

## 9. Solidarity co-operatives in Quebec (Canada): overview<sup>1</sup>

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### 1. Introduction

Since 1997, Quebec legislation has allowed for multi-membership co-operatives, also known as solidarity co-operatives, to be created. To the best of our knowledge, such co-operatives are the first of their kind in North America. To date, very little has been written on this subject, which can be explained by the embryonic status of the concept. However, in barely seven years (1997-2004), more than two thousand and fifty of these co-operatives have been created. They operate in a wide variety of branches of industry. Given their associative nature, they offer new avenues for partnerships to emerge between civil society, parapublic organizations and various local forces. In the example of social co-operatives in Italy the issue centres around an original re-articulation of the link between the economic and the social. The association of workers and users within the same organization makes it possible for a joint construction of supply and demand to emerge. This structure is proving to be a new means of applying the contributions offered by volunteer and activist resources, thereby reinforcing the value of donations and reciprocity. Finally, as it is the last model to arrive on the scene of the Quebec co-operative landscape, the solidarity co-operative needs to find its bearings among the large co-operative family in which homogeneity regulates membership.

This article aims to portray the solidarity co-operative's level of devel-

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<sup>1</sup> The latter part of this paper is essentially an excerpt from Girard, De Bortoli (2004). The author would like to thank Jocelyne Chagnon from the Co-operatives Branch of the Government of Quebec for having made available updated data relating to solidarity co-operatives and Geneviève Langlois, research assistant at CRISES/UQAM, for having provided very valuable feedback. The author alone assumes responsibility for the text.

opment in Quebec. After a brief summary of the genesis of the idea behind the solidarity co-operative, we will present the legal provisions which define the concept and which prescribe its policies. Our analysis will be pursued by a short portrait of the development of the formula since its legal act, which set the bases for the creation of solidarity co-operatives in 1997. We will then formulate several observations on the appreciation of the solidarity co-operative and its perspectives in terms of future development. Finally, we will present a brief overview covering our three years current research concerning the potential impact of solidarity co-operatives on social cohesion.

## 2. Origin

Quebec, over many decades, has been the scene of a major co-operative development, thus imitating the phenomenon which took place in many other areas of the world. This particular diffusion of the co-operative concept results from a declination of single ownership. Hence, the very well-known network of Desjardins financial services co-operatives is made up of consumer co-operatives. Agricultural co-operatives, as important players in the domestic agri-food industry, are rather producer co-operatives. On a more reduced scale, we have contributed for approximately thirty years to the development of self-managed companies which adhere to the model of worker co-operatives. Forestry co-operatives are a good example of this phenomenon. Although embracing a model of unique partnership, these different types of co-operatives are not sheltered from the tensions brewing between members who may hold different, or opposing, interests. Therefore, in financial services co-operatives, the investing member seeks to maximize the return on his deposits. On the contrary, the borrowing member looks for the lowest interest rate at which to borrow money. However, it remains that this group of co-operatives, contrary to the mutual responsibility co-operative, respond to a single line of reasoning: consumption, (producer) distribution and work.

The origin of the concept of solidarity co-operatives stems from different sources. We are able to identify four major issues which have variable levels and have contributed, over a period of approximately ten years

(1986-1996), in encouraging reflection on what has developed into the solidarity co-operative. These matters are: the question of local development, that of the closing of villages, the development of daycares (nursery schools) and the issue of insertion. A fifth theme and the occasion on which its debate took place gave the process its final élan: home services and the Quebec Economic and Job Summit (1996).

