

MY CO-OPERATIVE  
*Adventure*



## Entrepreneurship 30

A Teacher Resource for Module 5  
of Entrepreneurship 30

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SCA is a provincial coalition of co-operatives and credit unions. Incorporated as a community service co-operative, SCA works to support and promote co-operatives as a model of choice for community and economic development. SCA engages youth in activities and development opportunities that strengthen their capacity and the co-operative sector through the Saskatchewan Co-operative Youth Program (SCYP), which features our flagship Co-op Camp program.

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# Introduction

Co-operatives and credit unions are an important part of the mix of economic activity in communities. Saskatchewan has a strong history of co-operation, even prior to incorporation as a province. Aboriginal people worked together, sharing knowledge and traditions. When settlers arrived, people continued to work together for the benefit of all. Today, co-operatives and credit unions continue to collaborate with each other and with their communities. Many co-operatives and credit unions are our province's largest and most successful businesses and many others are some of our smallest businesses. No matter the size, co-operatives exist to meet member needs.

Our goal in developing *My Co-operative Adventure: for Entrepreneurship 30* is to provide students with the opportunity to learn more about co-operatives and to consider a co-operative as an option for business development, whether in Entrepreneurship 30 or when they launch enterprises later in life. Co-operatives can be developed to meet almost any need. This resource will broaden student understanding and awareness of ways that co-operatives can help them meet their needs with each lesson building on the one prior.

This resource has been designed to meet the objectives of Module 5: Business and Co-operative Development in Entrepreneurship 30. It may also be used as a lead-in to Module 13: Planning a Venture. In addition, the first two lessons of this resource link to Unit Two of Social Studies 30, under the Knowledge Objective sub-heading of Co-operative Movement.

*My Co-operative Adventure: for Entrepreneurship 30* begins with an introduction to the co-operative principles, followed by students learning about the types of co-operatives, assessing their community's assets and needs, and leads up to students developing and pitching their own co-operative business idea. It includes teacher background information, step-by-step lesson procedures, and appendices to enhance learning. SCA and PLEA believe that teachers are the professionals best suited to facilitate student learning. As such, these lessons are not meant to be prescriptive but instead a suggested approach to their corresponding curricular areas.

# Background Information for Teachers

## What is a Co-operative?

The International Co-operative Alliance (ICA) defines a co-operative as: *“an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.”*

Co-operatives throughout the world are guided by a set of values and principles found in Appendix A of this resource.

## Co-operatives and Corporations: Why They Are Created

People and communities work together for a variety of reasons and to fill a variety of needs. People work together to fill a gap in the market, to create employment or other benefits for themselves or others, or to retain or control access to goods and services. As described in Lesson Three, there are different types of needs and assets, and working together can help meet needs or build assets for people and communities.

Working together can be done informally, through a group or collective, or formally by incorporating as a corporation, co-operative, or other type of entity. There can be a variety of reasons for wanting to create a legally recognized entity. A common reason to incorporate is that it limits the liability of those creating the organization. It also allows groups to do things that otherwise only a person can do, like own property, borrow money, and sue people. Appendix B features a chart that further explains these and other differences between co-operatives and other types of organizations.

There are two kinds of limited liability organizations that are recognized as legal entities under Saskatchewan law: co-operatives and corporations. Most co-operatives in Saskatchewan are controlled by one of two Acts. *The Saskatchewan Co-operatives Act* governs the co-operatives found in this resource.

For-profit corporations are created to make a profit for their owners, who are called shareholders. Corporations create wealth for their shareholders by producing or selling goods and services at a profit. Co-operatives can be for-profit or non-profit, but no matter the structure, their main purpose is to meet member needs. Member needs could include providing employment, housing, or affordable access to goods and services.

## Where the Money Comes From

All organizations need funds to get started and both corporations and co-operatives require investors. Investment can include loans from credit unions or banks, shareholder or member investment through share purchases or loans, or other investment from outside sources. Many organizations rely on a mix of funding to get started.

Corporations generally sell shares in the company to raise capital. A shareholder can own a large

percentage of shares, but may not ever use the company's products or services. Shareholder interest in a company is based on their potential to gain a financial return from their investment. Their return grows based on the number of shares they purchase and the amount of profit the company generates.

Co-operatives, on the other hand, rely on their members to help capitalize the organization. Membership is based on the ability of the member to use the products or services of the co-op and their interest in being a member of the co-operative. All members contribute financially to their co-operative through the purchase of their membership share. This practice is reflected in co-operative principle three: Member Economic Participation.

## **Who has Control?**

In for-profit corporations, shareholders control the company. The number of votes a shareholder has depends on the number of shares they own. Shareholders can also give their voting rights to other individuals who then vote by proxy. This means that a relatively small group of people can control the company if they own enough shares or have enough proxy votes assigned to them.

In co-operatives, members control the organization. The members each have one vote and proxy voting is not allowed. This practice is demonstrated through co-operative principle two: Democratic Member Control, often summarized as "one member, one vote."

Although control rests with shareholders or members, a board of directors governs both co-operatives and corporations. These boards are elected or appointed by the shareholders or members to oversee the affairs of the organization on their behalf. Boards of directors act in the best interests of the shareholders (maximizing profit) or members (meeting member needs).

## **Where Do the Profits Go?**

When a corporation makes more money than it spends, it is called a profit. In a corporation, profits are distributed to shareholders as dividends. Dividends are paid based on the number of shares owned. Owning more shares means the shareholder receives more money when the company is profitable.

