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COMPLEX NETWORKS

FOR COOPERATIVE ECONOMIES

Report

Complex Networks for Cooperative Economies is the outcome of a partnership to assess the robustness of British Columbia's co-operative network. The International Centre for Co-operative Management at Saint Mary's University led the research in cooperation with the British Columbia Co-operative Association (BCCA). The report is structured into three main sections: a conceptual framework about complex co-operative networks, British Columbia's case study, and two samples of consolidated co-operative economies worldwide. This comprehensive study provides a reference framework regarding the nature and dynamics of complex networks among co-operatives and partners with shared values.



The British Columbia Cooperative Association (BCCA) is a second-tier community service co-operative, an association among cooperatives across multiple industries, supporting and promoting the province's co-op sector. The association is a hub for co-operative development and networking, fostering a regional co-operative economy.



The International Centre for Co-operative Management (ICCM) is a research and education centre at Saint Mary's University in Halifax, Canada. The ICCM's primary purpose is to support the growth and sustainability of cooperative enterprises through research, education, and knowledge exchange, generating data that can inform the development and improvement of cooperative enterprises worldwide. It serves as a hub for interdisciplinary research on co-operatives, offering educational programs and training to individuals interested in co-operative management.

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Executive Summary

Regions such as Emilia Romagna or the Basque country have broken new ground for an alternative economic approach based on complex cooperative networks. Regional networks have embraced an unorthodox relationship between people and organizations across the private, public, nonprofit and financial sectors based on cooperation, mutuality and solidarity. This report provides a structure or a conceptual map for understanding the vital elements of context-dependent cooperative networks, including their purpose, agents, respective functions, context variables and how those elements interact to bolster cooperative formation and sustainability. This report also provides a case study for understanding the cooperative development in British Columbia and variations in different regions such as Quebec in Canada and Emilia Romagna in Italy.

Acknowledgements

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Networks

Collaborative arrangements or mechanism of coordination between autonomous entities to achieve multi-organizational outcomes (Provan & Kenis, 2008).

Cooperative Economy

An economic system where enterprises are owned and operated by the people who use their services or by the workers themselves. An exchange system based on intercooperation driven by cooperative enterprises and their networks.

Social Solidarity Economy - *Inclusive of cooperative economies*

The SSE encompasses enterprises, organizations and other entities that are engaged in economic, social, and environmental activities to serve the collective and/or general interest, which are based on the principles of voluntary cooperation and mutual aid, democratic and/or participatory governance, autonomy and independence, and the primacy of people and social purpose over capital in the distribution and use of surpluses and/or profits as well as assets. SSE entities aspire to long-term viability and sustainability, and to the transition from the informal to the formal economy and operate in all sectors of the economy. They put into practice a set of values which are intrinsic to their functioning and consistent with care for people and planet, equality and fairness, interdependence, self-governance, transparency and accountability, and the attainment of decent work and livelihoods. According to national circumstances, the SSE includes cooperatives, associations, mutual societies, foundations, social enterprises, self-help groups and other entities operating in accordance with the values and principles of the SSE (ILO, 2020).

Entrepreneurial Ecosystems - *In the context of "coopreneurship"*

A set of interconnected [cooperative] entrepreneurial actors, organizations, institutions and entrepreneurial processes, which formally and informally coalesce to connect, mediate and govern the performance within the local [cooperative] environment, involving a dynamic and systemic nature, within a supportive environment (Adapted from Schwetzer, Maritz, & Nguyen, 2019; based on Mason and Brown, 2014; 2017).

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Cooperatives and collaborating organizations in British Columbia (BC) engaged in a partnership to consolidate a network of mutual support for cooperative development in the province. This report is an evaluation of complex networks underlying the British Columbia cooperative economy. Based on the literature and a few exemplary cases of cooperative territorial embeddedness, the report identifies the building blocks of complex cooperative networks and articulates a conceptual framework to inform policy and assist partners to approach cooperative development in a strategic way. The framework is applied to the context of British Columbia, where the ecosystem for (cooperative lead, strategic) development of cooperatives and the broader social economy are in relatively early stages.

Given that complex cooperative networks often originate from and are deeply embedded within specific territories, reflecting their unique contextual nuances, there is no one-size-fits-all approach to their creation and maintenance. Still, we can identify a few core elements that help understand the network dynamics, including the way networks are structured or their means of organization (WHAT), the purpose behind inter-cooperation (WHY), the type of agents driving or collaborating to this process (WHO), and their functions, or, the way they effectively contribute to the network (HOW). Contextual variables and the broad outcomes of networking beyond immediate goals are also identified.

Once the groundwork for evaluation is laid, the report examines a snapshot of British Columbia's inter-cooperation dynamics. Rather than concentrating on specific sectorial networks, the case study introduces the relationships and connections that have contributed to a broader vision of intercooperation for the province. Key findings suggest that BC hosts most of the building blocks of a complex network, but linkages are primarily at an emerging level. Active multi-stakeholder programs and partnerships focused on infrastructure, capacity building, community outreach, and education have sustained critical connections in the region. However, the network's untapped potential lies in the scarcity of capacity capital, a disconnected financial ecosystem, inadequate public sector engagement, and lack of diversity among institutional actors leading network coordination, which has overburdened a few dedicated organizations.

Potential solutions to current challenges may be inspired by examining other mature ecosystems where cooperative networks have flourished. Therefore, this report includes two brief case studies covering the cooperative economy of Emilia Romagna in Italy and the social economy of Quebec in Canada, following the same conceptual framework.

Emilia Romagna is known as the homeland of Italian cooperation, with networks dating back to the nineteenth century. One of the densest cooperative economies worldwide, with the sector accounting for a third of the region's Gross Domestic Product (GDP), reached its prominence through a vast interwoven fabric of mutual support and a well-established network of networks. There, small and medium-sized cooperatives operate independently or engage in local, flexible networks. These cooperatives are often integrated into the membership of consolidated second-tier cooperatives that, at a national level, form the Alliance of Italian Cooperatives.

Embracing a completely different approach, Quebec has gained recognition as a laboratory of social innovation. There, cooperatives operate under the provincial framework of the social economy, benefiting from congruent policies, and the broad and multi-layered availability of development capacity, and access to solidarity finance networks. By networking under consolidated sectoral umbrella organizations and strengthening relationships with social movements and other partners, Québécoises cooperatives have bolstered their presence in the region.

What British Columbia embarked on, and Emilia Romagna and Quebec share, is a deliberate effort to bring together resources and connections, aimed at cultivating a cooperative ecosystem that is environmentally, socially, and economically sustainable. Identifying core networking elements across different levels of system maturity yields valuable insights into the creation and preservation of autonomous, self-reliant, and resilient cooperatives in a territory.

The methodology uses qualitative data from interviews and document reviews to assess complex networks within the proposed framework.



PART I

Complex Networks

Conceptual Framework



PART I

Introduction

The rise of cooperative economies, based on different models of entrepreneurship (or some would say “coopreneurship”) and alternative institutional designs of shared ownership and control, unearths new perspectives on doing business and managing resources. A new economic paradigm relies on the relationships among diverse organizations committed to economic, social, and environmental well-being, reversing the market logic that puts people at the service of capital, to put capital in the service of people and their fundamental needs. By addressing natural planetary boundaries and system-wide social inequality, we need to redesign the way we undertake the production, distribution, and consumption of goods and services and ensure a livable future for all. Cooperative enterprises, by definition, commit to meeting their member’s common economic, social and cultural needs, working for the sustainable development of their communities (ICA 1995).

Cooperative economies worldwide have bloomed despite the predominant economic framework of profit-maximizing price-based competition and private ownership with concentrated control of the means of production. Historically, cooperatives have operated as an enclave embedded in the dominant (non-cooperative) paradigm. In successful cooperative economies, cooperatives have gradually engaged with one another, creating their own system in complex networks of mutual support and solidarity representing spaces of experimentation, innovation, or resistance to challenges, or offering an alternative to the dominant practices and norms. Cooperatives belong to the spectrum of organizational forms in the social solidarity economy, often partnering with them to advance commonly held values and goals.



Grounded by mutuality and solidarity, cooperatives and values-aligned partners form these complex networks as an economic safety net by solving common problems, pooling resources, and deploying collective development strategies. In contrast to conventional investor-owned firms' partnerships, these bonds are not merely transactional and a profitmaking strategy. Complex networks transcend the focus on price and efficiency in one-off transactions, reflecting a deeper commitment to mutual support through prolonged strategic cooperation. These relationships encompass reciprocity, trust, and non-market exchanges (e.g., contributive justice, member-owners as users, living wage, solidarity pay, fair trade, and sustainable practices), serving as the foundation of inter-organizational bonds (Novkovic et al., 2022).

As mutualism and social solidarity hardly align with the predominant economic paradigm, cooperatives and partners feel compelled to architect their compatible ecosystems, consolidating an economic infrastructure supporting their goals. By creating cooperative networks, they reduce their reliance on the resources they otherwise struggle to access in a capital-driven market.

Complex Cooperative Networks

Every economy encompasses multiple institutional and social arrangements which shape its outcomes. Multiple entrepreneurial ecosystems (EE) coexist within the economy, reflecting "a set of interdependent actors and [social, political, economic, and cultural] factors coordinated in such a way that they enable productive entrepreneurship within a particular territory" (Stam and Spigel, p. 1, 2016).



Moving away from predominant investor-centric frameworks, contemporary notions of EE for cooperative enterprises recognize that the same territory may display multiple ecosystems of alternative entrepreneurial activities, subject to their unique supporting mechanisms through self-organized coordinating networks (Spicer & Zhong, 2022; Beishenaly & Dufays, 2021). The cooperative network unfolds as an enclave connected to the prevailing economic structures, building and interlacing its distinctive elements. The literature has described these elements from worker ownership (Tanner, 2013; Hoover & Abell, 2016; Spicer & Zhong, 2022) and policy perspectives (Beishenaly & Dufays, 2021) drawing from fundamental components of an emerging entrepreneurial ecosystem. Although different naming conventions and categories are used to organize these elements, there is a growing consensus across various analytical approaches about the fundamental components.

A cooperative economy is the sum of interdependent actors with varying organizational designs, the institutional environment in which they exist and operate (usually bounded by a territory), and the interactions that manifest within it. Here, we primarily focus on the interactions that manifest through self-organized networks and the many forms they can adopt to fulfill their role in the ecosystem. We examine networks' function and ability to facilitate interactions among different elements. Instead of merely another element within the EE framework, **cooperative networks are the driving force of cooperative ecosystems**. These networks represent the coordination infrastructure and connections that consolidate the integral conditions for alternative systems to thrive. In cooperative economies, networks assume a dual role resulting from coordination efforts among cooperatives and subsequently act as the driving force behind new network branches.



Table 1. Comparative framework of components entrepreneurial ecosystems (EE), including EE for cooperative enterprises

Entrepreneurial Ecosystems				
EE Domains Isenberg (2011)	EE Approaches Mason & Brown (2014)	EE Attributes Stam & Spiegel (2016)	Co-op EE Elements Hoover & Abell (2016)	Co-op EE Elements Beishenaly (2021)
Policy	Actors	Open Markets	Skills and Capacity	Policy and Regulation
Finance	Resource Providers	Infrastructure	Finance	Education and Capacity
Culture	Connectors	Universities	Technical Assistance	Culture
Support	Entrepreneurial Orientation	Support Services	Co-op Developers	Culture
Human Capital		Policy	Co-op Business Support	Networks and Partnerships
Markets		Investment Capital	Connection to Market	
		Worker Talent	Pro-cooperative Policy	
		Mentors Role Models	Advocacy and Partnerships	
		Supportive Culture	Value-Driven Business	
		Histories of Entrepreneurship	Attitudes and Culture	
		Networks	Education	



Honoring the multiscalar nature of cooperative economies (Spicer & Zhong, 2022), the current conceptual framework takes into account the interoperability of multiple elements in complex systems that tend to vary and assume a unique interplay in different contexts. Instead of assigning fixed roles to specific actors, this framework incorporates a diverse range of agents that perform many functions to enhance the formation and sustainability of cooperative economies. Each agent's features and capacity are context-dependent and behave as mix-and-match building blocks based on the characteristics of specific environments. Typically, multiple agents contribute to diverse capacities and overlap functions. While certain agents, such as credit unions, are commonly recognized as finance providers, their involvement can extend to non-traditional (yet cooperative-aligned) capacities such as education or co-op development. Thus, complex networks are not rigid models with consistent patterns of agency and purposes but rather express the interplay of various alternatives open to an adaptive system. The evolution of a cooperative entrepreneurial system is dynamic and multidimensional.



Table 2. Conceptual Framework for Complex Cooperative Networks

MEANS OF ORGANIZATION	PURPOSE	AGENTS	FUNCTIONS
WHAT	WHY	WHO	HOW
Network infrastructure. Conventional ways co-ops coordinate their activities and create bonds	Needs and advantages of inter-cooperation	Enablers of complex networks	How can agents foster cooperative networks to consolidate and fortify a cooperative economy
Informal Collaborations	To leverage resources	Co-op entities as networks themselves	Providing technical support and capacity building
Co-op to Co-op Business	To reduce costs	Co-op Developers, Consultants and Leaders	Implementing co-op friendly laws and policies
Second Tier Co-ops	To align strategically	Regulators Policymakers	Representing and advocating
Co-op Groups	To provide public goods	Educational Institutions	Educating and researching
Multi-stakeholder Networks	To achieve economies of scale	Social Economy Enterprises	Incubating and accelerating co-op growth
	To spread awareness	Common Interest Groups and Civil Society Org	Convening and building relationships
		Communities of Practice	Financing
		International Bodies	
CONTEXT VARIABLES			
History and path dependence	Embeddedness and social cohesion	Co-op density	Macro culture
OUTCOMES			
Sustainable Development	Social and economic resilience	Creation and sustainability of more co-ops	Intergenerational Infrastructure



Contemporary investor-owned firms tend to gain access to the support they need to thrive (financial and technical resources, enabling policies, skilled workforce, a compatible culture, market conditions) and experience the mutual relationship between the business and the economic institutions. Conversely, cooperatives stem from an opposing ethos, and, as a result, they face many institutional incongruencies (Spicer, 2021). While they can benefit from some aspects of the existing institutional arrangements, co-ops must create their own enabling environments.

Since cooperatives cannot always lean on traditional economic agents—such as the support of banks for financial capital or education systems for skilled workers—to meet their needs, they have developed creative designs, contractual frameworks, and networks to develop their full legal, social, and economic potential based on intercooperation, integration and partnerships (Arzadun & Álvarez, 2021). Whereas their diversity and malleability are obstacles to a definitive formula for cooperative ecosystems, their polymorphism inspires innovative strategies and plural solutions to overcome development and survival constraints.

Under the paradigm of polymorphism, this framework aims to guide entrepreneurs, cooperators, scholars, and policymakers throughout the networking process to develop unconventional solutions by leveraging the interplay of various elements within complex cooperative networks. Our objective is to deconstruct cooperative networks into their key components, which include their means of organization (what), their purposes and outcomes (why), their agents (who), their functions (how), including the context variables they are subject to and the broader outcomes of networking. In the following sections, we sort out the architecture of cooperative networks by mapping existing coordination patterns and portraying each of their constituent elements.



Creating and Sustaining Self-help Networks

A cooperative economy requires creating, consolidating, and sustaining comprehensive networks of mutual support through the joint effort of multiple actors from the financial, private, public, and not-for-profit sectors (Hoover & Abell, 2016; Beishenaly, 2021). It arises from complex relationships that successfully enact a place-based community economic development strategy capable of generating positive externalities, strengthening existing cooperatives, and advancing the continuous formation of new cooperatives in the market. As previously stated, the solidaristic and dynamic interactions between cooperatives and other system partners are an unwavering element of the cooperative identity expressed through the ICA principle of cooperation among cooperatives, which translates the shared desire to generate broad socio-economic impact and integrate different socio-economic sectors.

The 6th Principle shows two dimensions of the nature of cooperatives. The first dimension is that they are economic entities trading goods and services. The second is that they are social entities of members who relate positively to other cooperatives in the way they conduct business. In joining cooperative members are not only helping to build their own cooperatives but the wider cooperative movement. They co-operate with other cooperatives to create wealth for the many, not personal wealth for the few through unbridled market competition. Members benefit not only from the actions of their own cooperative but from the impact of its cooperative engagement and trade with other cooperatives.



Cooperatives *per se* are networks of independent actors (Novkovic, 2014), either individuals or organizations, created to achieve a common economic or social objective through a unique ownership and governance design based on shared control. It is possible to amplify the scope of cooperation beyond individual enterprises through collective articulation and political representation, including national alliances, consortia, and groups across several industries and other institutional designs.

WHAT**MEANS OF ORGANIZATION**

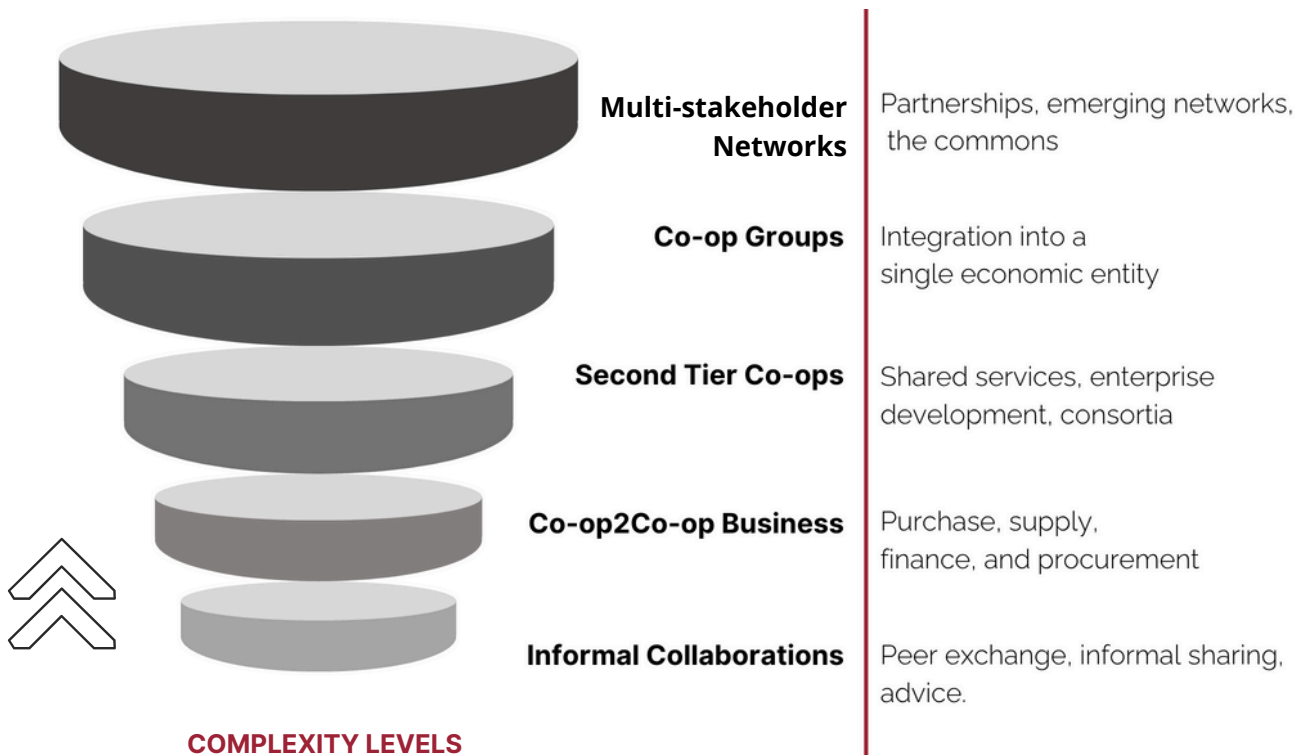
Conventional ways cooperatives coordinate their activities and create bonds (network infrastructure)

Despite their kaleidoscopic nature, some types of cooperative networks are more common and follow similar praxis. Their means of organization depend on the nature of the relationships, the linkages' strengths, contractual frameworks, objectives, and sectors involved. Variations range from informal collaborations through personal relationships to exchange expertise to completely integrated cooperatives into a single economic entity (e.g., cooperative groups). At different levels, these networks leverage their participants' strengths, resources, and expertise while sharing risks and rewards based on mutuality, solidarity, and reciprocity.

