

Case Study One: Desjardins & the Credit Union Cause

At the turn of the last century, Alphonse Desjardins was working as a note taker in the House of Commons. There, he observed a debate that would change his life and our country forever. In this debate, he heard about a man who had borrowed \$150 from a bank to save his family. The loan did not work out well, and the bank said with interest payments, he now owed them \$1,500.

Desjardins was horrified. Realizing that this was not just one man's story, but rather a story of many people, he and his wife Dorimène set out to find an alternative to these lending practices. They spent the next three years studying and writing letters to the leaders of the co-operative savings and credit movements in Europe.

In December 1900, Alphonse and Dorimène held a meeting in their home in Lévis, Quebec. They proposed a plan of action for people to pool their own funds and start their own financial institution. Fifty people signed on, and membership in the new group was voluntary. The starting of this group resulted in North America's first credit union, or *caisse populaire* (the people's bank) as it was called in French. The credit union was different from a bank because it was owned and controlled by its members and focused on community development while still providing reasonable rates.

On December 23, 1901, the first day of business for the new credit union, records show deposits of \$26.40. As the credit union continued to grow, it started giving loans to members and proved that it could be both fair to members and financially stable. By 1907, the credit union had 900 members and \$45,000 in membership shares.

The office for the credit union was set up in the Desjardins' house, and because they were committed to making sure this co-operative was a success, neither Alphonse nor Dorimène took a salary. The success of the Desjardins' *caisse populaire* spread like wildfire. Credit unions began popping up all over Canada and soon spread to the United States.

As of 2014, the Desjardins Group had assets of over \$212 billion and over 6 million members. However, the co-operative remembers its roots of a strong concern for community and a co-operative philosophy.

Case Study Two: Mountain Equipment Co-op

In the early 1970s in Vancouver, there was not a mainstream source for mountain climbing equipment. In fact, it was hard to find even the most basic equipment such as appropriate ropes and hiking backpacks. The easiest way for a person to acquire gear was to travel to Seattle and shop at a store which had equipment especially for mountain climbing.

During a trip up Mount Baker in 1970, a group of four climbers became stuck at the bottom of a glacier and had to wait in their tent for the weekend. They took this opportunity to talk, and the discussion led to the idea of the development of a co-operative equipment store in Canada.

The original idea included a primary benefit for 10-12 members who would see the most financial gain. Ultimately, it was decided that there would be an unlimited number of shares available, with one share per person to anyone who wanted to join. Mountain Equipment Co-op (MEC) was incorporated by six members on August 2nd, 1971, with \$65 in operating assets. The cost of one share was set at \$5. It still costs this today.

Volunteers fueled operations for the first three years. Any surplus generated was put back into the co-operative, until 1976 when MEC started returning dividends to its members in proportion to their purchases. One of the business practices adopted by MEC in its early days, due to financial constraints, was to order and deliver products after a member had purchased the item. There was a high level of trust established and maintained between the co-operative and its members, as what was being offered was their promise and guarantee of delivery. The mark-up on products was kept low - the cost for consumers was 20% above the wholesale price, and this often resulted in prices lower than the Manufacturers Suggested Retail Price. Consumers saw great value in this and many other practices adopted by MEC.

Eventually, stores were opened and MEC began stocking basic items such as ropes, pulleys, ice axes, and a few backpacks. While maintaining some of the pre-ordering practices adopted early on, the stores were multi-faceted in their use: in addition to being a retail space for rock climbing, mountaineering, skiing and hiking gear, MEC was also a place to hang out, plan trips, get advice, and talk about gear. Memberships totaled 250 by the end of 1972, and by 1974 had risen to over 700. This allowed for continued growth. A major development occurred in 1977 when MEC absorbed the Canadian Mountain Co-operatives, and opened a store in Calgary, Alberta.

More than 40 years later, MEC has over 3.75 million members and sales have grown to over \$300 million annually. However, a visit to any of their stores or their website reveals that MEC has retained its original roots: it promotes co-operative business practices, the love of sports, and loyalty to its member base in all of its operations.

Case Study Three: Crocus Co-operative

Crocus Co-operative demonstrates the flexibility of a co-operative to meet the needs of a community and its members. Incorporated in Saskatoon in 1983, Crocus Co-operative describes itself as *“a non-profit, charitable, member guided co-operative that works on behalf of people with mental health disabilities... Crocus is a place where members can find companionship, understanding and support. Crocus is a place to learn, work and heal.”*

Crocus Co-operative creates close partnerships between its members and individuals and other organizations in the community to provide meaningful engagement and opportunity through employment and volunteer opportunities for its members. Its Transitional Education Program builds valuable skills such as teamwork, time management, and job-specific skills, all while providing its members with a sense of accomplishment, self-worth, and an income to improve their quality of life. Members go to job sites with their own equipment and provide services such as yard maintenance or mail sorting. In addition, members can work in commercial kitchens, providing opportunity for members to learn valuable skills and knowledge about food safety, nutrition, and ultimately, their health.