When a co-operative makes more money than it spends, it is called a surplus. In a for-profit co-operative, members may also receive a dividend or patronage allocation if the business is profitable. The portion of the surplus they receive is based on how much a member has used the co-op that year.

## **Non-Profit Corporations and Community Service Co-operatives**

Non-profits and community service co-operatives are designed to meet social, cultural, or economic needs of the community. They have a broader purpose of benefitting society in some way, rather than just benefitting their members or maximizing profit. These organizations can still make a profit or surplus, which must be used to further the purposes of the organization.







# Lesson 1

## Introducing Co-operatives - A Unique Form of Enterprise

### ***To the Teacher***

This lesson introduces students to some of the unique characteristics of co-operatives, namely the co-operative principles. The International Co-operative Alliance Statement on the Co-operative Identity articulates a definition of what a co-operative is and identifies the values and principles that all co-operatives use as guidelines to put their principles into practice (see Appendix A). With the exception of principle six, the law governing co-operatives in Saskatchewan requires that these principles be followed.

Through case studies, students will learn how members of a select group of co-operatives have chosen to put the co-operative principles into practice, and understand the values behind each of the principles. By having an understanding of the co-operative values and principles, students will have insight into why co-operatives are a successful business model of choice for community groups and they will have the needed foundational knowledge for completing Lesson Five.

Lesson One case studies focus on several types of co-operatives. During the pre-assignment discussion, you may want to include an explanation of what co-op members are sharing/working together on in these types of co-ops, to facilitate student learning as they do the assignment.





## ***Pre-Assignment Discussion***

1. Have students consider their own experience with organized co-operation and co-operatives, as well as their knowledge of co-operatives that exist in their communities. Leading questions could include:

Recall a time when you recently worked with others to “get the job done.”

- Why did you decide to work with others rather than work alone?
- What were the benefits of working with others rather than alone?

There are many examples, both historically and in present day, when developing a co-operative business has been the most effective way to fulfill a need in a community.

- What are some co-operatives in our community?
- What makes co-operatives a unique form of business enterprise?

2. Teacher introduces the definition, values and principles of co-operatives, found in Appendix A. Full-colour, graphic posters of the co-operative principles and values can also be downloaded from: <http://www.sask.coop/myco-operativeadventure.html> to display in your classroom.

## ***Student Assignment***

1. Divide students into seven groups (as there are seven co-operative principles). Hand out one principle/case study example student worksheet to each group. The noted principle will be the group’s focus, and its corresponding case study will provide context and relevance.
2. In their groups, have students review their assigned principle and case study. Each group will identify a recorder and answer the following:
  - Summarize the co-operative principle and the case study in your own words.
  - Identify how the principle was meaningful for the people in the case study.
  - What is the main benefit of this principle to the co-op’s members?
  - Through discussion, determine whether your group feels this principle is a fair way of doing business. Be prepared to explain your decision.
3. Have the student groups present their principle, case study and responses to the above questions. As students listen to their peers’ presentations, ask them to consider how their own principle might have relevance to the people in their peers’ situation.



## ***Bridging***

1. Following each presentation, teacher leads class through a discussion on the following:
  - Beyond the members, who else in the community might benefit from the practicing of this principle?
  - Of the values commonly held by co-operatives, which are particularly reflected in the practicing of this principle?



## Principle 1: Voluntary and Open Membership

*Definition: Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, political, or religious discrimination.*

This principle creates a structure for anyone wanting to join a co-operative. Conditions and expectations for membership vary, and can include requirements such as purchasing a share in the co-operative, attending annual meetings, working/volunteering for some time, or even living at the co-operative, among many other possibilities as determined by the co-operative.

**Task:** Read the following case study, and answer the questions provided by your teacher. As your group and other groups in class present what they have learned, consider connections between these principles.

## Case Study

Trisha is an avid gardener, and has taken great pleasure since childhood in growing vegetables in her family's garden. When she was accepted into her first choice of college, she was required to relocate. She realized that she would not be able to continue gardening in the same way as she would no longer have a backyard, nor would she have the time to dedicate to garden maintenance due to her new academic demands.

Trisha searched for a shared garden, and found an existing gardening co-operative close to her new campus that was accepting membership applications. Requirement for membership was a minimum time dedication of three hours, once a week for garden maintenance. Trisha would be responsible for taking care of not only her own, but other members' crops as well. At the end of the season, members would share in the crops harvested. This shared work and benefit approach pleased Trisha. By working with other members, she was able to fit her love of gardening into her busy schedule and received many crops she would otherwise not have if she were to garden by herself. Trisha was also happy that anyone could join the co-operative; it didn't matter how much money Trisha made, where she worked, or where she lived. As long as she agreed to help out for a minimum number of hours, she could become a member of the co-operative.

## Principle 2: Democratic Member Control

*Definition: Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Persons serving as elected representatives are accountable to the membership. In primary co-operatives, members have equal voting rights (one member; one vote) and co-operatives at other levels are organized in a democratic manner.*

This principle means that it is up to the members of the co-operative to make decisions regarding what their co-operative does. Members may decide how the co-operative operates, how to spend or invest surpluses, or who will represent them on the board of directors. In a co-operative, all members have an equal voice and have an equal say in what happens. This is often referred to as “one member, one vote.”

**Task:** Read the following case study, and answer the questions provided by your teacher. As your group and other groups in class present what they have learned, consider connections between these principles.

