

TABLE OF CONTENTS

1. WHAT IS A CO-OPERATIVE?
2. CO-OPERATIVES: LEGAL ASPECT
3. HOW IS A CO-OPERATIVE DIFFERENT FROM OTHER BUSINESS FORMS?
4. CO-OPERATIVES: VALUES AND PRINCIPLES
5. CO-OPERATIVES: DATA IN CANADA
6. WHAT CANADIAN THINK ABOUT CO-OPERATIVES?
7. HEALTHCARE CO-OPERATIVES
8. WHAT WORKING IN A HEALTHCARE SERVICE CO-OPERATIVE REALLY MEANS?
9. IN THE DAILY LIFE, WORKING IN A HEALTHCARE SERVICE CO-OPERATIVE, MEANS WHAT?

1. WHAT IS A CO-OPERATIVE?

- ❖ **2 DEFINITIONS**
- ❖ **4 TYPES**

1. WHAT IS A CO-OPERATIVE?

INFORMATION GUIDE ON CO-OPERATIVES

- A co-operative is a **legally incorporated corporation that is owned by an association of persons** seeking to satisfy common needs such as access to products or services, sale of their products or services, or employment

INTERNATIONAL CO-OPERATIVE ALLIANCE (ICA)

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

WHILE CO-OPERATIVES SERVE A WIDE VARIETY OF FUNCTIONS, THEY GENERALLY FIT ONE OF THE FOLLOWING FOUR TYPES:

A **consumer co-op** provides products or services to its members (such as a **retail co-op, housing, financial, health-care or child-care co-op**).

A **producer co-op** processes and markets the goods or services produced by its members, and/or supplies products or services necessary to the members' professional activities (such as **independent entrepreneurs, artisans, or farmers**).

A **worker co-op** provides employment for its members. In this type of co-op, the employees are the members and the owners of the enterprise.

A **multi-stakeholder co-op** serves the needs of different stakeholder groups (such as employees, clients, and other interested individuals and organizations). This type of co-op is usually found in health, home care and other social enterprises.

2. CO-OPERATIVES: LEGAL ASPECT

**IN CANADA, A CO-OPERATIVE MUST
INCORPORATE UNDER A SPECIFIC
CO-OPERATIVE ACT AT THE
PROVINCIAL, TERRITORIAL OR
FEDERAL LEVEL**

ACTS

These acts:

- Govern all types of co-operatives, with the exception of financial co-operatives which are governed by separate legislation
- Define the nature of the co-operative business model and how they operate

WHATEVER THE GOVERNING ACT MAY BE, CO-OPERATIVES SHARE THREE COMMON CHARACTERISTICS

Ownership: business jointly owned by its members who use its products or services

In some cases, co-operatives can have members who do not use its services or products (e.g. support members, investor members)

Governance: democratically controlled businesses with the governing principle “one-member, one-vote”

This right is exercised at the co-operative’s Annual General Meeting (AGM), where members can vote directly for the board of directors

Distribution of Profits: Any surplus is owned by the member-owners who can decide how to distribute the profits at the AGM

It can include the following decisions:

1. to allocate either part or all of the surplus to the general reserve for future investments
2. to distribute the profits to all the members in the form of patronage dividends based on the individual member's usage of the co-operative over the past fiscal year

IN ADDITION

Depending on the governing legislation,
a co-operative may become a non-profit entity

These **non-profit co-operatives do not provide members with a patronage dividend**

All surpluses are directed eventually into the general reserve

3. HOW IS A CO-OPERATIVE DIFFERENT FROM OTHER BUSINESS FORMS?

The following comparison table is generally based on federal corporate statutes (Canada Cooperatives Act, Canada Business Corporations Act, and Not-For-Profit Corporations Act) and may vary by jurisdiction. The purpose of this tool is solely for general comparison and is not intended to be used as legal advice on corporate structures. **It is recommended to seek legal counsel for your specific business needs.*

OWNERSHIP

	Co-operative Corporations	Share Capital Corporations	Not-for-Profit Corporations
Issue Shares	In the member's name	In the name of the person who is registering the share	Do not issue shares
Membership/fee	In general, a membership share may not increase in value	A common share may increase in value	Generally, anyone can be a member on payment of a fee and in accordance with the requirements of the articles and by-laws
Ownership's limit	The amount of the membership shares he or she holds	The value of the shares he or she holds	No ownership

DIRECTORS

	Co-operative Corporations	Share Capital Corporations	Not-for-Profit Corporations
Number	At least three directors or any greater minimum number that is set out in the articles	One or more directors	One or more directors
Elected by	Members	Shareholders	Members

Directors in exercising their powers and discharging their duties shall act honestly and in good faith with a view to the best interests of the corporation; and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances

VOTING

	Co-operative Corporations	Share Capital Corporations	Not-for-Profit Corporations
A member/shareholder is entitled to	Only one vote at a general meeting, regardless of the number of shares he or she holds	The number of votes based on the type of share he or she holds in the company	One vote
Delegates	Some cooperatives with a large and dispersed membership have a delegate structure for representing members (e.g., one delegate represents multiple members from a geographic district)	Not permitted	Not permitted
Proxy voting	Not allowed	Permitted	Permitted
Voting rights	Restricted	In accordance with the terms of the shares they hold	At any meeting of the members