Not limited to employment, social gatherings organized by Crocus Co-operative are a common way for members to practice their social skills and become better integrated into their community.

Rather than in surpluses and dividends, successes for this co-operative are measured by the success experienced by its members in preventing relapses, stabilizing futures, and helping to facilitate positive self-worth and achievement. A valuable partner in mental health rehabilitation, Crocus’s services reflect the values in its name: **C**aring, **R**espect, **O**pportunities, **C**hallenges, **U**nderstanding, and **S**upport.

Case Study Four: Battlefords and District Farmers' Market Co-operative

Established in the 1970s, this non-profit co-operative primarily provides opportunity and space for members to sell and distribute their goods. Their catchy slogan, *"Make it, Bake it, or Grow it in Saskatchewan"* embodies the essence of what this co-operative seeks to achieve: to provide Saskatchewan artisans, crafters, food producers, and farmers with a centralized market to promote their goods.

Merit in this co-operative can be found in the opportunities it creates for consumers to meet the producers of the goods they consume. Too often, consumers have no idea where a product was sourced, nor do they have information about how it was produced. Talking directly to the producer provides better information and creates long-lasting relationships and loyalty.

Another merit to this kind of co-operative is that there are many different products offered at one central location. A consumer may enter a farmers' market intending to purchase fruits or vegetables, but by walking through the marketplace they can discover many handcrafted, locally-produced, or locally-grown products they may not have realized were available in their community. This increased access to products and increased sales benefits both the producers and the customers.

In recent years, the Battlefords and District Farmers' Market Co-operative had more than 20 members promoting and selling their own products at the marketplace. Examples of what has been sold include baked goods, fruits and vegetables, bedding plants, eggs, honey, homemade skincare products, cut flowers, jams, relishes, and a variety of crafts. The co-operative is open to new members who are looking for an opportunity to sell their own goods.

Case Study Five: Flying Dust Cree8 Worker Co-operative

Rural and Northern communities often have difficulty accessing fresh and healthy foods at reasonable prices. A 2009 study found that for a family of four, the food cost per week for a family living in a large city was approximately \$180, while the same food would cost roughly \$200 in a rural area, and \$250 in a Northern community. There are many reasons for these differences, including such factors as transportation, community accessibility, and seasonal availability of fresh fruits and vegetables.

Because there had been diet-related disease in the Flying Dust First Nation, people felt that they could work together to better feed their community. So in 2009, the Riverside Market Garden began as eight people growing organic vegetables on two acres. By 2011, the workers incorporated as Flying Dust Cree8 Worker Co-operative: a worker-controlled organic market garden social enterprise. It now spans 27 acres, growing two different kinds of potatoes, carrots, onions, beans, herbs, cucumbers, corn, squash, kale, beets, peas, and a variety of tomatoes.

The co-op continues to grow. In 2013, they built a state-of-the-art storage facility with retail and commercial kitchen space included. Other acquisitions helping to develop this co-operative include a potato seed cutter, a potato-harvesting machine, and two potato trucks. In 2014, they added a full time staff person to coordinate their activities.

The quality of its produce has attracted the attention of outside buyers, but the focus has remained on local community needs. This can be seen in their mission statement: *“To develop sustainable, self-reliant livelihoods while promoting the need for healthy lifestyles, nutritious food consumption and food sovereignty and security at the Band level.”*

Case Study Six: The Co-operators Group

Following the Great Depression, many families were facing bleak circumstances, with those in rural and agriculturally based communities hit particularly hard. Many people lost their savings, their belongings, and their life insurance. Because many had lost everything while involved with conventional businesses, forming a co-operative was appealing, so they could retain control of the business. In its beginning stages, The Co-operators was imagined as a sustainable way to protect various assets for future generations and a way to rebuild communities and livelihoods.

With the assistance of farm-based prairie co-operatives, such as the Saskatchewan Wheat Pool, Co-operative Life Insurance Company was incorporated in Regina, Saskatchewan in 1945. Similarly, in Guelph, Ontario, the Co-operators Fidelity & Guarantee Association was incorporated in 1946 as a joint effort between the Co-operative Union of Ontario and the Ontario Credit League. Both organizations gained momentum by meeting localized needs. The two companies formed a close relationship and in 1975 merged to become CI Management Group. In 1978, they adopted the brand name of The Co-operators and continued to purchase and partner with other organizations.

Today, The Co-operators Group has over 4,600 employees providing automotive, housing, life, farming, travel, and business insurance, as well as access to investments. Even though they have over \$35 billion in assets under management, The Co-operators still highly regards their commitment to environmental, social, and economic responsibility and sustainability, and has been ranked among the 50 Best Employers in Canada by Aon Hewitt; Corporate Knights' Best 50 Corporate Citizens in Canada; and the Top 50 Socially Responsible Corporations in Canada by Sustainalytics and *Maclean's* magazine.