



CO-OPS IN QUEBEC



The co-operative movement has played a fundamental role in Quebec's economic, social, and political history. As far back as the early nineteenth century, farmers, preoccupied by insurers' lack of interest in agriculture, came together and established mutual insurance companies to protect themselves against damage to their crops or buildings. Nevertheless, the co-op movement didn't really take off until the early twentieth century, mainly in the credit union and agricultural production sectors.

In 1900, Alphonse Desjardins founded the first credit union, which has since become the Mouvement Desjardins. Desjardins created a system under which members were only personally liable for their shares, and, most importantly, whose territory was that of the parish. This allowed members to control their savings and to manage loans locally. At the same time, the co-operative movement emerged in the agricultural sector to address problems related to supply costs and to the marketing of agricultural products. The number of agricultural co-ops skyrocketed, and today there are almost 200. The sales of the two largest, Agropur and Coop fédérée, are respectively the third- and fourth-largest among Canadian co-operatives.

Between 1930 and 1945, co-operative networks were created in other sectors, such as fisheries, forestry, food consumption, the purchasing of school supplies, and funeral services. The Conseil supérieur de la coopération was founded in 1940 by the leaders of various unions and co-operative groups; it still exists today, under the name Conseil québécois de la coopération et de la mutualité.

Since then the co-operative movement continued to evolve. According to 2006 statistics, Quebec boasts 3,200 co-ops and mutual insurance companies, of which 2,645 are not financial. Together, Quebec co-ops have assets of \$130 billion and sales totalling \$20 billion. Between 2001 and 2005, sales by non-financial co-operatives increased by 18%, to reach approximately \$9 billion. Quebec co-operatives employ 81,000 people, 60% of whom work in co-operatives

whose headquarters are outside of the province's main urban centres. In 2006, Quebec co-operatives reported a total membership of 7.7 million-out of a population of 7.5 million

Since their creation in 1997, multi-stakeholder co-operatives have enjoyed the fastest growth, accounting for 48% of co-operatives created in 2006. These co-ops operate primarily in the areas of health, leisure, cultural, tourism, new energy sources (wind power), human services, and local services. Members of multi-stakeholder co-operatives include clients, employees, and community partners.

THE ORGANIZATION AND STRUCTURE OF QUEBEC'S CO-OP MOVEMENT

The dynamism of Quebec's co-operative movement stems from, among other factors, its organization along both regional and sector-based lines, and its professional and financial support structures, which are based on strong partnerships between co-operatives and governmental institutions.

At the provincial level, the Conseil québécois de la coopération et de la mutualité comprises 13 sector-based federations and 11 regional-development co-operatives. As the nexus for co-operative activities in Quebec, its role is one of co-operation, representation, and development. Its mandate also includes managing partnership agreements between the Government of Quebec and the co-operative movement.

The Réseau des coopératives de développement régional (CDR) is also specific to the co-operative movement in Quebec. It is made up of 11 co-operatives, covering all of Quebec's 17 administrative regions. Regional development co-operatives include all co-ops operating in their respective regions, across all sectors. It is the reference as far as co-operative creation, development and representation are con-

cerned, and it would be difficult to overestimate the value of its contributions to regional development.

The CDR network comprises over 1,080 co-operatives and has contributed to the creation or preservation of over 11,000 jobs over the last decade. Between 2004 and 2006, it supported the establishment of 160 co-operatives, resulting in the creation or preservation of 1,223 jobs.

The CDR network complements the efforts of sector-based federations. Sector-based federations cover 13 areas: agri-food, food, housing, financial and mutual services, forestry, funeral services, school supplies, home care, workers, worker-shareholders, and Nouveau-Quebec co-operatives.

The long-term partnership between the co-operative movement and the Government of Quebec is another key factor in the success of the province's co-op movement. Within the government, the Direction des coopératives is in charge of ensuring respect of the Loi des coopératives and periodically issues reports on various co-operative sectors. It is also the body through which the government's financial assistance to the co-operative movement is administered.

The Direction des coopératives and the Conseil québécois de la coopération et de la mutualité are partners in improving the conditions of co-operative development. In accordance with a co-op development agreement, the Government of Quebec will invest \$ 12.9 M, and the co-operative movement \$ 1.5 M, between 2007 and 2010. As for Investissement Québec, a government corporation, it contributes to co-op financing, namely by guaranteeing loans made to them by financial institutions.