SHARING IN THE SURPLUS

	Co-operative Corporations	Share Capital Corporations	Not-for-Profit Corporations
Share capital/dividend	May limit or prohibit the payment of interest	No limit	Cannot issue dividends or payments of capital to members
Surpluses/profits	<p>May be paid into the reserve and/or to members in the form of patronage returns proportional to the business done by each member.</p> <p>Dividends on any membership share are limited to the maximum percentage fixed in the articles</p>	May be distributed in the form of dividends according to the provisions for each class of shares, or reinvested in the company. The value of shares reflects the net value of the corporation	Do not belong to individual members but to the organization. They may, therefore, not be redistributed among the members but must be returned in full to the indivisible general reserve of the organization
Division/dissolution	Some provincial legislation may stipulate that a cooperative's general reserve is indivisible, or divisible in whole or in part	Shareholders may dispose of all of the assets of the business in accordance with certain legislative provisions	Legislation and the articles of incorporation may specify how assets are to be disposed upon dissolution

4. CO-OPERATIVES: VALUES AND PRINCIPLES

HISTORY

*The **Statement on Co-operative identity** was adopted in 1995 by the **General Assembly of the International Co-operative Alliance (ICA)** held in Manchester to mark its centennial*

VALUES

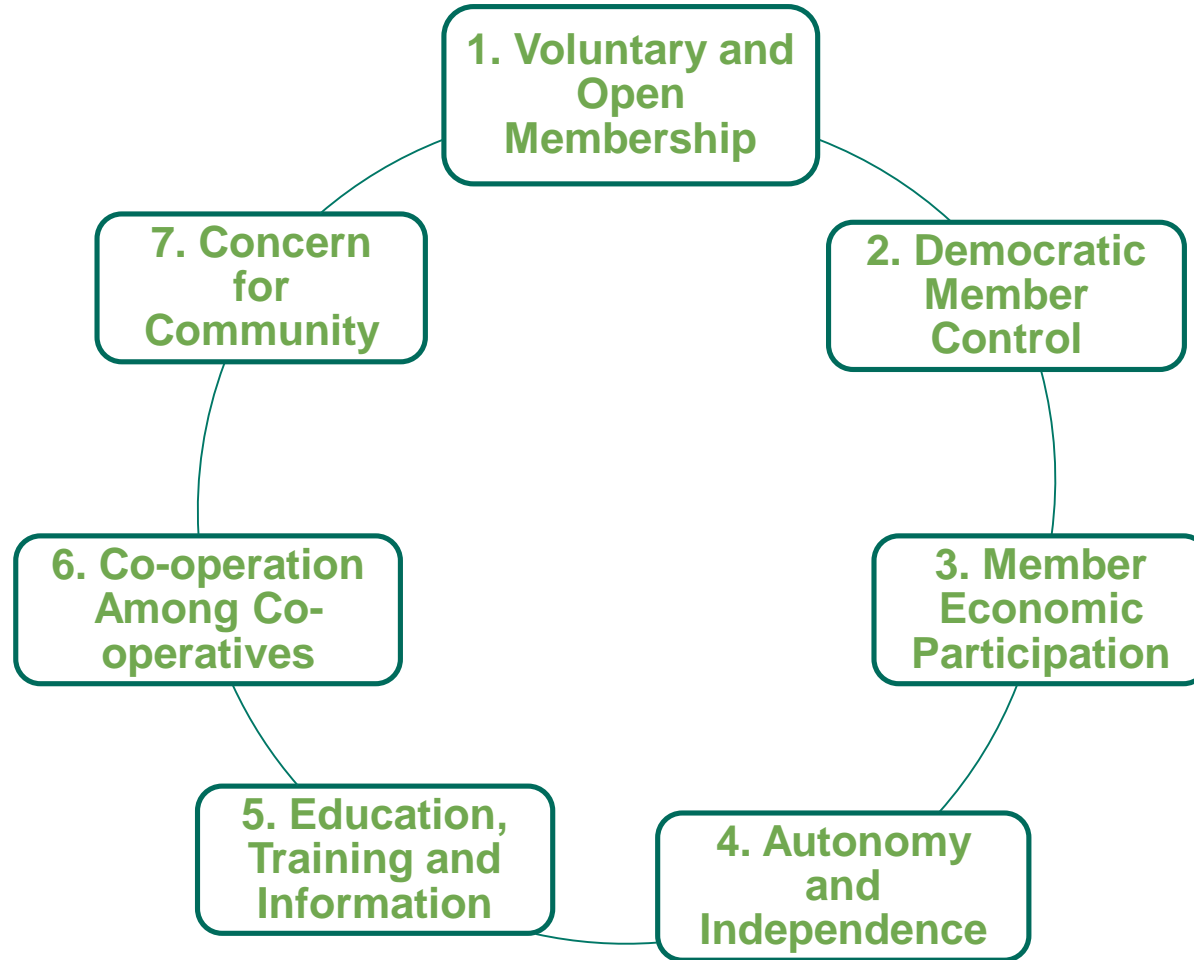
Co-operatives are based on:

- ✓ **Self-help**
- ✓ **Self-responsibility**
- ✓ **Democracy**
- ✓ **Equality**
- ✓ **Equity**
- ✓ **Solidarity**

In the tradition of their founders, members believe in the:

- ✓ **Ethical values of honesty**
- ✓ **Openness**
- ✓ **Social responsibility**
- ✓ **Caring for others**