In Quebec, if eventually community development came to be known as regional development, as in the 1980s, it is in fact the concept of local development that would be referred to. In this sense, groups of citizens and representatives of institutional players from the community, such as municipalities, credit unions, etc. will seek to associate themselves with organizations promoting discussion, implementation of development strategies and the initial support for 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 organization (NPO), since the provisions set by the *Cooperatives Act* (uniqueness of owner) do not promote choosing the co-operative model. Related to the issue of local development, in small villages, the closing of essential services such as the post office, grocery store, gas station and others, demonstrates a serious threat to the community's survival. The idea of consolidating all concerned organizations and persons within a co-operative able to offer a basic minimum of services is gaining ground. In other respects, the increased presence of women in the job market has given rise to a peaked demand for the development of childcare services. Again, the impracticability for the co-operative to consolidate like family members and workers has led to the NPO model being favoured in this area. Finally, concerning the fourth issue, we must consider the increased number of projects aiming to promote the reinsertion of disqualified individuals in the job market since the beginning of the 1990s. These initiatives have often taken the form of apprenticeships in home working supervised by a structure aiming to accommodate the interests of the trainee, the beneficiary of the service and the supervising organizations, as is the case with the Local Community Health Centres (LCHC)<sup>2</sup>.

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<sup>2</sup> Parapublic organizations reconciling health and social services. Hence, they are funded by the health and social care ministries. They cover all the concerned territory.

These new social and economic realities and the demands imposed by local development have fuelled reflection on the co-operative movement to discover means of adapting the co-operative model to the new situation. One event in particular provided the opportunity to bring this reflection to fruition. The Government of Quebec's initiative to conduct the Economic and Job Summit<sup>3</sup> in 1996 generated numerous actions likely to improve Quebec's performance in the areas of job creation and maintenance. Among these issues, that of home-care service needs to be raised. Following the example of other Western countries, Quebec must come to terms with its noticeable aging population. Sheltering those who are aging and losing their autonomy in a public environment is considerably expensive; consequently, the government has decided to encourage elderly people to remain at home. In this context, through the network of LCHC, the government is able, in principle, to ensure a delivery service of assistance and care to these persons, but not to ensure work and domestic help. Since a significant portion of these custodial services were carried out under the table (black market), the government decided, within the 1996 Economic and Job Summit, to support the creation of Homecare Social Economy Enterprises, using the NPO model or co-operatives considered as non-profit organizations<sup>4</sup>. In doing so, it is seeking 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). Government support for Homecare Social Economy Enterprises has first of all taken on the form of a financial aid program at the request of users, who wish to override domestic help services, and from elderly people, who are in the process of losing their autonomy and require regular housekeeping. This initiative is known as *Programme d'exonération financière en services à domicile* (PEFSAD). Second of all, following the representations from the general organization consolidating all of the co-operative sectors in Quebec, the Conseil de la coopération du Québec (CCQ), the Province accepted to expand the *Cooperatives Act* by

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<sup>3</sup> Summit gathering different socio-economic actors such as employers associations, important trade unions, environmental and community base representatives, co-operative leaders, etc.

<sup>4</sup> This notion of the profit-making co-operative implies that the co-operative agrees to include in its positions a provision to the effect that the surplus will be reinvested in the co-operative and not returned to the members in the form of patronage returns.

adding new provisions allowing the creation of solidarity co-operatives. For the co-operative movement, the opportunity to develop co-operatives within the niche of home services provided an excellent opportunity for more openness towards the form of multi-member co-operatives. Indeed, it granted them the opportunity to establish 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 organizations or individuals which, without being directly involved in offering these services, share the same objectives of the organization. Over a period of a few months, a close collaboration between the CCQ and the government department responsible for administering the *Cooperatives Act*, the Direction des coopératives, enabled the amendments to the act's text to be completed, all of which formed the subject of a sanction made by the Quebec parliament in June 1997.

### 3. Provisions relating to the solidarity co-operative<sup>5</sup>

Paragraph 226 from the *Cooperatives Act* therefore provides substance to the concept of the solidarity co-operative. The main provisions are associated with four elements: definition, capitalization, formation of the board of directors, and patronage returns.