### Case Study

Harris lives in a housing co-operative, and has prepared a presentation for a members’ meeting tonight. With spring and summer fast approaching, this meeting allows each member to identify what kinds of projects, repairs, and maintenance need to be done in the months that follow. His neighbor, Gladys, would like a ramp built alongside the steps to make it easier to access the parking lot in the back. Another neighbour has identified trees that were damaged during the winter months and would like new trees to be planted.

Harris agrees that a ramp would ease mobility and access, and also will miss the shade that the trees used to provide. However, Harris has also noticed that some of the windows in the building are cracked and none are energy efficient. He thinks it is a wise investment to save on heating costs in the long term. Though Harris feels that his proposal will benefit all members in the long-run, he knows that deciding how to best look after their co-operative will be up to the members themselves. After tonight’s presentations, the members will vote for what they think is best for all of the members and the co-operative.



## Principle 3: Member Economic Participation

*Definition: Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.*

This principle speaks to how money is raised by co-operatives, and how any surplus is distributed. This principle suggests that surpluses should be used to benefit the co-operative, plan for the future and/or be returned to members. This return is called a dividend. Dividends to members are based on how much they have used the co-operative, not on how many shares they own. Members can also decide to use some of their surplus to benefit the community or invest in other projects.

**Task:** Read the following case study, and answer the questions provided by your teacher. As your group and other groups in class present what they have learned, consider connections between these principles.

## Case Study

Martin just received a cheque from a grocery co-operative that he belongs to. This co-operative has been in operation for five years. To become a member of the co-operative, Martin purchased a membership share in the co-op. This is the first year all members received a dividend cheque from the surplus generated by the co-operative after the bills were paid and some funds were put aside for savings. Members received a dividend cheque based on how much they spent at the co-operative during the last year.

During the previous four years of operation, the surplus was invested back into the co-operative itself. Some of it went to purchasing new equipment, and some went to creating a strong and stable reserve for planned and unexpected costs. Martin is happy that the co-operative he belongs to has made sound financial decisions to ensure stability in the future, and is pleased that any surplus to members through dividends is returned fairly and equitably. Martin also realizes that the size of his dividend will vary, as it depends on the co-operative's overall success and his individual economic participation as a member from year to year.

## Principle 4: Autonomy and Independence

*Definition: Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.*

Autonomy means that in a co-operative, the members are the only people that have a say and make decisions about how the business is run. No other organization can—for any reason—tell the co-operative how they are supposed to run their organization. Ultimately, it is the members that control the destiny of their co-operatives.

**Task:** Read the following case study, and answer the questions provided by your teacher. As your group and other groups in class present what they have learned, consider connections between these principles.

## Case Study

Felicia is the owner and operator of a local music school, and is known for her ability to connect her programming and instruction with other community organizations. An example of this is providing mentorship placements for her students who want to play professionally. For the last five years, Felicia has partnered with a musicians' co-operative that features a recording studio, marketing department, and provides a venue for performances and the city's music festivals.

When Felicia originally approached the musicians' co-operative, she knew that they could decide not to participate in a mentorship or placement program. It is within the co-operative's rules of autonomous governance to decide which organizations, if any, they want to partner with. The co-operative, however, was excited at the idea of working with Felicia, as they also showcase youth participation in music and encourage new memberships and this partnership would provide opportunity and experience for upcoming musicians. However, the musicians' co-operative retains control over how it conducts its business, including how it spends its money, what hours it is open, and the responsibilities surrounding membership.

## Principle 5: Education, Training, and Information

*Definition: Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public—particularly young people and opinion leaders—about the nature and benefits of co-operation.*

This principle means that every co-operative conducts some sort of educational programming for members, directors, and staff. It highlights the importance of informing the general public about their co-operative and the benefits of membership.

**Task:** Read the following case study, and answer the questions provided by your teacher. As your group and other groups in class present what they have learned, consider connections between these principles.

### Case Study

Adrian is setting up an information booth advertising a local service co-operative bicycle repair shop. As Adrian prepares tools for demonstrations and handouts explaining goals and successes of the repair centre, he is reminded of his first time entering the bicycle repair co-op when he needed to repair his bicycle last summer, but did not have the tools, skills, or knowledge to fix his bike on his own. Adrian was so impressed by the welcoming nature of the co-operative that he decided to become a member, and now volunteers once a week sharing bicycle repair skills he learned from other members. In addition, Adrian sets up a booth every month at his school's campus to promote the co-operative's education goal: to educate, train, and share knowledge about bike repair with members and the public.

The bike repair program has garnered a lot of attention, and the co-operative frequently receives donations of used and broken bikes that can be repaired by members using tools on site. These repaired bikes are sold to members and the public at a low cost. This increases access to bicycles, and raises funds for maintaining operations and programming, such as the booth Adrian is setting up. Of course, not all training is formal, nor is all of the learning one-sided. Adrian frequently learns something new regarding bicycle maintenance, the benefits of different materials, and sometimes—if he's lucky—another member will share an exciting and scenic biking trail he hasn't yet travelled. Because the co-operative has been beneficial for Adrian, he is always sure to let his friends and passersby know why the shop is important and how they can become involved.



## Principle 6: Co-operation among Co-operatives

Definition: *Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures.*

This principle means that co-operative organizations often work together toward common goals or on projects that will benefit all organizations involved. The idea is that organizations will be stronger when they are working together.