PRINCIPLES



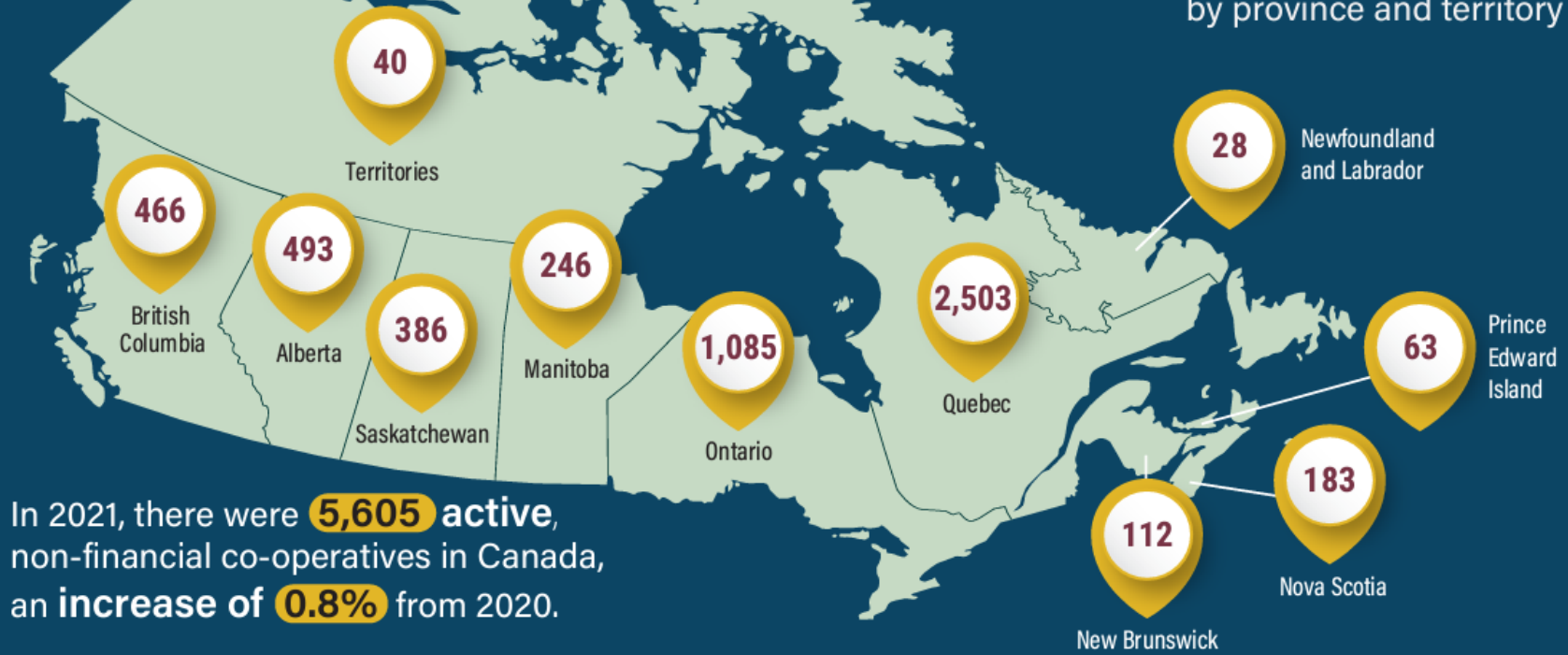
5. CO-OPERATIVES: DATA IN CANADA

STATE OF CO-OPERATIVE IN CANADA

CO-OPERATIVES IN CANADA

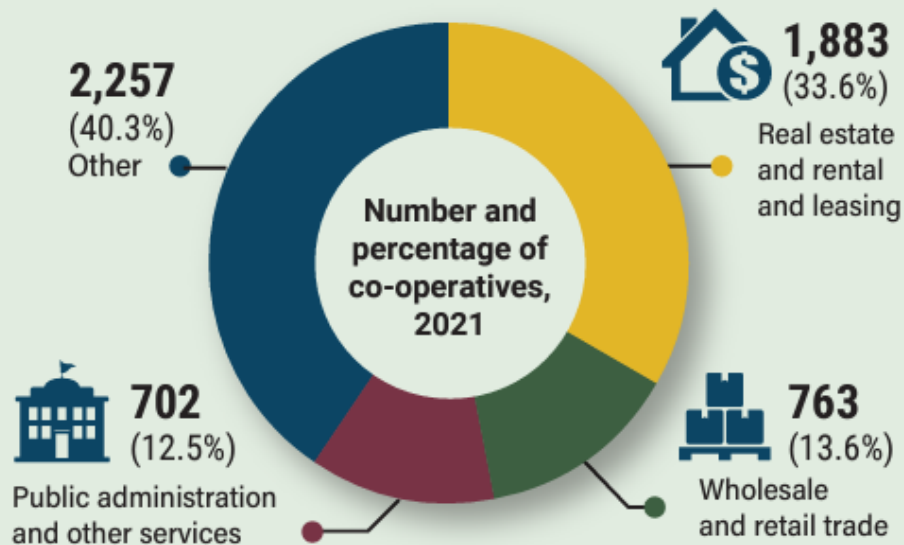
2021

NUMBER OF ACTIVE NON-FINANCIAL CO-OPERATIVES
by province and territory

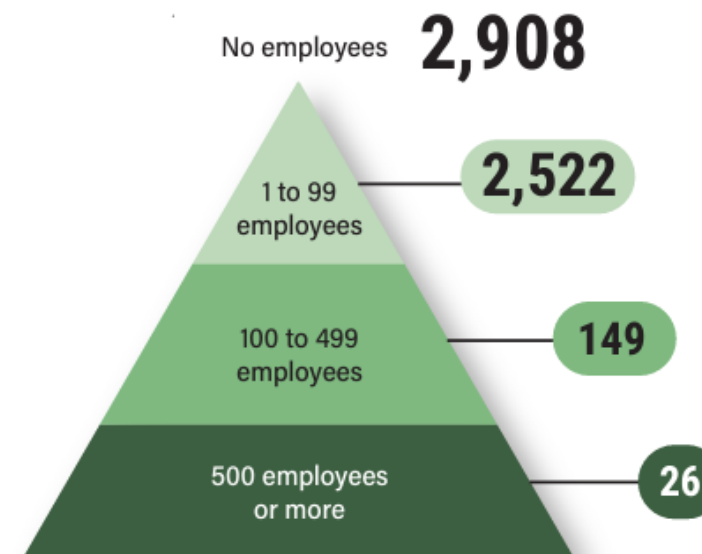


In 2021, there were **5,605** active, non-financial co-operatives in Canada, an increase of **0.8%** from 2020.

More than half of non-financial co-operatives operated in **three sectors**.