According to the Act, the solidarity co-operative concurrently consolidates members who are users, services offered by the co-operative, and members who are workers employed 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 may also be a member of the co-operative. This member is hereafter named a "supporting member" (see "Loi sur les coopératives", chapitre C-67.2). In Quebec, the initial mechanism of capitalization takes the name of parts (shares) of qualification composed according to the choice of the co-operative, of social parts exclusively, or of both social parts and preferential parts. For the solidarity co-operative, it is specified that the number of these parts that

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<sup>5</sup> It is expected that the *Cooperatives Act* will be changed in some part during 2004.

a member must hold can vary according to whether the member is a user, a worker, or a supporting member. During these activities, in the same way as is seen in other types of co-operatives, the solidarity co-operative can use another mechanism of capitalization, which consists of issuing preferential parts according to categories which have not been included in the qualification parts. Furthermore, if a policy authorizes such, the Act specifies that the solidarity co-operative has the freedom to issue, to the supporting members, another capitalization title, that of participating preferential shares. Each category of members (user, worker, supporting member) forms a group for the election of the directors. The Act ensures that each of these groups has a minimum of one representative serving on the board of directors. It is at the co-operative's discretion to determine the number of members per group, however the Act stipulates a maximum of a third of the directors can originate from the group of supporting members. Under the hypothesis that the co-operative pays patronage returns, the Act specifies that such returns occur for user members on a pro rata basis with operations carried out with the co-operative during the previous fiscal year. In the case of the working member, this payment is established according to the volume of work carried out during the previous fiscal year. This volume can be determined according to the number of working hours, the member's revenue, or any other measure as set by the policy. Attributing patronage returns to supporting members is prohibited.

#### **4. Development of solidarity co-operatives**

The limited existence of solidarity co-operatives in Quebec allows only for the distribution of incomplete, fragmented information. We must wait a few more years before being able to paint a more accurate portrait. At the constitutional level, the very large majority of solidarity co-operatives are *ex-nihilo* creations, while some result from the transformation of NPO's. Furthermore, a few co-operatives of another type have modified their positions to embrace this form of co-operative. One must be aware that this development, a relatively quick result ensuing from the solidarity co-operative model, was able to benefit from the support of different government programs. Besides the cases of co-operatives in the

home service sector, and those in the area of childcare services, which to date are very small in number, several others have been able to sustain themselves with the assistance of the financial aid program provided to co-operative development from a Government organization, Investissement-Quebec. This program offers mainly loan guarantees. Furthermore, another program developed by the ministère des Régions<sup>6</sup> proposes subsidies for the start-up of so-called social economy companies. It is used for initial financing. Managed by organizations called local development centres, which also use resources to supplement the start-up of social economy companies, this program has significantly stimulated the development of solidarity co-operatives.

**Table 1 - Evolution of the number of solidarity co-operatives in Quebec: period from 1997 to 2003**

<i>Year of constitution</i>	<i>Number of co-operatives</i>	<i>Co-operatives remaining in operation</i>	<i>% of co-operatives remaining in operation</i>
1997	18	17	94,4
1998	32	23	71,9
1999	45	29	64,4
2000	46	28	60,9
2001	30	25	83,3
2002	35	34	97,1
2003	49	49	100,0
<i>Total</i>	<i>255</i>	<i>205</i>	<i>80,4</i>

*Source: Direction des coopératives, 2003, MDER.*

Solidarity co-operatives are present in various lines of activities with a dominant presence in the so-called area of personal home services. This result is not surprising considering the resources allocated since 1997 to promote the development of this type of organization. Table 2 exposes the portrait dating from December 2003.

On a financial level, we must deal with limited data, considering the number of solidarity co-operatives that have submitted their annual balance sheet to the Co-operative Branch. In this sense, we have at our disposal a reduced range of samples

<sup>6</sup> Since the election of a new provincial Government in April 2003, this program has been terminated.