**Task:** Read the following case study, and answer the questions provided by your teacher. As your group and other groups in class present what they have learned, consider connections between these principles.

### Case Study

Maria is a member of a food truck worker co-operative that operates in a busy square of the downtown business core. Surrounding businesses have embraced the approach of the food truck, which focuses on providing fresh, made-from-scratch meals. From its inception, Maria and other founding members decided to work with a nearby grocery co-operative that provides produce, meat, and dairy from locally-owned farms.

One unique aspect for this business is that the food prepared is seasonally dependent. Spring and summer meals are full of fresh, crisp vegetables and fruit, while fall and winter meals feature hearty soups and warm, savoury flavours. The seasonal offering ensures an ever-changing and interesting menu that means the food truck can support the grocery co-op no matter what time of year they are purchasing supplies.

Recently, the members of the food truck co-operative had an annual general meeting to discuss current and future operations. Members voted in favour of opening another food truck on the other side of the city that they believe would have as much demand as their current location. After writing out a business plan, the co-operative approached their credit union to apply for a loan. The credit union is a financial co-operative, so they understood the worker co-operative business structure and they decided to provide the co-op with a loan. With money borrowed from the credit union, the co-op will be able to expand and provide meals to an entirely new customer base.

## Principle 7: Concern for Community

Definition: *Co-operatives work for the sustainable development of their communities through policies approved by their members.*

Co-operatives work to improve and develop the community, both locally and internationally. How and what co-operatives choose to support in the community is up to the membership and could include such things as supporting a local youth agency, environmental protection, or a local sports team.

**Task:** Read the following case study, and answer the questions provided by your teacher. As your group and other groups in class present what they have learned, consider connections between these principles.

## Case Study

Geri is volunteering with other community members at a park clean-up and barbeque. She is flipping hot dogs and hamburgers for the hungry volunteers that have come out to support the annual event. In exchange for collecting litter and sorting recyclables, all volunteers are treated to lunch.

Geri's local grocery co-operative has provided the food and drinks for the event. Geri approached the board of directors three years ago to begin developing a partnership, and since then, the event has grown in popularity with community members, as everyone benefits from cleaner green spaces. This event collects donations, and with funds raised over the years, new recycling bins and playground equipment have been added to the park. Geri is happy to be involved with the planning of this event, and proud that her co-operative is interested in making the community better for everyone.





# Lesson 2

## Types of Co-operatives

### ***To the Teacher***

Lesson Two introduces students to many types of co-operatives, and how each meets social and economic needs for their members and their communities. Through either teacher lecture or student research, students will learn about each type of co-operative and discover real-life examples of each type. This lesson can be done as an individual or group assignment.

Knowing the types of co-operatives illustrates the versatility of the co-operative business model. This knowledge will be particularly useful to the students when challenged to consider a co-operative venture for their community in Lesson Five.

### ***Pre-Assignment Discussion***

1. Review the definition and principles of co-operatives from Lesson One.
2. To set the stage for learning about the types of co-operatives, you may choose to illustrate the scope of co-operatives by sharing some global, national and provincial examples and statistics (see text bubbles in this lesson and/or the My Co-operative Adventure web page)
3. Explain that co-operatives are often categorized depending upon the function they serve for their members, then review the definition for each type of co-operative. Provide students with a copy of the Types of Co-operatives student worksheet, and a case study worksheet.



## ***Co-operatives Provincially***

- In Saskatchewan, there are 1,280 co-operatives, employing 15,000 people.
- Over half of Saskatchewan's citizens are a member of at least one co-operative.

## ***Co-operatives Nationally***

- In Canada, there are about 18,000,000 individual memberships held in co-operatives.
- About 4 out of every 10 Canadians is a member of at least one cooperative.
- About 150,000 people work in co-operatives in Canada.

## ***Co-operatives Globally***

- The United Nations estimates that the livelihood of over 3 billion people, or half of the world's population, is made secure by co-operative enterprise.
- It is estimated that co-ops around the world employ 250 million people in or within co-operatives.

## ***Student Assignment***

1. Students are assigned one of the case studies found in this lesson and are instructed to:
  - a. Identify which type of co-operative is profiled in the case study and why they think it is the type of co-op they identified.
  - b. Determine whether the co-operative in their case study could also be one of the other types. Students should be able to give a reason for this determination.
  - c. Explain how the co-operative featured in their case study benefits the members and the community.



## ***Bridging***

1. To broaden their understanding of co-operatives, students are asked to research other co-operatives that exist locally, provincially, nationally or internationally. Students could create a poster, webpage, or pamphlet that profiles one of these co-operatives, including:
  - a. The type of co-operative.
  - b. The geographical area the co-operative serves.
  - c. The co-op's incorporation date.
  - d. A brief description of its membership and the function it serves for its members.
  - e. Its current status. Students may choose to profile a now defunct co-operative, explaining why it ceased operations.



## Types of Co-ops

### The co-op business model is highly adaptable

Co-operatives exist in all sectors of the economy and in all areas of the province.

Co-operatives can be for-profit businesses or not-for-profit service providers.

They can be very large or very small.



There are almost **150 Retail or Wholesale Co-ops** in Saskatchewan providing consumers with options for buying groceries, gas, hardware, and building supplies. In many rural communities, co-ops are the only retail stores.