The following diagram illustrates the complexity levels associated with various networking arrangements. These levels represent the varying degrees of intricacy and sophistication in how networks are organized and function. However, it is essential to clarify that these levels do not represent distinct development phases that cooperatives inevitably follow. Cooperatives may intentionally choose to remain outside, or in a simple network formation (sectoral association, for example) without any specific intention to pursue larger or more intricate configurations.



Figure 3. Complexity Levels and the Multiscalar Nature of Cooperative Networking



Varying degrees of intricacy and sophistication in how networks are organized and function. The progression of networks is not linear. Cooperatives may simultaneously participate in multiple (nested, or loose) formations

Cooperative networks embrace multiple paths to bolster their function. The existence of a co-op economy is not solely a matter of the absolute number of individual cooperatives in an existing region but the presence of a networked system capable of sustaining cooperative interactions. A cooperative economy results from spawning new networking branches from decentralized coordination hubs through multiple interactive stages. Their pluralism transcends a rigid typology, continuously adapting their networking design to current challenges and regional specificities. The evolving **dynamic adaptability of cooperative networks** (Novkovic & Holm, 2012) allows them to co-create various coordination patterns towards a growing values-driven presence in the market. These overarching patterns serve as guiding frameworks for meaningful collaborations.



Informal Collaborations

Peer exchange, informal sharing, advice



Informal collaborations are a broad term for many collaborative activities developed in a less structured way, not constrained by a formal contractual or institutional framework. These collaborations represent small-scale interactions (Granovetter, 1973) driven by shared interests. People connect by establishing relationships with like-minded peers, engaging in meaningful conversations, exchanging experiences, and exploring potential partnerships. In the context of social networks, informal relationships, typically seen as weak ties, are, in fact, highly valuable for the dissemination of information and resources (Granovetter, 1973).

The quality of collaborations is not solely determined by the formality or informality of the connections but rather by the presence of embedded relationships. These can be examined through "three key elements that shape the expectations and actions of exchange partners: trust, detailed information sharing, and cooperative problem-solving arrangements," generating economic opportunities that are challenging to duplicate through market mechanisms, contractual agreements, or vertical integration (Uzzi, 1997, p.42).

The intangible essence of relationships, grounded in emotions, trust, shared experiences, mutual understanding, and subjective perceptions, exhibits evolving dynamics over time. Although assessing their resilience is challenging, robust connections are more likely within sectors (e.g., credit unions) or membership types (e.g., worker co-ops) since the natural proximity and a tendency to build meaningful relationships happen through "thick" information exchange, the "know-how" (Uzzi, 1997).



Supporting complex networks entails the promotion of informal collaborations that transcend sectoral or organizational boundaries, breaking down silos and involving a wide array of agents from various industries and backgrounds engaged towards a common goal. More branches with individuals sharing quality interactions mean stronger cooperative networks. The economics of spatial diversity (Karlsson, Rickardsson, & Joakim Wincent, 2019) stress that diversity of perspectives, ideas, and skills translates into a broader set of resources, capacities, and capabilities that positively affect the network's ability to innovate, fostering the emergence of creative solutions to complex challenges.

Commonly, informal collaborations happen in the guise of volunteer communities of practice (CoP). In those communities, people volunteer their experiences and insights to their peers, developing a social structure, and a platform for engagement and learning, that fosters a supportive environment for professional collaboration.

Co-op to Co-op Business

Purchase, supply, finance, procurement



Informal collaborations often evolve into formal business relationships between cooperatives; but cooperative-to-cooperative business operations can also start independently without prior collaboration. These formal bonds are established when partner institutions with shared values engage in purchasing, supplying, financing, and procurement. They can be governed by legally binding contracts or less formal arrangements, creating **a spectrum of operational frameworks**.

Most enterprises, cooperatives or not, are part of value chains in which they depend



on suppliers' raw materials, components, or services to maintain their operations. They also need to obtain funding and skilled labor. As cooperatives strive to acquire resources, negotiate contracts, and manage supplier relationships to meet organizational needs, they frequently encounter a shortage of value-aligned peers within the ecosystem. In this case, they find themselves compelled to outsource and form contracts with IOFs. Contracting with non-cooperative businesses is ubiquitous; however, healthy cooperative ecosystems tend to reduce the reliance on IOF EE, choosing values-aligned organizations as preferred business partners. This is particularly evident within fair trade supply chains, for example, where value-based exchanges are paramount.

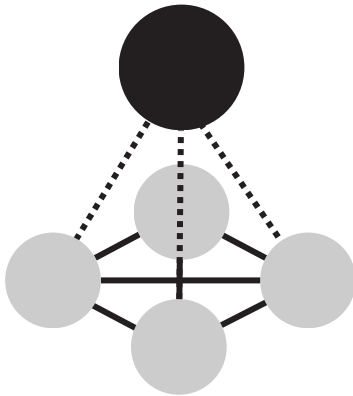
Enabling cooperative-to-cooperative trade and incorporating cooperatives into the global market offers several advantages, including the potential to enhance the sustainability of value chains and the cooperative sector's overall contribution to the economy (Iyer, 2017). As a result, individual cooperatives can experience boosted trade income by gaining entry to novel higher-value markets. On a global scale, interactions often connect small producer cooperatives in commodities-reliant low-income countries with value-added and consumer cooperatives in high-income countries. This connection exposes the former to consistent technical and financial support from the latter (Nadeau, 2013).

In many ways, co-op to co-op business adds value to the supply chain, encompassing elements of strategic alignment, movement building, and non-market activity beyond transactional relationships. When autonomous co-ops engage in partnerships, they establish the purpose, rights, and responsibilities of these collaborations based on shared values translated into operational practices. Thus, cooperative value chains include intangible value-based relationships (Novkovic, 2023).



Second Tier Co-ops

Shared services, enterprise development, consortia



Often, cooperatives collectively need support for enterprise development beyond what transpires in conventional inter-cooperative trade. Primary cooperatives compose second-tier cooperatives to combine their interests, minimize costs, share risks and rewards, and pool resources under a centralized coordination system.

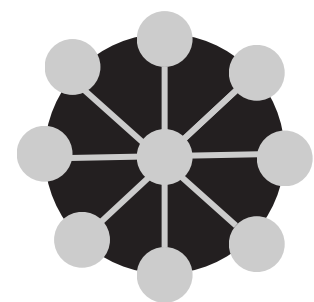
In these cases, the contractual framework varies according to the type of articulation and its purpose. The elected framework can be a consortium agreement between independent cooperatives, forming a partnership to achieve a specific goal or project, either creating a second-tier cooperative *per se* (e.g. the Italian *società consortili*) or establishing a less strict cooperative network activated only when there is a demand for ad-hoc contracts with external parties (H. Eum, personal communication, 2023). Rather than a group leader or a holding controlling the others, the consortium is itself an institution controlled by the primary cooperatives, allowing them to institute a horizontal organizational structure to exercise strategic contractual collaborations. The consortium can serve its members internally, providing services tailored to their needs and it can engage in external operations through contractual bonds with third parties, expanding its reach beyond the cooperative network. Some consortium agreements translate into second-tier cooperatives that operate as purchasing cooperatives to pool the purchasing power of their members when negotiating better prices and terms for goods and services.



Second-tier co-ops can also adopt the structure of associations or federations according to their membership and function. Both primarily serve as platforms for representation, sector and cross-sector collaboration, education, and policy advocacy. Member cooperatives maintain autonomy within the second-tier cooperative, coming together for strategic alignment and movement building besides regular operations. They are commonly organized as sectoral, regional, national or supra-national organizations. Associations often operate within single sectors, such as the Cooperative Credit Union Association (CCUA), Credit Union National Association (CUNA), and World Council of Credit Unions (WOCCU). However, some associations function across sectors, like the BC Cooperative Association, Cooperatives and Mutuals Canada (CMC), or the International Cooperative Alliance (ICA). Federations (and associations) may be structured around a single stakeholder model, such as worker cooperatives. In this case, cooperatives join professional networks to access and provide technical services and support (e.g., the Canadian Worker Co-op Federation), as well as to facilitate co-operation with local stakeholders (Zhao, 2017).

Co-op Groups

Co-op of co-ops that has reached a stage of integration at which it operates as a single economic entity



While member cooperatives maintain complete autonomy within second-tier cooperatives, cooperative groups constitute a separate category of networked cooperatives since they reach a much higher state of integration, operating as a **single economic body** (Birchall, 2018). It represents the consolidation of a common will among all contracting parties and introduces the presence of a central holding entity with executive power. Co-op groups may also include other businesses as



subsidiaries and trade with non-members (ICA, 2017, Guidance Notes to the Cooperative Principles). According to the World Cooperative Monitor, a co-op group displays five core elements: "1) it is composed of organizations that operate as a single economic entity, 2) regularly publishes a consolidated financial statement, 3) includes mainly cooperatives, 4) acts according to cooperative principles and values, and 5) is controlled by cooperatives" (ICA, 2014, p. 3). A prominent example is the Desjardins Group in Canada.

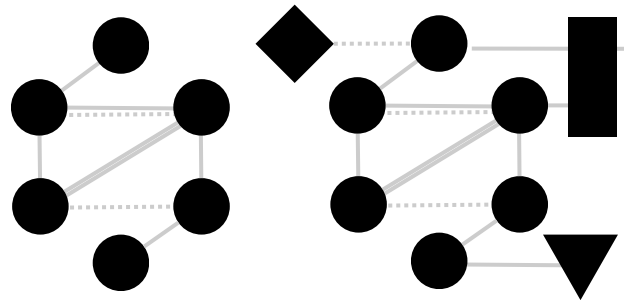
Cooperative groups may employ a spin-off growth strategy, where the parent company or multiple primary cooperatives consistently establish affiliated firms through long-term institutional arrangements. The parent company can leverage their expertise to generate startups or new products contributing to its ecosystem, which allows cooperative groups to achieve economies of scale and foster synergies among diverse organizations, resulting in positive externalities. This growth pattern demonstrates that cooperatives can serve as incubators for new cooperative development, promoting the proliferation of collaborative players in the market by providing a blueprint to their successors. Additionally, this strategy prevents the parent cooperative from overgrowing and fully absorbing the risk of its spin-offs while simultaneously increasing employment levels and driving innovation. For years, the Mondragon group has deployed the strategy of building spin-offs' (Ellerman, 2015), representing the world's largest worker and multi-stakeholder cooperative conglomerate of self-governing cooperatives.

Note: According to the ICA's World Cooperative Monitor, the Mondragon Corporation is categorized as a cross-sectoral cooperative group (2023, p. 161). Note that these categorizations need not be exclusive. The Mondragon group has been creating a multi-stakeholder network that includes its affiliated cooperatives and non-cooperative partners.



Multi-stakeholder Cooperative Networks

**Partnerships, emerging networks,
the commons, spectrum from "co-op
only" to "beyond co-ops"**



Multi-stakeholder cooperative networks, also referred to as complex adaptive systems (Novkovic & Holm, 2012), materialize when several cooperatives with varied stakeholder compositions and business models gather to mutually strengthen their presence in the market and achieve economies of scale through values-driven and polycentric governance (Ostrom, 2006), without compromising their autonomy.

This approach employs cooperative businesses with different stakeholder structures, each tailored to achieve specific social and business goals. Together, the entities are able to achieve scale in distinct ways, without necessarily incurring the costs of that scale on the others. In a multi-stakeholder network, each business has a single core member class and a highly focused purpose, linked primarily through social interactions. [...] The strategy of multi-stakeholder networking can enable co-ops to align diverse incentives, achieve social goals, and retain democratic accountability while influencing an industry at a national scale. A multi-stakeholder network strategy also appears flexible enough to be replicated in other contexts and industries since it is not dependent on unusual policy arrangements.

- Martins Rodrigues & Schneider, 2021, p. 32.



From diverse single-stakeholder cooperatives cooperating among themselves to complex arrangements involving multi-stakeholder cooperatives and partners, these complex adaptive systems range from 'co-op only' to 'beyond co-ops.' These networks bring together public, private, non-profit, and financial entities to facilitate the provision of public goods and promote community development through cross-sector connections and pooled resources. They can emerge in response to economic downturns, enhancing the participants' ability to survive and thrive amid uncertainty, or stem from a desire for growth where scalability is seen as a likely outcome of networking.

These networks often originate with a public-spirited purpose, driven by a broader mission rather than the individual benefits or financial returns for participants. Their focus may include fostering innovation, enhancing community wealth, cultivating social capital, or addressing essential needs that public administration alone cannot fulfill. Typically, these networks are more inclined to promote cross-sector collaboration and attract diverse representatives with varied backgrounds, objectives, business models, maturity levels, and degrees of cooperation.

Note: All previously mentioned organizational means within complex networks fall under the social solidarity economy (SSE), which integrates multiple connections and hosts a myriad of institutional relationships beyond cooperatives in every economic sector. In this context, the SSE serves as the overarching structure or socio-economic foundation, where networks are continuously formed and articulated, driven by shared social and environmental goals rather than solely by profitability.



PURPOSES (WHY)

Needs and advantages of inter-cooperation

Cooperatives cooperate to achieve their objectives in realizing their member's vision. When looking at the immediate purposes of individual cooperatives when connecting to others through formal and informal agreements, we identify six of the most tangible reasons for why cooperatives form networks:

To leverage resources: Access to a broader range of assets, which may otherwise be unavailable or expensive to develop independently, such as intellectual property, physical, technological, information, financial, legal, and human resources.

To reduce costs: Enhance cost-effectiveness and business efficiency through negotiated bulk supply agreements, shared facilities to reduce real estate expenses, and subcontracting or outsourcing services that are expensive to operate independently (e.g., payroll administration and maintenance services).

To align strategically: Prioritize collaboration over competition to achieve a common strategic direction, expanding market reach and fostering mutually beneficial synergies aligned with co-op goals. Develop advocacy strategies for aligned policies.

To provide public goods: Deliver goods or services enjoyed by the community at large. Address social needs by ensuring equitable access to affordable essential social, health and educational services to community members.

To achieve economies of scale: Multifaceted growth: Expand geographically, broaden membership, foster innovation, and enhance net worth. Utilize networking for new markets, bolster democratic infrastructure, and drive institutional and cultural transformation.

To spread awareness: Debunk misconceptions surrounding co-op governance, structure, viability and growth opportunities, disseminate their benefits and advantages, and present them as an alternative for new enterprises and conversions.



AGENTS (WHO)

Enablers of complex networks

At the forefront of cooperative economies, co-ops and their respective networks are the drivers of their own network's formation and sustainability. They play a pivotal role in shaping and influencing the coordination infrastructure of complex arrangements for economic activities. In this sense, networks are the cause and consequence of this process, considering that the more interconnected the system, the more adjoining networks emerge from it. Moreover, they do not operate in isolation; they require interaction or collaboration from other agents. Cooperative and non-cooperative partners join as a component of multi-stakeholder networks or contribute externally to form new networks with linkages to the Social Solidarity Economy.

Co-ops (networks themselves): The driving force behind network formation and sustainability.

Co-op developers, consultants, and leaders: Co-op expert professionals from many fields assisting co-ops' entire lifecycle, envisioning new avenues for cooperation, fostering capacity building, and continuously convening.

Regulators, policymakers: Bridge to the public sector: state representatives who understand the model and are willing to stand up for it within government bodies, building and sustaining coop-friendly entrepreneurial policies and regulations.

Educational institutions: Post-secondary schools and research centers focused on cooperative education, talent development, and research.

Social Economy Enterprises: Enterprises that prioritize social impact, engaging with all stakeholders (community) affected by their operations.

Common Interest Groups and Civil Society Organizations: Individuals and organizations mobilized by shared objectives and concerns focused on advocacy strategies and politically relevant actions, organized as voluntary and democratic collectives or autonomous grassroots movements.

Communities of Practice: Regular interaction between co-op developers, consultants, and leaders, sharing best practices to advance the network aspirations.

International Bodies: Organizations responsible for promoting cooperatives globally, shaping policies, providing technical support, launching vast advocacy campaigns, and continuously fostering international networking.



FUNCTIONS (HOW)

Co-ops cooperate with their peers through a range of functions that help them achieve their purpose using their preferred collective infrastructure.

It is important to note that we do not assign specific agents to predetermined functions, as this is part of the system's modularity and allows for different combinations of agency and functionality depending on the context. Regardless of who is executing them, the following functions are essential for maintaining a thriving ecosystem:

Providing technical support and building capacity: Cooperatives may support the "co-op way of doing business" per se (i.e., member engagement tools, leadership development, voting systems, compliance reporting) and/or provide business operations support (i.e., market knowledge).

Implementing co-op-friendly laws and policies: Establish a supportive legal framework. While regulators and policymakers primarily bear this role, all agents, including foundations and other civil economy organizations can influence this process.