**Table 2 - Main lines of activity of solidarity co-operatives in Quebec.  
Based upon constitution chart: 2003**

	<i>Total**</i> N	<i>Total</i> %
<b>Primary</b>		
Agriculture	10	
Others	6	
<i>Sub-total</i>	<i>16</i>	<i>6,3</i>
<b>Secondary</b>		
Printing, editing	6	
Others	10	
<i>Sub-total</i>	<i>16</i>	<i>6,3</i>
<b>Tertiary</b>		
Personnal services	38	
Recreational-tourism	29	
Social services	19	
Grocery, specialised stores	17	
Arts and scene performance	15	
Services to enterprises	13	
Accommodation and food services	12	
Others	80	
<i>Sub-total</i>	<i>223</i>	<i>87,5</i>
<b>Total</b>	<b>255</b>	<b>100,0</b>

Source: *Direction des coopératives, 2003, MDER.*

\*Based upon classification des activités économiques du Québec code.

\*\* On December 31, 2003.

According to table 3, we learn that on average, a solidarity co-operative has assets of \$250K<sup>7</sup>, a level of debt of 120K\$ and equity of 130K\$. The annual average turnover is 511K\$ with an annual % of growth of 19,6.

**Table 3 - Solidarity co-operatives in Quebec: (partial results: 72 co-operatives). Financial data on December 31, 2002: average**

<i>Variable</i>	<i>Total</i>
Assets	250K\$
Debt	120K\$
Equity	130K\$

Reference: *Direction des coopératives, Gouvernement du Québec.*

The average membership of a solidarity co-operative is established at 351 members, broken down into 315 user members, 24 worker members,

<sup>7</sup> On April 30 2004, 1\$CDN=0,62 euro.

and the balance, 12, in supporting members. Among these supporting members, the corporate member category is mainly composed of local development centres, Local Community Health Centres, financial co-operatives (Desjardins), and other community organizations.

## 5. Assessment: development perspectives

The accelerated development of solidarity co-operatives in Quebec since the 1997 adoption of the decree acknowledging their existence is definitely not a coincidence. First of all, the co-operative formula is part of the economic development model in Quebec. In the image of French language and culture, it is a model of development which distinguishes itself from the rest of Canada, and more generally speaking, North America.

In Quebec, there exists a presence of large capital stock companies such as Bombardier, Québecor, Jean Coutu and others, but through capital equity participation, there is a very large influence of major public corporations including the very impressive Caisse de dépôt et de placement (assets exceeding \$110G), the Société générale de financement and Investissement-Quebec. Workers' funds (Fonds de solidarité des travailleurs et travailleuses du Quebec: asset of 5G\$) are then earmarked for risk capital within companies including co-operatives and large co-operative organizations, which at the forefront are Desjardins (asset of 100G\$), Agropur and the Coopérative Fédérée de Quebec.

Therefore the co-operative option, contrary to the prevailing situation in other Canadian provinces, forms a clear part of the choices of economic and social development. On another level, major resources are allocated to promote this development, not only on a financial level, such as illustrated previously, but also concerning support, aid offered to the start-up process and to development. The determining role of the local development centres and regional development co-operatives<sup>8</sup> must thus be taken into account. The acknowledgement of solidarity co-operatives did not arise from a sole government initiative, but from years of representa-

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<sup>8</sup> The main activity of regional development co-operatives, which consists of assistance to the start-up of new co-ops whatever the sector of activity, is supported by a subsidies program from the Government of Quebec.

tion by the spokesperson for the co-operative movement, the Conseil de la coopération du Québec, an organism which facilitates the integration of the model into the larger co-operative family. To this day, there does not exist an association of co-operatives in a federation or consortium as is the case, for example, for the social co-operatives in Italy. Being present in a multitude of sectors, there is no sufficient critical mass to justify such groupings, but there is also the question of the model, such as Italy's consortium, being unknown. In the sector of home services, a Federation was created in 1996, however it brings together the group of co-operatives independently from their form. Cohabitating as such in the Fédération des coopératives de services à domicile du Québec are solidarity co-operatives, user co-operatives and even some worker co-operatives. Elsewhere, solidarity co-operatives generally adhere to organizations which often supported their development, the regional development co-operative, which enables networks or co-operatives also associated with regional development centres to join forces with more institutionalized co-operative networks.

