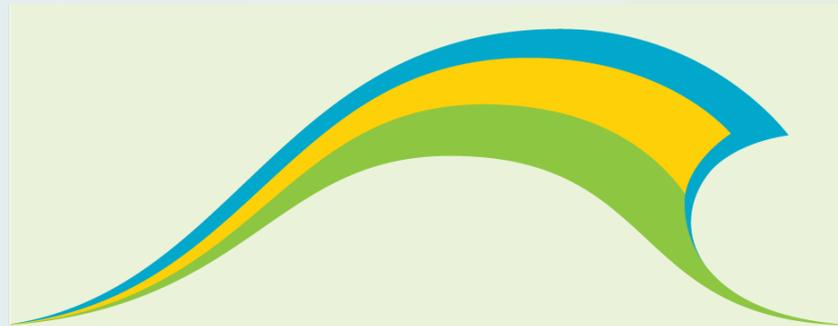


**From Collective to Co-operative  
Entrepreneurship:  
The Co-operative Advantage for Community  
Development in Canada**

Réseau de recherche pour mesurer la  
**DIFFÉRENCE COOPÉRATIVE**



**Measuring the Co-operative Difference**  
**RESEARCH NETWORK**

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# Introduction

## Research Focus

Why groups used the co-operative model—rather than investor-owned, private sector or non-profit organizational models—to meet the social, cultural, environmental, or economic needs of their members and communities.

# Research Questions

1. How have Canadian co-operatives sought to meet their members' or communities' **social/cultural/economic/environmental needs** via the co-operative model?
2. What **advantages** does the co-operative model facilitate for meeting members' social/economic/cultural/environmental needs?
3. What are the **challenges** faced in starting-up or further developing a co-operative initiative, and why and how do co-operatives succeed or fail in overcoming these challenges?
4. What **innovations** have new or expanding co-operatives forged in order to offer both members and surrounding communities new or better ways of provisioning for their social/economic/cultural/environmental needs?

# Methodology - Grounded Theory and Triangulated, Mixed-methods Approach

- Interested in the lived-experiences of founders' of co-operatives
  - Grounded theory allows assessments of the data and findings to emerge from the data, rather than predetermining the data beforehand
- Methods
  - Survey (N= 66)
  - Interviews (N= 27 key respondents)
  - Focus Groups (2x2 FG, 50 participants)

# Our Approach

- **Collective entrepreneurship** theory:
  - The combination of collective risk-taking, actions, and resource pooling rooted in socially driven values and objectives (Connell 1999)
  - Co-operatives are the “clearest example of collective entrepreneurship” (p. 15).
- **Social movement theory** approach to collective entrepreneurship:
  - Social enterprises’ rootedness within broader social, cultural, and political movements for social change
- Our framework of **co-operative entrepreneurship**, borrowing from both theories, builds on these three overarching conceptual themes:
  1. Framing and ideological formation
  2. Distributed Entrepreneurship
  3. Multivocality

## A. Framing and Ideological Development

- “The collective interpretation of ideas and the mobilizing of followers towards the achievement of a cause” (Montgomery & Dacin, 2012, p. 383)
- Involves the creation of collective spaces where “individuals can network and create a collective understanding and active shaping and *framing* of the collective action possibilities” (Spear, 2010, p8)

# A. Framing and Ideological Development: Evidence

## **Founding motivations:**

- Strongly focused on social objectives (outwardly focused to the community), rather than just “mutualistic” aims (inwardly focused on membership needs)
  - “Really making a difference in people’s lives [is core to our co-operative]. [W]e are satisfying a need in our community. We are helping people access more local food every day, and we are doing this successfully and for more people all the time.” (Co-op16, ON)

## **Business activities:**

- Nearly 80% of sample offering goods or services with strong social and/or environmental missions

# A. Framing and Ideological Development: Evidence

## Links to Social Movements

- Strong linkages of founders to existing social movements (ie. insider social entrepreneurship)
  - “[Our] founding came out of [the coming together] of someone that came from the local health unit, concerned consumers, folks involved in the 100 mile diet movement, and some farmers who recognized that they did not have access to a reliable market to local food.” (Co-op19, ON)
  - “Our [producer] co-operative market emerges from out of a ‘Women Entrepreneurs’ program [here in the city]. A group of women...started figuring out what needed to be done [and] getting into a space...[around]...six years ago.” (Co-op10, NB)

## B. Distributed Entrepreneurship and Canada's New Co-operatives

- Co-operatives build on the entrepreneurial efforts of members internally while receiving support from external stakeholders *informally* through social capital and *formally* through institutional support (Spear 2008).
- External support is provided through *circles of entrepreneurship*, comprised of individual and institutional stakeholders

## B. Distributed Entrepreneurship: Evidence

- Main supports for Canada's new co-operatives:
  - Individuals – social networks and volunteers (59.5%)
  - Community Economic Development (CED) organizations (59.5%)
  - Regional development organizations (59%)
  - Financial institutions and credit unions (53%)
  - Other co-operatives (49%)
  - Professionals – mostly co-op developers (39%)
- External stakeholders play a significant role in new co-operatives' resource mobilization and learning across Canada

## C. Multivocality and Canada's New Co-operatives

- Co-operatives bring together individuals with various professional and personal backgrounds, experiences, skills, and interests.
- Multivocality refers to the organizational capacity to “combine...numerous voices as well as to speak to stakeholders in an accessible manner and straddle [multiple] audiences” (Montgomery & Dacin 2010, p384).

## C. Multivocality and Collective Learning

- The diversity of experiences and perspectives within Canada's new co-operatives' membership base, combined with the collective processes inherent in the co-operative management model yielded collective learning experiences:
  - “It wasn't just professional people but folks from all walks of life: Doctors, lawyers, accountants, trades people. Each one had their own experience. So you're getting inputs from a lot of different perspectives, and it's really interesting in hearing all of those different ideas.” (Co-op2, AB)
- Diversity of perspectives within the membership base can also pose a challenge for co-operatives:
  - “Every time we get a new member...their perspective gets thrown into the mix and when we think we've decided on something then all of the sudden we're going back and re-deciding that.(...)” (Co-op26, SK)

## C. Multivocality and Resource Mobilization

- Multivocality is also found to expand *circles of entrepreneurship* and help new co-operatives with resource mobilization:
  - “(...) we all brought sectoral skills in agri-food, the desire for personal autonomy, and the ability to establish contact with people and organizations.” (Co-op23, QC)
  - “Certain members are in competition with each other, but they are open to share knowledge and products (they sell the other members’ products). It strengthens the commercial exchanges and creates new opportunities.” (Co-op10, NB)

## Conclusions: From Collective to Co-operative Entrepreneurship

- Co-operative model deliberately chosen across Canada to undertake social mission-driven business activities
- Co-operatives can be seen as the “organizational or business extension” of social movements
- Co-operative model is conducive to meeting social objectives through distributed entrepreneurship and multivocality
  - Therefore, we propose **co-operative entrepreneurship** as a subset of collective entrepreneurship