MAJOR CO-OPS IN QUEBEC

→ **Mouvement Desjardins:** After the establishment of the first caisse ("credit union") by Alphonse Desjardins in Lévis in 1900, Quebecers quickly took to the system, and the number of both caisses and members increased rapidly—in rural and urban areas alike.

In addition to the usual savings and loan services, the Mouvement established a network of subsidiaries and diversified its activities to include insurance, fiduciary services, mutual and investment funds, and brokerage services. It also became involved in international development activities. With assets worth \$106 billion, the Mouvement Desjardins is the largest financial institution in Quebec and the sixth largest in Canada.

The Mouvement comprises 572 caisses, boasts 5.5 million members, and employs 35,493 people—which makes it the largest private employer in Quebec. Eager as it is to emphasize what makes it different

from other financial institutions, it actively contributes to the development of its host communities. In 2004, the various caisses contributed over \$52 million in sponsorships, bursaries, and scholarships, in addition to redistributing \$372 million in dividends to its members.

→ **SSQ Groupe financier:** SSQ Groupe financier stands out in the Canadian financial services sector due to its "mutualist" nature: its clients are also co-owners. It was founded as a co-op over 60 years ago by Dr. Jacques Tremblay, whose objective was to ensure that families had access to medical services. A \$5 annual contribution and a monthly fee of \$3 per family would guarantee medical attention. In order to diversify its products and support its growth, the co-operative became a fraternal benefit society specializing in collective insurance in 1955.

The SSQ now offers insurance and investment products in five areas: collective insurance; individual insurance; investing for retirement; general insurance; and real estate management, promotion and development. It is one of Canada's foremost financial institutions, with 715,200 policyholders; 1.2 million clients; 1,250 employees; and \$3 billion in assets managed. Since 2003, Samson Bélair Deloitte & Touche, the CIBC Group, and Les Affaires newspaper have ranked SSQ Groupe financier among the 50 best-managed firms in Canada.

→ **Groupe Promutuel:** A product of the agricultural mutualist movement of the early nineteenth century, Groupe Promutuel has been offering a host of general insurance services for over 150 years. In 1835, socially-conscious groups succeeded in having the parliament of Lower Canada adopt a bill allowing the establishment of mutual fire insurance companies. In 1956, these companies coalesced into a federation, whose role was to offer consulting services in a variety of areas, namely underwriting and compensation. In 1976, a reinsurance company was created; less than a decade later, Promutuel was born.

Promutuel has offered financial security services since 1988, and financial services since 1999. It comprises 34 mutual insurance companies all around Quebec. With over 550,000 policyholders, \$511 million in premiums, and net assets of over \$1 billion, it is Quebec's fourth-largest general insurance company. It employs 1,800 people—75% of whom work outside of the main urban centres in the company's 510 locations.

→ **Coop fédérée:** In 1922, the merger of three central co-operatives was made law, and the Fédération des coopératives agricoles du Québec was born. The first president of the Coop fédérée, then known as the

Coopérative fédérée de Québec was named within a year.

The Coop fédérée comprises approximately one hundred co-ops in Quebec, Ontario, and New Brunswick, totalling 51,000 members, over 14,000 employees, and over \$5 billion in sales. Its co-op network is Quebec's fourth-largest company, and its eighth-largest employer. The Coop fédérée has branches throughout the province, in four sectors: agricultural procurement; hardware and agricultural machinery; pork and poultry transformation and marketing; and oil products.

It is Quebec's foremost supplier of seeds, harvest-protection products, and fertilizer. It supplies almost 160 hardware stores and renovation centres under the corporate names Coop and Unimat. Thanks to Olymel, a subsidiary, the Coop fédérée has achieved vertical integration in the food transformation sector and is Canada's top exporter of pork and poultry. Exports account for almost half of its pork sales.

Under the corporate name Sonic, it is also Quebec's largest oil company. In addition to offering the usual products, many Sonic gas stations are leaders in the sale of ethanol fuel, which helps to reduce pollution.

→ **Mountain Equipment Co-op:** With a membership of almost three million, Mountain Equipment Co-op (MEC) is Canada's top co-operative retailer. Since 1971, it has sold equipment for self-propelled outdoor activities.

Though its headquarters are in Vancouver, MEC has a dozen stores in Canada's main cities, including two in Quebec: one at Montreal's Marché central, and one in Quebec City's Saint-Roch neighbourhood. Opened in 2003, its Montreal store is eco-friendly and uses geothermal energy by recuperating rainwater, which is then radiatively heated or cooled. It is 65% more energy-efficient than comparably sized traditional establishments.

