established co-operatives which to this day provide electricity to their members at a reasonable cost. Today, over 100 million people in over 40 developing countries have their own co-operatives which provide them access to safe, reliable, and affordable electricity.

Co-operatives Enabling entrepreneurs



Around the world, micro, small and medium enterprises (MSMEs) are major employers; MSMEs develop communities, create wealth and thus help to reduce poverty. The Calvert Foundation's Social Return on Investment tool estimates that each loan made to a small business in a developing country creates 1.4 new jobs⁴ in the community. Like any company, an MSME needs to have access to financing and other services to act as an engine of development. Co-operatives are an important source for these services.

Co-operatives are inclusive businesses that provide services to all categories of businesses, including the smallest. Financial co-operatives are often the only "open door" to MSMEs, which can have difficulty accessing loans from traditional banks. Worker-owned co-operative businesses are another driver of private sector development as they stimulate entrepreneurship and help provide employment for their members.

BURKINA FASO 's network of credit unions has established four financial centers for entrepreneurs located in rural areas to provide farmers and other micro-and-small entrepreneurs with financial services that are tailored to their needs. These customers were not served previously by any financial institutions since they require more advanced services than those offered by microfinance institutions, and do not meet the lending criteria of large banks.

The credit unions therefore filled an important gap in the market place.

The financial centres have provided financing and training to 5,400 farmers to finance improvements in quality and quantity of their production, contributing to increased incomes and improved food security.



⁴ According to the Calvert Foundation's Social Return on Investment Calculator, available at: <http://www2.calvertfoundation.org/impact/calculate>

Co-operatives Building peace



Co-operatives are a powerful tool for social intermediation and can serve as a foundation for more peaceful societies. In a world where international development is often taking place against a backdrop of conflict, or in post-conflict environments, co-operatives have proven to be a remarkably effective tool in promoting peace.

GUATEMALA suffered from a civil war that lasted 36 years and resulted in the death of 250,000 people and the destruction of the basic infrastructure necessary for development. The peace agreement signed in 1996 was thanks to the efforts of the National Reconciliation Commission, within which the Confederation of Co-operatives (CONFECOOP) played a key role.



Poverty and conflict are inextricably linked. Conflict often starts because of poverty, and conflict inevitably causes poverty. The values that define and drive co-operatives, such as the fair and equitable use and distribution of resources and a focused realization of human potential through collective action and mutual support, help overcome divisions that bring about or are the result of conflict. Where people find a new common purpose, where they work together for the benefit of all, the tensions that linger long after a conflict ends are reduced.

There are numerous examples where co-operatives have proven to be highly effective at all stages of conflict resolution – from prevention, through to reduction of outright conflict, to the peace making and maintenance phase.

In Aceh, Indonesia, following 30 years of civil war, co-operatives were among the first and most successful tools used to bring fractured communities together. It was not a fast process. First, the idea of co-operation within the community needed to be developed, in order to open dialogue within the communities. At the same time, small agriculture or production groups were formed, eventually emerging as true co-operatives supported by a second-tier marketing co-operative.

In northern Ghana, where a simmering land dispute would sporadically erupt into violence, the creation of an agricultural co-operative finally brought peace, bringing people together to work toward a new set of common, economic objectives.

In El Salvador, following that civil war, the contentious issue of agrarian reform was managed by redistributing land through co-operatives.

Co-operatives

They do not always succeed

If a co-operative does not succeed as a business, it will not succeed in creating wealth and reducing poverty. While being community-owned and democratically-governed, co-operatives must succeed as a business. Co-operatives fail for the same reasons that businesses fail: poor business planning; poor leadership; lack of access to markets; lack of capitalization; lack of new technology; poor legislation or regulation; and shifting market conditions that make their products or services less competitive.

Poor democratic governance is a crosscutting reason for hindering co-operative development. Co-operatives can have poorly informed or unengaged members, who then make poor directors. Members might not attend annual general meetings and take seriously the individual accountability each has for the co-operative. Directors in turn do not take their role seriously, leading to policy and business decisions being made by very few persons. Co-operatives can as a result be taken over by elites, either through members of the community, the region, or the country. When this happens, a co-operative starts only responding to the needs of specific communities or to particular political interests. Co-operatives can become tools of these communities or interests, alienating the co-operative and the co-operative model from the community. This is especially true in countries where co-operatives were used to mobilize support during conflict.

Government and donors can have a negative impact. Ineffective or inappropriate government legislation can contribute to co-operative failure. Lack of understanding about government's role in regulating, supervising, and taxing co-operatives has led to laws that undermine a co-operative's ability to respond to member needs and succeed as a business.

Furthermore, governments have managed co-operatives from the top down, using co-operatives as vehicles to provide employment, deliver subsidized foods and services to the population, or distribute patronage. Finally, co-operatives in developing countries in particular may be overly reliant on outside support. External donors may create co-operatives as means to deliver aid projects, without focusing on member-commitment to the co-operative, or the co-operative's commercial viability.

Member-owned, democratically-governed, well-managed and networked co-operatives with realistic business plans can meet these challenges, thereby improving their communities' lives, creating wealth and reducing poverty.