There are **51 Credit Unions** providing financial services to 251 communities across Saskatchewan. Credit unions are financial co-operatives owned and controlled by their members. Credit unions provide financial services similar to banks, such as savings and chequing accounts, term deposits, mutual funds and loans. Credit unions are governed by their own act in Saskatchewan, The Credit Union Act.

**Service Co-ops** provide services to their members that are primarily for the benefit and welfare of the community.

### In Saskatchewan:



There are  
**4**

health care co-ops that promote wellness and provide more options for primary health care.



There are over  
**150**

media, cultural, and recreational co-ops providing access to equipment and facilities for arts and leisure activities.



There are almost  
**30**

housing-related co-ops providing more options for affordable housing and seniors' housing.



There are over  
**100**

childcare co-ops providing families with more options and a chance to be actively involved in childcare decisions.

### Other examples of Service Co-operatives are:

*Car Share Co-operatives*

*Elder Care Co-operatives*

*Fire & Rescue Co-operatives*



**Employment Co-ops** provide employment for their workers. The workers are the member-owners and conduct business together and make decisions about all important issues including wages, production methods and finances.

### Examples of Employment Co-ops in Saskatchewan...



Printing and publishing co-ops, such as Hullabaloo Publishing Ltd., which publishes Planet S and prairie dog magazines; and Thundercreek Publishing which gives Saskatchewan authors opportunities to publish their work through Coteau Books.



Fishing and trapping co-operatives provide northern residents with ways to earn a sustainable living.



Unite Digital Marketing Co-operative is one of the first marketing co-operatives in Western Canada. This worker co-op delivers high quality marketing solutions by bringing together highly experienced professionals in marketing, strategy, social media, design, web development, video production and other services.

*Employment co-ops are the most diverse co-op type, as almost any business can be run as an employment co-op.*

**Producer & Marketing Co-ops** act on behalf of producers to sell their produce and provide processing and packaging equipment and pool their marketing to reach more customers.



Farmers' market co-ops give local growers, livestock producers, and bakers marketing alternatives, and consumers more access to local, fresh foods.



Agriculture supply and marketing co-ops help ensure stable farm incomes and provide access to quality, affordable farm inputs, including machinery co-ops, feeder co-ops and marketing co-ops.



Artisan co-ops help artists and craftspeople develop and market their art.

**National Insurance and Trust Co-ops** provide a wide range of services to credit unions, their members, co-operatives, organizations and individuals. These services can provide insurance for homes, auto, life and other needs, as well as holding funds in trust for people or organizations. Examples include:

*Concentra Financial   The Co-operators   Co-operative Hail Insurance*



## **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.



# Lesson 3

## Identifying Your Community's Assets & Needs

### ***To the Teacher***

A fundamental first step to starting a new venture is knowing the community in which the business will operate, in particular the community's assets and needs. Within a community, one will find businesses, government agencies, community organizations, and institutions. A combination of these tends to bring the greatest growth and sustainability to communities.

Asset mapping is taking an inventory of all the good things about a community. By grouping a community's businesses, government agencies, organizations, institutions and features by the type of asset brought to the community, and identifying the citizens and needs served by each asset, students can begin to identify 'voids' or unmet needs in a community. A group of citizens might then consider forming a business to offer products and services that would fulfil these unmet needs.

Through a teacher-led community asset mapping exercise, students will learn the value that their community's businesses, government agencies, community organizations, and institutions bring to its citizens. This exercise sets the stage for Lesson Four, where students are asked to identify a need that has yet to be met for a group of citizens in your community and Lesson Five, where they will propose a co-operative venture for fulfilling that need.

## Pre-assignment Discussion

1. To prepare the students for the community asset mapping exercise, the teacher leads a short discussion that builds student understanding of the key concepts of:

- Community
- Human needs
- Assets and asset categories
- Asset mapping



### Community...

- *Is a group of people living in the same place or having a particular characteristic in common.*
- *Are the people of a municipality or district considered collectively, especially in the context of social values and responsibilities.*

### Needs...

*Are things that are wanted or required. Needs can include:*

- *The basics: food, water, shelter and clothing.*
- *Beyond the basics: education, sanitation, acceptance, safety, sense of belonging, love, friends, family, self-esteem, communication, well-being, faith, hope, economic security, freedom, order, leisure/relaxation, healthy environment, transportation, etc.*

### Assets...

*Are those entities that are valuable to a community's citizens; citizens want to keep and build upon their assets, in order to sustain their community for future generations. Assets can be:*

- *Economic: businesses owned individually, in partnership, or collectively by group of people. Can be locally owned or owned by investors who live in another community, province or country.*
- *Social/cultural: hobby and sports clubs book clubs, playgrounds, religious institutions/places of worship.*
- *Service (government or citizen driven): community clubs such as Guides/Scouts, Kinsmen/Kinnettes, Lions, Royal Purple, Canadian Legion, Rotary, or hospitals, schools, chambers of commerce, food banks, regional colleges.*
- *Natural: such as parks, walking and bicycle paths, lakes, rivers, hills, mountains, game preserves.*

### Asset mapping...

- *Combines community interests and creates a "common cause".*
- *Believes in identifying what you have as the starting point for determining what you still need.*
- *Is a form of discovery; there are far more assets in the community than most people realize.*
- *Acknowledges that thriving communities are a sum of many valuable parts.*



## Student Assignment

1. Individually, or in small groups, students are given 5 sticky notes and asked to jot down five businesses, government agencies, community organizations or institutions found in their community, each on a different sticky note. If your community is a city, you may want to focus on the neighbourhood your school is in to make the exercise manageable.
2. On a large version of the Community Asset Mapping Template posted on the wall, students/groups are invited to post each of their sticky notes within the asset category that they feel is most fulfilled by each business, agency, organization or institution they've identified. It is quite possible that a few could be placed in more than one category.
3. Once all sticky notes are posted, students are asked to reflect on the list and to add any additional businesses, agencies, organizations and institutions that have been missed.
4. Through teacher-led questioning and discussion, students identify the group of citizens and the needs fulfilled for these citizens by each agency, business, organization and institution they have posted.