Representing and advocating: Amplify co-op principles, strategies, and awareness, ensuring their needs are addressed beyond the scope of individual enterprises.

Supporting education and research: Education: challenge the profit-centric business education celebrating unsustainable perpetual growth. Research: gather data and develop analysis to support cooperative strategies and awareness; provide evidence about the impact of the cooperative business mode.

Incubating new co-ops and accelerating growth: Help expedite different stages of co-op development. Incubators are nurseries for the next generation of co-op enterprises, while accelerators usually work with market-ready enterprises to speed up their growth.

Convening and building relationships: Integral function within the network as networks thrive on relationships. Deliberate efforts in establishing and maintaining a community tied to a shared culture and mission.

Financing: Agents can act as unconventional financial suppliers to sister organizations, even if their primary function lies outside finance. Those enjoying surplus cash reserves or considerable access to capital can extend financial support to strategic partners.



CONTEXT VARIABLES

Unique interplay between elements that distinguish one network from another

Regional cooperative economies are unique in their elements' interaction. Even if they host every networking agent, exercising all the functions needed to sustain the ecosystem, their dynamic will vary based on a series of context variables. Given that complex networks behave according to setting-dependent factors, their elements will embody a unique interplay that distinguishes one network from another. Thus, the health and sustainability of an ecosystem depend not only on the mere presence of its elements but also on how contextual variables influence the strength and resilience of those elements within the existing networks.

History and path dependence: The role of historical factors and past events (e.g. colonization, wars, labor movements) in determining a region's current socio-economic atmosphere.

Embeddedness and social cohesion: Depth of integration and cultural cohesion among cooperatives and their partners, indicating the potential for lasting relationships and institutionalization.

Co-op density: The level of cooperative economic activity in a region (i.e., number of cooperatives across multiple sectors, number of cooperative members and employees working in cooperatives).

Macro-culture: Community's social fabric and broader cultural patterns (i.e., traditions, socio-political climate, economic policies, and history of a country)—aptitude (or lack thereof) to cooperative values.



OUTCOMES

Network's multi-faceted financial and non-financial outcomes beyond those generated by individual cooperatives.

Ultimately, complex cooperative networks spring from a broader mission that transcends direct financial and non-financial benefits for agents and spin-off benefits for broader society. All benefit from the positive externalities of a healthier economy and reputation currency.

Sustainable development: Sustenance and improvement of people's living standards within planetary boundaries without compromising the ecosystem's continuous capacity to provide for humankind and other species—sustainable development as social justice.

Social and economic resilience: Increased resilience to withstand and recover from economic downturns, adapt to changing circumstances, and minimize the adverse effects on workers and supporting communities.

Creation and sustainability of new co-ops: Propagation of cooperatives and aligned organizations, increasing co-op density.

Intergenerational structure: Foundational support for future cooperative and aligned organization activities for intergenerational wealth transfer and well-being creation.

Five Principles for Sustainable and Resilient Networks

This conceptual framework has been designed to be an open and collaborative blueprint with dynamic, evolving features. Employing a mix-and-match building block approach, it serves as a foundational structure for depicting a wide array of networks at varying stages of maturity. Cooperative networks are embedded and overlapping. The more comprehensive the existing networks, characterized by diverse agents and functions and their integration into a broader social solidarity economy, the greater the number of identifiable building blocks within each element of the Complex Networks framework.



As a result, cooperative economies' layouts may vastly differ from region to region, contingent on the arrangement of their building blocks and their inherent contextual characteristics. Relating the blocks to each other allows us to evaluate the unique interaction of ecosystem elements and gain insights into the strengths and weaknesses of a specific network. While some complex networks may defy general predictions due to their exceptional attributes, some fundamental parameters remain true in most cases.

We propose the following *Principles for Sustainable and Resilient Networks*:

1. Institutionalization: Institutionalization happens when partner organizations achieve a stage of consistent flow of resources (e.g., financial, technological, personnel) and mutual support, ensuring that network connections endure, even if certain individuals who initially catalyzed the cooperation are no longer part of the equation.

Degrees: *Informal, Emerging, Developing, Established.*

2. Diversity: The greater the number and nature of coordinating agents that support the network and the more knots of articulation it possesses, the less vulnerable the whole network becomes to the failure of some of them during economic downturns (or other crises) and the larger its capacity to continuously branch out and access resources.

Degrees: *Minimal, Moderate, Diverse, Abundant.*

3. Intergenerational infrastructure: Far-sighted approaches to functions including finance, policy, regulations, and partnerships to guarantee a lasting intergenerational impact. Complex cooperative networks should implement forward-thinking initiatives that establish the foundation for sustainable progress across generations,



extending beyond current needs and relationships.

Degrees: *Deficient, Fragile, Progressing, Concrete.*

4. Self-reliance: Just as cooperatives are self-help organizations, complex networks in cooperative economies derive similar value from self-reliance. The most resilient and thriving networks demonstrate the highest degree of self-sufficiency, enabling them to produce and exchange the resources the ecosystem requires while diminishing their reliance on other incongruent ecosystems.

Degrees: *Vulnerable, Dependent, Resourceful, Autonomous.*

5. Embeddedness: Complex networks progress toward greater levels of integration within the wider social, economic, and environmental framework in which they function, generating interdependencies with their stakeholders and surrounding ecosystem. The tighter the knots and the thicker the linkages between them, the more mature and tenacious the network.

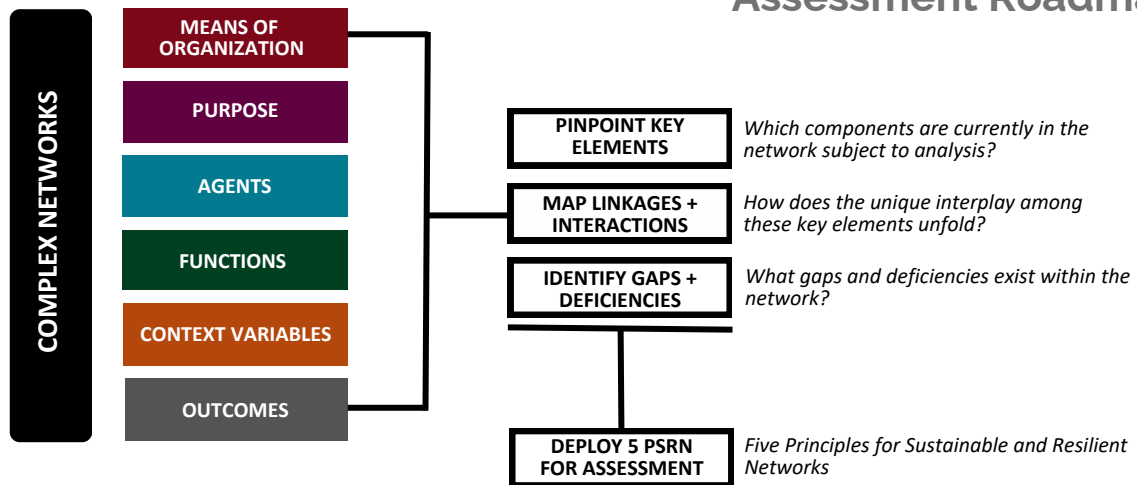
Degrees: *Isolated, Reciprocal support, Core linkages, Positive co-dependency.*

Assessing the Strength and Vulnerabilities of Complex Networks

Appraising the robustness and the level of maturity of a complex network requires connecting the conceptual framework of network elements (means of organization, purpose, agents, functions, context variables, and outcomes) to the five guiding principles for sustainable and resilient networks (institutionalization, diversity, inter-generation infrastructure, self-reliance, and embeddedness).



Assessment Roadmap



Institutionalization	Diversity	Inter-generational Infrastructure	Self-Reliance	Embeddedness
Informal	Minimal	Deficient	Vulnerable	Isolated
Emerging	Moderate	Fragile	Dependent	Reciprocal support
Developing	Diverse	Progressing	Resourceful	Core linkages
Established	Abundant	Concrete	Autonomous	+ Co-dependency

CAPTION

Informal: Linkages mostly rely on informal collaborations without an institutional framework.

Emerging: Some level of institutionalized resource flow, but network still highly dependent on key individuals to sustain the connections.

Developing Network capable of sustaining connections with a consistent flow of resources and mutual support, less dependent on key individuals.

Established: Cross-organizational framework with systematic policies ingrained in the participant organizations that ensure continuous flow of resources and mutual support independent from key individuals.

Minimal: Lack or scarcity of agents coordinating the network.

Moderate: Displays a few agents that articulate connections within a network, carrying multiple functions that might otherwise remain underdeveloped.

Diverse: Showcase a multitude of agents, each with specialized functions within a network, contributing to the continuous capacity expansion for new network branches.

Abundant: Plenitude of institutional agents providing and accessing resources and decentralized hubs of network activity with diverse leadership.

Deficient: Virtually no intergenerational infrastructure, leaving the ecosystem extremely vulnerable to systematic disruptions such as shifts in political regime and economic austerity.

Fragile: Existing policies and strategic infrastructure heavily focused on present issues. Weak intergenerational structures might exclude critical elements necessary for network viability over future generations.

Progressing: Some degree of intergenerational infrastructure focused on network resilience but still lacks robustness and diversification.

Concrete: Consolidated and well-maintained infrastructure (e.g., asset lock) that ensures the continued transmission of essential elements and resources between generations, ingrained in the social, economic, and regulatory systems.

Vulnerable: Network participants highly dependent on external support and are at risk of disruption without a single supplier/buyer.

Dependent: Limited self-reliance capabilities but still requires substantial support.

Resourceful: The network functions well with its own resources but may still require external support and resources for specific functions or during crises.

Autonomous: Resource capacity to operate effectively without continuous external assistance, adapting well to address challenges.

Isolated: Loosely connected complex network elements without clear coordination infrastructure. Interactions are mostly circumstantial.

Reciprocal support: Growing interdependencies among different network elements but still a low level of integration.

Core linkages: The network is capable of sustaining core linkages and supporting consistent interactions of mutual support but has yet to achieve a positive co-dependency among elements.

Positive co-dependency: Cooperatives are integrated into a complex network with robustness across elements. The network is influenced by their surrounding environment and network of relationships, living up to a shared culture and values, consistent information flow, and positive resource dependencies that mutually benefit all involved parties.



Concluding remarks

This framework allows the examination of each network variable, offering a concise yet insightful view of its maturity and robustness. Notably, the diagnosis captures a snapshot of the network's current state, subject to change as variables evolve. As time progresses, the framework becomes a valuable tool for identifying trends in network health. It allows for the comparison of complexity levels at different development stages, providing a dynamic understanding of the network's evolution. Moreover, this tool proves invaluable for comparing diverse networks globally and analyzing complexity in various contexts, acknowledging and accommodating their inherent polymorphism.

Crafted to be a collaborative resource, it aims to support scholars, cooperative professionals, and public sector representatives in developing regional networks of mutual support and consistently spark new insights about them. In this sense, the framework is not static; it is dynamic and continuously evolving. Its design allows for adaptation based on input and usability derived from multiple case studies. As an adaptive model, it contributes significantly to exploring the still-emerging concept of complex networks.



PART II

British Columbia's
Complex Networks



British Columbia Co-op Movement

In the vast landscape of global cooperative networks, the Canadian province of British Columbia may not always be in the spotlight as a leading cooperative hub. Still, a vibrant cooperative environment unfolds in the region, displaying complex networks between individuals and organizations driven by shared values. BC houses 466 of Canada's 5,605 active non-financial cooperatives (Statistics Canada, 2021), marking one of the highest concentrations behind Quebec, Ontario, and Alberta.

Most co-op activity in the province is centered in the Lower Mainland, the West Kootenay, and Vancouver Island, spanning various sectors, including housing, credit unions, agriculture, retail, consumer goods, worker-owned enterprises, renewable energy, fisheries, arts and culture, and community services.

Some of the province co-op giants include the car-sharing co-op Modo with over 15,000 members across the Lower Mainland, Vancouver Island, the Okanagan and Squamish; the consumer Kootenay Co-op in Nelson with 16,000 members; prominent credit unions like Vancity and Coast Capital. Plus, other significant regional and national cooperatives have a strong presence in BC including The Co-operators and Federated Cooperatives Limited. Each is woven into decades of regional history, building multiple networks of their own.

The Cooperative Housing Federation of BC (CHF BC) leads one of the most prominent co-op sectors comprising member housing co-ops, community land trusts and associated organizations across the province.



With a history spanning over 40 years, the federation serves as a cornerstone, providing support and representation for nearly 15,000 co-op homes. It functions as a membership association, a property management company, and a developer dedicated to both cooperative and non-profit housing initiatives. CHF BC is an umbrella organization that hosts COHO Management Services Society, a co-op management subsidiary, and the Community Land Trust, a real estate development non-profit.

Other distinguished second-tier co-ops are the sister organizations BC Cooperative Association, supporting over 100 co-op members across the province, and Upper Columbia Cooperative Council (UCCC), an affiliate of the BCCA, bolstering more than 20 active members in Kootenay and Boundary regions of Southeastern BC. Both organizations have established comprehensive networks in their respective territories, providing members with technical support, educational resources, and advocacy representation. In partnership with the BC Cooperative Association, the UCCC has a leaner membership base, but this does not diminish its regional impact. In fact, Nelson in the Kootenay region has evolved into a networked ecosystem of its own.

The BC Cooperative Association is a member of the nationwide association Cooperatives and Mutuals Canada, which contributes to the elevation of the Canadian cooperative movement internationally through its membership with the International Cooperative Alliance.

Known as the "co-op town," Nelson has earned its reputation as a thriving hub of cooperative activity. Nestled in the West Kootenay region, this close-knit community is home to just 10,000 residents, where mutual support is deeply ingrained in its social fabric. Unlike many towns, Nelson doesn't rely on a dominant industry for its



economic foundation. The local cooperative ecosystem has a culture of collaboration, sustainability, and self-sufficiency, which became fertile ground for developing a diverse range of co-ops. Notable examples include the Kootenay Bakery Cafe Co-op, Kootenay Country Store, Kootenay Carshare Co-op, Kootenay Co-op Radio, and others. The co-ops not only flourish there but also serve as catalysts for the emergence of additional cooperative initiatives.

Agricultural cooperatives stand out as a prominent sector within the cooperative landscape, with Agrifoods Cooperative, United Flower Growers, and Gabriola Agricultural Association Co-op among nearly 86 active agri-food co-ops in the region. The value of agricultural co-ops translates into their contribution to the sustainable development of rural areas, benefiting from the advantages of large-scale business (Canada, 2020). By cooperating, farmer groups enhance their negotiating strength and capitalize on economies of scale.

British Columbia's biofuels sector is also on the rise, boasting eight active renewable energy cooperatives (CCSC, 2022), like Vancouver Renewable Energy (VREC). They have been supported by community investment cooperatives, including Peace Energy Co-op, SolShare Energy, Transition Salt Spring Enterprise Co-op, and District Community Investment Co-op. This REC patchwork is woven into a larger Community Energy Cooperative Canada network, dedicated to collective policy advocacy, research, and knowledge sharing.

The credit union sector plays a pivotal role in the regional co-op scene. BC hosts three out of the five largest Canadian credit unions by total assets under administration (outside of Quebec), including Vancity, Coast Capital Savings, and First West Credit Union, according to the Canadian Credit Union Association (CCUA,



2023). Over 70 years, Vancity became one of the leading actors in BC's cooperative networks, funding multiple co-op sectors to build capacity and enact community development.

While not headquartered in British Columbia, organizations like The Co-operators and the International Centre for Cooperative Management at Saint Mary's University still play a pivotal role in the provincial ecosystem by providing resources and support for cooperative development.

Cooperatives have become integral components of BC's economic fabric, deeply ingrained in the ecosystem through complex networks within their industries. While certain organizations actively participate in cross-sector programs and partnerships, navigating diverse networks, many operate within isolated silos, often by sector or geography. A positive shift has occurred in recent years as various cooperative development and education initiatives converged, leading to the establishment of the Alliance for Cooperative Development in 2021. This Alliance brought together several cooperative-supporting organizations and allies to strengthen the provincial co-op economy across diverse sectors. This collaborative effort marks a significant step towards breaking down silos and fostering a more interconnected and resilient cooperative landscape in British Columbia.

To unearth the dynamics of the provincial network, we identified and mapped its key cross-sector connections. Our approach was guided by interviews with regional cooperative leaders, business records, and publicly available documents. We delved into the intricate web of relationships that interconnect cooperatives, nonprofits, private and public sectors, and many enthusiastic practitioners who envision an alternative economic approach, often drawing inspiration from Italy's Emilia Romagna region.



In the upcoming sections, we analyze the complex cooperative network in British Columbia. Instead of examining each co-op sector in silos, our focus lies on cross-sector connections for co-op development and infrastructure as the thematic and methodological scope of this assessment. Although the Alliance itself is currently in a nascent stage with ongoing developments, making it premature to assess its impact fully, networking among key Alliance members predates its formal establishment. Therefore, we apply the complex network conceptual framework to the multi-stakeholder network surrounding the Alliance, aiming to comprehend its essential elements and development.

Alliance for Cooperative Development

Early in 2021 a discussion involving Am Johal, Director of Simon Fraser University's Vancity Office of Community Engagement, Colin Gusikoski, a partner at Victory Square law Office, and Elvy Del Bianco, then the Cooperative Portfolio Manager at Vancity Credit Union, considered the political attractiveness of convening cooperatives and allies to approach the Province of British Columbia with a unified voice to secure support to scale activities and grow the movement. The British Columbia Cooperative Association (BCCA) was subsequently approached as a key partner and an alignment was defined with the Association's government relations priorities.

That summer, a group of cooperative supporting organizations, co-op enterprises and credit unions, and allies, including cultural and community development associations, and post-secondary organizations, were convened. This group coalesced on the need to build capacity and strengthen existing co-op development programs and partnerships and create opportunities to extend the application and benefits of the model to a broader range of communities, including



First Nations, newcomers and visible minorities, and rural communities. The resulting Alliance for Cooperative Development formed as an unincorporated, multi-stakeholder network based on existing inter-organizational partnerships, informal collaborations, and personal relationships. Elements contributing to the cohesion of this group included the presence of professionals dedicated to a consolidated and strengthened cooperative economy, a clear understanding among the participants of the benefits of the model and its complementarity with organizational mandates, and a fair degree of social capital generated from previous reciprocal exchanges between the members.

