



CO-OPERATIVE IDENTITY AND SURVIVAL RATE

Co-operative Identity and the Co-operative Act

- The Co-operatives Act of the province of Quebec , « Loi sur les coopératives » is the main tool used to ensure the preservation of the co-operative identity of non-financial co-operatives (2895 in 2013)
- All non-financial co-operatives incorporated under this Act must provide their annual report to the Minister (including annual financial statements, # members, ...)



Co-operative Identity and the Co-operative Act

- The co-operative principles are integrated into the Act.
- The « Direction du développement des coopératives » is responsible for the administration of this act, including:
 - Incorporation
 - Co-operative recovery
 - Dissolution

Co-operative Identity and the Co-operative Act

Incorporation:

Before receiving its articles of incorporation, a co-op must demonstrate that it has an authentic co-operative project.

The Minister may refuse to incorporate a co-op that could not demonstrate the authenticity of its co-operative project.

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Co-operative recovery:

After analysis of the annual report, if it is found that a co-op fails to meet the requirements of the Co-operatives Act*, the Minister may require a co-operative recovery

* Minimum number of members, annual general meeting, annual report, % operation with members (min 50%)



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Dissolution:

If a co-op fails to meet the requirements of the Act, the Minister gives to the co-op a notice of default.

After 60 days, the co-op may be dissolved by the Minister if it has not corrected the alleged default.

Active Co-operatives: the Directory

- All active co-ops complying with the Co-operatives Act are listed in a directory published on the website on the Ministry.

<https://www.economie.gouv.qc.ca/objectifs/informer/cooperatives/page/repertoires>



Co-operatives survival rate study

- Since the Minister is responsible for the incorporation and dissolution of non-financial co-ops and the transmission of the annual report to the Minister is a requirement of the Co-operatives Act, valuable data can be collected.
- In 1999: Publication of the first study on co-operatives survival rate in Quebec (updated in 2008).

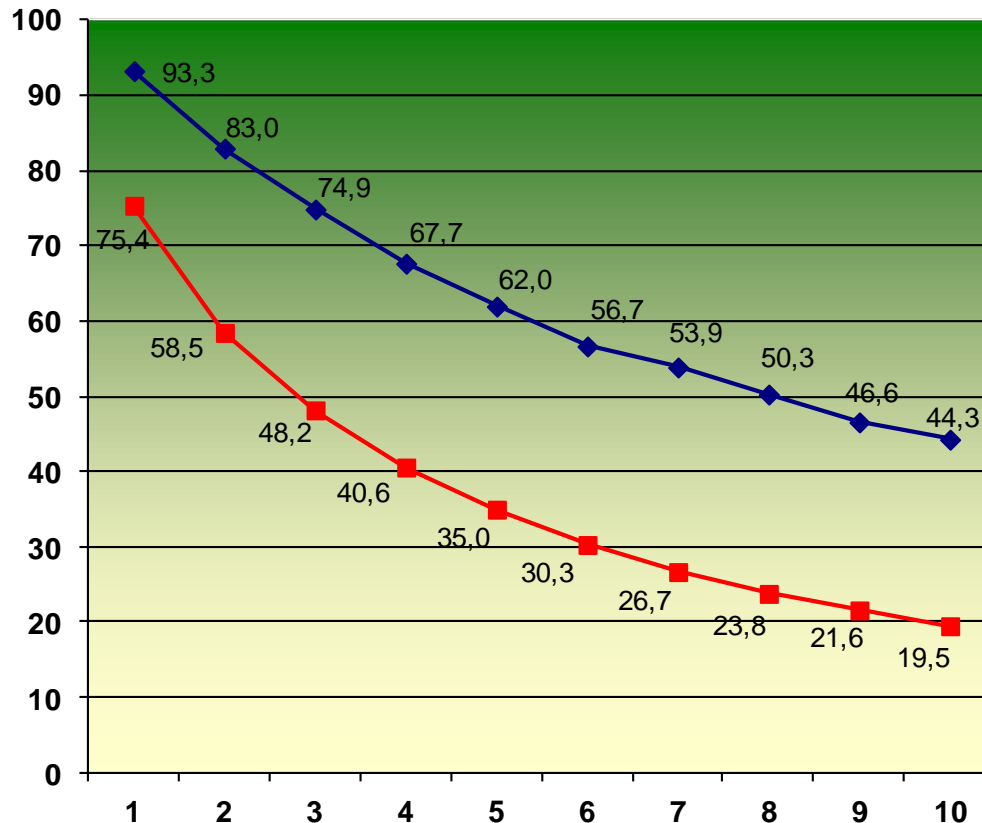


Co-operatives survival rate study

- Since 1995:
 - increase in creation of new non-financial co-ops (160 vs 85)
 - emerging of new sectors, new type of co-op (solidarity)
 - Increase support of co-ops (CQCM, CDR)