While non-financial co-operatives employed **100,754** people, **more than half** of co-operatives **had no employees**



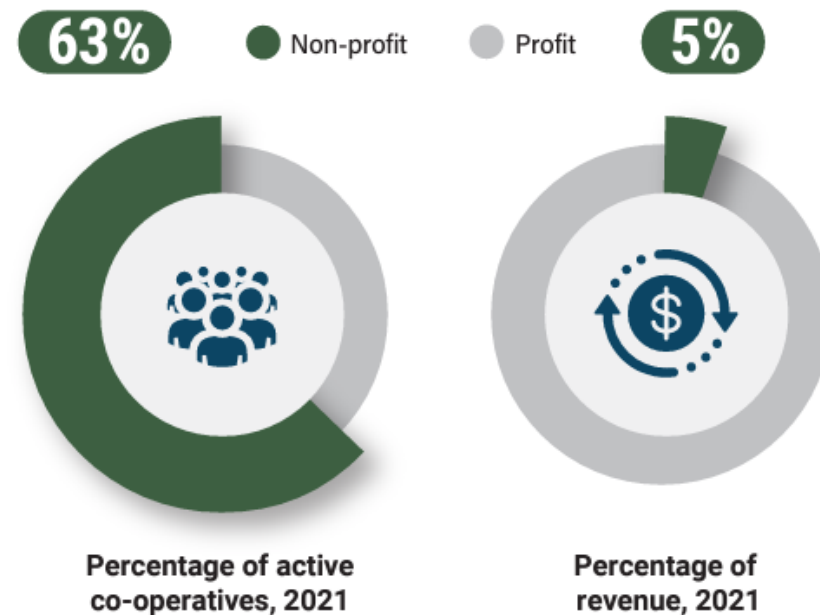
Number of active co-operatives, 2021

From: <https://www150.statcan.gc.ca/n1/pub/11-627-m/11-627-m2023065-eng.pdf>

Growth of non-financial co-operatives continued through 2021.



Non-profits made up **63%** of all non-financial co-operatives, earning **5%** of all revenue.

