

Canadian Co-operatives and Mutuals: Results of a Survey on the First 18 Months of the COVID- 19 Pandemic

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Background

The COVID-19 pandemic has impacted all Canadian businesses to varying degrees: sanitation and containment measures, as well as forced telecommuting in many sectors of the economy, have combined with labour shortages to increase uncertainty. Like other businesses, co-operatives and mutuals (CMs) have had to cope with the effects of the ongoing crisis. This report presents the results of a survey conducted among Canadian CMs on behalf of Co-operatives and Mutuals Canada, which pursued the following objectives:

1. To understand how the COVID-19 pandemic has affected Canadian CMs in its first 18 months;
2. To learn what measures they have taken to respond to the crisis and assist their members and communities;
3. To identify the support they offered and received during this period.

Typically, research addresses the resilience of co-operatives at the organizational level (micro-level). In this report, we also consider the role of co-operative networks (meso-level¹), and policy environment (macro-level²) to provide a more complete picture about sources of co-operative resilience³.

The report is divided into three sections. First, we explore the effects of COVID-19 on Canadian CMs. Second, we focus more specifically on the support received from governments (federal and provincial) and co-operative federations / co-operative and mutual associations (CFAs). The third section examines in more depth the responses of CMs to the pandemic, in terms of measures taken with respect to their employees, members and other stakeholders.

Methodology

An online survey targeting the Canadian CMs was disseminated from July 15th to October 1st, 2021, notably through Co-operatives and Mutuals Canada's mailing list, as well as by federations, associations, and the research team's networks. A total of 292 responses were obtained with the final sample size of 192 respondents once incomplete responses were removed. The survey questions were developed based on, among other things, pre-interviews with key informants from associations and federations to determine their impressions of the impact of the pandemic on their member co-operatives and their role in mitigating its effects. The questions were also informed by a review of the literature on the resilience of CMs in times of crisisⁱⁱ and a review of media coverage of Canadian CMs between March 1, 2020, and March 31, 2021ⁱⁱⁱ, both of which were conducted prior to the survey.

¹ The meso-level relates to cooperation among co-operatives (and other stakeholders) at the local, regional, and national levels through the creation of business support institutions, groups, consortia, federations, etc. (Eum, 2012). The meso-level includes actors such as associations and 2nd-tier co-operatives like federations, among others.

² A favorable environment for CMs at the macro-level relies notably on the presence of co-operatives in a substantial part of the economy and the existence of a conducive legal framework – e.g., public policies promoting co-operatives, non-banking financial instruments, compulsory indivisible reserves (Eum, 2012).

There are, however, some limitations to this report that need to be stated at the outset. Indeed, although the dissemination of the online survey via co-operative networks is effective, it increases the likelihood that survey respondents will be from CMs that are members of CFAs, which may generate bias in answering questions about them. Moreover, only 192 complete responses were registered by October 1st, 2021. As such, the responses obtained cannot be considered representative of the situation experienced by all Canadian CMs, nor are they sufficient to allow a comparative analysis of the situation experienced by CMs of different types, regions, sizes, or number of years in operation³. They also do not identify whether CMs have, to date, fared better or worse than other Canadian businesses nor do they consider the effect of the consecutive waves of the pandemic beyond October 2021. Certainly, further surveys will be relevant to continue to measure the impact of the pandemic on Canadian CMs, especially if the pandemic continues for some time.

Profile of survey respondents

Of all the respondents, 39% were from consumer co-operatives (including credit unions and mutuels), 22% were from worker co-operatives (including shareholder worker co-operatives), and 17% were from multi-stakeholder co-operatives. In the remaining portion, producer co-operatives represent 5% of respondents, associations and federations represent 11% while 6% of respondents selected “Other” as a category, most of them identifying as community service co-operatives. About three-quarters of the respondents (77%) were from CMs with fewer than 100 employees and 16% reported having no employees. The geographic distribution of respondents was measured by head office location (figure 1). Because some regions were under-represented, they were grouped together. Thus, Atlantic provinces include New Brunswick, Newfoundland and Labrador as well as Nova Scotia. The Prairie Provinces include Alberta, Manitoba, Saskatchewan, and the Northern Territories include Nunavut and Yukon. Prince Edward Island and Northwest Territories are not included in the portrait, as no respondents from these locations completed the survey. See Annex 1 for a detailed profile of survey respondents.

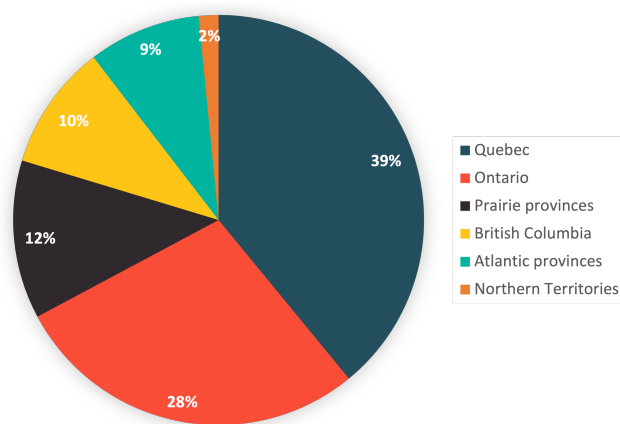


Figure 1. Geographic distribution of survey respondents by location of their organization’s head office

³ Segmented analysis of the resulting data is performed where possible.

Impact of the first 18 months of the COVID-19 pandemic on Canadian CMs

Respondents were asked to describe various aspects of their organization, comparing their situation at the end of fiscal year 2020 to their situation at the end of fiscal year 2019. Despite the pandemic, the survey respondents report a certain stability (neither increased nor decreased) in their membership size, number of employees, products/services offered as well as in their level of debt (figure 2). While almost half of the respondents mention an increase of the demand for their products and services, 39% still appear to have experienced a decline in revenue. This suggests that some may not have been able to meet this increased demand. It is also interesting to note that a good number of respondents indicate an increase in their reserves. In fact, 68% of all respondents⁴ stated that having sufficient reserves helped their organization better weather the pandemic.