This is a loosely organized network, with participation determined by respective organizational capacities. While all members contributed to defining the proposal to government, some were more active than others in supporting government relations activities; new organizations joined, and a few drifted off. Despite varying organizational structures, each with its unique mission, these diverse groups and organizations share a commonality: operating within the social solidarity economy, focusing on community development and socio-economic impact. Prior to the establishment of the alliance, a portion of the entities involved had pre-existing relationships and institutional partnerships. However, many of them were largely disconnected until the alliance was formed.

The recognition of the province's potential for enhancing its socio-economic environment, building capacity, and fostering cooperative opportunities led to a mutual understanding among these loosely linked organizations. This shared vision prompted them to formalize an alliance and collaboratively submit a preliminary plan for cooperative development in the province to the Ministry of Social Development and Poverty Reduction. The proposal received partial approval, and in March 2022, the ministry allocated the first installment in a requested three-year funding proposal.

Alliance Members

Committee

British Columbia Co-operative Association - BCCA

Second-tier co-op that promotes and supports the development of co-operatives and credit unions as a knowledge and resource centre.

Committee

Upper Columbia Co-op Council (UCCC)

Second-tier community service co-op in the Kootenay and Boundary regions, facilitating resource sharing, member development, and cooperative identity marketing.

Committee

Vancity Credit Union

Member-owned financial co-operative headquartered in Vancouver.

Committee

Simon Fraser University (SFU)

Post-secondary institution: Beedie School of Business and the SFU Vancity Office of Community Engagement.

Committee

Victory Square Law Office

Law firm engaged in advocacy that provides a full range of services, including workers and unions related to labor and employment law.

Women's Economic Council

National organization advocating for women-centered community economic development (CED) through consultation, networking, research and advocacy.

Hua Foundation

Non-profit advancing knowledge, racial equity, and civic engagement in East Asian diaspora and other communities through youth-led initiatives.

British Columbia Libraries Cooperative

Non-profit cooperative offering library and technology support, services, and cost savings to member organizations.

Solid State Community Industries

Second-tier co-op that incubates worker co-operatives with youth from racialized migrant backgrounds.

Ethos Lab

STEAM academy empowering teens to reshape their community and foster innovation through collaborative youth and community partnerships.

Union Co-op Initiative

Multi-stakeholder cooperative network and incubator uniting labor and co-op movements, building on union-cooperative models.

Squamish Nation

Indigenous people and territory located in the southwestern part of British Columbia, Canada.

University of British Columbia

Post-secondary institution: Department of Educational Studies, focused on educational equity, knowledge translation and community-engaged research.

United Food and Commercial Workers International Union (UFCW)

Represents and advocates for the rights and interests of workers in the food and commercial industries.

Brave Technologies Cooperative

Multi-stakeholder cooperative, certified B Corporation focused on mobile applications with minor environmental footprint.

Common Cause

Political initiative led by former public representative Jan Pullinger focused on social development and economic security.

Gabriola Island Community Investment Co-op

Co-op focused on sustainable local businesses, food security, First Nations partnerships, waste recovery, clean technologies, and affordable housing.



While several members submitted proposals to pursue cooperative projects, others did not, and resources were also allocated to organizations lying outside of the network as originally constituted. The distribution of Province's investment was managed by a committee with representatives from the BCCA, Simon Fraser University's Beedie School of Business, the Simon Fraser University Vancity Office of Community engagement, Vancity Credit Union, Victory Square Law Office, and the UCCC. All activities were coordinated by the BCCA, which was ultimately responsible for reporting progress to the province.

At this early stage, assessing the impact of resources at a provincial level is premature, and the potential future developments within the Alliance remain uncertain. Nevertheless, this initiative lays the groundwork for understanding how complex networks unfold. It provides an opportunity to examine the factors that drive organizations to collaborate beyond their individual aspirations, shedding light on the types of previous relationships and synergies that prompt such cooperation. The conceptual framework of complex networks serves as the avenue to evaluate this complex provincial network, providing clarity on the elements still missing for consolidating a thriving co-op economy founded on the values of social solidarity.

Beyond their shared interest in co-ops and community development, a notable commonality among several founding members of the Alliance is their affiliation with the Bologna education Program. In the upcoming section, we explore a remarkable programs in British Columbia, which, for many participants, played a pivotal role in shaping their vision of what a cooperative economy truly embodies.



The Bologna Program

Networks are built on relationships. At the foundation of every cooperative network lies the connections built on collective ideas. Sparking people's mutual understanding of what it takes to create an alternative economic paradigm requires strategic convening and education, nurturing a collective vision of what type of socio-economic environment British Columbia could host. In the context of the Alliance, multiple members are represented by or connected to individuals who share a clear understanding of the cooperative model and its potential, rooted in the Bologna Program and subsequent initiatives.

Two decades before the Alliance's inception, a former Vancity board director and board chair, Bob Williams, traveled to northern Italy, where he connected with BCCA's executive director at the time, John Restakis. In the early 2000s, they encountered a pluralistic economy densely populated with cooperatives surrounding Bologna, where people actively participate and share the benefits of a cooperative ecosystem. Recognizing the value of this experience, they mutually agreed that their peers in British Columbia should be introduced to this flourishing economy. Their hope was that this exposure would inspire others to adopt and replicate its foundational principles in their home region.

For context, Emilia Romagna is an advanced agricultural region built upon a constellation of producer co-ops, worker co-ops, social co-ops, consumer co-ops, credit unions, and supporting cooperative associations. This Italian ecosystem rests on complex networks which provide cooperative resilience and longevity, interweaving horizontal, vertical, and complementary networks through consortia and cooperative groups backed by financial networks.

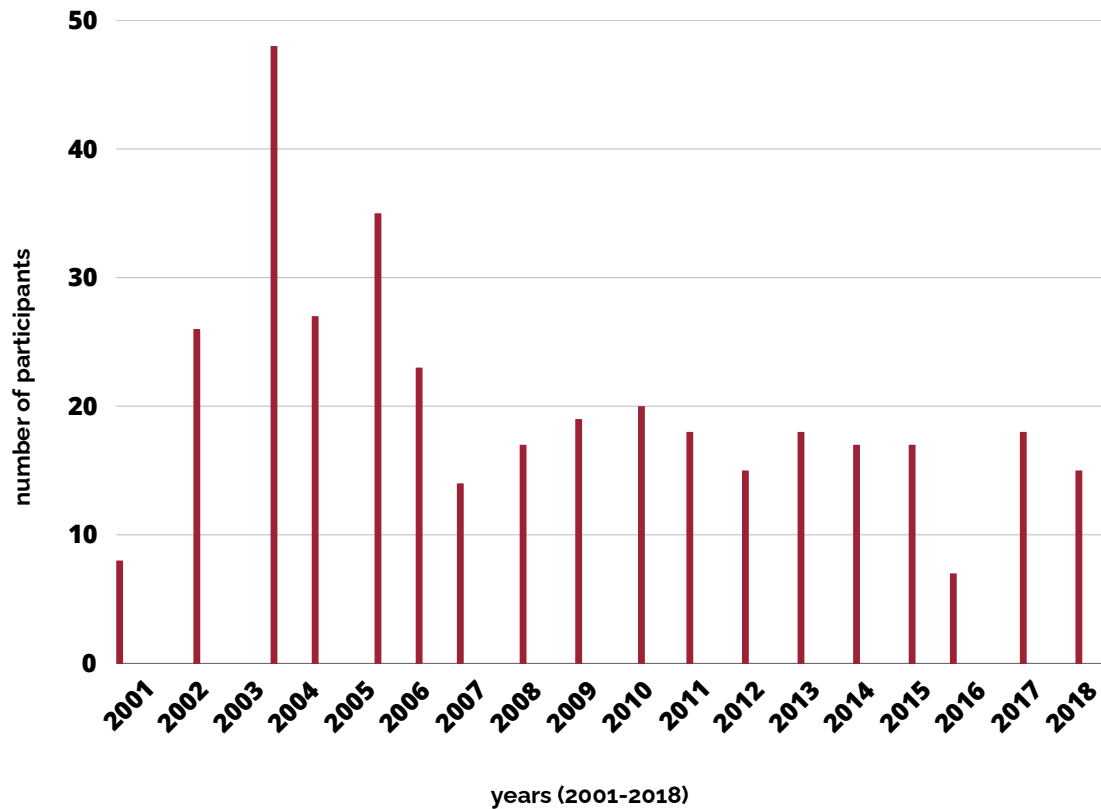


Vancity and the BCCA established a partnership with the University of Bologna and professors Vera Negri Zamagni and Stefano Zamagni—prominent authorities on cooperatives, the third sector, and the civil economy—setting the wheels in motion for the Bologna Program. Launched with the first group in 2001 and running through 2019, the program was an educational experience designed to promote the cooperative model and define new opportunities to support regional co-op development. This program was particularly relevant in British Columbia because it not only advanced Vancity's leadership towards the cooperative model but also created a powerful platform for local cooperative professionals and enthusiasts to convene. It introduced the cooperative model to public sector representatives and showcased the success of Emilia Romagna's cooperative economy.

The program brought together participants from diverse sectors and organizations, including industry leaders, labor representatives, scholars, and Vancity staff. Over time, the program adapted, changing its duration and participants, but it remained committed to its original goal: introducing and inspiring local stakeholders to the Italian cooperative ecosystem. While the program's parameters varied from year to year, the most common format consisted of a two-week tour, accommodating 20 to 25 participants in each cohort who visited local cooperatives, developers, and federations, combined with classroom sessions. Before the trip, the group would convene in workshops to discuss cooperative fundamentals.



Figure 6. Bologna's Program Annual Cohorts from 2001-2018



From 2007 to 2019, Elvezio ("Elvy") Del Bianco, worked at Vancity in charge of the Bologna Program. Spanning various phases, under diverse leadership, institutional umbrellas, and thematic focus, the program cultivated a community of over four hundred alumni from 2001 to 2019. Despite facing challenges like the financial crisis (2007-2009) the initiative managed to bring together a network of cooperative practitioners and enthusiasts in British Columbia.

Over the years, other key cooperative leaders joined the program to later become founding members of the Alliance, including Jan Pullinger of Common Cause, Kevin Millsip, Executive Director of British Columbia Libraries Cooperative, Fay Weller from the Gabriola Island Community Investment Co-op, Am Johal, Director of SFU's Vancity Office of Community Engagement, Kevin Huang, Co-Founder & Executive Director of the Hua Foundation, and Zoë Creighton, Director of the Upper Columbia Cooperative Council.



Bringing together Board Directors, senior staff, junior staff, and community members for an extended period free of work or demands, with substantial opportunities to debrief and discuss both formally and informally, the Bologna Program provided a unique learning venue for the participants.

A number of Provincial elected officials also participated on the Bologna program over its long history, starting with the former minister responsible for cooperatives and Alliance member Jan Pullinger, former Premier John Horgan, former Premier's chief of staff Geoff Meggs, and cabinet ministers George Heyman, Bruce Ralston, and Niki Sharma. Ms. Sharma participated prior to her election as a Member of the Legislative Assembly and in her role as a Vancity Board Director. Prior to moving to her role as Attorney General, Ms. Sharma served as Parliamentary Secretary for Community Development and Non-Profits, which included responsibility for cooperatives. As Parliamentary Secretary, she provided a critical support in advancing the Alliance proposal within government.

However, the travel disruptions resulting from the COVID-19 pandemic and a deep commitment to environmental sustainability prompted Vancity's leadership to terminate the program in 2020. This decision was made after a thorough evaluation and reassessment of its outcomes and their compatibility with the credit union's current strategy. Despite the conclusion of the Bologna Program, its impact endures through the valuable knowledge and connections it fostered.

Co-operate Now Program

Depending solely on a single international program was insufficient for building a robust network and facilitating education. Advancing the provincial co-op economy and existing networks required further steps in education to propagate information about the model, its challenges and possibilities.



Thus, after the 2014 International Summit of Cooperatives in Quebec, Vancity Credit Union, Upper Columbia Co-op Council, and BCCA, with financial support from Vancity, launched "Cooperate Now," a cooperative development bootcamp for community members and entrepreneurs. This intensive, applied education program provides financial and co-op development coaching and comprehensive business resources.

Cooperate Now became a training ground for cooperative development. Beyond teaching the fundamentals of the co-op model, the program created connections between professionals operating within the cooperative development system, fostering a greater sense of ownership, participation, familiarity, trust and reciprocity among participants. This networking approach was fundamental for developing human capital around the local cooperative hub. Many graduates from Cooperate Now work as independent consultants and collaborate as a community of practice among peer co-op developers.

Cooperate Now is not an incubator per se, as it does not cover in-depth business planning and feasibility. However, since the first cohort, the program has resulted in cooperatives ready to incorporate with the further assistance of local co-op developers. Inspired by this unexpected outcome, the BCCA has partnered with the Union Cooperative Initiative (UCI) and Solid State Community Industries to envision and catalyze a comprehensive incubator program. The incubator would be the first of its kind in the province, recognizing the need to be grounded in a strong understanding of the cooperative business model, including critical components around ownership, governance and member engagement.

On the downside, Co-operate Now's success generated a bottleneck, straining the available resources. The need for more service providers in the area ready to help new cooperatives has been recognized by the stakeholders.



Most experienced developers were reaching retirement age, and there were concerns about the succession of that capacity. Therefore, Vancity and the BCCA convened a meeting of co-op developers in 2018 and put a notice out inviting other individual consultants to join a Community of Practice (CoP), creating further opportunities for young professionals to learn from experienced ones through mentorships and informal collaborations.

Cooperative Development Community of Practice (CoP)

For many years, BC co-op developers and supporting business professionals operated independently, with limited connections between them. Collaborations were scarce amid the absence of a conducive environment where they could come together and establish new relationships. To close this gap, the Community of Practice (CoP) started operating as a collaborative group of cooperative developers.

The community exists independently of formal ties to the BCCA, yet the association plays a coordinating role in bringing together individuals with shared interests and common goals. Outlined in the "BC Co-op Developers Community of Practice Terms of Reference" (2020), the community aims to establish a transparent and efficient intake system for co-op development inquiries, utilizing BCCA as a broker with co-op developer profiles. Additionally, it serves as a platform for active and emerging co-op developers and stakeholders to connect, learn, collaborate, and collectively address the demand for services while enhancing the capacity to support co-op development in the province. A key focus is also mentoring and supporting a new generation of co-op developers.

Cooperative initiatives, such as the CoActive Developments Worker Cooperative, started emerging within the community. The new cooperative was initiated by three



founding members: Marty Frost, Chris Galloway, and Daphne Nelson. Notably, Nelson is a graduate of Co-operate Now, while Galloway is a graduate of the Saint Mary's University Master of Management, Cooperatives, and Credit Unions program. The primary focus of the CoActive Developments Worker Cooperative is on facilitating business succession through the conversion of enterprises to employee ownership models. The network surrounding this developmental capacity is gaining momentum, giving rise to new enterprises specializing in cooperative development

Cultivating Connections: Branching Out the Network

Apart from formal programs and partnerships, networks in BC had enjoyed other informal convening opportunities. Starting in 2014, Elvy Del Bianco invited fellow cooperators from Modo and the CHF BC for a coffee to discuss the prospects of the local cooperative movement. What started as a spontaneous peer meeting evolved into the Co-op Café series, a monthly get-together hosted by the BCCA, gradually attracting new cooperators for a mix of organic conversations about local cooperativism. According to BCCA's agenda, this recurring meeting was a "chance to get to know the co-op community, workshop problems and ideas, discuss current events through the co-op lens, and jam on ideas for how we can nurture co-op culture in the province."

For years, the Co-op Café was a casual networking opportunity to enhance the practice of Principle 6, with the genesis of informal relationships among different cooperators and players within the movement. To accommodate early birds and night owls, the Co-op Café also became the Co-op Beer in local cooperative breweries, gathering fellow cooperators in evening events after the workday. Those conversations in Vancouver started welcoming like-minded people from out of town, expanding the network around the province.



Giant-fueled provincial economy: a force to reckon with

British Columbia's cooperative economy has a single significant advantage: the Vancouver City Savings Credit Union (aka Vancity), a member-owned, community-based, financial cooperative. With 562,259 members and \$34.3 billion in assets under management (Vancity, 2022), it plays a pivotal role in cooperative lending, education, and advocacy, contributing almost a quarter of the financial resources for cooperative development in the province (Del Bianco, personal communication, 2023).

Incorporated in 1946, Vancity emerged in the 1970s as Canada's largest credit union outside of Quebec. The concern for membership and economic democracy was explicitly present throughout publicly available statements and reports since the 70s and steadily grew over the years. Early records emphasized the need for credit unions to adapt their organizational structure to urban realities without losing sight of the individuals they serve, rooted in the belief that people could improve their lives by pooling savings and lending to each other, cooperating with one another in utilizing their financial resources (Vancity, 1971; 1972; 1976).

Amid a provincial economic recession marked by high inflation, fluctuating interest rates, and a volatile financial market in the 80s, Vancity introduced the tagline "Owned by the People it Serves", encapsulating its core values. Just a couple of years later, despite the economic challenges faced by the country, Vancity reported a successful financial performance, emphasizing its reliance on members for success and reaffirming its commitment to the community and grassroots principles (Vancity, 1982). Fast forward to 1992, during another recession, the credit union demonstrated its resilience once again, increasing net earnings despite the odds (Vancity, 1992).



In the 80s, there was a remarkable increase in the institution's embodiment of its democratic roots, highlighting the active involvement of members in decision-making processes and the open communication channels between staff and Directors regarding institutional goals (Vancity, 1983). Vancity also started to address its activism and concern for the local community beyond membership (Vancity, 1985). In 1986, Vancity introduced the "Ethical Growth Fund", Canada's inaugural socially responsible mutual fund, designed to offer non-members a stock market investment option that aligns with their desire to support socially responsible organizations, and the "Seed Capital Program" to fund new business ideas not eligible for conventional financing. This increasing dedication to community development prompted Vancity to establish the Vancity Community Foundation in 1989, the first public charitable foundation in Canada linked to a financial institution. Its mission was to facilitate the advancement and empowerment of underprivileged groups and the community served by Vancity by offering support in the form of loans, technical assistance, and funding for community economic development and housing alternatives (Vancity, 1990).

In 1990, Vancity expanded the scope of its agenda by conducting a comprehensive environmental audit and establishing the enviroFund . They appointed a senior management team member to oversee Vancity's internal environmental policies and accountability. Subsequently, Vancity has consistently emphasized ecological responsibility in its annual reports. As of 2023, the enviroFund remains active, directing 5% of profits from credit card purchases towards innovative and climate-friendly businesses and organizations.