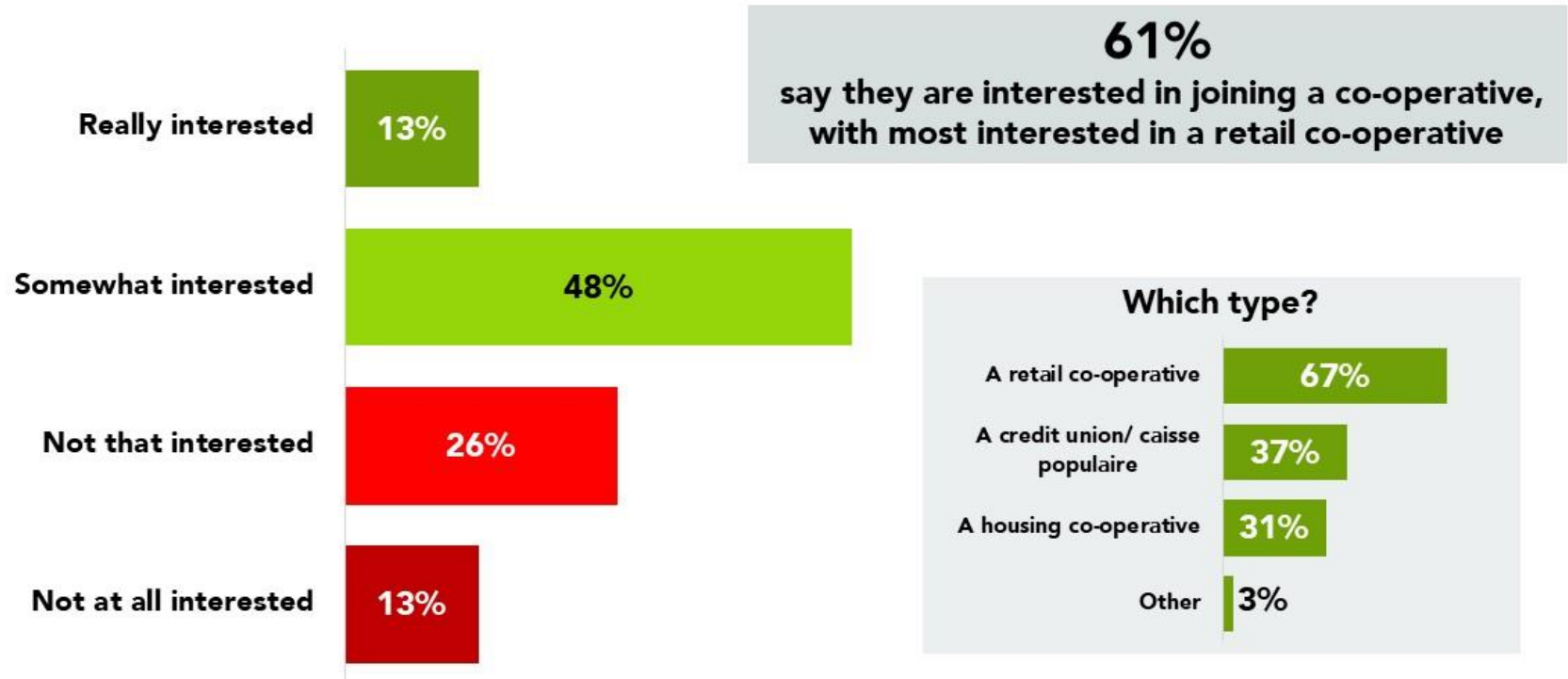


6. WHAT CANADIAN THINK ABOUT CO-OPERATIVES?

A NATIONAL SURVEY OF 5,000 CANADIAN ADULTS

7. WHAT CANADIAN THINK ABOUT CO-OPERATIVES?

NEARLY TWO IN THREE SAY THEY ARE INTERESTED IN JOINING A CO-OP



After learning about co-ops would you say you are really interested in joining a co-op, somewhat interest, not that interest, or not at all interested?/Which kind of co-op are you interested in joining? Select all that apply.





7. WHAT CANADIAN THINK ABOUT CO-OPERATIVES?

APPEAL OF THE CO-OPERATIVE MODEL

Anyone can be involved in the business regardless of gender, social, racial, political or religious discrimination



The business provides education to their members, managers and employees to help grow the business



The business works to ensure sustainable development in their community, through things like community support and environmental awareness



Customers and employees are also the owners, and can benefit financially when the business does well



Decisions are democratic, meaning that customers and/or employees have a say in its strategy and direction



Depending on the type of enterprise, the business is always controlled by employees, customers, producers etc , no matter what



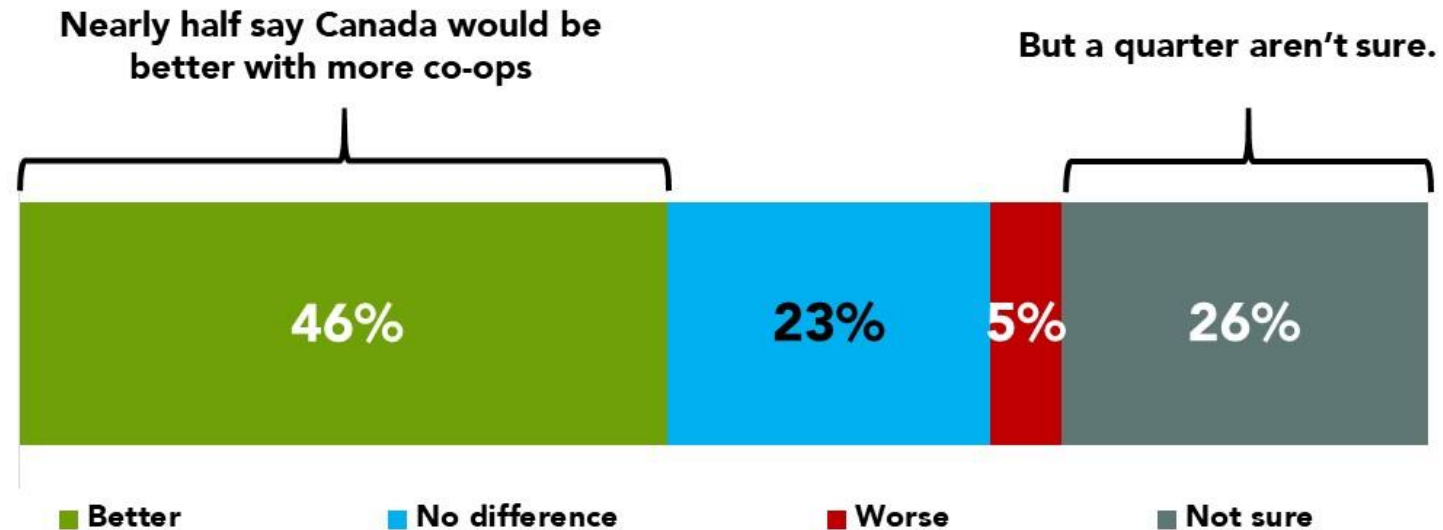
■ Really appeals to you ■ Appeals somewhat ■ Doesn't appeal to you

Now we want to imagine some ways or principles that a business or corporation in Canada could follow in how it operates. For each of the following, tell us whether you think it is something that really appeals to you, appeals somewhat, or something that doesn't appeal to you.