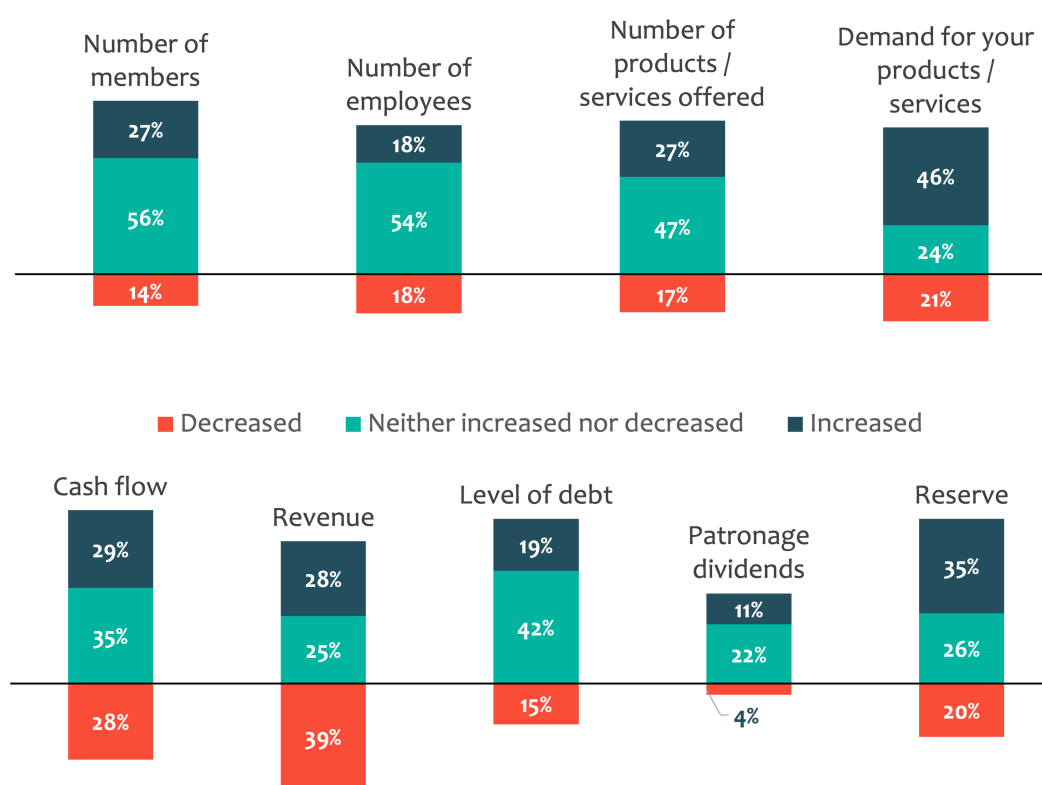


Figure 2. Comparison of the situation of Canadian CMs at the end of the fiscal year 2020 to the end of fiscal year 2019

Note: Respondents could also indicate “Does not apply” and “Unsure”. These response choices are not included in this figure. Please note, however, that 57% of the respondents chose the “Does not apply” option when asked about patronage dividends. It could either correspond to CMs that did not distribute patronage dividends in 2019 and 2020 or to non-profit co-operatives, such as housing co-operatives (25 out of the 35 respondents from real estate and rental and leasing sector chose that response choice).

⁴ A lot (34%), moderately (17%), a little (17%).

“Global and local uncertainty and volatility caused by the COVID-19 pandemic had significant and varied impacts on our co-operative, as well as on our members, clients and communities. Immediate threats to physical health, an increase in deaths and hospitalizations, government-issued lockdowns, business interruption, financial insecurity as a result of widespread layoffs and unemployment, and lingering mental health impacts were exceedingly significant challenges that defined 2020.”

(Survey respondent)

“As a non-profit, we had already limited resources to do our work and now the ability to attract new funding (grants) is even more difficult as funders seem focused entirely on COVID and resources (funding, etc.) are seemingly scarce for other non-COVID activities.”

(Survey respondent)

“Our organization has about 20 different ongoing community initiatives. Most of these are volunteer-led and involved bringing people together for a wide range of recreational, performing arts and community advocacy activities. Approximately 75% of activities had to be suspended during COVID. Because there is little ongoing overhead for these activities, there wasn't a negative financial impact, but with general revenue down, there is less money to put into administrative costs such as insurance, book-keeping and staff support.”

(Survey respondent)

well as the ones from the sector of other services - except public administration – (47%, or 7 out of 15). Not surprisingly, these respondents report that their revenue have also declined. In other industrial sectors, either the responses are relatively evenly split between increased, stable and decreased demand, or the number of respondents is too small to draw any conclusions. The demand for products and services offered by Canadian CMs, as reported in the survey, may be similar to that observed in Canadian businesses in general. Considering the changes imposed by the COVID-19 pandemic, businesses offering consumption products, healthcare or information services are probably among those which were the most solicited in general.

Among the respondents who indicated an increase in the demand for their products and services between 2019 and 2020 are those coming from the wholesale and retail trade sectors. More specifically, 65% of them, or 13 out of 20, are in this situation; only 17% of them indicated a decrease in demand. As a corollary, 60% of these respondents also indicate an increase in revenue. Other industrial sectors whose respondents mention such an increase in demand are the ones operating in health care and social assistance (63%, or 10 out of 16), information and cultural industries (75%, or 6 out of 8) and professional, scientific and technical services (50%, or 6 out of 12). Respondents from the manufacturing sector also report a fairly small negative impact of the pandemic on their co-operatives, with 43% of them indicating no change in the demand for their products and services (3 out of 7) while another 43% report an increase. On the other hand, 63% of the respondents from healthcare and social assistance, and 57% of the ones from the manufacturing sector say their revenue decreased between 2019 and 2020. Respondents from the other industrial sectors mentioned here mostly report an increase in revenue.