Questions that can lead students to this discovery are:

- What group of citizens are primarily served by each business, agency, organization, and institution we've listed? E.g parents, youth, business owners, children, seniors, all, etc.
- Based on our earlier discussion of a 'need', what needs are fulfilled for these citizens by each business, agency, organization, institution we've listed?

## Bridging

1. Through closer study of the community asset map and through teacher probing, it is likely that the students will identify needs of specific groups of citizens (such as seniors, youth, single parents, others) that have yet to be fulfilled.

Questioning that can lead students to this realization are:

- When looking at our community in this way, are there any surprises?
- What groups of citizens, and their respective needs, appear to be absent from this map? For example, if we were to consider:
  - High school students as a group of citizens, what need(s) do you feel are yet to be filled?
  - Newly immigrated families, what need(s) might they have that are yet to be filled?
  - Young parents?
  - Elderly people?
- Do you see any other gaps?



# Community Asset Mapping Template

Asset Category	Business, government agency, community organization or institution found in our community	Citizens served by the business, government agency, community organization or institution	Needs fulfilled for the citizens
Economic			
Social/ Cultural			
Service			
Natural			



# Lesson 4

## Conceptualizing a New Business Idea

### ***To the Teacher***

Building on the community mapping exercise in Lesson Three, Lesson Four asks the students to conceptualize and present to their peers a business idea for fulfilling an unmet need in their community. Constructive feedback from the teacher and students will help students hone their ideas. Refining their ideas will help them further develop their concept into an outline for a co-operative business in Lesson Five.

### ***Pre-Assignment Discussion***

1. Based on the community mapping exercise, the teacher asks each student to select an asset category they would like to see grow in their community. The teacher could ask students to consider:
  - What specific needs could be fulfilled by focusing on growing this asset category?
  - Which citizens will benefit?
2. Students should then be grouped with two or three others that have identified the same asset category to complete the Student Assignment.



## ***Student Assignment***

1. As per the Conceptualizing a New Business Idea student worksheet, each group is asked to conceptualize a business idea for fulfilling an unmet need in the community and to create a two minute pitch to be presented to their classmates. Students will take this exercise further in Lesson Five.



## ***Bridging***

1. The teacher and listening students should be prepared to ask questions of the presenting group from the Conceptualizing a New Business Idea worksheet. The purpose of this is to strengthen the ideas that will underpin the co-operative business outline to be developed in Lesson Five.





# Student Worksheet

## Conceptualizing a New Business Idea

**Task:** To conceptualize a business idea to pitch to your fellow classmates in a two minute presentation.

Your business idea should include the following:

- What asset category would your group like to see grow in your community?
- Which citizens will primarily benefit from growing this asset and what need(s) will it fulfill for this group?
- What will be the goal of your business?
- What product or service will you offer?

Other points to consider including in your two minute pitch are:

- What businesses/organizations/institutions/agencies in your community would you approach to be involved in building your business? Why and how will they be involved?
- How will your business know that it has succeeded? What will success look like:
  - To the founders of the business
  - To the consumers, users of your product or service?
- What resources are needed to offer your product or service? (e.g. a storefront or other facility? Supplies? Equipment? Money? People? Other?)
- What skills will be needed to offer your product or service?







## Our Co-operative Enterprise Idea

### ***To the Teacher***

Given the diverse types of co-operatives, it might be reasonable to assume that for every unmet need there is a co-operative solution. Students will test this assumption, by building on their learning in Lesson Two about the types of co-operatives, and propose a co-operative business venture for their business idea conceptualized in Lesson Four.

**Optional:** Consider inviting a co-operative employee or board member to sit in on the presentations to provide feedback to the students. To help the visitor with providing useful, systematic feedback, consider providing them with a copy of the Our Co-operative Enterprise Idea student worksheet.

### ***Pre-Assignment Discussion***

#### 1. Teacher-led review:

- Review the definition, values and principles of co-operatives
- Review the types of co-operatives

#### 2. Teacher may wish to select and show videos and/or provide further resources on co-operative development to fuel student



ideas. A comprehensive resource list useful for such a task can be found on the My Co-operative Adventure webpage: [www.sask.coop/myco-operativeadventure.html](http://www.sask.coop/myco-operativeadventure.html) and in Appendix C, Further Resources.

## ***Student Assignment***

### **1. Student Group Assignment:**

- Using the groups formed in Lesson Four, students are to:
  - Review their Lesson Four assignment
  - Determine what type of co-operative is best formed to develop their business idea
  - Identify ways in which their co-operative will live the co-operative values and apply each co-operative principle
- Using the above information, student groups then present their business case for forming a co-operative to meet the identified need.