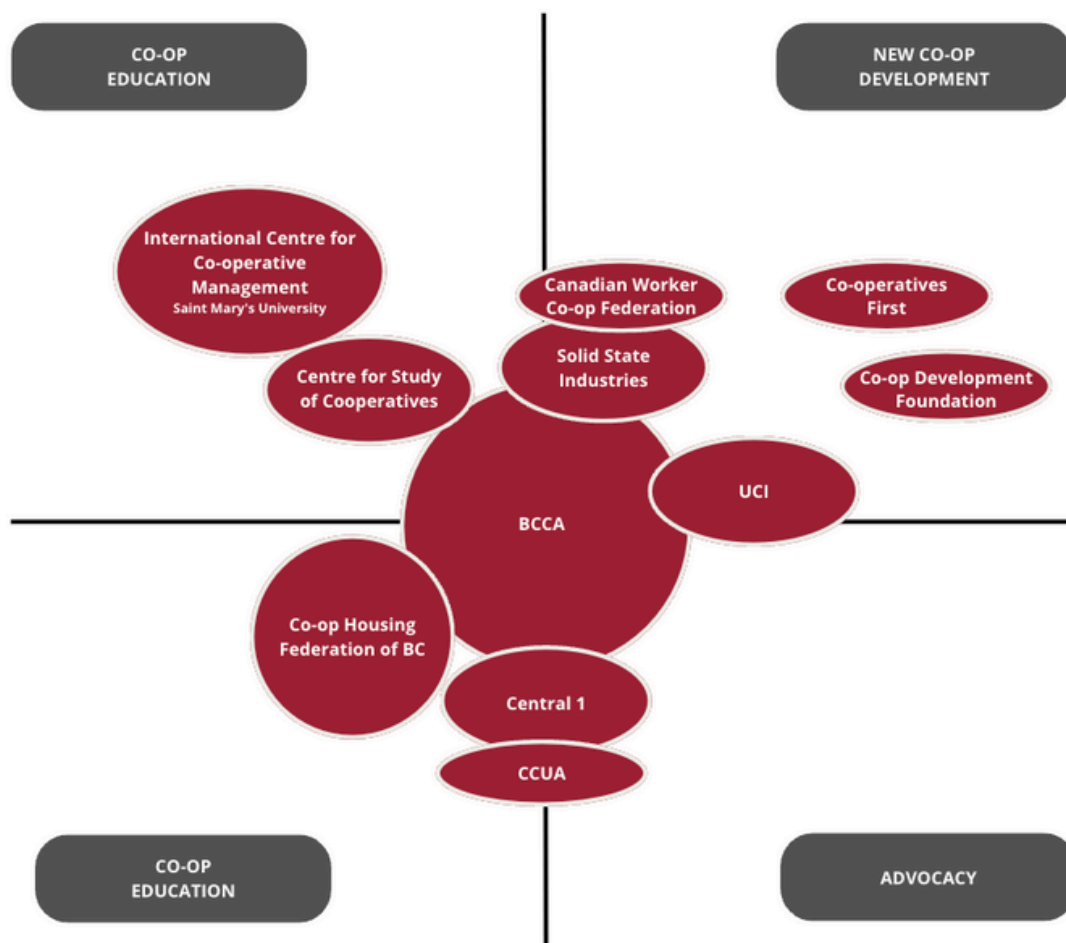
Throughout the years, Vancity has invested in critical programs and partnerships to honor its cooperative identity, emphasizing Principle 6 (cooperation amongst cooperatives), Principle 7 (concern for community) and Principle 5 (education,



training, and information). Its approach seeks to create impact outcomes across multiple areas by leveraging financial resources.

Beyond its Direct Involvement with Cooperate Now, the Co-op Developers Network, and the former Bologna Program, Vancity leads another strategic initiative: Principle 6 (P6) Deposit Pool. In 2021, Vancity introduced the deposit pool to help BCCA diversify its revenue and leverage its financial resources beyond its member dues. This initiative, providing BCCA members preferential deposit rates, has swiftly added over \$75,000 in revenue within two years.

Figure 7. Vancity's Cooperative Sector Partnerships



Vancity, 2023. Adapted from an internal report with authorized reproduction.



A rich but disconnected financial sector

British Columbia's credit union market and cooperative financing industry are thriving sectors with remarkable capacity in combined assets and membership. It has a solid track record rooted in community involvement and regional development, gradually expanding efforts towards ESG (environmental, social, governance) and impact investing. However, a strong credit union market does not always translate to financial accessibility for cooperatives. Despite being structured as member-owned cooperatives themselves and serving members that are also cooperatives, many credit unions fail to adequately finance other cooperatives or strategically engage with the local cooperative economy. In most cases, they operate in isolated silos without actively seeking opportunities for cooperation with other types of cooperatives. This limited inter-firm collaboration and misalignment with the cooperative framework results in market fragmentation. In prioritizing their own objectives and interests, they lack potential synergies to build collective strength in line with Principle 6.

Even though British Columbia hosts one of the largest credit unions in the country willing to bolster a provincial cooperative economy, and heavily investing in its staff education on the cooperative framework, relying on few agents to support the network is a precarious strategy in terms of system sustainability and resilience. A single networking node is vulnerable to changes in leadership and institutional policies.

The Hope for a Partner State

A more comprehensive strategy at the provincial level would require not only a more active role from local credit unions but also the direct participation of a "partner state" (Restakis, 2022). Beyond cooperative-friendly legislation with proper



fiscal incentives and programmatic public policies, the provincial government can also act as a funder of the cooperative economy. In 2022, BC's government injected \$2 million in investment through the Alliance to bolster the advancement and expansion of cooperative enterprises through improvements in the supporting infrastructure and development opportunities.

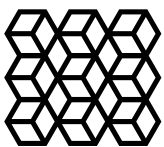
In 2023, the government of British Columbia engaged in the modernization of its legislative framework on cooperatives. Through open consultation with civil society and cooperative representative bodies, the Ministry of Finance issued a call for proposals to revise the Cooperative Association Act. The Act, which originated in 1896, showcases British Columbia's extensive cooperative history, with its latest version dating back to 2001. Over the past two decades, significant developments have occurred globally in cooperative legislation, with other jurisdictions setting positive examples of more cooperative-friendly laws.

The Consultation Paper (2022) published by the Ministry of Finance addressed forty-four questions about the legislative foundation, members' rights, corporate governance (directors, records, structure), special purpose cooperatives, housing cooperatives, and the intersection between the cooperative model and indigenous communities. One of the main points of the revision is whether to introduce more default rules that allow cooperatives to deliberately diverge from the legal standard. Modern cooperative laws worldwide allow certain flexibility in the framework to suit diverse industries and purposes. Additionally, the revision also explores the creation of a standard conversion of companies into cooperatives, including the best ways to achieve and incentivize those conversions, the process of transferring shareholder contributions to member rights, and the level of flexibility for issuing investment shares. The Ministry also raises a key question concerning how the Act can contribute to the growth or expansion of cooperatives in the province.



Alliance members and their respective connections, including the British Columbia Cooperative Association, the Upper Columbia Cooperative Council, and the Co-op Developers Community of Practice, collectively integrated a task force to formulate proposals for the new provincial law on cooperatives. This dialogue with the public sector is a fundamental step to strengthen the sector and raise the network's impact since local governments are instrumental in shaping and influencing cooperative development and stimulating regional growth.

A contributing factor to the improved BC government's engagement with the cooperative sector is the presence of cooperative-oriented public officials exposed to cooperative principles through the Bologna Program (Del Bianco, 2023). Several present-day government employees involved in economic development had the opportunity to visit Emilia Romagna alongside fellow cooperators. Witnessing the effectiveness of a well-established cooperative economy in Italy taught valuable lessons on the potential benefits that a thriving co-op ecosystem could bring to BC.



Implementing the Complex Network Framework

The preceding narrative illustrates the current state of affairs in BC and highlights the emergence of a network that extends beyond specific sectors in the region. The conceptual framework of complex networks serves as the avenue to evaluate this complex provincial network, providing clarity on the elements required to consolidate a thriving co-op economy founded on the values of social solidarity.

1. Identifying elements currently present in the British Columbia Network



MEANS OF ORGANIZATION (WHAT)

Informal Collaborations: Multiple hubs of informal collaboration exist in the province, with particular emphasis on the Co-op Developers Network.

Co-op to Co-op Business: Existing records of cooperative-to-cooperative business through formal partnerships (e.g., P6 Deposit Pool between Vancity and BCCA, CHIP - Co-operative Housing Interest Pool between Vancity and CHF BC).

Second Tier Co-ops: BC hosts many second-tier cooperatives. For example: BCCA, UCCC, Canadian Worker Co-op Federation (CWCF), CHF BC, CMC, Central 1, FCL is active in BC.

Co-op Groups: No cooperative group has been created in the context of the Alliance for Cooperative Development yet. The Co-operators (Ontario-based) is a group active in BC.

Multi-stakeholder Networks: The Alliance for Cooperative Development, the Community Energy Cooperative Network, and the BC Co-op Housing and associated organizations are examples of multi-stakeholder networks.

PURPOSES (WHY)

To leverage resources: Existing networks focus primarily on leveraging financial and educational resources (e.g., Alliance's collective proposal for provincial grants)

To reduce costs: Prominent in co-op housing (e.g., CHF BC Group Buying for cost-effective home improvement) and co-op agri-food (facilitating access to unaffordable services like marketing for producers).

To align strategically: The Alliance for Cooperative Development and the Community Energy Cooperative Canada mark fundamental steps towards strategic alignment.

To provide public goods: Existing networks display a significant repository of publicly accessible knowledge and information. Provincial cooperatives also mobilize to provide affordable housing and renewable energy.

To achieve economies of scale: The commitment to growth is centered on building capacity, bolstering, and scaling existing co-op development programs and partnerships.

To spread awareness: Many co-ops and allies coordinate to reach communities, disseminate educational resources, and support impact research.



AGENTS (WHO)

Co-op Entities: Co-ops are central to this complex network, serving as the primary conduits for connections and resources.

Co-op Developers, Consultants & Leaders: Network connections can be traced back to a group of key cooperative leaders, founders, developers and organizations who strategically leverage institutional channels to advance their vision for the province.

Regulators and Policymakers: The co-op sector has the support of at least one key policymaker within the BC government.

Educational Institutions: Post-secondary institutions like the Saint Mary's University (SMU), SFU, and the British Columbia Institute of Technology (BCIT) are affiliated with provincial co-op networks at varying levels of engagement. UBC is also coming on-side.

Social Economy Enterprises: Non-cooperative organizations, including nonprofits, are active agents of regional networks.

Common Interest Groups & Civil Society Organizations: The Alliance receives support from a national organization promoting women-centered community economic development, representatives from indigenous communities, and worker unions.

Communities of Practice: Cooperative Developers Network.

International Bodies: The BCCA is a member of CMC, which is a member of the International Cooperative Alliance.

FUNCTIONS (HOW)

By providing technical support and capacity building: Active programs and partnerships are building capacity and supporting new and existing cooperatives in the region.

By implementing co-op friendly laws and policies: Some network participants have worked together to modernize BC's legislative framework, collectively forming a task force to create proposals for the new provincial law on cooperatives.

By representing and advocating: Cooperatives such as BCCA, UCI, BC Libraries Co-op, and Vancity are registered with BC's Office of the Registrar of Lobbyists.



By educating and researching: Beyond the universities involved, BC hosts programs supportive of ICA Principle 5 (e.g., Co-operate Now, Co-ops 101 Workshops, former Bologna Program). The Alliance prioritizes impact research.

By incubating and accelerating co-op growth: The network includes incubator organizations such as the UCI and Solid State. The BCCA also plans to host a cooperative incubator. Others, like Vancity, support co-op growth through funds and partnerships.

By convening and building relationships: Convening events and opportunities include workshops, Co-op Café, sectorial conferences, and study tours.

By financing: Vancity is the primary agent in facilitating funding for regional cooperatives, but provincial co-ops still face challenges in access to capital and could tap into the broader credit union sector.

CONTEXT VARIABLES

History and path dependence: Indigenous peoples' enduring ties to the land, intense immigration fostering a multicultural society, labor movements in resource-based industries. The long history of fishing co-ops, giving birth to the first CUs.

Embeddedness and social cohesion: Data shows some level of social cohesion through informal collaborations and acquaintances within the cooperative movement. However, despite the formalized Alliance, participants lack deep institutional embedding.

Co-op density: In 2021, BC had 700 co-ops, primarily concentrated in the Lower Mainland, West Kootenay, and Vancouver Island. Co-ops are prominent in credit unions and housing sectors and exhibit diverse presence across industries.

Macro culture: BC's culture is deeply tied to nature and the outdoors, reflecting environmental consciousness and a progressive outlook. Processes of immigration, colonization, and indigenous resistance shape its dynamic cultural landscape.

OUTCOMES

Sustainable Development: Sustainable economies as social justice: Provincial organizations and networks prioritize diversity, rural development, and indigenous reconciliation.

Social and economic resilience: Building capacity and strengthening co-op programs and partnerships is needed to enhance the network's resilience against crises through mutual support.

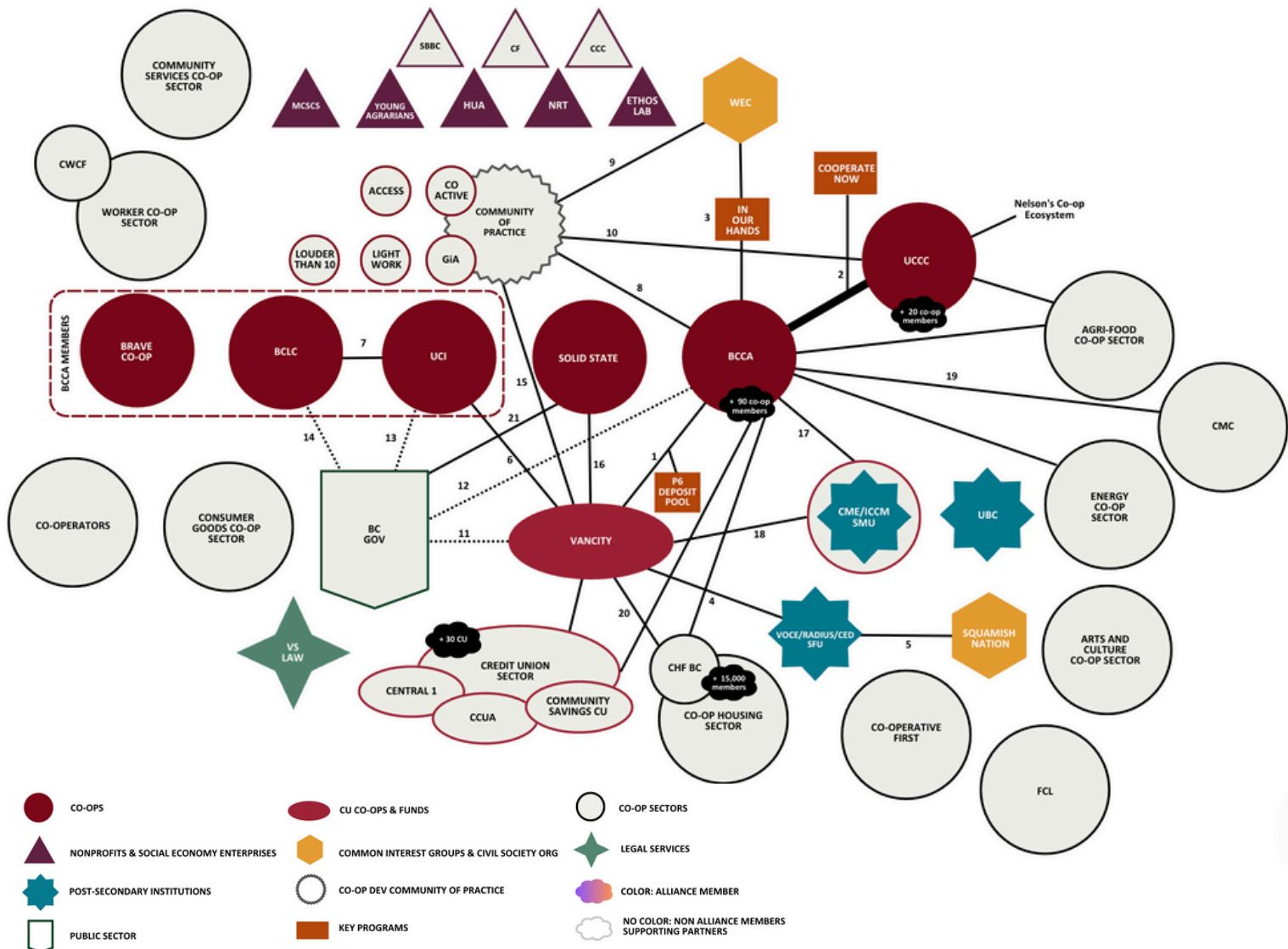


Creation and sustainability of more co-ops: In the context of British Columbia, prioritizing the creation and sustainability of new cooperatives is a clearly defined network objective and, therefore, anticipated as a desired outcome.

Intergenerational Infrastructure: A focus on infrastructure and rural economic development, as well as participation in modernizing the provincial law on cooperatives, implies the creation of enduring sector-wide infrastructure for future generations of cooperators.

2. Mapping links and interactions

The diagram below illustrates some fundamental connections in the province that led to or are representative of the relationships linked with the Alliance for Cooperative Development and relevant neighboring affiliations. See Appendix 1 for an explanatory legend of each numbered connection.





3. Identifying gaps and deficiencies

After identifying the network elements and mapping their linkages, we now draw attention to specific deficiencies in the province, which were subsequently validated through data extracted from interviews. Although there are ongoing efforts to address some of these issues, the identified gaps significantly impede the network's ability to advance its mission at present time.

- **Access to capital:** Apart from Vancity funds flowing through multiple institutional grants and partnerships, most provincial cooperatives encounter challenges accessing alternative capital sources during the early stages of project development and sustaining existing organizations. The capital constraints in British Columbia are closely tied to the widespread lack of access to funds experienced by cooperatives (Molk, 2014; Vaheesan and Schneider, 2019; Spicer, 2021). Some credit unions in the region refrain from supporting cooperative development beyond basic banking services, and the province also exhibits a scarcity of investment cooperatives (or cooperative funds). The few existing community investment cooperatives are small-scale or primarily associated with the renewable energy sector and do not sufficiently reach the broader cooperative ecosystem.
- **Co-op incubation or acceleration:** New BC cooperatives lack the advantages of incubators and accelerators to expedite their development. While UCI and Solid State serve as incubators specifically for union cooperatives and worker cooperatives, there is a notable absence of a comprehensive cooperative incubator with adequate resources in the region. While the local associations provide resources to guide new co-ops, the province still needs to host a robust structure to provide curated resources to facilitate co-op formation and growth.