On the other hand, the largest proportion of respondents from the arts, entertainment and recreation sector noted a decrease in the demand for their products and services (50%, or 6 out of 12), as

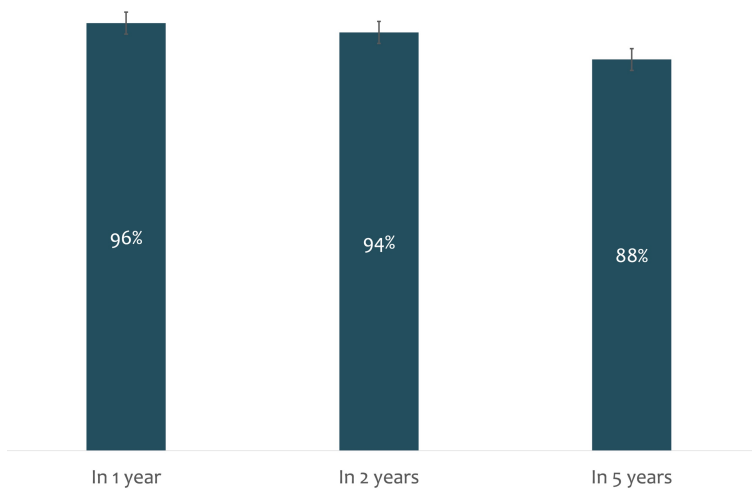


Figure 3. Mean level of confidence of the respondents, regarding the probability that their organization will still be in operation in 1 year, in 2 years and in 5 years

relationships established with some of their stakeholders can sometimes make the difference in ensuring their survival and be reinforcing factors of organizational resilience. CMs are no different. In fact, when asked if their organization received any financial, in-kind or technical support from different stakeholders in the first 18 months of the pandemic, only 8% responded that they received no help at all.

Survey respondents pinpoint having received more support from some stakeholders than from others. Local authorities and governments are the stakeholders from which they say having received the most support (figure 4). This is followed by employees – e.g., unpaid work, work outside their usual job description, etc. – and members. Also, it is interesting to note the large proportion of respondents who indicated that their organization received help from community stakeholders. This suggests strong local roots, a characteristic often put forward by CMs.

Overall, Canadian CMs seem to have come through the first 18 months of the COVID-19 pandemic quite well, with survey respondents generally reporting little negative impact on their organization. As a result, when completing the survey⁵, respondents were quite confident that their organization would still be in operation in the years to come (figure 3). The level of confidence decreases slightly over time, suggesting some fear of an uncertain future.

Support received in the first 18 months of the COVID-19 pandemic

Organizations of all kinds are part of a socio-economic environment that both justifies and enables their activities. In times of crisis, the

⁵ It is important to remember that the survey ended on October 1st, 2021, while the pandemic still seemed to be slowing down. These results could already be different at the time of publishing this report, given the arrival of the Omicron surge that suggests the pandemic is not yet over.

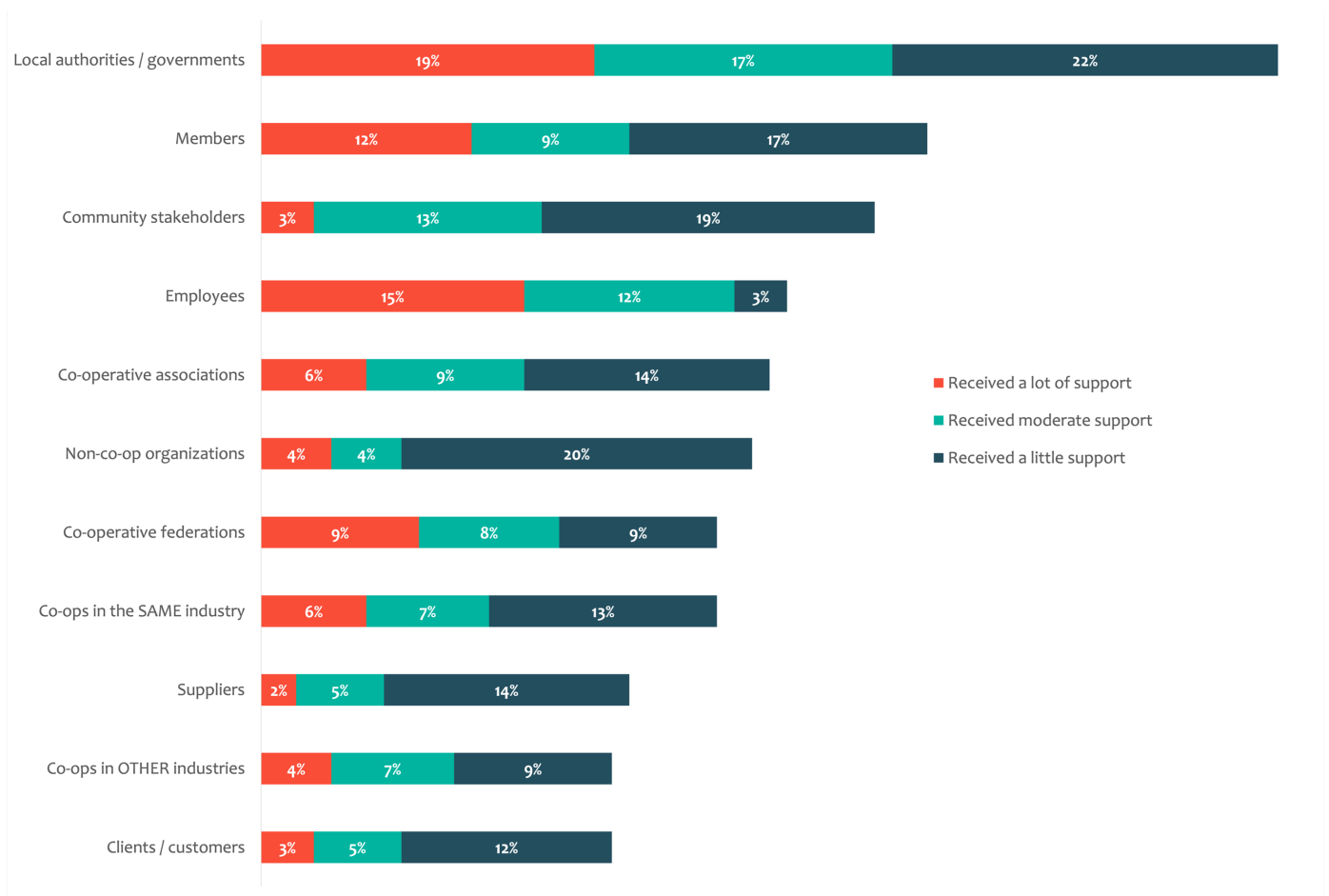


Figure 4. Percentage of survey respondents who report their organization received support in the first 18 months of the COVID-19 pandemic