## ***Bridging***

### **1. Teacher-led student reflection and discussion on the benefits and challenges of using the co-operative business model:**

- Reflecting on your experience with this exercise of proposing a co-op to meet one of the community's needs:
  - What difficulties did you run into when completing this exercise?
  - What challenges do you foresee if your business were expected to practice each co-operative principle and value?
  - Conversely, what do you foresee as the benefits of forming the business as a co-operative?



## ***Optional Discussion/Assignment***

1. If a co-operative leader has been invited to the class, they could be asked to give a brief overview of how their co-op lives out the values and practices the principles of co-operatives.
2. Using Appendix B: Comparison of Co-operatives and Other Organizational Structures, introduce students to the other types of business structures and have them conclude what business structure they feel would best address their business idea. Students should be prepared to defend their choice of organizational structure.
3. Students may consider carrying forward their co-operative business idea to Module 13: Planning a Venture.

# Student Worksheet

## Our Co-operative Enterprise Idea

In Lesson Four, your group presented a business idea for meeting a need for a group of citizens in your community. Knowing that co-operatives are created by and for citizens of a community, the next step is to consider how your enterprise could operate as a co-operative.

**Task:** Using the questions on the other side of this worksheet as a guide, your group assignment is to create a 5 minute presentation that pitches how your business would operate as a co-operative by practicing the values and principles of co-operatives.

**How you choose to present the “case” for your co-operative is only limited by your imagination!**





Co-operative Values	Questions Your Group May Answer in Your Pitch
Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.	<ul style="list-style-type: none"> <li>– How might your co-operative put these values into action?</li> </ul>
Co-operative Principle	Questions Your Group May Answer in Your Pitch
<b>1. Voluntary and Open Membership</b> Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.	<ul style="list-style-type: none"> <li>– Who will be the first members of the co-op?</li> <li>– What will be their obligations as members?</li> <li>– Why might others consider becoming a member of your co-op?</li> <li>– What would be the benefits of joining?</li> <li>– Will the co-op or its membership be limited (in number, to a particular place, etc.)?</li> </ul>
<b>2. Democratic Member Control</b> Co-operatives are democratic organizations. At the community level, primary co-ops follow the rule of one member, one vote.	<ul style="list-style-type: none"> <li>– How will your co-op ensure that it follows the rule of one member one vote?</li> <li>– How, and how often, will you encourage your members to get involved in democratic decision-making of your co-op?</li> <li>– What are some of the bigger start-up issues for which you would want members to vote?</li> </ul>
<b>3. Member Economic Participation</b> Members contribute equitably to, and democratically control, the capital of their co-op.	<ul style="list-style-type: none"> <li>– How will you expect members to financially (and equitably) participate in the start-up of your co-op?</li> <li>– If your co-op turns a profit, what might it do with this surplus?</li> <li>– What benefits do the above investments provide to your co-op's members?</li> </ul>
<b>4. Autonomy and Independence</b> Co-operatives are autonomous, self-help organizations. If they enter into contracts with other parties, they do so in a way that ensures democratic control by the members.	<ul style="list-style-type: none"> <li>– What other parties will your co-op need to form partnerships with and how might your co-op ensure the control still stays with your members?</li> </ul>
<b>5. Education, Training and Information</b> Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.	<ul style="list-style-type: none"> <li>– What types of activities might your co-op plan and deliver to ensure that its members, the public, and others are aware of the nature and benefits of your co-op?</li> </ul>
<b>6. Co-operation among Co-operatives</b> Individual co-operatives are strengthened and the spirit of co-operation is heightened in a community when co-operatives work together for mutual support and benefit.	<ul style="list-style-type: none"> <li>– How might your co-op work with other co-ops in your community?</li> <li>– Could your co-op work with the co-ops being proposed by the other student groups working on this assignment?</li> </ul>
<b>7. Concern for Community</b> Co-operatives are about more than meeting the needs of their members. Co-operatives also foster a concern for the broader community.	<ul style="list-style-type: none"> <li>– What impact do you want the co-op to have in the community?</li> <li>– What words would you want citizens of the community to use when describing your co-operative?</li> <li>– How will your community look/be different if your co-op is successful?</li> <li>– What types of community activities might your co-op consider planning or partaking in with any reserve or surplus?</li> </ul>

## Lesson 5 Presentation: Evaluation Rubric

Expectations	Criteria	Level 1	Level 2	Level 3	Level 4
<b>Knowledge/ Understanding</b>	<b>Understands the structure and mandate of a co-operative business enterprise</b>	Understands the structure and mandate of a co-operative business enterprise with limited effectiveness	Understands the structure and mandate of a co-operative business enterprise with some effectiveness	Understands the structure and mandate of a co-operative business enterprise with considerable effectiveness	Understands the structure and mandate of a co-operative business enterprise with a high degree of effectiveness
	<b>Accurately describes current market conditions (such as cultural and economic factors and existing competition) in the selected field and location</b>	Describes the current market conditions in the selected field and location with limited effectiveness	Describes the current market conditions in the selected field and location with some effectiveness	Describes the current market conditions in the selected field and location with considerable effectiveness	Describes the current market conditions in the selected field and location with a high degree of effectiveness
<b>Thinking/ Inquiry</b>	<b>Effectively interprets the needs to be filled with their co-operative and the wants of the new consumers</b>	Interprets the needs to be filled with their co-operative and the wants of the new consumers with limited effectiveness	Interprets the needs to be filled with their co-operative and the wants of the new consumers with some effectiveness	Interprets the needs to be filled with their co-operative and the wants of the new consumers with considerable effectiveness	Interprets the needs to be filled with their co-operative and the wants of the new consumers with a high degree of effectiveness
<b>Application</b>	<b>Provides an effective rationale for the success and expansion of the co-operative that respects the co-operative principles</b>	Provides a rationale for the success and expansion of the co-operative that respects the co-operative principles with limited effectiveness	Provides a rationale for the success and expansion of the co-operative that respects the co-operative principles with some effectiveness	Provides a rationale for the success and expansion of the co-operative that respects the co-operative principles with considerable effectiveness	Provides a rationale for the success and expansion of the co-operative that respects the co-operative principles with a high degree of effectiveness
<b>Communication</b>	<b>Clearly communicates a proposed plan using a business-like tone, persuasive arguments, and relevant facts and figures</b>	Communicates a proposed plan using a business-like tone, persuasive arguments, and relevant facts and figures with limited effectiveness	Communicates a proposed plan using a business-like tone, persuasive arguments, and relevant facts and figures with some effectiveness	Communicates a proposed plan using a business-like tone, persuasive arguments, and relevant facts and figures with considerable effectiveness	Communicates a proposed plan using a business-like tone, persuasive arguments, and relevant facts and figures with a high degree of effectiveness