MEC is intent on being a socially responsible company applying co-operative principles in all its activities. It is involved in ethical buying, in the creation of eco-friendly goods, and in the promotion of a pan-Canadian network of parks and protected areas. It also gives material, subsidies, and non-financial support to community and environmental groups.

→ **Magasin Coop La Paix in St-Jean-Port Joli:** Magasin Coop La Paix, a food co-op, was founded 70 years ago in a town whose current population is 3,400-1,860 of whom are co-op members. Sales to members account for 85% of the total, which is probably its network's highest proportion.

Under the banner of IGA, the co-op employs 65 people and achieved \$12 million in sales in 2007. Part of the co-ops surpluses are redistributed as dividends to members, and over \$40,000 are annually given as sponsorships or donations to community organisations. It also engages in a variety of fundraising activities every year; the key activity is a brunch that typically raises \$3,000.

→ **Coopérative forestière des Laurentides:** The Coopérative Forestière des Hautes-Laurentides (CFHL) was created in 1978 by 13 individuals to create employment in the forestry sector. A worker co-operative, it offers woodcutting, forest-planning, forest-management, and plant-production services.

It has developed a unique "turnkey" concept, which means that it offers its clients all relevant services related to wood procurement. It is one of the rare Quebec forestry companies to offer such "integrated contracts," covering forest planning, governmental communication, forestry, and plant production and harvesting. The co-op employs over 520 people, 315 of whom are members, and another 40 auxiliary members. Its annual sales hover around \$40 million, and its annual wood-harvesting capacity is about 600,000 metres.

It was the first forestry company in the Hautes-Laurentides region to achieve ISO 14001 environmental certification in 2003, and started a process of perpetual improvement in all environmental aspects of its harvesting and forestry activities. It is also the only forestry company in Quebec to have been authorized by the Ministère des Ressources naturelles et de la Faune to carry out large-scale alternative treatments and to conduct an objectives-based forest-management pilot project.

The co-op invests in training its workers, and prevention is a priority for the it and its members. It has hence established a joint prevention committee, a prevention programme, an emergency plan, and an annual plan on ensuring a healthy and safe workplace.

→ **Coopérative funéraire de l'Outaouais:** The creation of the Coopérative funéraire de l'Outaouais (CFO), in 1979, was an attempt to counter the exorbitant fees charged for such services by private firms. It now boasts 11,500 members and the Outaouais region's most modern facilities, making it western Quebec's foremost funeral home and Canada's second-largest funerary services co-operative in terms of assets and deaths treated.

Its highly qualified personnel serve over 900 bereaved families per year, in addition to concluding 450-500 preliminary arrangements. Sales are almost \$4 million,

and the co-op's financial health is excellent. It controls over 60% of the Gatineau market.

In addition to offering all types of funerary services at very competitive prices, the co-op also contributes to community development and to the preservation of affordable funerary services in the Outaouais region. According to some studies, in 2000 members of Quebec funerary-services co-ops paid 45% less than other Canadians.

→ **Coopérative de services à domicile de l'Estrie:**

In order to address the public healthcare system's difficulty in providing home support services for the elderly, in 1989 a group of elderly citizens in the Estrie region took it upon themselves to establish Quebec's first in-home services co-op. The idea caught on, and soon other regions founded their own in-home services co-ops based on the Estrie model. Fifty such co-operatives now exist and, having concluded agreements with the province's healthcare system, they are now responsible for housekeeping chores and hygiene care.

The Coopérative de services à domicile de l'Estrie provides its members with housekeeping and major housework services, clothing and hygiene care, meal preparation, accompaniment services, and assistance in supply-related issues.

The co-op's 4,436 members are cared for by its 135 employees. In 2006, it delivered almost 100,000 man-hours of work and achieved sales of \$1.9 million, \$1.5 million of which were redistributed as salaries and employee benefits. Current demand for services is by no means limited to the elderly: the co-op makes 30% of its sales to "active households," which goes to show that it satisfies a need felt by citizens of all ages.

The success of the Coopérative de services à domicile de l'Estrie stems from a host of factors: it was established by local actors; it is very responsive to its members' needs; and it functions as a complement to the public healthcare sector.

Canadian Co-operative Association

4th Floor, 275 Bank Street
Ottawa, Ontario K2P 2L6

1-866-266-7677

info@CoopsCanada.coop
www.CoopsCanada.coop