How is arbitration carried out among the various interests within these co-operatives? The information available does not allow for a firm judgement to be pronounced. Various indications lead us to believe that until the present time, things have been progressing relatively well. Therefore, according to the Co-operative Branch, telephone surveys indicate that the sharing of positions on the board of directors is generally administered according to the rule of equality between group members. Furthermore, these co-operatives do not seem to have appealed more than the others to significant interventions between the actors, involving mediation. One must however keep in mind that they are still, in the great majority of cases, under the influence of the enthusiasm for a merge from the outset, a favourable élan of compromises. They seem overall well entrenched in their environment, proposing responses which are flexible and adapted to the various needs.

In prospective terms, certain stakes must be closely monitored. To this day, solidarity co-operatives have been very active in areas mainly affecting social issues. In certain cases, including home services, there has been saturation. Although in this world of local community-based services or so-called *relational* services, which includes the recreational-tourism sector

(for example, managing an outdoor activities Centre), the model has not yet reached full maturity. It goes without saying that there is nothing preventing us from thinking that there would be cause for envisaging development in sectors increasingly regulated by the market. For example, in the food-processing industry, a co-operative would group together non-traditional livestock breeders (bison, emu, ostrich, etc.), slaughterhouse employees and consumers. The solidarity co-operative formula could also find a place in the already established networks of consumer co-operatives. Whether it be in the academic environment (colleges and universities), in food consumption, or even in funeral services, the solidarity co-operative, out of all the networks of consumer co-operatives, would provide an original approach to motivate participants other than the users, the most important being the workers.

These new areas of development may lead us to rethink capitalization strategies. To this day, we have no choice but to notice that solidarity co-operatives have benefited reasonably from public grants, which explains in many cases why co-operatives have adopted the so-called non-profit status (impossibility of returning the surplus) which also implies exemption of tax. One can even think that in certain cases, these incentives were able to produce a perverse effect by inciting people to adopt this formula for the sake of this very end result. What cannot be doubted is that the height of start-up grants serving as capital outlay had a discouraging effect, where members are concerned, in regards to capitalization. By taking into account individuals' financial limits, let us consider the lower wage earners: one nevertheless agrees that for the formula to be viable over the long term, greater financial involvement by the members through self-capitalization would certainly be welcome. One is entitled to imagine that this may be the path that new co-operatives will follow, particularly those exposed to the games of supply and demand, thus evolving in less protected markets.

## **6. Solidarity co-operatives and social cohesion: a research project**

By their nature as associations, solidarity co-ops have the potential to offer new kinds of partnership and governance among civil society,

parapublic organizations, and various local actors in seeking solutions to needs that are not met or not met sufficiently. 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. Like social co-operatives in Italy, solidarity co-ops are an original means of reconstructing the link between the economic and the social spheres (Girard et al., 2000).

These remarks demonstrate the value of attempting to understand the impact of this kind of co-operative on social cohesion. The solidarity co-op is an original way of mobilizing various actors; it is a customized response to unmet needs and it can serve as a unifying force.

As part of the research project entitled “Co-operative Membership and Globalization: Creating Social Cohesion through Market Relations”<sup>9</sup>, the Centre de recherche sur les innovations sociales dans l'économie sociale, les entreprises et les syndicats (CRISES) of the Université du Québec à Montréal (UQAM) will undertake a series of studies and analyses on the topic of solidarity co-operatives and social cohesion, which will be carried out between 2002 and 2005<sup>10</sup>.

From 2000 to 2002, CRISES took part in a variety of research activities concerning social cohesion and financial service co-operatives, which led to the publication of a series of monographs<sup>11</sup> and of a synthesis<sup>12</sup>. Co-

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<sup>9</sup> This Canadian research project was lead by the Centre for the Study of Co-operatives of the University of Saskatchewan: <http://www.socialcohesion.coop/>.