# Appendix A: International Co-operative Alliance

## Statement on the Co-operative Identity

### **Definition**

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

### **Values**

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

### **1. Voluntary and Open Membership**

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

### **2. Democratic Member Control**

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

### **3. Member Economic Participation**

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

### **4. Autonomy and Independence**

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

### **5. Education, Training and Information**

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

### **6. Co-operation among Co-operatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

### **7. Concern for Community**

Co-operatives work for the sustainable development of their communities through policies approved by their members.

# Appendix B: Comparison of Co-operatives and Other Organizational Structures

	Purpose	Ownership	Control	Distribution of Surplus Earnings	Liability
<b>Collective</b>	Benefits to members or society in general.	Members.	One member, one vote.	Determined by members.	Unincorporated. Collective members have full liability.
<b>Non-profit Society</b>	Benefits for clients or society in general.	Really has no owners; seeks funding from members and the general public.	Members generally entitled to one vote, but many have multiple votes or no votes.	Used to increase or improve services to clients.	Directors' liability limited. Members not liable.
<b>Co-operative</b>	Benefits for the members (ie. service, cost savings and/or dividends).	Members.	One member, one vote. Proxy voting limited.	To members in proportion to use of service.	Members limited to share subscription. Directors have limited liability.
<b>Sole Proprietorship</b>	Profit for proprietor.	Sole proprietor.	Controlled by sole proprietor.	Income to the sole proprietor.	Unlimited liability of sole proprietor.
<b>Partnership</b>	Profit for partners.	Partners.	Controlled by partners, typically according to time or money invested.	Allocated among partners, typically according to time or money invested.	Unlimited liability of partners.
<b>Corporation</b>	Profit for shareholders on investment of time or money.	Shareholders.	Based on number of voting shares held per shareholder, directly or by proxy.	To shareholders paid in proportion to investment.	Shareholders limited to share subscription. Directors have limited liability.

Source: *Co-operatives by Design: Building Blocks for Co-operative Development*, Copyright 2001, British Columbia Institute for Co-operative Studies. A simplified comparison of co-operatives and other businesses can be found at [http://www.sask.coop/how\\_co-ops\\_differ.html](http://www.sask.coop/how_co-ops_differ.html)

# Appendix C: Further Resources

## **My Co-operative Adventure Resources**

This page features a variety of resources to complement and expand on the lessons in this Entrepreneurship 30 document, such as downloadable posters and optional handouts, video links, and links to additional information.

[www.sask.coop/myco-operativeadventure.html](http://www.sask.coop/myco-operativeadventure.html)

## **Additional Co-operative Information**

Co-ops Are Cool – infographic style images of (older) facts about Canadian co-operatives

[www.ontario.coop/coops\\_are\\_cool](http://www.ontario.coop/coops_are_cool)

University of Saskatchewan's Virtual Co-operative Exhibit: Creating Social and Economic Well-Being – case studies and other examples of co-operatives

[www.usaskstudies.coop/exhibit](http://www.usaskstudies.coop/exhibit)

Saskatchewan History Online – Historical Co-operative Image Exhibit

<http://saskhistoryonline.ca/fedora/repository/coopcentre%3A00001/-/collection>

## **Co-operative Development**

Saskatchewan Co-operative Association – Co-operative Development Steps and associated pages

[www.sask.coop/co-op\\_development\\_steps.html](http://www.sask.coop/co-op_development_steps.html)

Co-op Zone – Co-operative Development Information and Resources

[www.coopzone.coop](http://www.coopzone.coop)

## **Curriculum Development Partners' Websites**

Saskatchewan Co-operative Association (SCA)

[www.sask.coop](http://www.sask.coop)

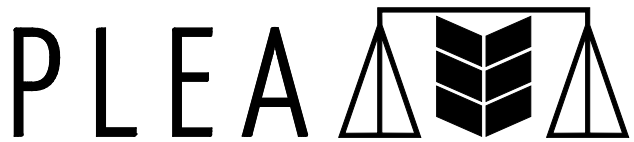
Public Legal Education Association of Saskatchewan (PLEA)

[www.plea.org](http://www.plea.org)





Saskatchewan  
Co-operative  
Association



Legal Information for Everyone