Results shown in figure 4 must however be qualified to fully show the role played by these different stakeholders during the pandemic. For example, the overall percentage of respondents reporting that their organization received support from community stakeholders (34%) is higher than the percentage associated with support received from co-operative federations (26%). On the other hand, more respondents mention that their organization received a lot of help from the latter (9%) than from the former (3%). When considering the weighted amount of support received from different stakeholders, as qualified by respondents, it can be observed that co-operative actors have, on the whole, occupied an important place in the offer of financial, in-kind or technical support to CMs (figure 5).

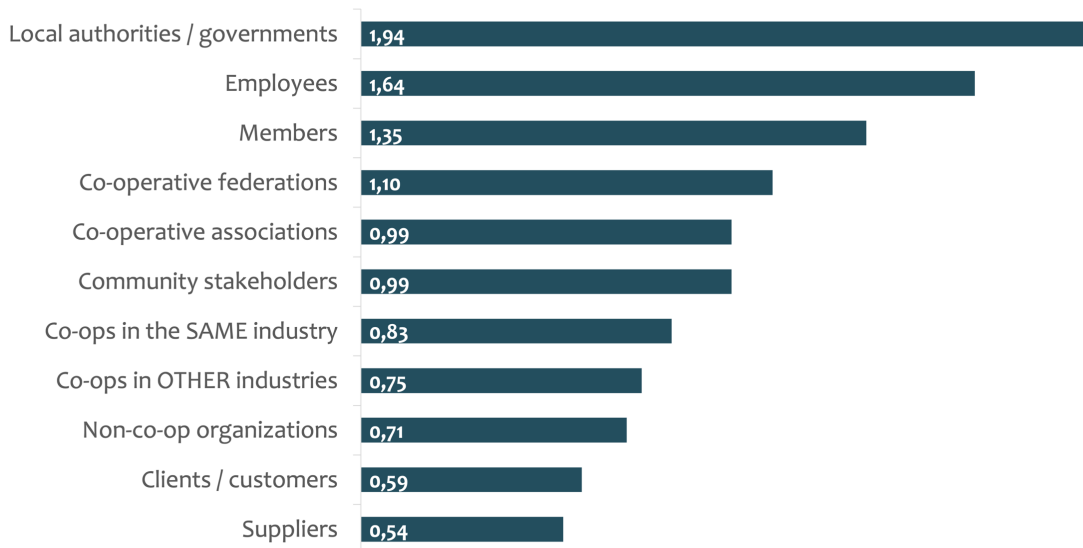


Figure 5. Weighted amount of support received by Canadian CMs, from different stakeholders, as qualified by respondents

Note: The weighted amount of support received from the different stakeholders has been obtained through ponderation of the response choices (a lot of help = 5 points; moderately = 3 points; a little = 1 point; none = 0), divided by the number of respondents. The options “Does not apply” and “Unsure” have been excluded from this calculation.

Use of federal and provincial governments’ programs

In response to the challenges posed by the COVID-19 pandemic, numerous support programs have been established by the Canadian federal and provincial governments. A number of these programs were aimed directly at commercial businesses, especially those in highly affected industrial sectors. In this section, we present survey results regarding the use of government programs related to COVID-19 by all respondents (192 in total).

Overall, 129 of the 192 respondents (67%) indicate they have used government programs (either federal or provincial) set up in response to the pandemic. The percentage of respondents who affirm they used government programs is similar in every Canada’s region – varying between 50% and 60% - apart from the Quebec province, where nearly 9 out of 10 respondents (87%) say they have used such programs, and the Prairie provinces, where this proportion drops to 42%, or 10 out of 24⁶. More specifically, half of the 12 respondents from Prairie Provinces who indicated they did not use government programs said it was because their organization did not need them. In this last case, the number of members, the number of products and services provided and the demand for their products and services either remained stable or increased, indicating that the COVID-19 pandemic may have had little or positive effect on their business activities, even if they are from different industries. It is not possible to define any common characteristics among CMs in the Prairie provinces.

⁶ One survey respondent from Prairie provinces was unsure and another one did not respond.

It is also not possible to say with certainty what accounts for Quebec CMs' greater use of government programs. We note that Quebec respondents come from CMs with a larger number of employees on average: CMs with 4 or less employees account for only 33% of Quebec's respondents, compared to percentages ranging from 46% to 79% in the other provinces. In addition, 60% of respondents from worker co-operatives are from Quebec and it can be seen that a larger proportion of these respondents indicate that their organization have used government programs than those coming from other types of CMs (figure 6). Given the significant employment support provided by governments since the beginning of the COVID-19 pandemic, it is likely that Quebec CMs have had easier access to government assistance.