- **Education:** At least four major educational institutions host departments, research centers, or scholars directly affiliated with the provincial cooperative network. In addition to the Cooperate Now boot camp, some courses at BCIT, and online and in-person programming provided by the International Centre for Cooperative Management (SMU), most other resources broadly focus on community economic development. The cooperative model has yet to be systematically incorporated into business, law, accounting, and other connected fields, and in this regard, there is a notable absence of relevant policies. As the network grows, the limited availability of education and research on cooperatives often results in a shortage of service providers across various fields who possess sufficient knowledge of the cooperative's unique enterprise model, governance system, and financial structure.
- **Coordination and communication:** Except for a few essential programs and partnerships, most cooperatives in the province still operate in silos with minimal cross-sector cooperation. Even though the Alliance for Cooperative Development marks a fundamental step towards strengthening BC complex cooperative network, the group has yet to establish consistent coordination and communication channels. Since its inception, the group has held few meetings, and there has been scarce follow-up communication. Some member representatives have expressed skepticism about the future of the Alliance due to the lack of consistent engagement.
- **Public sector engagement:** BC's public sector is modernizing cooperative legislation and has allocated funds for cooperative development, primarily supporting industry-specific projects. However, a sustained, long-term commitment to this agenda is yet to be established. Resources for co-op development, such as capacity building and infrastructure, remain limited and inconsistent. BC's involvement with the cooperative sector is considerably lacking compared to other cooperative hubs that have dedicated public offices focused on implementing policies to strengthen the regional cooperative movement.



4. Deploying the Five Principles for Sustainable and Resilient Networks

Institutionalization	Diversity	Inter-generational Infrastructure	Self-Reliance	Embeddedness
Informal	Minimal	Deficient	Vulnerable	Isolated
Emerging	Moderate	Fragile	Dependent	Reciprocal support
Developing	Diverse	Progressing	Resourceful	Core linkages
Established	Abundant	Concrete	Autonomous	+ Co-dependency

Institutionalization: *Emerging*

Data implies that British Columbia's complex network is emerging and still relies heavily on informal collaborations with inconsistent resource flow primarily based on one-off grants and partnerships. Nevertheless, the network has achieved a modest level of institutionalization. Critical programs sustain some resources and information flow within the network, but the existing relationships depend on individuals to maintain the connections. The network is vulnerable to changes in leadership and business plans.

Diversity: *Minimal*

Vancity is a potent institutional anchor, providing funding and support to multiple provincial cooperatives through its strategic programs and partnerships. The second-tier cooperatives also behave as fundamental institutional anchors by convening and assisting cooperative development. With minimal diversity in the region, a few organizations serve as central hubs for connections, converging most of the linkages in the region. In this case, the network overburdens these hubs, resulting in minimal diversity. Removing these critical agents from the network would significantly weaken the system.

Inter-generational Infrastructure: *Fragile*

There have been recent efforts in the province to modernize the law on cooperatives



and active projects to create infrastructure and build capacity. However, these efforts are fragile and heavily focused on addressing immediate issues and the current needs of the cooperatives involved. Practitioners express concerns regarding the network's long-term viability, and there is a lack of evidence supporting lasting generational impact. There is no indication of considerations for asset lock - a tool that played a key role in building robust cooperative systems elsewhere.

Self-reliance: *Dependent*

While BC's network hosts a few self-reliant organizations, they are an exception, rather than a rule. Most cooperatives and partners are highly dependent on external support and are at risk of disruption without it. The multi-year funding proposal the Alliance for Cooperative Development submitted to the provincial government highlighted the need for substantial resources to build capacity and infrastructure.

Embeddedness: *Reciprocal support*

Assessing the linkages in BC, there's a noticeable embeddedness among a few agents with consistent interactions and mutual support. Nelson's network is also well-embedded. However, this cohesive pattern does not extend to the entire network. Even within the Alliance for Cooperative Development, most participants lack pre-existing ties and maintain loose connections among themselves. Despite the creation of the Alliance marking a significant step toward greater integration in the province, cooperatives still operate in isolation and have yet to attain a sustainable level of inter-cooperation.

Lessons and recommendations

The assessment of the cooperative network in British Columbia reveals that the province does contain most of the building blocks of a complex network based on the conceptual framework. Therefore, it is possible to attest to the existence of the



phenomenon in the region with active efforts to expand the network towards consolidating a cooperative economy.

When evaluating the network in light of the five Principles for Sustainable and Resilient Networks (5PSRN), it becomes evident that the current province-wide network is in its early stages, gradually evolving toward increased complexity. Given that active cooperative programs and partnerships in BC center around infrastructure, capacity building, community outreach, and education, the network is anticipated to undergo significant evolution in the coming years, driven by the influence of its early investments. If the Alliance succeeds in advancing its vision and sustaining its connections, the network could translate into a more robust and resilient system.

Network participants acknowledge the potential for fostering a cooperative economy and cultivating increased synergies among local organizations within the province to promote social, economic, and environmental sustainability. Interviewees were cohesive in their vision and desire to strengthen the movement locally, as well as in their awareness of both the challenges and benefits expected throughout the process. The network also comprehends the untapped potential of cooperatives in the local economy and has strategically pursued opportunities to engage the youth, indigenous people, immigrant communities and other groups in rural areas who can benefit from and contribute to strengthening the local cooperative scene.

Based on the data analysis, several key steps are essential to enhance network complexity towards a healthy co-op economy based on resilience and sustainability:

1. The network continues to rely heavily on interpersonal connections and specific individuals. To ensure its long-term sustainability, a more robust institutional framework is essential. This requires a higher level of integration between co-ops



and partners, ensuring a consistent flow of resources. This collaborative synergy should be ingrained at an organizational level in a programmatic manner. Currently, the potential risk exists that if a few individuals disengage from the network, some bonds may not be sustained.

2. While Vancity assumes a pivotal role in ecosystem development, many of British Columbia's credit unions lack a comparable level of engagement. The robust credit union sector in BC holds untapped potential for resource mobilization. Other credit unions can rediscover their cooperative roots and uphold the fundamental principles and values that distinguish them. A cooperative economy calls for an increased presence of financial peers genuinely embodying their cooperative identity. These cooperatives can actively invest in and develop products tailored for other cooperatives in diverse sectors. This requires a more cohesive and intentional financial strategy to fund a system-wide infrastructure.

3. The provincial government should make a definitive and long-term commitment to the cooperative economy. While the allocated funds to the Alliance for Cooperative Development are a positive step, a sustained resource flow to co-op development will provide the necessary foundation for growth and stability within the sector. Co-creation of policies and institutions—such as cooperative funds and asset locks—along with developing educational capacities and engaging marginalized communities in the cooperative system would contribute to the longevity and resilience of the cooperative economy.



Appendix : Unfolding links and interactions:

This appendix serves as a caption for each numbered connection in Figure p. 55.

1. Vancity and BCCA: Since 2003, Vancity has been the primary funder and sustaining member of the British Columbia Cooperative Association, fostering a robust inter-organizational link. Vancity's support extends beyond financial contributions (e.g., member dues, project grants, and core funding). Their link encompasses initiatives like the Cooperative Now bootcamp, the Co-op Developers Network (CoP), the former Bologna program, provincial government collective advocacy, and the Principle 6 (P6) Deposit Pool.
2. BCCA and UCCC: Upper Columbia Cooperative Council was formed in partnership with the BCCA in 2008 as a sister organization to support the co-op sector in the Kootenay and Boundary regions of Southeastern BC. Since 2020, they have collaborated to deliver the Cooperative Now educational program and coordinate the Cooperative Developers Community of Practice activities. UCCC is a member of BCCA.
3. BCCA and Women's Economic Council (WEC): Both organizations partnered to deliver the "In Our Hands: Newcomer Cooperative Business Program" along with the Alberta Community & Cooperative Association (ACCA) and Rural Development Network (RDN). They co-designed the program to support immigrants or refugees through all the stages of starting and growing a co-op (e.g., business planning, financing, cooperative development, incorporation, legal, governance, and business development).
4. SFU and Vancity: The Simon Fraser University has hosted the Vancity Office of Community Engagement (SFU VOCE) since 2010, which supports creative engagement, knowledge democracy and access to arts and culture through public programming, community partnerships and community-engaged research.



5. Squamish Nation and SFU: The university hosts a program of Community economic development (CED) in which Sxwpilemaát Siyám (Chief Leanne Joe) is a Transformative Storyteller for Economic Reconciliation as one of sixteen Hereditary Chiefs of the Squamish Nation, the first female Chief of the Lackett Joe Family, and a Trustee for the Squamish Nation Trust.

6. UCI and Vancity: Vancity provided financial resources to support the Union Cooperative Initiative. In 2023, Vancity endorsed UCI's project proposal for creating a Centre for Community and Worker Ownership, committing to fund a "Climate Cooperative" within the new centre. Vancity has also committed to providing tailored banking services to the organization.

7. BCLC and UCI: BCLC's Executive Director serves as UCI's Advising Director.

8. CoP and BCCA: While the Cooperative Developers Network functions as an autonomous community of practice, the BCCA plays a crucial role in facilitating network meetings and activities through its institutional stewardship.

9. WEC and CoP: The director and past president of the Women's Economic Council is one of the developers and CoP members.

10. UCCC and CoP: Upper Columbia Cooperative Council's executive director is one of the members of the Co-op Developers Network CoP.

11. BC Government and Vancity: Vancity is directly involved in lobbying activity in the province regarding the cooperative sector, including sector-specific co-ops and the credit union system in BC; climate change, approach to ESG initiatives, and reduction of greenhouse gas emissions; financial health and well-being of British Columbians and advancement of financial inclusion, including the expansion of financial services for Indigenous peoples and other underserved groups; expansion and improvement of skilled trades and STEM (science, technology, engineering, mathematics) training; expansion of the number of available homes, improving housing affordability (BC ORL, 2023).

12. BC Government and BCCA: The BCCA is directly involved in lobbying activity in the province regarding the cooperative sector, including "changes to the Cooperative



Associations Act and associated regulations, as well as changes to taxation and policy measures to ensure cooperatives have access to benefits provided to other businesses in a fair and equitable manner" (BC ORL, 2023). The association also advocates for a long-term strategy for co-op growth and development (BC ORL, 2023).

13. BC Government and UCI: The UCI is directly involved in lobbying activity in the province, requesting funding and support for creating the Centre for Community and Worker Ownership Pilot Project and other community and cooperative development approaches. UCI also advocates for better labour policies in BC (BC ORL, 2023).

14. BC Government and British Columbia Cooperative Libraries: BCCL is directly involved in lobbying activity in the province regarding increased funding for public libraries in BC and discussions about the Library Act (BC ORL, 2023).

15. Community of Practice and Vancity: Vancity has contributed to BCCA in convening the Co-op Developers Network CoP to support the incorporation and development of co-ops in the region.

16. Solid State and Vancity: Solid State Community Industries has been one of the recipients of Vancity's multi-year grants to cooperatives and social-purpose enterprises in the province.

17. Saint Mary's University and the BCCA: BCCA has partnered with the International Centre for Cooperative Management at Saint Mary's University to develop impact research on cooperatives. The association is also one of the organizational members of centre's Cooperative Management Education Cooperative (CMEC), a co-op created "to secure education, research, and knowledge about co-ops, by co-ops, for co-ops" (CMEC, 2023). Furthermore, BCCA currently holds an at-large seat on the CMEC Board of Directors.

18. Saint Mary's University and Vancity: The credit union is an organizational member of the centre's Cooperative Management Education Cooperative (CMEC). Moreover, Vancity traditionally holds one of the at-large seats on the CMEC Board of Directors. Over the years, many of Vancity's staff and leaders have joined the Cooperative



Management Education programs at the ICCM, including the Master of Management, Cooperatives and Credit Unions. The centre has also provided several consultancy services and reporting to the financial cooperative.

19. BCCA and CMC: BC Cooperative Association is a member of Cooperatives and Mutuals Canada, the Canadian apex organization that represents the cooperative and mutualist movement nationally.

20. Vancity and CHF BC: Vancity's partnership with CHF BC includes the Cooperative Housing Interest Pool (CHIP) program, providing core funding and preferred rates for housing co-ops. Vancity's Co-op Housing program offers preferred rates for renovations, while the Co-op Home Loan program assists members of equity cooperatives in acquiring shares within their cooperative's property. The partnership extends to supporting community land trusts, resulting in 2,600+ affordable co-op homes (Vancity, 2023).

21. Solid State and BC Government: Solid State has received direct funds from the provincial government.



PART III

Emilia Romagna
Case Study



All Roads Lead to Bologna: Italian Cooperative Networks

The proverb "all roads lead to Rome" refers to the Roman Empire's road system converging to the capital, but as for Italy's cooperative system, Bologna takes the central role. The Emilia Romagna region has emerged as the homeland of Italian cooperation, displaying an impressive network of cooperatives that have successfully integrated their operations into the broader economy. This prominence is underpinned by the country's democratic foundations, which deeply influence both public and private legislation, extending to the national cooperative framework.

Emilia Romagna is home to over 4 million residents across nine provinces. As of 2023, its economy generated 163.652 billion euros in GDP (Statistica Regione Emilia-Romagna, n.d.). According to the Cooperative Registry of the Ministry of Italian Economic Development, the region currently hosts 5,681 active co-ops, constituting 5.7% of the country's cooperatives (Albo Cooperativo, 2024). The sector accounts for approximately a third of the region's GDP (Duda, 2016)— one of the densest cooperative economies worldwide—contributing to the overall local economic performance surpassing the national level (Alberani et al., 2019). The region holds the highest incidence of Italy's employed individuals in cooperatives (Legacoop, 2024). Fifty per cent of the major companies in the capital, Bologna, operate as either cooperatives or joint-stock companies under cooperative control (Negri & Zamagni, 2019).

Emilia Romagna is one of Italy's twenty regions. Despite their strong local identities and a certain level of autonomy, the country does not employ federalism as the government form. Still, the regions enjoy self-government and are politically integrated by a national policy of administrative centralization and parliamentary sovereignty (Putnam, 1993). After a period of fascism, the Constituent



Assembly instituted a democratic republic of civil law through a comprehensive constitution centered on personhood rights and social solidarity, which occupies a fundamental level within the country's normative order (Perlingieri, 1991).

Long before the Italian "constitutional legality" tradition (Perlingieri, 1991) and the modern cooperative-friendly policy framework, the country was the cradle of the Neapolitan School of Civil Economy, an intellectual tradition from the 18th Century embodying the paradigms of mutual assistance and reciprocity. The founder, Antonio Genovesi, laid the groundwork for an ethical and anthropological view of a market based on the promotion of the common good and societal well-being. Under this paradigm, economic and civil development is based on the needs of a person and the people through trust and reciprocity, ultimately leading to public happiness (Bruni & Zamagni, 2013). Adding a deeper humanistic layer to the market as the place for the practice of human virtues, the school of Civil Economy left a robust heritage in the Italian economic traditions that can be identified to this day in the Emilia Romagna cooperative economy.

Law and Policy: Ensuring Long-Term Sustainability

Article 45 of the Italian Constitution expressly recognizes the social function of cooperation: "The Republic recognizes the social function of cooperation with a mutualistic nature and without purposes of private speculation. The law promotes and encourages its growth through the most suitable means and ensures, with appropriate controls, its nature and purposes" (free translation from Italian).

Recognizing the cooperative paradigm in the highest normative body emphasizes its long history and prominent role in Italy's socioeconomic fabric. It underlines cooperation as a fundamental tool of the democratization process based on mutuality and regional development (Vella, Genco, & Morara, 2018), constituting a



programmatic effort to ensure the effective participation of workers in the country's affairs (Buonocore, 1997).

The Italian legislation represents a long-standing, comprehensive, and well-established cooperative framework with a mosaic of multiple legislative sources in favor of their development. Before gaining constitutional recognition, Italian cooperatives were first formally systematized within the 1882 Codice del Commercio (Commercial Code) framework as one type of enterprise focused on the collaborative pursuit of shared interests among members. This recognition came from the gradual proliferation of cooperatives in various industries throughout the country, mainly in Northern Italy, during the second half of the Nineteenth Century.

Long before the post-WWII economic boom and democratization spurred the formation and growth of new cooperatives in the Twentieth Century, the Emilia Romagna region already hosted a strong cooperative movement in Northern Italy. Blending public and private affairs, self-management businesses began to organize themselves into a cohesive movement of mutual coordination and representation to guarantee the provision of primary goods (Borzaga, Depedri & Bodini, 2010).

Over time, cooperatives were subject to multiple reforms via a dynamic evolutionary process influenced by socioeconomic and political trends. The significance of each edge in Bonfante's metaphorical "cooperative triangle," characterized by variable geometry among "service management, democracy, and solidarity" (Bonfante, 2014), reflects the diversity of cooperative types, their objectives, and their market positioning. The multifaceted cooperative identity and the myriad legal sources in Italy allow their framework to be highly adaptive to the market and to build complex networks with their peers.



Two key nationwide policies regard the riserva legale (mandatory indivisible reserve) and mutual funds. Each cooperative enterprise is required to allocate at least 30% of its net profit to the indivisible reserve fund within its organization (the bylaws may provide for a higher percentage) and contribute 3% of their net income to centralized mutual funds for the promotion and development of cooperation, each managed by the five national associations representing, assisting, and safeguarding the cooperative movement (LEGACOOOP, Confcooperative, A.G.C.I., U.N.C.I. and UNICOOP). Since 1977, earnings allocated to the mandatory 30% of indivisible reserves have been exempt from corporate taxes. However, some cooperatives allocate more than this percentage, even though the additional amount does not receive the same tax benefit.

Moreover, Italian cooperatives can access financial resources through investor members, known as soci sovventori, by issuing a type of privileged shares, referred to as azioni a partecipazione cooperativa. Cooperatives ruled as joint-stock companies or limited liability companies can issue different classes of financing shares with variable value to represent the participation of each member. The Civil Code establishes that the cooperative bylaws must regulate the patrimonial and administrative rights (e.g., distribution of profits, voting rights, repayment), imposing two constraints: the repayment cannot extend to indivisible reserves and the financing members' votes and representation in general meetings cannot exceed a third of all shareholders, regardless of the level of investment, to protect the democratic 'user' control. These policies have markedly enhanced the cooperatives' ability to access funds (Zamagni, 2016). The possibility of investor membership, while not the primary catalyst for financial accessibility, represents an additional strategy within the toolkit of the Italian cooperative system.