Co-operatives vs businesses survival



**Difference in favor of
co-operatives:
25.3 on 10 years**

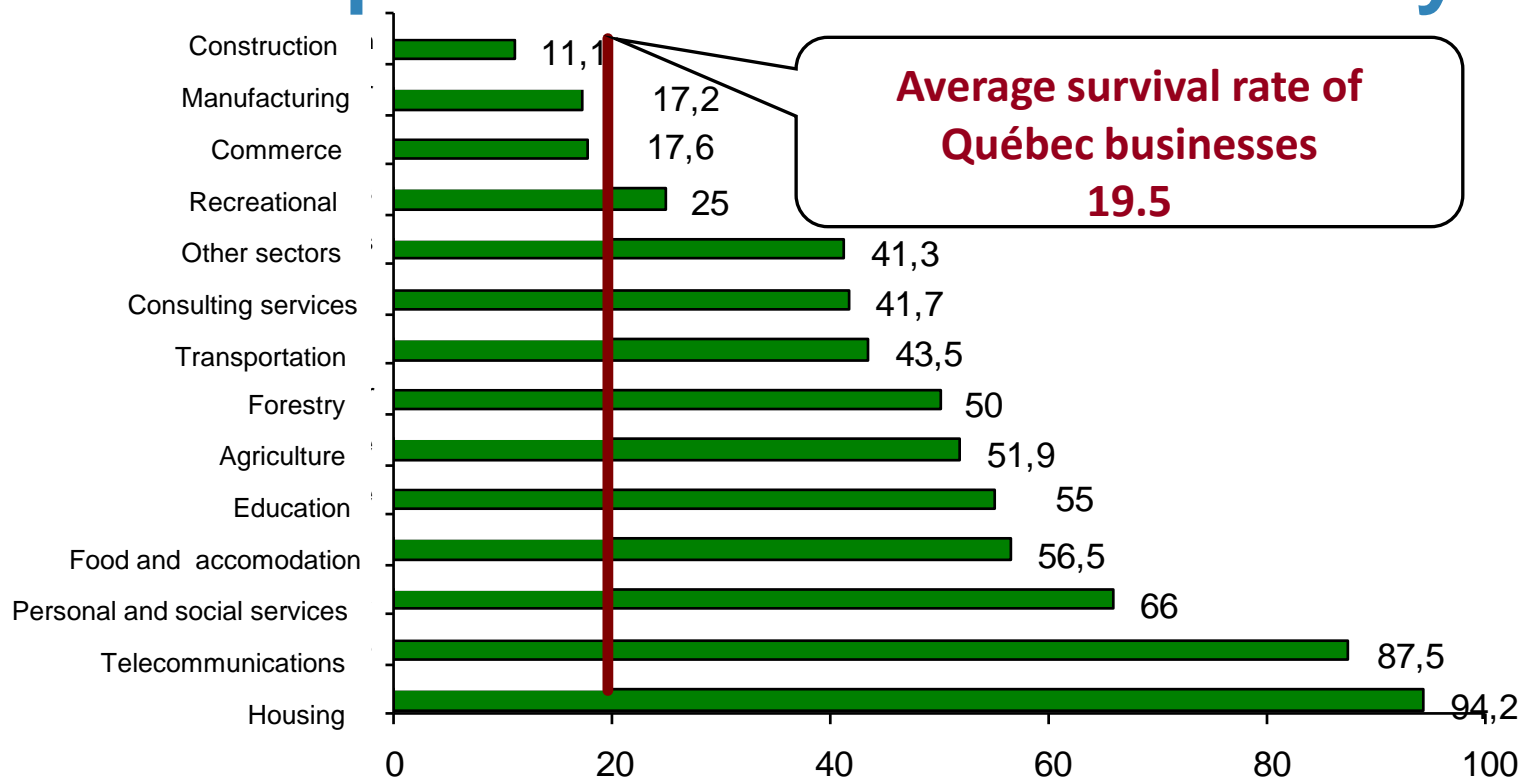
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Co-operatives survival after 10 years





Factors explaining sustainability

- The co-op “business” model:
 - Services to members rather than return on capital
 - Members: investors and customers
 - Legal framework promoting the co-operative principles (especially democracy and accountability to members)

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