7. WHAT CANADIAN THINK ABOUT CO-OPERATIVES?

MOST SAY CANADA WOULD BE BETTER OFF WITH MORE CO-OPS

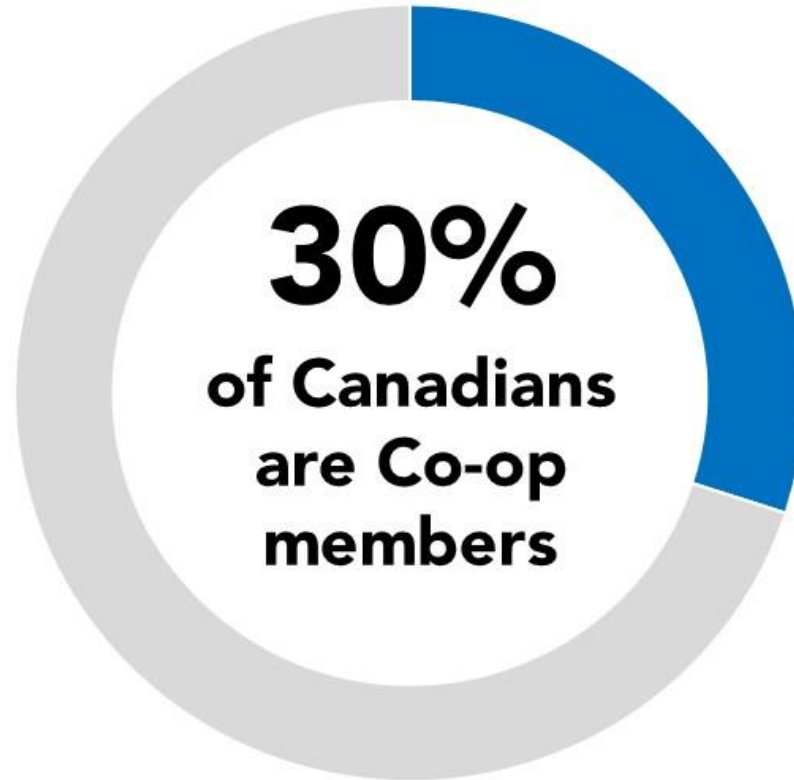


If there were more co-operatives operating in Canada, do you think Canada would be a better country or a worse country?



7. WHAT CANADIAN THINK ABOUT CO-OPERATIVES?

HOW MANY CANADIANS ARE CO-OP MEMBERS?



Representing
approximately
9 million
Canadian adults

ABACUS DATA

7. HEALTHCARE CO-OPERATIVES

**A CO-OPERATIVE THAT MEETS
MOST OF THE CRITERIA DEFINED
FOR CO-OPERATIVES APPLIED
TO HEALTHCARE**

HISTORY

EARLIEST INCORPORATIONS OF HEALTH CO-OP IN CANADA

- Coopérative de santé de Québec in 1944
- C.U.&C. Health Services Society in British Columbia in 1946 → a health insurance provider

MOVEMENT TOWARDS CO-OPERATIVE HEALTH CARE BECAME WIDESPREAD

- The early 1960s: Community health associations – *non-profit associations that provide health care services* – were born during the tumultuous period in Saskatchewan politics that led to the creation of Medicare
- The establishment of these associations was facilitated by the Mutual Medical and Hospital Benefit Associations Act – enacted in the mid-1930s

MEDICARE

THE CENTRAL ISSUE IN THE SASKATCHEWAN PROVINCIAL GENERAL ELECTION OF 1960

- Medicare supporters felt that publicly-funded health care should include representation by its users and should emphasize prevention and education
- The Co-operative Commonwealth Federation party, under the direction of Tommy Douglas, won a comfortable majority with its promise of the first publicly-funded medical care insurance program in North America

IMPLEMENT

- Fierce opposition from Saskatchewan's physicians, culminating with the doctors' strike in July of 1962
- Community health associations quickly organized clinics and other facilities to help fill the gap created by the lost services of the striking doctors
- Many give credit to the community clinics for helping to make Medicare a reality in Saskatchewan

HISTORY

However, with Medicare up and running, several community health co-operatives ceased operations.

At the same time, others saw Medicare as merely a first step in the right direction and consequently pushed forward with their community health associations.

They stood by their principles of consumer involvement and alternative planning, financing, and delivery mechanisms, in hopes of creating a more inclusive Medicare system.

8. WHAT WORKING IN A HEALTHCARE SERVICE CO- OPERATIVE REALLY MEANS?

**IT TYPICALLY INVOLVES PARTICIPATING
IN AN ORGANIZATION WHERE
HEALTHCARE SERVICES ARE PROVIDED
TO MEMBERS WHO ARE ALSO OWNERS
OR STAKEHOLDERS IN THE COOPERATIVE**

COLLABORATIVE OWNERSHIP

THE MEMBERS ARE ALSO THE OWNERS

- Employees working within the co-operative often have a say in how the organization is run and may participate in decision-making processes



“Cooperatives are organizations that are owned and democratically controlled by their members”

Johnston Birchall, an expert in co-operative studies
(January 2011, Review of Social Economy 70(3):1-32)

- Being part of a collaborative effort to provide quality healthcare
- Participating in the decision-making processes and have a stake in the organization's success
- Having opportunity for employees to contribute to important decisions that impact the organization and its members
- Participating in governance structures, election of representatives to serve on the cooperative's board of directors
- Etc.