CANADIAN CO-OPERATIVES AND
INTERNATIONAL DEVELOPMENT

The uniqueness of the Canadian co-operative model

Canadian co-operatives are a key part of Canada's economy and have played a determining role in the development of Canada's society in the 20th century. The largest private employer in Quebec is the Desjardins Group, also Canada's sixth largest financial institution. Agropur is the largest dairy co-operative in Canada with processing operations in Argentina and the United States. Vancity Credit Union is the second largest autonomous co-operative in the world, serving over 400,000 members.

Canadian co-operatives provide healthcare, housing, and funeral services; they maintain and manage forests; they generate electricity; they offer a wide variety of products and services in Canada's most remote communities. These co-operative businesses, like most other co-operatives in the world, were established by individuals looking for solutions that neither the state nor the traditional private sector could or would offer – they chose a co-operative. Co-ops were a choice and not an alternative.

Early co-operative leaders were often able to rely on the contribution and support of local political or religious authorities when starting their businesses. At other times, they worked with government to draft specific laws that would favour strong co-operatives. Some might have benefited from government programs that supplemented early members' equity in the co-op. More often than not, they built on the lessons of other co-op businesses that came before them. Success did not happen overnight.

Co-operatives developed a symbiotic relationship with local, provincial, and national government. Governments often called on co-operatives to implement policies in regional economic development, agricultural industrialization, natural resources management and housing. Co-operatives are responsible private sector actors and partners of governments that pursue economic and social development that involves their citizens. Canadian co-operatives have, for over 100 years, maintained a balance between business growth and responding to the needs of their members and their communities.



18,000,000	Canadian co-operative members
8,500	co-operatives and mutuals in Canada
2,700	housing co-ops, which provide homes to 250,000 people
1,300	agriculture co-ops
660	retail co-ops
900	credit unions and <i>caisse populaires</i> with close to 11 million members
400	co-ops offering child care or early childhood education
340	worker co-ops
100	health care co-ops
150,000	people are employed in the co-op sector
\$330 billion	assets in co-ops and credit unions

Canadian co-operatives: Major contributors to international development

The three major Canadian co-operative organizations are models around the world for sustainable co-operative development. CCA, DID and SOCODEVI have over 100 years of combined experience working in international development, accessing financial support from and partnering with the vast majority of major international government and private sector donors, first and foremost the Canadian International Development Agency.

Since 1990, these organizations have conducted more than 1,000 projects in over 80 countries. Tens of millions of families and entrepreneurs have been supported by their work, helping them to build successful co-operative businesses, improve their families' standard of living and their ability to contribute to the development of the economy of their communities and countries.

What unites CCA, DID and SOCODEVI is their strong affiliation to unique networks of successful co-operatives in Canada. They tap into a vast pool of technical, human and financial resources that are at the service of their partners. Each organization draws on rich and diverse sets of experiences that allow them to work in true partnership with other co-operatives, tailoring approaches to every situation. In the last 20 years, more than 1,500 Canadian co-operators have volunteered the equivalent of 300 person-years to support the work of CCA, DID and SOCODEVI. Canadian cooperators have also donated more than \$40 million which have mobilised greater support from other donors and partners, including the Government of Canada.



Canada's co-operative international development organizations create wealth and reduce poverty effectively because they offer their co-operative partners in developing countries concrete business solutions and practical co-operative approaches rooted in unique histories of co-operative development. Approaches learnt in a Canadian context are not simply reproduced, but are shared, adapted and improved upon in partnership with partners in developing countries who then own the results, as demonstrated by the sustainability of the co-operative businesses and sectors that have been supported.

CCA, DID and SOCODEVI demonstrate through their work the principle of co-operation among co-operatives. They work together to ensure that the co-operative business model continues to create wealth and reduce poverty meaningfully and sustainably.

Canadian co-operative contributors to this publication

The **Canadian Co-operative Association** (CCA) provides leadership to promote, develop and unite co-operatives and credit unions for the benefit of people in Canada and around the world. CCA's members come from many sectors of the economy, including finance, insurance, agri-food and supply, wholesale and retail, housing, health, and the service sector. CCA's members envision a world where people everywhere thrive economically, culturally and socially. For more than 40 years, CCA's international development program has helped reduce poverty by establishing and growing co-operatives, credit unions and community based organizations.

www.coopscanada.coop/id

For more than 40 years, **Développement international Desjardins** (DID) has been working with developing and emerging countries towards the goal of sharing the expertise and experience of Desjardins Group, the largest co-operative financial group in Canada. Our goal is to provide disadvantaged communities around the world with access to secure, diversified financial services that fit their needs. A pioneer in the deployment and development of microfinance around the world, DID today is a leading contributor to the sector.

www.did.qc.ca

SOCODEVI is a network of 26 cooperatives and mutuals that share technical expertise and know-how with partners in developing countries in order to create, protect and distribute wealth. SOCODEVI measures its success by the extent to which the enterprises receiving assistance become reference models within their own countries based upon their sustainability and the economic benefits they produce in the community. Since 1985, SOCODEVI has worked with over 680 cooperative and mutual enterprises and organizations in forty developing countries with an impact on over 12 million individuals. More than 400 projects with a total value of CAN \$ 220 million have been completed by SOCODEVI.

www.socodevi.org



Desjardins
Développement international



Print run 1700 copies
Printing Imprimerie JB Deschamps
Graphic Design Pouliot Guay, graphistes
ISBN 978-2-921777-39-1
Printed on 100% recycled paper
September 2012