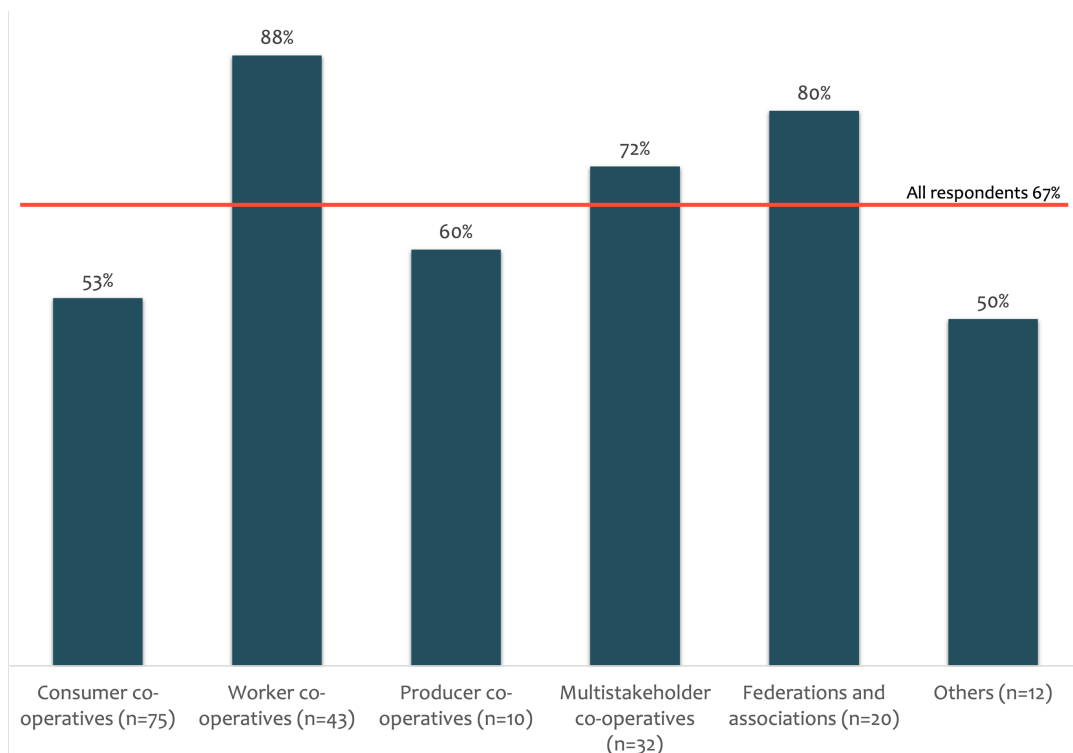


Figure 6. Use of COVID-19-specific government support programs, by type of CMs

Furthermore, respondents from Quebec are the only ones to mention that their organization had used business loans programs offered by the provincial government. Either these programs were better adapted to the co-operative model than in other provinces, or certain characteristics more specific to Quebec CMs and their environment facilitated their use of such programs.

Given the large number of government programs in place, the survey was not intended to accurately identify the specific programs used by CMs, but rather to assess the use (or not) of programs in general. Nevertheless, the three main programs initially established by the federal government – Canada Emergency Wage Subsidy (CEWS), Canada Emergency Business Account (CEBA) and Canada Emergency Rent Subsidy (CERS) – can be associated with some of the response options offered, namely Employment/wage programs, Business loans and Rent assistance, respectively. The type of government programs mainly used by CMs are these three, federal programs,

in order of importance (figure 7). In the survey, respondents were asked to select all types of government programs used, by level of government; 62% used more than one type of COVID-19-specific programs, whether offered by the same level of government or not. However, one survey respondent mentions: “We have been offered over 3M in grants, but don't have the cash flow ability to spend the money in advance and wait for the funds to follow as reimbursement from the government. It's heartbreaking.” This may suggest an inadequacy in the rollout of the government support programs with respect to the financial capacity of businesses.

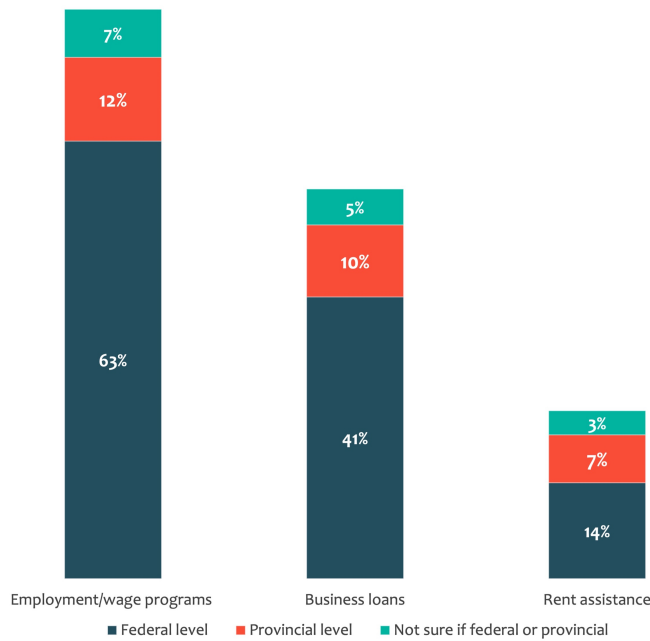


Figure 7. Types of government COVID-19-specific programs used by CMs, by level of government

At this time, it is difficult to know whether the proportion of CMs that have used government programs related to COVID-19 is similar to those of Canadian businesses in general. The only data available on this subject concerns the use of the three main programs established by the federal government - CEWS, CEBA and CERS – by industrial sector, for all Canadian businesses^{iv}. Among the respondents to our survey, 74% are small CMs (between 1 to 99 employees) and 15% of them are CMs with no employees, which makes the comparison with Statistics Canada data irrelevant for the moment.

“We are a new organization, so everything is a challenge! But we’re getting there. Certainly, starting a business during COVID-19 has been interesting!” (Survey respondent)

While a large majority of the respondents say they have used government programs, 30% did not. Of these respondents, 42% mention that they did not need governmental support, while 28% specify their organization did not meet the eligibility requirements (figure 8). Otherwise, some respondents indicate that the programs did not respond to their organization’s needs (12%) or that the information about the programs was not clear or readily available (7%). 11% of the respondents indicate that their organization did not use government programs for other reasons, such as a lack of resources to apply or the low probabilities of getting access to the programs compared to the complexity of the application.