“Research by Hansmann (1996) suggests that cooperatives are more likely to invest in innovation and adapt to changing market conditions due to their participatory decision-making structures”

Organizational costs in enterprises (based on Hansmann, 1996), cited by Michael Lee Cook & Constantine Iliopoulos (2016)

Collaborative ownership in a healthcare service cooperative can lead to more innovative and responsive healthcare solutions

HEALTHCARE SERVICE PROVISION

THE PRIMARY FUNCTION IS TO PROVIDE HEALTHCARE SERVICES TO ITS MEMBERS

- Include a range of services such as medical consultations, diagnostic tests, preventive care, and sometimes even insurance coverage



“For the International Cooperative Alliance (ICA), one of the core principles of co-operatives is **concern for community”**

This principle underscores the commitment of co-operative healthcare organizations to serving the healthcare needs of their members and the broader community

The provision of healthcare services often:

- encompasses a variety of medical, dental, and wellness services tailored to meet the diverse needs of members
- include care consultations, diagnostic tests, specialist referrals, preventive care initiatives, and wellness programs



“Co-operatives are member-owned, member-controlled businesses that operate for the benefit of their members”

National Co-operative Business Association (NCBA)

By offering a comprehensive range of services, co-operative healthcare organizations strive to promote holistic health and well-being among their members

COMMUNITY ENGAGEMENT

MANY HEALTHCARE COOPERATIVES ARE DEEPLY ROOTED IN THE COMMUNITIES THEY SERVE

- Employees may engage with community members to understand their healthcare needs better and to ensure that the cooperative's services are tailored to meet those needs



“Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity”

World Health Organization (WHO)

Community engagement takes various forms, including outreach programs, health education initiatives, and collaboration with local organizations and stakeholders



“Co-operatives are driven by the needs and aspirations of their members and are concerned about the sustainable development of their communities”

International Co-operative Alliance (ICA)

Working closely with community members to identify their healthcare needs, preferences, and challenges

SHARED RESOURCES AND COSTS

MEMBERS OF A HEALTHCARE COOPERATIVE TYPICALLY SHARE RESOURCES AND COSTS, WHICH CAN LEAD TO MORE AFFORDABLE HEALTHCARE OPTIONS COMPARED TO TRADITIONAL HEALTHCARE PROVIDERS

“Co-operatives are based on the principle of self-help and mutual aid”

International Co-operative Alliance (ICA)

“Co-operatives enable people to pool their resources to provide goods and services for themselves and their communities”

National Co-operative Business Association (NCBA)

- Pool their resources to collectively finance the operation of the cooperative and share the costs associated with healthcare services
- Leverage economies of scale and negotiate favorable terms with healthcare providers, suppliers, and insurers
- Mitigate the impact of healthcare expenses on individual members
- Operate on a not-for-profit basis, reinvesting any surplus funds back into the cooperative to improve healthcare services or expand membership benefits

COMMITMENT TO MEMBER SATISFACTION

SINCE MEMBERS ARE ALSO OWNERS, THERE'S OFTEN A STRONG EMPHASIS ON PROVIDING HIGH-QUALITY CARE AND ENSURING MEMBER SATISFACTION

“Co-operatives provide products and services that respond to individual members' needs”

National Cooperative Business Association (NCBA)

The Commitment to member satisfaction:

- Core value embedded within the ethos of the healthcare service coop
- Direct stake in the success and performance of the coop
- Not only enhances the quality of care provided but also strengthens the social fabric of the coop, fostering a sense of belonging and mutual support among members

ETHICAL AND TRANSPARENT PRACTICES

HEALTHCARE COOPERATIVES OFTEN PRIORITIZE ETHICAL PRACTICES AND TRANSPARENCY IN THEIR OPERATIONS

- Include transparent pricing, fair treatment of employees, and ethical decision-making processes

- Foundational principles that guide the operations of healthcare service cooperatives
- Based on ensuring integrity, accountability, and trustworthiness
- Essential to building trust and confidence among members and stakeholders
- Protection of member information and ensure compliance with relevant laws and regulations governing healthcare data

**9. IN THE DAILY LIFE,
WORKING IN A HEALTHCARE
SERVICE CO-OPERATIVE,
MEANS WHAT?**

**IT INVOLVES ACTIVELY
PARTICIPATING IN THE DELIVERY OF
HEALTHCARE SERVICES WITHIN A
COLLABORATIVE AND MEMBER-
DRIVEN ENVIRONMENT**

WORKING IN A HEALTHCARE SERVICE CO-OPERATIVE

It can include
a variety of responsibilities and tasks
depending on the specific role within the cooperative

IT MAY INVOLVE

For Healthcare Professionals such as doctors, nurses, and allied health professionals:

- ✓ **Provide medical care**
- ✓ **Conducting consultations**
- ✓ **Administering treatments**
- ✓ **Collaborating with colleagues to ensure the well-being of patients**

For Administrative staff:

- ✓ **Responsible for managing appointments**
- ✓ **Processing paperwork**
- ✓ **Coordinating services**
- ✓ **Handling member inquiries**