Built upon the principle of mutual assistance, the indivisible assets and mandatory



reserve funds provisions create a continuous capital pool that is instrumental in ensuring stability and sustainability. On one hand, the reserve can alleviate financial crises, finance new and existing cooperative development initiatives, and ensure co-ops remain financially sound, fulfilling their membership obligations. On the other hand, mutual funds guarantee a steady stream of resources, thereby sustaining the operation of major apex organizations that are instrumental in advancing the cooperative economy in the country. The mandatory 3% contributions are pooled into mutual funds that serve the broader cooperative sector. This arrangement transcends the individual cooperative's reserves, benefiting the entire movement by fostering growth and supporting startups within the ecosystem.

Honoring ICA's Principle 6

The reasons behind cooperative prominence in Emilia Romagna are multifaceted and deeply rooted in the socio-political and cultural history of the region, which has led to the establishment of a strong communal life and the sustenance of a close-knit cooperative network as a reflection of solidarity and cooperative values (Bonfante, 2014). The region showcases complex territorial articulations and the development of systemic support for cooperation through law and policies, contractual tools for coordination, and outstanding mechanisms of advocacy and representation.

In Emilia Romagna, cooperatives are tightly networked within their sectors, cross-sector, and as a movement. Cooperatives with various membership bases with activities in multiple sectors, including retail, construction, agriculture, housing, manufacturing, and social services, are primarily affiliated with LegaCoop, as well as the Associazione Generale Cooperative Italiane (AGCI) or the Confederation of Italian Cooperatives (Confcooperative). These national cooperative associations and federations, functioning as apex organizations, are autonomous organizations tasked



with representing the interests of their members and coordinating some operations as a network of networks (Menzani & Zamagni, 2010).

Since 2011, the three apex organizations have formed the Alliance of Italian Cooperatives (Alleanza delle Cooperative Italiane), a comprehensive grid of inter-cooperation that has been consolidated as the driving force of cooperative identity in the movement. This unifying body plays a fundamental role in coordinating the representation and advocacy efforts towards the Government, Parliament, European institutions, and social partners.

As of 2024, the Alliance represents more than 90% of Italian cooperatives, encompassing a network of 39,500 affiliated firms and over 12 million members, collectively impacting approximately 8% of Italy's GDP. (Alleanza, 2024). Its primary purpose is to strengthen cooperation among cooperatives and coordinate their collective actions as a mechanism of unified representation of sectors and regions.

With a rich network of overlapping and embedded associations and federations, Italian cooperatives partake in one of the world's most successful cooperative development systems, honoring the ICA Principle 6 of cooperation among cooperatives. This strategy embodies the principle's essence (H  nry, personal communication, 2023), which emphasizes that "cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures" (ICA, 1995). The long history of these second-tier cooperatives, with LegaCoop tracing back to 1886, is part of their protagonism and political relevance in the national cooperative movement. Few associations worldwide have had a comparable presence over the years.

Moreover, Emilia Romagna co-ops often build flexible manufacturing networks that



include small self-employed artisanal firms and family-owned firms in cooperative production systems primarily structured around industrial districts and urban industrial sub-systems (Capecchi, 1990; Restakis, 2007) that are highly specialized in niche products (Zamagni, 2019). This approach, known as the "fabbrica diffusa" or scattered factory model refers to smaller and medium-sized factories engaging in shorter production runs focused on manufacturing specific components instead of entire products and collaborating with other firms to assemble finished goods. These industrial districts are geographically defined productive systems (Pyke & Sengenberger, 1990) that have developed a diversified "cluster" model, employing a cooperative organizational structure that prioritizes teamwork and fosters multi-stakeholder relationships with subcontractors and customers.

These flexible manufacturing networks, prevalent in the machinery and artisanal industries, reflect a spectrum of formal and informal relationships and commonly lack a permanent lead coordinator. Leadership is fluid in these highly decentralized arrangements, moving between firms as necessary (Rinehart, 2009). Meanwhile, adhering to some consortia or cooperative groups also offers the flexibility to navigate a dynamic national and international market, sustaining competitiveness compared to non-cooperative firms. In some cases, workers of a large firm often establish independent spin-offs within the same industry, offering services to the parent company (Hancock, 2005).

Menzani and Zamagni's (2010) typology of Italian cooperative networks highlights how cooperatives have developed a tripartite network of market collusion, cooperative production, and extensive marketing agreements. This interconnected environment features horizontal arrangements across provincial consortia or co-op groups, allowing co-ops to access collective services and execute shared tasks, potentially integrating once-autonomous organizations.



Meanwhile, vertical networks streamline supply chains within specific industries (e.g., agriculture, construction, retail) to minimize transaction costs and enhance efficiency. Additionally, complementary networks offer a new, flexible avenue for cooperation among interrelated yet autonomous enterprises through complex consortia in large-scale projects like infrastructure development (Menzani & Zamagni, 2010).

Financial Networks

In Northern Italy, the first Italian popular banks (*banche popolari*) were established in 1864 under the principles of cooperation and mutualism, dedicated to supporting local communities and grassroots economic development. From the beginning, they deployed the cooperative ownership structure to serve networks of small and medium-sized enterprises, other co-ops, and individual customers. They reinvest their profits to benefit the community rather than distribute them to external shareholders. Inspired by the German network of cooperative banks, known as *Volksbank* or *Volksbanken und Raiffeisenbanken* (i.e., people's banks), these organizations experienced immediate success in the second half of the 19th century, capturing a quarter of the Italian credit market within a few years (Associazione Nazionale fra le Banche Popolari, n.d.).

Historically, these popular banks are known for their strong local ties and commitment to social responsibility. The year 2024 marks 160 years since the very first *Banca Popolare di Lodi* in Lombardia, reflecting a longstanding movement rooted in subsidiarity through decentralized operations at the local community level. Currently, they account for approximately 15% of the nation's banking branches and contribute around 150 million euros in profits to local areas, with small and medium sized enterprises (SMEs) receiving 70% of the loans, inclusive of 30 billion euros in new funding for small businesses (De Luccia Lumeno, 2024).



In addition to popular banks, smaller *casse rurali* or rural banks proliferated in the late 19th century with a hyper-local focus on agriculture and rural development. Since then, these cooperative banks based on social solidarity have been instrumental in leveraging funds for modernizing agri-food production and supporting communities in remote areas. Initially connected via the National Federation of Rural Banks, then through the Italian Federation of Rural Banks, and currently by the ICCREA - Istituto di Credito delle Casse Rurali e Artigiane (i.e., a second-tier central banking institution), they have consistently organized themselves independently and voluntarily through collective bodies for representation and technical assistance (Tortia & Sacchetti, 2023). A 2016 reform introduced the Cooperative Banking Group (CBG) to centralize governance and services through a joint-stock parent company, enhancing integration and stability among member co-ops.

Under this paradigm, two main groups dominate the Italian cooperative banking sector: the BCC Group ICCREA and the Cassa Centrale Banca. The BCC Group ICCREA has reached 130 cooperative banks through a cohesion contract, serving 824,610 cooperative members in the country (Tortia & Sacchetti, 2023). In Emilia Romagna alone, BCC has 231 associated branches (BCC Group, n.d.). The group allocates at least 70% of the annual net profits to the legal reserve and 3% to mutualistic funds for the promotion and development of cooperation, with the remaining profits destined for charitable or mutualistic purposes (BCC Group, n.d.). Meanwhile, the Cassa Centrale, the second largest group in Italy, currently aggregates 66 cooperative credit banks (seven in Emilia Romagna) with a consolidated net income of 871 million euros (Cassa Centrale Banca, n.d.).

The robust cooperative banking system, widely established across the Emilia Romagna region and beyond, exhibits high institutionalization. This framework rooted in many decades of system design and legislative reforms, has led to well-structured

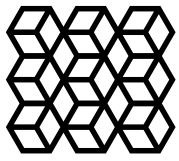


intra-network relations under an intricate governance design. This process has, so far, ensured sector stability and allowed the cooperative banks to keep their local focus and lean operations backed by a supporting institutional umbrella.

Final remarks

Emilia Romagna region stands out as the premier example of a genuine cooperative economy, characterized by its extensive networks of mutual support and a comprehensive infrastructure designed to meet diverse sectoral needs. In this scenario, the cooperative sector operates independently, primarily functioning within its exclusive cooperative networks.

Reproducing the unique conditions that fostered Emilia Romagna cooperatives' success may be challenging, largely due to their deep-rooted commitment to the model over generations. However, the key lessons from their experience—highlighting the benefits of tightly knit networks and consistent resource allocation—are fundamental for understanding how well-structured systems can sustainably drive inter-cooperation.



Implementing the Complex Network Framework

1. Identifying elements currently present in Emilia Romagna's cooperative economy

MEANS OF ORGANIZATION (WHAT)

Informal Collaborations: Emilia Romagna's flexible manufacturing networks feature a mix of formal and informal relationships.

Co-op to Co-op Business: Beyond the scattered factory model, local cooperatives engage in consortia, fair trade chains and purchases (e.g., CoopItalia's Solidal line of fairtrade products).

Second Tier Co-ops: The leading second-tier cooperative in Emilia Romagna is LegaCoop, with many regional co-ops also affiliated with AGCI and Confcooperative.

Co-op Groups: Emilia Romagna is home to co-op groups like Terre Cevico and Caviro, with the latter being Italy's largest wine cooperative by market share.

Multi-stakeholder Networks: Regional networks incorporate small artisanal businesses and family-owned firms into their production systems. Additionally, on a national scale, they connect with the broader Alliance of Italian Cooperatives, which includes co-ops with diverse membership structures.

PURPOSE (WHY)

To leverage resources: Cooperatives allocate 3% of net income to mutual funds for development and mobilize members for crowdfunding, using bottom-up lending to finance major expansions, such as Coop's growth in the 80s and 90s.

To reduce costs: Networks reduce transaction costs through decentralization and avoid merger expenses. The Consorzio del Formaggio Parmigiano-Reggiano lower costs by coordinating collective marketing and regulatory compliance, sharing expenses among partner co-ops.



To align strategically: Historically, the connection among major cooperative umbrella organizations has strengthened the co-op movement across Italy, extending its impact beyond Emilia Romagna and enhancing shared infrastructure and resources.

To provide public goods: Social cooperative networks in Emilia-Romagna have advanced community health and social services, while local networks have improved food security through sustainable farming.

To achieve economies of scale: Regional co-ops and groups have reached international markets through partnerships that enhance flexibility and specialization, achieving economies of scale without over-centralization.

To spread awareness: Co-ops not only embrace their local cooperative identity but also collaborate globally with research centers and organizations to promote their networking model, welcoming foreign delegations and study visits, such as LegaCoop's Welcome Coop service.

AGENTS (WHO)

Co-ops (Networks Themselves): One of the densest cooperative economies worldwide with 5,962 active cooperatives in the region.

Co-op Developers, Consultants & Leaders: The province features a wealth of human capital in cooperative studies, with leading scholars, specialized service providers, and developers from umbrella organizations actively contributing to the sector.

Regulators and Policymakers: Emilia Romagna networks thrive with the backing of a partner state, where public sector representatives are committed to enhancing the provincial cooperative economy.

Educational Institutions: ER Education and Research Emilia Romagna, alongside universities such as Bologna and Parma (Università di Parma's International Centre for Research on Cooperatives), forms a regional talent development hub that fosters socioeconomic innovation.

Social Economy Enterprises: Beyond co-ops, the region is marked by SMEs across multiple sectors. The EU's European Regional Development Fund has actively supported the creation of social enterprises. Youth and family collectives are prevalent in this sector.

Common Interest Groups & Civil Society Organizations: Diverse groups and grassroots movements, focusing on social aid, cultural management, and fair employment for vulnerable communities, often start as informal associations before evolving into social cooperatives.



Communities of Practice: Over its long history of cooperation, many supporting groups have formed, some transitioning from informal gatherings to established associations, such as AICCON – Associazione Italiana per la promozione della Cultura della Cooperazione e del Nonprofit.

International Bodies: Through Alleanza delle Cooperative Italiane, which is a member of the ICA, Emilia Romagna's cooperatives connect to the international community. Also, strong EU-level relationships and support.

FUNCTIONS (HOW)

Providing technical support and capacity building: Programs offered by local universities, federations, and partner organizations are specifically designed to provide young cooperatives with technical support, emphasizing capacity building within this innovative ecosystem.

Implementing co-op friendly laws and policies: Constitutional recognition of co-op's social function; Civil Code, Commercial Code, and related legislation address adequate treatment and promote cooperative-friendly policies for long-term sustainability (e.g., legal reserves, mutualistic funds).

Representing and advocating: The network of second-tier cooperatives, facilitated by the Alliance of Italian Cooperatives, plays a critical role in connecting the cooperative movement with the public sector, actively lobbying for policies and regulations that support co-op growth/sustainability.

Educating and researching: LegaCoop and the University of Bologna have formalized a cooperation agreement for research and training, focused on technology transfer and facilitating the engagement of graduates into the development of new cooperative enterprises.

Incubating and accelerating co-op growth: The region, hosting 12% of the nation's incubators such as Confcooperative's CoopUP, LegaCoop's Coopstartup, and InnovaCoop, plans to enhance its system under the Regional Program of the European Regional Development Fund (ERDF).

Convening and building relationships: Open Innovation Program, Startup Day, and a range of sector-specific events have significantly enriched the networking landscape. Also, intrinsic to the flexible manufacturing networks' framework, co-ops place a high emphasis on cultivating local relationships.

Financing: Shared pool of resources, including mutual funds and indivisible reserves; cooperative banks, all provide development capital; cooperatives also have access to public grants; social coops benefit from public procurement.



CONTEXT VARIABLES

History and path dependence: Emilia Romagna's cooperative movement can be traced back to the late 19th century, including its networks. The most prominent cooperative association, LegaCoop was founded in 1886.

Embeddedness and social cohesion: Regional cooperatives have successfully integrated their operations into the broader economy.

Co-op density: With 5,681 active cooperatives making up 5.7% of the country's total, the region leads in cooperative employment rates and houses half of Bologna's major firms operating as co-ops or cooperative-controlled joint-stock companies.

Macro culture: Civil Economy tradition; social function of cooperation recognized by the Italian Constitution; social solidarity rooted in Catholic traditions.

OUTCOMES

Sustainable development: Co-ops supported communities hit by the 2023 floods following a severe drought, highlighting the public debate on sustainability. The Regional Energy Fund boosts the low-carbon economy, with some networks achieving 100% energy self-sufficiency.

Social and economic resilience: The sector has had a stabilizing influence on the local economy with consistently high employment rates in cooperatives. The region boasts low-income inequality, as well as high levels of social capital.

Creation and sustainability of cooperatives: In 2021, Agci, Confcooperative and Legacoop signed an agreement with Italy's largest trade union organizations to promote cooperative worker buyouts. In 2022, the public sector awarded over 140,000 euros to 17 new and existing co-ops.

Intergenerational infrastructure: The existing infrastructure, which includes umbrella organizations, customized programs, appropriate policies, and beyond, establishes a groundwork that underpins a long-term vision aimed at future generations of cooperators, rather than just tackling short-term issues.



2. Mapping links and interactions:

At a base level, small and medium-sized cooperatives operate independently or within local flexible manufacturing networks. Either way, most of them are integrated into the membership of a second-tier cooperative, primarily LegaCoop. Associations and federations aggregate sector-specific networks into different branches of activity. On a national scale, LegaCoop partners with AGCI and Confcooperative to form the Alliance of Italian Cooperatives. Similarly, small financial cooperatives like the banche di credito cooperativo (BCCs) and the casse rurali connect to regional federations under the Federazione Italiana delle Banche di Credito Cooperativo – Casse Rurali ed Artigiane.

3. Identifying gaps and deficiencies

Emilia Romagna is a thriving and resilient cooperative economy. Yet, cooperatives are not a panacea for the socio-economic system and remain susceptible to contemporary adversities. The severity of the 2023 floods caused an estimated €8.8 billion in damage and significant infrastructural degradation. Coupled with seismic activity, droughts, the last pandemic outbreak, and the ongoing European crisis, even the healthiest economies are subject to the pressures exerted by such environmental and geopolitical events. Emilia Romagna's celebrated networks have been put to a rigorous test and must adapt to a rapidly changing landscape. Emilia Romagna's cooperatives might need to create a specific coordination body to address climate change and environmental issues.

4. Deploying the five Principles for Sustainable and Resilient Networks

Emilia Romagna represents one of the densest cooperative economies worldwide. Unlike other social solidarity ecosystems, the region is primarily centered on cooperative enterprises including social cooperatives, which are connected through



extensive network of networks across multiple sectors. These cooperatives are organized into horizontal, vertical, and complementary networks of mutual support, yet each cooperative operates autonomously without a central governing body. Apart from some prominent groups, most coops are small and medium-scale enterprises rooted in the territory and focused on lean operations. The networks are well-established, with formal membership and contractual agreements. This high level of institutionalization and embeddedness has created a positive co-dependence among all cooperative and non-cooperative participants, nurturing a shared commitment to the movement. The configuration of the Alleanza delle Cooperative Italiane as a comprehensive grid of inter-cooperation highlights the diversity and abundance of Italian institutional anchors, such as LegaCoop, AGCI, and Confcooperative, serving as central nodes of network activity nationwide. Collectively, these overarching associations and federations have effectively established and upheld a concrete support system for their members and future generations of cooperatives.



Quebec
Case Study



Drawing Connections: Lessons and Insights from Quebec's Networking Journey



Canada is home to a flourishing cooperative movement that still holds substantial untapped potential. At varying development levels across the country, the nation is home to 5,605 active non-financial cooperatives that collectively command \$47.3 billion in total assets and employ 100,755 workers (Government of Canada, 2021). Housing, agriculture, finance and insurance, and retail are sectors that notably feature a significant concentration of cooperatives in the country (see table below).

In Eastern Canada, a unique confluence of cultural, institutional, and political elements led the province of Quebec to stand at the forefront of a multifaceted social solidarity economy (SSE). As the largest province by land area with the second-largest population (Quebec's 9 million people, accounts for approximately 21.87% of Canada's total population), it has become "a laboratory of social innovation" (Bouchard, 2013), due to the sheer number and diversity of its cooperative enterprises and their social economy partners. This co-op giant hosts 3,052 active entities, the highest concentration of cooperative activity in the country, spanning different sectors, including housing, agriculture, professional and social services, retail, recreation, energy, education, transportation, manufacturing, finance, and community economic development (CMC, 2024).