<sup>10</sup> Updated information at <http://www.unites.uqam.ca/crises/e/projetsocietariat.htm> (in French only).

<sup>11</sup> Mager Lucie, sous la direction de Marie-Claire Malo et B. Lévesque (2001), «Coopératives financières cohésion sociale et territoire: la Caisse populaire Desjardins Saint-Patrice de Magog issue de fusions de caisses dans la MRC Memphrémagog», Montréal: UQAM, Centre de recherche sur les innovations sociales dans l'économie sociale, les entreprises et les syndicats, *Collection études de cas d'entreprises d'économie sociale*, n. ES0104; Huot Geneviève, sous la direction de Marie-Claire Malo et B. Lévesque (2001), «Coopératives financières, cohésion sociale et territoire: La Caisse populaire Desjardins de Kildare issue de fusions de caisses dans Lanaudière», Montréal: UQAM, Centre de recherche sur les innovations sociales dans l'économie sociale, les entreprises et les syndicats, *Collection études de cas d'entreprises d'économie sociale*, n. ES0105; Camus Annie, sous la direction de Marie-Claire Malo et B. Lévesque (2001), «Coopératives financières, cohésion sociale et territoire: La Caisse populaire Desjardins Allard-St-Paul issue de fusions de caisses dans l'arrondissement Sud-Ouest (Montréal)», Montréal: UQAM, Centre de recherche sur les innovations sociales dans l'économie sociale, les entreprises et les syndicats, *Collection études de cas d'entreprises d'économie sociale*, n. ES0106; Chouinard Omer, P. M. Desjardins, É. Forgues, et U. de Montigny (2001), «Coopératives financières, cohésion sociale et territoire: La Caisse populaire Moncton-Beauséjour et la Caisse populaire de Néguauc issues de fusions de caisses milieux urbain et rural», Montréal: UQAM, Centre de recherche sur les innovations sociales dans l'économie sociale, les entreprises et les syndicats, *Collection études de cas d'entreprises d'économie sociale*, n. ES0107.

operative organizations have been studied in the light of five concepts: *territoriality*, *accessibility*, *employability*, *democrativity*, and *networking*. For the current research project, we will define each of these dimensions and raise different key questions.

## 7. Territoriality

As elsewhere in Canada, territory is being defined in new ways. In the past in Quebec, the parish of the local Catholic Church, with a more or less homogeneous population, was central. It is now being replaced by a wider territory corresponding to *Municipalités régionales de comté* (MRCs)<sup>13</sup> with a heterogeneous population. To what extent do solidarity co-operatives fit into this new division with regard to the membership's understanding of the three member categories, the structure or representatives of the board of directors, and the field of activity? Do the development projects of these co-ops correspond to this new geographic frame of reference?

## 8. Accessibility

The level of accessibility of the solidarity co-ops' services is a central element of this research. Starting from Vienney's (1994) view that co-operatives are intended to be a response to needs that are not met or not adequately met, and are aimed at actors with relatively little power, the research seeks to describe this accessibility.

As accessibility is directly related to the services provided, one must consider the nature and the effectiveness of these services in direct relation to the urgency of the needs of the population - the one hand (nature), how well the co-ops meet the need itself, and on the other (effectiveness), how well they are able to meet the demand quantitatively.

It is also worthwhile to see how these organizations develop new services, not from the perspective of doing business with non-members, but, as described in the typology of Desforges (1980), to broaden the

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<sup>12</sup> See Malo et al., 2002.

<sup>13</sup> This is a new territorial division created by the Government of Quebec in the 1980s, mainly to facilitate regional development.

range of services offered to members, and thus strengthen their ties to the co-op. A good example is the case of personal and home services co-ops, which at the instigation of their members have begun to own and run residential centres. As aging members can no longer remain in their own homes despite the assistance services offer by the co-op and must move into group homes, they would have to leave their area if there were no such resources present. The action of the co-operative in this sector allows people to remain in their community, which seems at first sight to have a direct and positive effect on social cohesion or as a way of fighting against exclusion.