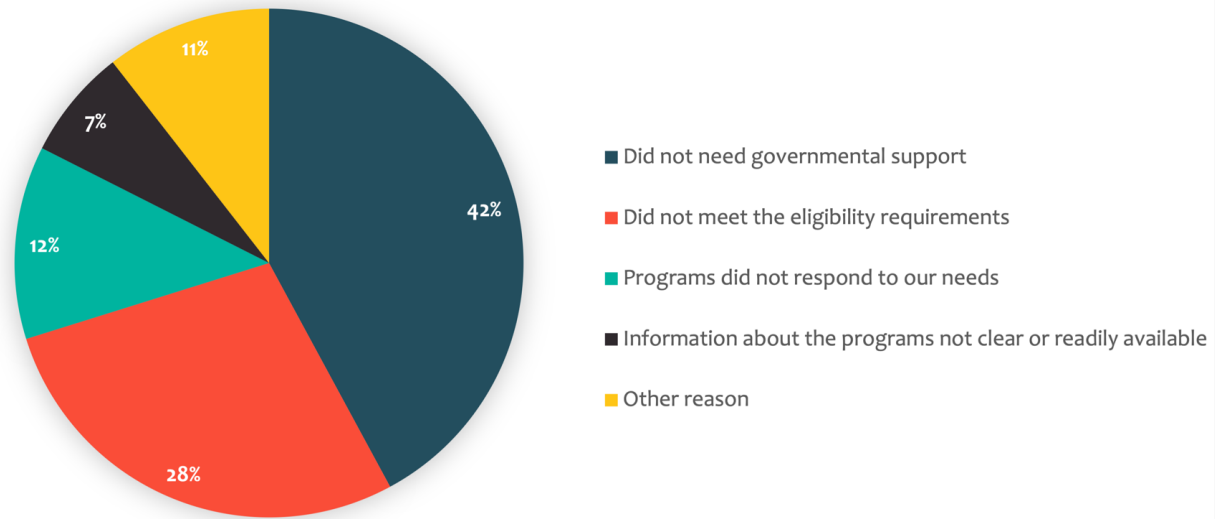


Figure 8. Main reason identified by respondents for their organization not having benefitted from COVID-19-specific government programs (n=57)

Among the 57 respondents who indicated that their organization did not use government programs, 21 are from CMs with no employees and 24 from CMs with 1 to 4 employees. In other words, 79% of the respondents who indicated that their organization did not use government programs come from CMs with 4 or less employees⁷. CMs in the real estate and rental and leasing industry, i.e., mainly housing co-operatives, represent 49% of these respondents⁸. Although few in number, some CMs with 4 or less employees report that a lack of resources is the reason they did not use (apply for) government programs.

“Many government programs considered consolidated impact on business at the revenue line only for eligibility. This was an impediment to diversified co-operatives.” (Survey respondent)

“We were eligible for multiple grants, but there was a huge drop in manpower and communication for a while during the pandemic, which led to us missing out on several grants/support networks.” (Survey respondent)

Younger CMs and those with a small number of employees represent the majority of the 16 respondents who indicate that their organization was not eligible for government programs. Indeed, 10 of these 16 (63%) respondents come from CMs established between 2015 and 2020; 13 of these 16 (81%) respondents are from CMs with 1-4 or no employees. It was not clear from the survey exactly why these organizations were ineligible to

⁷ These numbers include 72% of all respondents to the survey that come from CMs with no employees and 34% of those coming from CMs with 1 to 4 employees.

⁸ Overall, 63% of the 35 respondents from housing co-operatives indicate that their organization has 4 or less employees and did not use government programs.

government programs – and the results may not be representative of the whole - but a review of the eligibility criteria could help to better understand this situation and to ensure that it does not affect their survival.

When asked about what government programs would have been useful that were otherwise not available, 58% of the respondents to the survey either did not answer the question, indicated that they didn't know or stated that they received all the support they needed. The responses offered by the remaining 42% of survey respondents can be divided into four main categories.

1. **More financial assistance for the implementation of COVID-19 measures, especially in SMEs.**

Consideration of expenses associated with increasing the availability of free services to members, funding for fixed costs or online training offer, grants or reimbursement of expenses related to the purchase of sanitary equipment and materials, as well as technology assistance for communication with members and between members of the Board of Directors, conversion to remote work and electronic commerce are some examples given by respondents.

2. **Support for regular activities and operations**, such as funds for development projects, employment incentives, or grants to compensate reduced volunteerism, especially in non-profit co-operatives and/or those in which seniors are the primary source of volunteers.

“Financial support for hard-working, essential elderly volunteers who needed to purchase technology to meet the "stay at home" requirements and keep working. Given Canada's reliance on volunteers, especially seniors, there should have been, should still be, some easing of the financial and effort burden.” (Survey respondent)

3. **Start-up assistance.** Some respondents from co-operatives established during the last few years mention they could not apply for government programs because they were not able to show a decline in revenue or could not yet afford to pay their employees, making them sometimes ineligible for the programs.

4. **Needs related to sectoral specificities.** Some examples are recognition of farmers' markets as essential services in order to help local farmers, support for provision of health services in small rural communities, easier access to foreign workers for labour shortage sectors and incentives to buy local.

Furthermore, difficult access to clear information and the complexity of the application process were noted by some respondents.

In sum, although we cannot compare CMs' use of government programs with that of other Canadian businesses, it is possible to say that most have been able to access the programs, sometimes with the help of CFAs. In the years to come, as the effects of the COVID-19 pandemic decline, government support will certainly decrease. As mentioned by analysts from the Bank of Canada^v:

A potential risk in the near term is an unexpectedly large and sudden increase in corporate insolvencies once government support programs run their course. The extraordinary financial support provided to some firms over the past year makes it difficult to get an accurate read of the

financial health of businesses. In particular, it is not clear whether firms that currently benefit from financial support are financially viable without these programs.

The CMs are not immune to this risk. They might become more vulnerable unless they consolidate their situation in the meantime. The existence of public policies and programs supporting CMs is one of the reinforcing factors of co-operative resilience in times of crisis, but it is not sufficient by itself¹. Strong and organized co-operative networks are also needed to reinforce cooperative resilience. The role of CFAs during the first 18 months of the COVID-19 pandemic is explored further in the next section.

Role of co-operative federations and associations during the COVID-19 pandemic

This section presents the role of CFAs during the COVID-19 crisis. In total, 15 respondents were from co-operative federations and five from co-operative and mutual associations. Given the small number of respondents from each type, they were grouped for the purpose of this analysis, for a total of 20 respondents. These CFAs vary in size, location, and business sector, and provide services to a diverse number of members, ranging from 11 to 950, with an average of 110 members. Of these 20 respondents, 12 (60%) have fewer than 9 employees. It is also important to note that 80% have been in operation for over 20 years, which suggests a certain stability over time and testifies to their relevance to members.