Co-op Type		
Associations & Federations	86	28
Consumer	5883	1974
Worker	442	266
Multi-stakeholder	573	513
Mutuals	83	25
Producer	692	200

Co-op Sector		
Administrative and Support	80	29
Agriculture	556	170
Arts and Entertainment	409	142
Childcare	347	21
Community Economic Dev	147	51
Education and Training	68	32
Financial and Insurance	677	245

Co-op Sector		
Forestry, Fishing, Hunting	32	55
Funeral	58	32
Health & Wellness	152	83
Housing	2646	1299
Information & Culture	88	38
Manufacturing	77	43
Professional Services	325	170
Public Utilities & Energy	397	24
Retail	751	268
Social Services	134	61
Telecommunication	63	37
Transportation & Storage	92	31
Wholesale	37	10

Data retrieved from CMC database as of March 2024



A century-long dedication to the model, coupled with the unique cultural identity of North America's largest Francophone community and its philanthropic world and political traditions, has driven Quebec towards a regional focus on community economic development (Noreau, 2011; McMullin, 2021). This is but a chapter in the full story. While it is hard to pinpoint why some regions are better at instilling social solidarity values within their community, associative and cooperative traditions can exponentially bloom when paired with government support through adequate legal framework and public policies. In this case, Quebec has held on to constructive dialogue among government, labor unions, and employers.

The backbone of co-ops and other social-solidarity actors in the province precedes the 1980s, but at that time, many grassroots community movements surfaced in response to widespread economic challenges, including recession-induced job losses and urban decay. By the mid-1990s, the calls for adequate public policies began to bear fruit, leading to a pivotal moment at the "1996 Summit Conference on the Economy and Employment" when the social economy received institutional recognition. This period, at the very end of the Twentieth Century, represented the inauguration of a "new social dynamic", converging all sectors into a higher standard of collaboration and a new generation of cooperatives and civil society initiatives (Lévesque, 2013, p.25).

In preparation for the Summit, a working group started its mandate under the direct authority of the Executive Council of the Government of Québec to identify innovative strategies for stimulating job growth in the third sector. Later formalized as a non-profit entity in 1999, the Chantier de l'Economie Sociale grew into a "network of networks," bringing together a diverse constellation of stakeholders across Quebec's social economy sector, spanning sectoral networks of collective enterprises, social



movements, and local development intermediaries. With continuous government support, the Chantier emphasis on multi-stakeholder partnerships and shared democratic governance laid the groundwork for advancing the province's social and economic goals.

Among multiple aspirations, the Chantier became a crucial actor in Quebec's complex social economy network by cultivating long-standing alliances between different stakeholders and partners of the social economy at Québec-wide and international levels. The presence of such a prominent organization with a clear mandate for relationship-building among well-established and emerging social organizations and collective enterprises in the cooperative, mutual, and associative sectors had a fundamental structuring effect as it translated into the creation of favorable conditions, tools, and public policies for collective undertakings in the region.

The Chantier exemplifies the robust institutional framework behind Quebec's ecosystem, setting an unparalleled benchmark for social economy ecosystems across the country. The province has sustained this high institutionalization by converging multiple network arrangements to maintain the infrastructure and resource flow necessary to strengthen multi-stakeholder dialogue. This work is further backed by multiple cooperative associations and federations, including the Coopérative de développement régional du Québec (CDRQ), the Conseil québécois de la coopération et de la mutualité (CQCM), Fédération des coopératives d'habitation du Québec (FCHQ), Réseau COOP (formerly FQCMS), Fédération des coopératives de services à domicile et de santé du Québec (FCSDSQ), and Fédération des coopératives du Nouveau-Québec (FCNQ), among others. This diverse institutional array dedicated to advocacy, representation, and support services within sectors and their interconnections has been fundamental in generating infrastructure for cooperative development.



Financial Networks

Quebec extends this rich institutional foundation to solidarity finance and development capital, guaranteeing that cooperatives and partners consistently access funds for stability and growth. Provincial organizations benefit from a broad spectrum of financing options, ranging from minor, short-term funding to substantial, long-term investments with patient capital from diverse sources. Since the 1980s, sources of finance were further broadened to include many solidarity funds (e.g., fonds de solidarité and fonds d'intervention économique régional) supported by the trade unions, the government, the Chantier members, and the cooperative movement. This diverse array of capital sources from community economic development corporations, foundations (e.g. Fondation CSN pour la coopération et l'emploi), local development centers, various government levels, Desjardins Group's credit unions, and multi-stakeholder funds implies that Quebec social economy is not reliant or vulnerable to a single point of failure, which is essential to resilient financial networks.

Through funds dedicated exclusively to SEEs and other partners focused on socially responsible finance, the financial network is grounded on a commitment to partnerships with a shared, far-sighted regional development perspective (Bourque et al., 2013). This outlook enabled Quebec's financial system to move away from conventional risk assessments and metrics that excessively focus on scale and returns detached from socio-environmental impacts. Unlike traditional analysis, social economy financing incorporates a strategic planning process and budgeting based on social returns, patient capital and sustainability.

In 2007, the Fiducie du Chantier de l'économie sociale started operating in Quebec's financial landscape, designing further instruments for patient capital through long-term loans with no principal repayment for up to 15 years. Working with territorial



development agencies in capturing funds from Fondation (CSN), Fonds de solidarité (FTQ), and the provincial and federal governments, this initiative has been instrumental in connecting financial suppliers and the growing demand for impact investing (Mendell, 2009; Bourque et al., 2013; Mendel & Neamtan, 2021).

One of the most critical components of Quebec's solidarity finance is the Desjardins network. In 1900, Alphonse and Dorimène Desjardins co-founded the caisses populaires Desjardins (now Desjardins Group) in Lévis, which was North America's first savings and credit cooperative. With no previous legislative framework for cooperatives, the caisses populaires represented a new hybrid entity of limited liability and variable capital, only later recognized by the Quebec Legislative Assembly in 1906 (Desjardins Group, n.d.). Steadily expanding across the province, the Desjardins movement founded the first Union régionale in 1920, a second-tier cooperative acting as an umbrella organization to member caisses populaires. This networking approach was instrumental in promoting cooperation, representation, and growth. Counting over a century of history in the province, the group became Canada's forerunner financial cooperative with 7.7 million members and clients, 56,165 employees, and \$422.9 billion CAD in total assets (2023 Annual Report).

The Fédération des caisses Desjardins du Québec or "caisse network" coordinates the efforts of all other Desjardins Group components, summing up to 210 members caisses populaires and caisses d'économie. Its decentralization policy focused on community development partnerships has leveraged a \$100 million CAD development fund over the years dedicated to regional entrepreneurship, business development, and economic and social innovation projects. Desjardins solidarity-based finance includes multiple other assistance funds, business microcredit, and the créavenir program (i.e., youth interest-free loans or grants).



The group's commitment to the value of inter-cooperation is fueled by its aspiration to advance the development of the cooperative model (Desjardins Group, n.d.). The Desjardins Group is a network of multiple affiliated organizations under the same institutional stewardship, which not only cooperate internally but also collaborate with external provincial networks and solidarity partners. This close-knit framework allows collective entrepreneurship to access adequate investment capital, financial services, insurance, and technical assistance embedded in the same ethos.

Policy and a Partner State

Policy-wise, Quebec's co-ops are embedded in hyper-local governments, including municipal Social and Economic Development departments, displaying pro-cooperative policies compatible with the provincial framework (Spicer & Zhong, 2022). The presence of reliable and consistent policies across jurisdictional scales designed and coordinated around co-op needs is fundamental to sustaining local intermediary networks and enabling new ones. Through targeted financial and tax measures, policymakers play a decisive role in community development.

Quebec's provincial government has nurtured a continuous dialogue between state and civil society actors in co-creating public policies, combining the administrative logic of government authorities with community-based movements (Dancause & Morin, 2013). Integrating efforts between law and policy facilitates essential procedures and mechanisms (e.g., accessible registration, legal security, reserves, efficient audit systems, adequate income taxation) for propagating autonomous and resilient cooperatives through a regulatory system that is "less commanding, more promotional and de-politicizes the approach to cooperative development" (Henry, 2021, p. 10). This equilibrium relies on the concept of commensurability, achievable with policies that do not overburden the government capacities while ensuring that co-ops have equal access to benefits available to other forms of enterprise tailored for their specific nature (Henry, 2021).



In the late 1990s, the Cooperatives Act recognized solidarity cooperatives (i.e., cooperatives de solidarité) whereby a cooperative has at least two member types (worker, consumer, or supporting community members), reinforcing their social economy identity and drawing them closer to nonprofit organizations' operational and philosophical ethos (Arsenault, 2018). Quebec has developed a cohesive social solidarity economy by narrowing the gap between co-ops and traditional nonprofit entities, where diverse participants are eligible for governmental economic development programs. Most of these entities belong to the Chantier de l'économie sociale and the Conseil québécois de la coopération et de la mutualité, backed by regional and sectoral networks. By pioneering the 2013 Social Economy Act, the province significantly advanced its agenda and highlighted the importance of formalizing and broadly institutionalizing social economy practices.

Education and Training

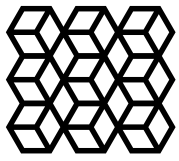
Alongside well-established cooperative groups, a partner state and a diversified financial ecosystem, Quebec's networks extend to research, education and training. Large provincial cooperatives support cooperative institutes such as the "Research and Education Institute for Cooperatives and Mutuals of the University of Sherbrooke" (IRECUS) and the "Alphonse and Dorimène Desjardins International Institute for Cooperatives of HEC Montréal", which are dedicated to management research, territorial development, and innovations in the social economy. This networking strategy within the higher educational sphere has emphasized integrating and disseminating novel knowledge and methodologies into organizational practices. Key research projects based on multi-partner collaboration have solidified linkages between existing networks of practitioners and researchers while also creating new institutions (e.g., Territoires innovants en économie sociale et solidaire, TIESS), continually equipping social and solidarity economy organizations with better practices and updated know-how.



Final Remarks

Quebec sets an example of a mature, highly networked system that has achieved elevated levels of institutionalization, diversity, and infrastructure. The province has developed a sophisticated network of cooperatives deeply embedded in its extensive social economy rather than solely focusing on a cooperative economy per se. This approach enables provincial cooperatives to tap into a wide range of resources and technical support from multiple sources.

In a mosaic of momentum, the ensemble of large, institutionalized cooperatives (e.g., Desjardins, Agropur, Sollio, Beneva), continuous government support, an intentional financial ecosystem, and a dedicated network of social economy umbrella organizations stand out as fundamental drivers propelling Quebec towards establishing a sustainable and resilient environment for cooperatives. As a complex ecosystem where various organisms coexist and interact, the region thrives on collaboration and synergy among diverse stakeholders.



Implementing the Complex Network Framework

1. Identifying elements currently present in Quebec's cooperative economy

MEANS OF ORGANIZATION (WHAT)

Informal Collaborations: Although highly institutionalized, the province also fosters informal inter-cooperation and social economy partners. The umbrella organization CQCM organizes voluntary Communities of Practice, such as those focused on the circular economy, to address common issues.

Co-op to Co-op Business: Co-ops like Coop Alentour and Coop La Maison Verte specialize in organic and fair-trade products, forming direct partnerships with local producer co-ops. Also, local co-ops fund university research, participate in governance, and offer event services like catering and recycling.

Second Tier Co-ops: Coopérative de Développement Régional du Québec (CDRQ), Conseil québécois de la coopération et de la mutualité (CQCM), Fédération des coopératives d'habitation du Québec (FCHQ), and many more.

Co-op Groups: Sollio Cooperative Group and Desjardins Group.

Multi-stakeholder Networks: The most comprehensive example is the Chantier de l'économie sociale, but also various networks of solidarity cooperatives, among others.

PURPOSE (WHY)

To leverage resources: Solidarity funds (e.g., Fonds de Solidarité, Fonds d'Intervention Économique Régional); shared information (e.g., Territoires innovants en économie sociale et solidaire, TIESS).

To reduce costs: Networking allows provincial co-ops to share resources, attract like-minded customers, access collective funding, and engage in mutual support, thereby reducing costs and achieving benefits difficult to attain alone.



To align strategically: The 1996 Summit Conference marked a turning point in institutional recognition of the social economy, paving the way for cooperative and SE partner strategic alignment in subsequent decades.

To provide public goods: Presence of significant repository of publicly accessible knowledge (e.g., Coopérative de développement régional de Québec). Co-ops also mobilize to provide affordable housing, public utilities, and energy.

To achieve economies of scale: Many community economic development centers, the worker co-op federation Le Réseau COOP, and strategic initiatives within major co-op groups, target cooperative growth.

To spread awareness: Supporting organizations like IRECUS (design and carry out multidisciplinary research and teaching activities), Chantier, CQCM, Réseau Coop, and other federations (advocacy, education).

AGENTS (WHO)

Co-ops (Networks Themselves): Cooperatives and their affiliated networks constitute dynamic forces within Quebec's social economy.

Co-op Developers, Consultants & Leaders: The Coopérative de développement régional de Québec unites over 30 developers aiding collective enterprises, co-ops, and NPOs. The province also features independent consultants and a shared services cooperative, Le Consortium, specializing in social economy.

Regulators and Policymakers: Quebec public sector representatives have been supportive of the provincial social economy.

Educational Institutions: Co-op supportive post-secondary institutions like the Université de Sherbrooke, HEC Montréal, Université de Québec à Montréal (UQAM), Université de Laval, and others.

Social Economy Enterprises: Beyond local co-ops, and as described in detail throughout, Quebec hosts many types of social economy actors, including enterprises like Magasin Habitat pour l'humanité Québec and Le Chic Resto.

Common Interest Groups and Civil Society Organizations: Confédération des Syndicats Nationaux (CSN): among several groups, labor unions have fundamentally supported Quebec's social economy.

Communities of Practice: The Quebec Council of cooperation and mutuality (CQCM) coordinates the circular economy CoP.



International Bodies: Quebec's cooperatives, members of Cooperatives and Mutuels Canada (CMC) and the International Cooperative Alliance, connect globally. They also founded SOCODEVI, an international development organization.

FUNCTIONS (HOW)

Providing technical support and capacity building: The widespread social economy in Quebec has led to the presence of knowledgeable service providers and focused organizations capable of delivering tailored technical assistance for cooperative and SE actors.

Implementing co-op friendly laws and policies: Quebec showcases a cohesive policy framework, where diverse participants across a varied social economy landscape are eligible for governmental economic development programs.

Representing and advocating: Advocacy and representation efforts are mostly exercised by consolidated associations, federations, and large cooperatives in the region.

Educating and researching: The province hosts abundant educational resources and numerous tailor-made training workshops focused on its cooperative and mutualist environment.

Incubating and accelerating co-op growth: From 2009 to 2019, Quebec witnessed the birth of 1,221 non-financial cooperatives, accounting for nearly half of the 2,576 new cooperatives that were incorporated across Canada.

Convening and building relationships: From significant events like the International Summit for Cooperatives (2012, 2014, 2016), Global Innovation Coop Summit (2023) to local meetings at the Hive Cafe Solidarity Cooperative in Montreal, the province hosts various events focused on networking.

Financing: The Fiducie du Chantier de l'économie sociale has streamlined the solidarity finance landscape, creating long-term loan instruments and pooling funds from key investors like Fondation (CSN), Fonds de solidarité (FTQ), government entities, and development agencies.

CONTEXT VARIABLES

History and path dependence: Quebec's century-long commitment to the model, coupled with the unique cultural identity as North America's largest Francophone community, its philanthropic world, and its political traditions, has led to a regional emphasis on community economic development.



Embeddedness and social cohesion: Quebec's deep integration and cultural cohesion between cooperatives and their SE partners have enacted lasting relationships and high institutionalization levels.

Co-op density: Quebec hosts 3,052 active co-ops, the highest concentration of cooperative activity in the country.

Macro culture: Quebec's long-standing labor movement has resulted in North America's highest unionization rate, fostering a culture of collective action and social engagement.

OUTCOMES

Sustainable development: Quebec plans to reduce greenhouse gas emissions by 37.5% by 2030. Fondation CSN, Desjardins, Sollio, Le C3E, and AQME formed Coop Carbone, a spin-off dedicated to climate change mitigation and sustainability.

Social and economic resilience: In the spring of 2020, Québec experienced a significant drop in its real GDP due to COVID-19, followed by a recovery that saw half of its economic sectors return to or surpass their pre-pandemic production levels by December 2020.

Creation and sustainability of cooperatives: Quebec consistently leads Canada in cooperative incorporations, maintaining its top cooperative density ranking.

Intergenerational infrastructure: In Quebec, public policies foster intergenerational infrastructure that supports cooperative development, from indivisible reserves to legal and capacity support. This has enabled many large cooperatives to thrive for over 70 years.

2. Mapping links and interactions:

Among Quebec's interwoven connections, a key feature of this dynamic is the deep integration of cooperative networks within the provincial social economy, facilitated by policies that narrow the divide between cooperatives and non-cooperative organizations. While cooperatives are indeed integral to the SE framework, it is noteworthy that in many cooperative economies, the sector tends to operate within its silos, maintaining only sporadic connections with SE partners.



3. Identifying gaps and deficiencies

While Quebec enjoys a robust solidarity financial landscape with consistent funding, many projects still rely on grants and public financing, vulnerable to cultural and political shifts. A paradigmatic rupture against today's dominant set of SSE practices and policies could fundamentally impact the networks' ability to sustain their resource flow. Furthermore, the province's cultural and historical foundations in collective organizing and community development risk being overshadowed by the pressures of market scalability and integration with the mainstream economy within and outside the territory. Even well-established social and solidarity economies are not immune to isomorphism and demutualization trends under competitive pressures that shape cooperatives' and their partners' policies and business models.

4. Deploying the five Principles for Sustainable and Resilient Networks

In Quebec, its long-standing cooperative networks have established a significant degree of institutionalization, characterized by their ability to maintain systematic connections through abundant and resourceful participants. This success is supported by local policies and governmental backing, which have facilitated the development of a concrete inter-generational infrastructure designed to perpetuate its provincial framework beyond present challenges and opportunities. Regarding its networks' embeddedness, the province distinguishes itself by establishing a cohesive social economy framework that effectively bridges the gap between cooperatives and traditional nonprofit organizations—an approach not commonly seen in other Canadian provinces. Such an approach has strengthened core linkages among these entities, bolstering the cooperative network's overall strength, coherence, and autonomy. Marked by a rich history of the labor movement and solidarity finance, the province has focused its efforts on local community economic development, sustainability, and fair working practices.

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