Correlating accessibility with networking, we can analyse it by observing the effect of the introduction of co-operatives on already-existing services in the area - in the case of personal and home services, for example, or public health clinics (LCHCs), in relation to the accessibility of their services. We can also attempt to measure the impact of the relations of these co-ops with the other organizations on the accessibility of the services of the co-op itself, by seeing, for example, how accessibility of the co-op's services is increased or diminished according to whether it is or is not strongly connected to local community organizations. Finally, we can study how accessibility of services is affected by compromises (if any exist) among the individual interests of members, the interests of members as part of the group, and the general interest of the population, in relation to accessibility of services.

## **9. Employability**

The concept of employability can be interpreted differently depending on the solidarity co-op's sector of activity. In certain cases, this element is secondary - the solidarity co-op offering a number of services to a community that does not possess a grocery store, post office, or bank, for example. Here, accessibility is the crucial value. In other cases, employability is central - a co-op working under programs of reintegrating marginal populations into the workforce, for example.

Indicators include the degree to which the jobs created are comparable, in terms of work conditions, to similar jobs in other organizations. The socio-economic characteristics of the personnel hired could also show

the influence of co-ops on social cohesion (employment of people who are poor, unemployed, young or old, men or women, with or without training, etc.). A comparison of these data with other organizations would allow us to measure the co-ops' contribution to social cohesion relative to other similar organizations.

## **10. Democrativity (or simply, democracy)**

The notion of democrativity refers, on the one hand, to the nature of the democratic process in the enterprise (namely the choice of representative, direct, or deliberative democracy) and on the other, to the institutional or composite form of its structure, understood by means of concepts such as “social democracy” and “plural democracy”. The distinction between the two, though unclear at first glance, is fundamental. The “nature of the democratic process” refers to the practice of democracy in the operational and dynamic sense of the term, thus to the idea of process. The “institutional or composite form of its structure” refers to the composition of the democratic structure of the enterprise - that is, the composition of its board of directors, the existence of special committees, the socio-economic characteristics of this composition, etc. In this second aspect we find the concepts of plural democracy, which refers to the territorial, institutional (other local organizations), and socio-economic origins of the members of the board, and other instances of the democratic structure of the enterprise; and the concept of social democracy, which refers to the symmetrical representation of local or larger groups in this structure. All these concepts can be studied in light of the development and evolution of co-ops.

## **11. Networking**

Networking is defined as the links among various individual or collective participants, forming networks, which at the same time use and generate social capital (the values of confidence and reciprocity), which favours co-operation and contributes to the construction of social cohesion. Studying this aspect will allow us to see how the relative connectedness of participants initiating projects influences their success. We will then be

speaking of a stock of social capital. We will also study these ties to see whether they constitute what Granovetter (1985) refers to as “strong ties” or “weak ties,” and to what extent they influence social cohesion in one or the other case. Then, in an area where connectedness and degree of democracy overlap, we will look at the influence of the “charismatic personality” on the creation of social ties that increase the potential of success for the project. In other words, we will see how local participants, possessing strong symbolic capital (director general of a financial services co-op, mayor, recognized institution, etc.) are able to form social ties that favour the success of a solidarity co-op’s project. At the same time, we will take into account the role of such influence on the process and components of the democratic structure of the enterprise.

As seen above in the discussion of territoriality, this dimension will also allow us to explore the extent to which the connectedness of the enterprise is favoured by whether or not it adopted the new institutional territory of local development - in this case that of the new municipalités régionales de comté - as the LCHCs in particular have done. In the same way, the correlation between the degree of accessibility of services (quantitatively) and the degree of connectedness of the enterprise could be analysed (see accessibility). Finally, we will emphasize the presence of various participants who traditionally play an unobtrusive role or only become involved when forced to do so, those who have directly and voluntarily contributed to the successful development of solidarity co-ops.

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