IT MAY INVOLVE

For everyone:

- ✓ **Participating in community outreach programs**
- ✓ **Organizing health education sessions**
- ✓ **Soliciting feedback from members to improve the quality of care and services provided**
- ✓ **Involving in decision-making processes**
- ✓ **Attending meetings**
- ✓ **Contributing ideas to enhance the co-operative's operations and meet the evolving needs of its members**

WORKING IN A HEALTHCARE SERVICE CO-OPERATIVE

It also means

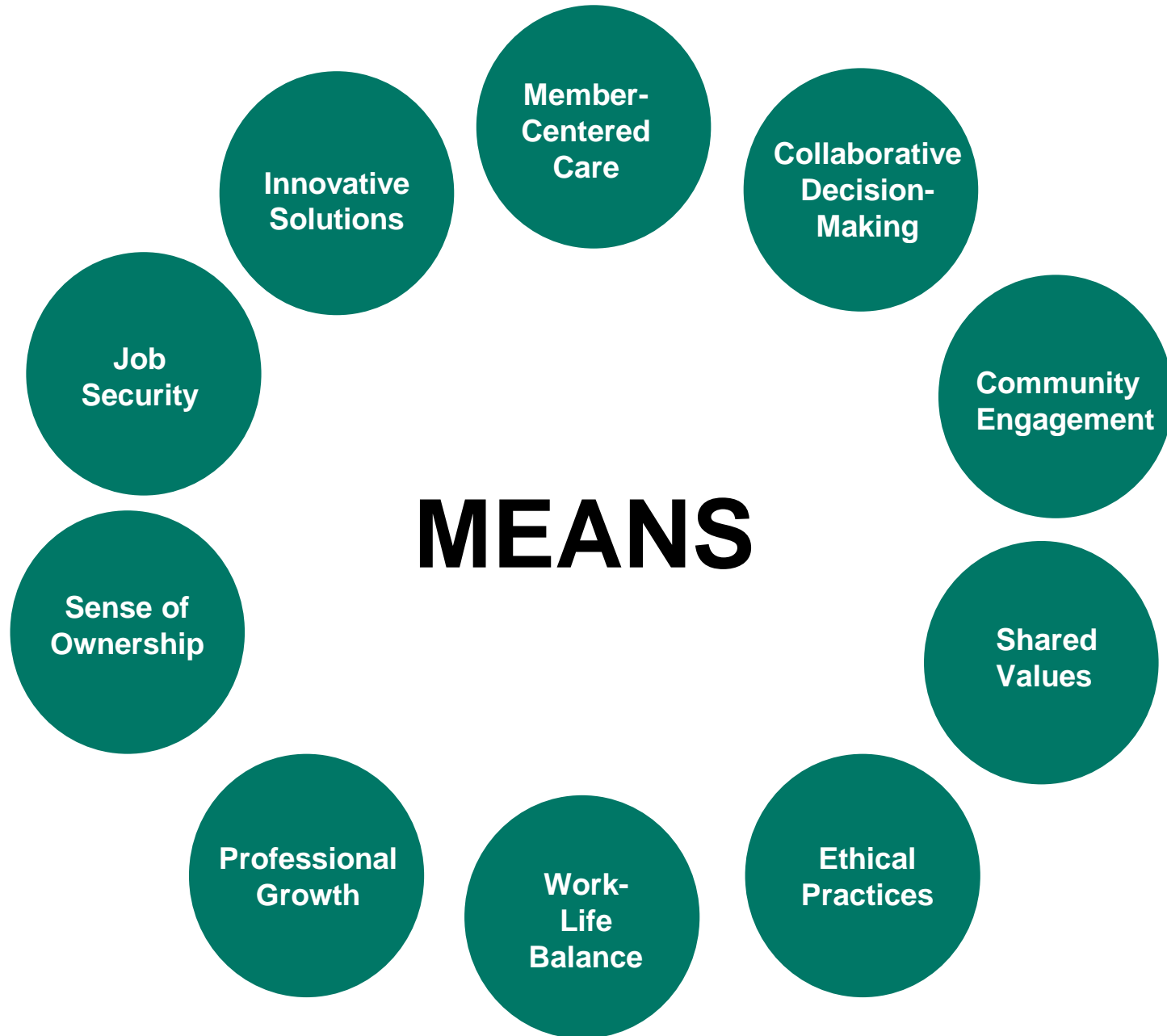
Prioritizing member satisfaction

Respecting privacy and confidentiality

**Promoting a culture of compassion, empathy,
and inclusivity**



**IN CONCLUSION:
WORKING IN A HEALTHCARE SERVICE
CO-OPERATIVE, MEANS WHAT?**





**WORKING IN A HEALTHCARE SERVICE CO-OPERATIVE,
MEANS APPLYING
THE 7 PRINCIPLES SET FORTH BY THE ICA
AND HAVING LOVE FOR ONE'S NEIGHBOR**

HEALTH CARE
CO-OPERATIVES
FEDERATION
OF CANADA



LA FÉDÉRATION
CANADIENNE
DES COOPÉRATIVES
DE SANTÉ

THANK YOU FOR YOUR ATTENTION

Any questions?



Become a member!
info@healthcoopcanada.org

Prepared by: **MOUSTAPHA SOUMAHORO | MANAGER, SUSTAINABILITY**

