

Acknowledgement: This case study is part of the Complex Networks for Cooperative Economies report, the result of research conducted by the International Centre for Cooperative Management at Saint Mary's University, in collaboration with the British Columbia Cooperative Association (BCCA).

COMPLEX COOPERATIVE NETWORKS CASE STUDY: QUEBEC

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

Júlia Martins Rodrigues, Karen Miner, Sonja Novkovic



**Saint Mary's
University**

INTERNATIONAL CENTRE FOR CO-OPERATIVE MANAGEMENT



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 out 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

COMPLEX COOPERATIVE NETWORKS CASE STUDY: QUEBEC

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

COMPLEX COOPERATIVE NETWORKS CASE STUDY: QUEBEC

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. *Fondaction 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

COMPLEX COOPERATIVE NETWORKS CASE STUDY: QUEBEC

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 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.



PINPOINTING KEY ELEMENTS

Which components are currently present in
Quebec's social 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 other.



PINPOINTING KEY ELEMENTS

Which components are currently present in
Quebec's social economy?

PURPOSE

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).



PINPOINTING KEY ELEMENTS

Which components are currently present in
Quebec's social economy?

AGENTS

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 a 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.



PINPOINTING KEY ELEMENTS

Which components are currently present in Quebec's social economy?

FUNCTIONS

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.



PINPOINTING KEY ELEMENTS

Which components are currently present in
Quebec's social economy?

CONTEXT VARIABLES

History and path dependence: Quebec's century-long commitment to the model, coupled with the unique cultural identity of 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.



PINPOINTING KEY ELEMENTS

Which components are currently present in
Quebec's social economy?

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.



MAPPING LINKS AND INTERACTIONS

How does the unique interplay among these key elements unfold in the province?

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.

IDENTIFYING GAPS AND DEFICIENCIES

What gaps and deficiencies exist within the network?

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.



DEPLOYING THE FIVE PRINCIPLES FOR SUSTAINABLE AND RESILIENT NETWORKS

Quebec

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.

RECOMMENDED READING ON QUEBEC'S SOCIAL ECONOMY

Arsenault, G. (2018). Explaining Québec's Social Economy Turn. *Canadian Journal of Nonprofit and Social Economy Research / Revue canadienne de recherche sur les OBSL et l'économie sociale*, 9(1), 58-75.

Bouchard, M. J. (2013). *The Social Economy in Québec: A Laboratory of Social Innovation*. In M. J. Bouchard (Ed.), *Innovation and the Social Economy: The Quebec Experience*. University of Toronto Press.

Bourque, G. L., Mendell, M., & Rouzier, R. (2013). Solidarity finance: History of an emerging practice. In M. J. Bouchard (Ed.), *Innovation and the Social Economy: The Quebec Experience* (pp. 97-126). University of Toronto Press.

Co-operatives and Mutuals Canada. (n.d.). Co-operation Across Canada. Retrieved February 2024, from https://crm.canada.coop/en/map?display_name=&co_op_sector_primary_5%5B%5D=9&city=&state_province%5B%5D=1110&combine=

Dancause, L., & Morin, R. (2013). Governance and the associative sector of the social economy: The partnership between the state and civil society in question. In M. J. Bouchard (Ed.), *Innovation and the Social Economy: The Quebec Experience*. University of Toronto Press.

esjardins Group. (2023). 2023 annual report. Retrieved from <https://www.desjardins.com/ressources/pdf/d50-rapport-annuel-mcd-2023-t4-e.pdf?resVer=1710266628000>

Government of Canada. (n.d.). Co-operatives in Canada. Innovation, Science and Economic Development Canada. Retrieved February 2024, from <https://ised-isde.canada.ca/site/cooperatives-canada/en>

Government of Canada. (n.d.). New Incorporations of Non-Financial Co-operatives, 2009–2019. Research data and reports about co-ops in Canada. Retrieved from <https://ised-isde.canada.ca/site/cooperatives-canada/en/research-data-and-reports-about-co-ops-canada/new-incorporations-non-financial-co-operatives-2009-2019>

Institut de la statistique du Québec. (2021, March 29). The impact of the pandemic on Québec's economic sectors and GDP in 2020. Notice of release. Retrieved from <https://statistique.quebec.ca/en/communiqué/notice-release-impact-pandemic-quebecs-economic-sectors-gdp-in-2020>

International Labour Organization. (2022). Definition of Social Solidarity Economy. Retrieved from <https://www.ilo.org/>

Lévesque, B. (2013). How the Social Economy Won Recognition in Québec at the End of the Twentieth Century. In M. J. Bouchard (Ed.), *Innovation and the Social Economy: The Quebec Experience*. University of Toronto Press.

McMullin, C. (2021). Financial mechanisms for innovative social and solidarity economy ecosystems: The case of Quebec. International Labour Office. Geneva: ILO.

Mendell, M. (2009). Financing the social economy in Quebec: A work in progress. *MakingWaves*, Volume 20, Number 3. Retrieved February 2024, from https://www.socioeco.org/bdf_fiche-document-2293_en.html

Poirier, Y. (2010). Labour unions and the Solidarity Economy: The Quebec experience. In E. Kawano, T. N. Masterton, & J. Teller-Elsberg (Eds.), *Solidarity Economy I: Building Alternatives for the People and the Planet* (pp. 99-113). Center for Popular Economics.

Porrior, A. (2023). Co-operatives and Mutuels Canada's analysis of the 2023 Federal Budget. Co-operatives and Mutuels Canada. <https://canada.coop/en/cooperatives-mutuels-canada-analysis-of-the-2023-federal-budget/>

Spicer, J., & Zhong, M. (2022). Multiple entrepreneurial ecosystems? Worker cooperative development in Toronto and Montréal. *Environment and Planning A: Economy and Space*, 54(4), 611-633. <https://doi.org/10.1177/0308518X211063216>