The importance of CFAs in providing information to their members was highlighted during the COVID-19 pandemic. All CFAs' respondents report that their members have turned to them for information about COVID-19, while 17 (94%) report having had requests about COVID-19 governmental programs. Representatives of CFAs interviewed also mentioned their role as intermediaries and lobbyists for their members in front of governments. Respondents report they were fully able to respond to their members' requests, except for three who mention that they were only partially able to do so.

“Financial assistance [from government would have been useful] to compensate for the services of expert accounting firms and our HR dedicated to the analysis and dissemination of government assistance available to federations and co-operatives of all sizes. This represents an investment of over \$100,000.” (Survey respondent from a CFA; our translation)

In addition to the requests for the transmission of information regarding COVID-19, a large percentage of CFAs mention an increase in requests for their services (figure 9), especially for support in conversion to digital governance (80%), to digital work (60%) and for implementation of health, safety, and well-being measures (55%). These results are consistent with the significant changes required to address the pandemic in these three areas. Furthermore, 95% of CFAs respondents offered online training or conferences to their members during the pandemic.

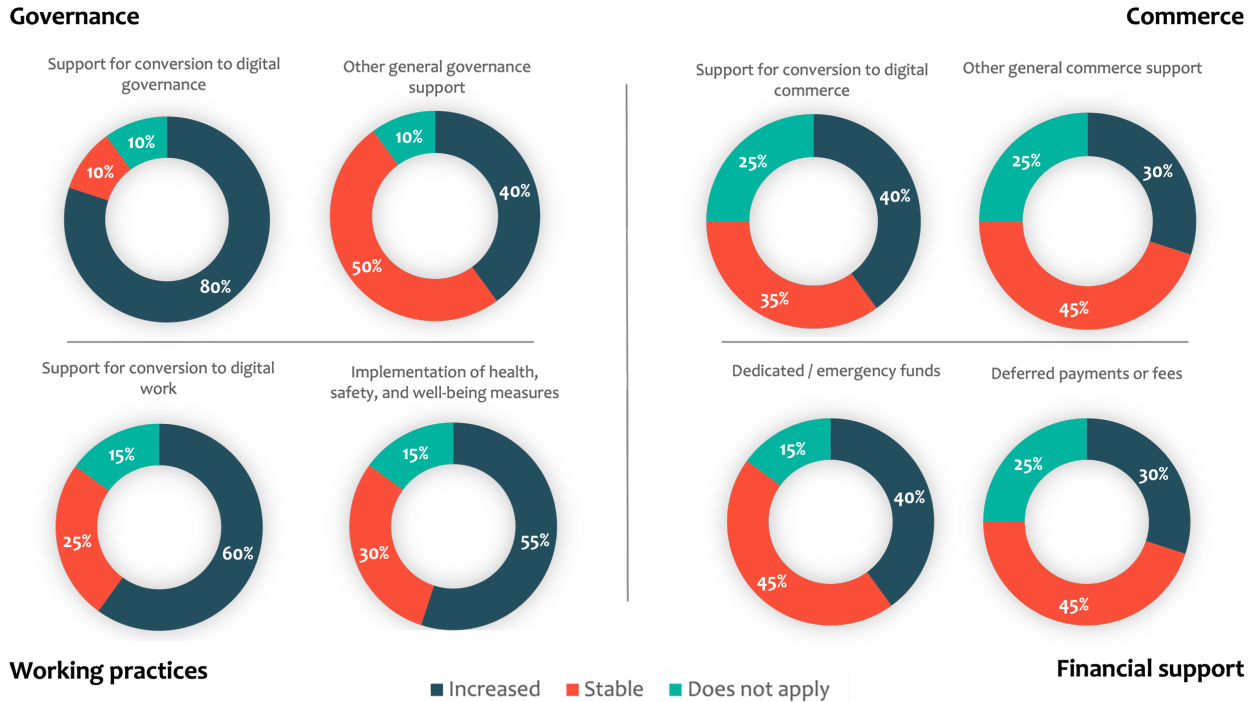


Figure 9. Self-reported level of demand for CFAs' services between 2019 and 2020

Despite the increase in demand for services and the support measures put in place during the pandemic as reported by the CFAs, only 30% of all (192) respondents of the survey - including some federations and associations - mention having received a lot, moderately or a little support from a co-operative association and 26% from a co-operative federation.

Correspondingly, half of all respondents (50%) mention that they have not received any support from either. It is not possible, however, to specify the number of these respondents whose organization is not a member of any of these entities, which could explain, at least in part, this high proportion⁹. While the type of CM and their location do not seem to influence this proportion, their number of years in operation seems to influence it more, with the youngest CMs showing the highest proportions of respondents saying they have not received help from either a co-operative association or federation. Our data do not allow us to establish significant correlations between the age of a CM and the support obtained from CFAs, but they suggest that special attention should be paid to ensure that CMs are adequately integrated into Canadian co-operative networks after their establishment.

⁹ The survey did not explicitly ask respondents whether their organization was a member of a co-operative association or federation. We hoped that the response choice “Does not apply” – found in questions such as the ones about support received from and relationship with a co-operative association or federation - would inform us on this. Nevertheless, conflicting results in these two questions prevent us from estimating the number of members and non-members. The number of respondents who say they did not receive support from a co-operative association or federation should therefore be interpreted with caution: CMs that did not receive support from them may simply not be members.

According to respondents, the most frequent service received from a co-operative association or federation during the pandemic is information and support about COVID-19 governmental programs (49% from co-operative associations and 66% from co-operative federations). These results are consistent with CFAs respondents presented previously. Other types of support or services received from co-operative associations and federations are presented in figure 10.

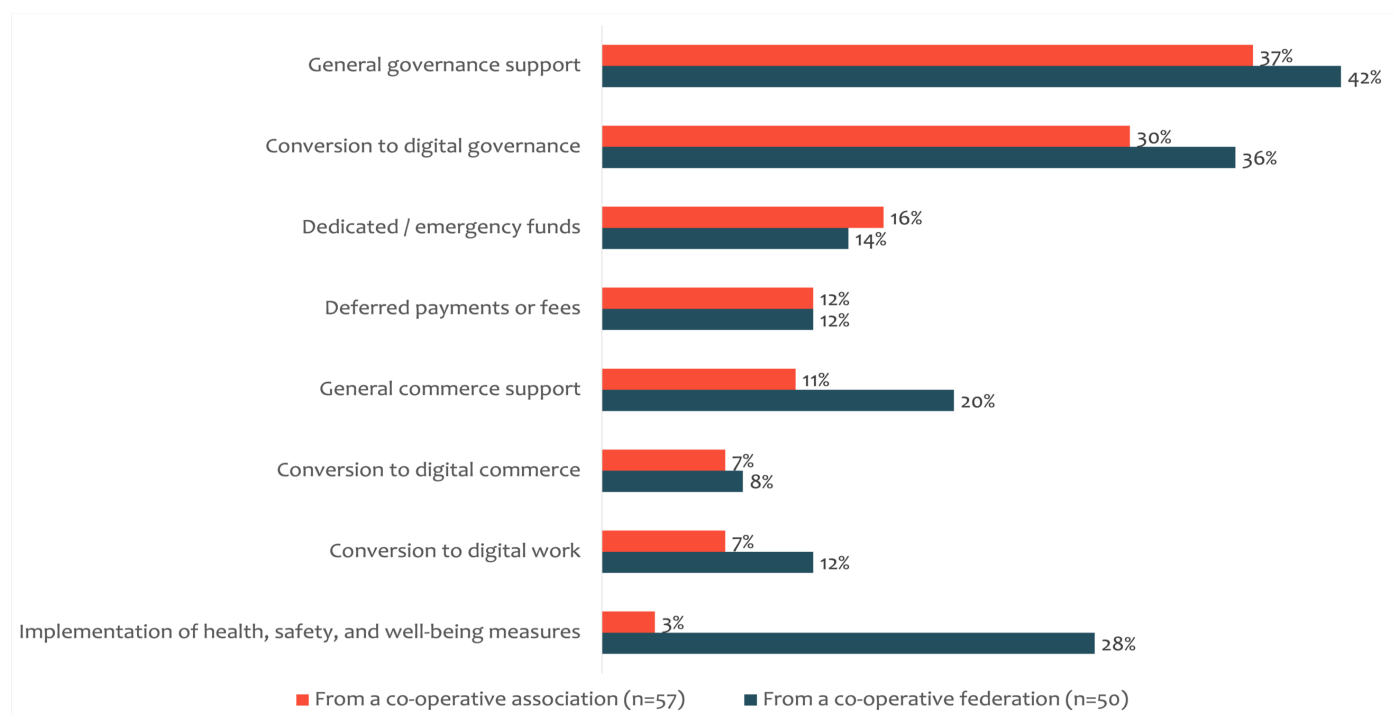


Figure 10. Types of services and support received from CFAs during the COVID-19 pandemic

We note that co-operative associations and federations played a similar role for their members during the pandemic. That said, the federations appear to have been more active in supporting day-to-day operations and business activities than the associations. Moreover, the respondents indicate a larger number of types of services received from co-operative federations than from co-operative associations. This finding is not surprising, given that the level of integration of co-operatives within federations is higher due to the nature of the latter’s functions.

Most respondents who indicate having received support from a co-operative association or federation also say that their organization’s relationship with either of these entities helped them cope with the COVID-19 pandemic. Indeed, 84% of those who received support from a co-operative association also note that their relationship with a co-operative association helped them weather the pandemic to different degrees (figure 11). A similar result is obtained regarding co-operative federations, where 86% of the respondents who received support from a co-operative federation rated their relationship with the latter as helpful in weathering the pandemic (figure 12).

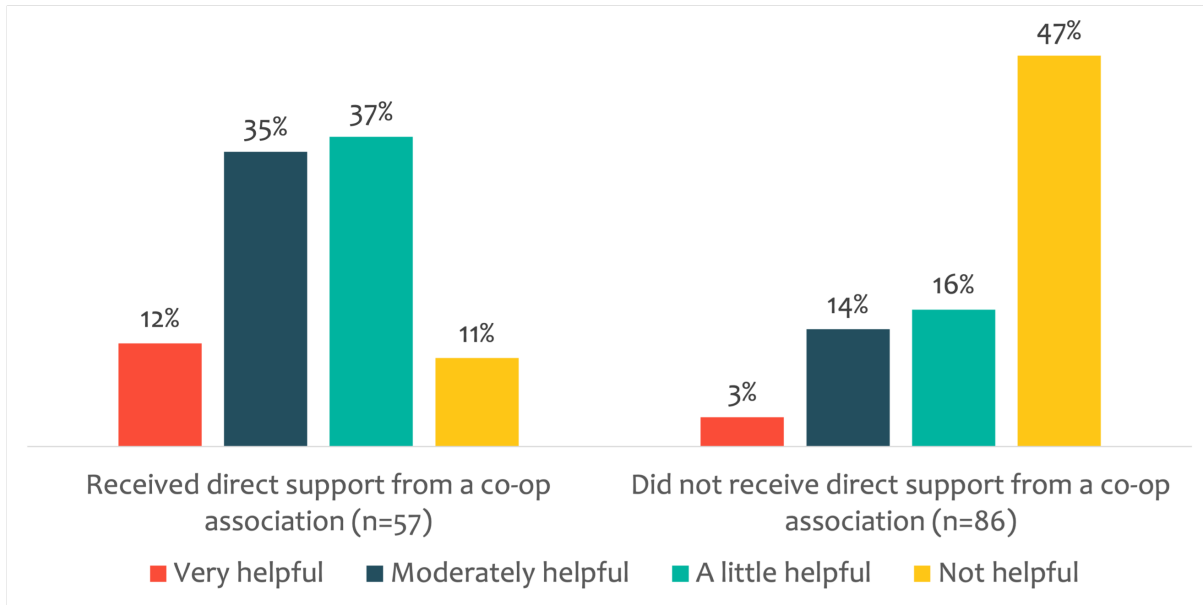


Figure 11. Respondents' perception of the helpfulness of their relationship with a co-operative association in their ability to cope with the COVID-19 pandemic

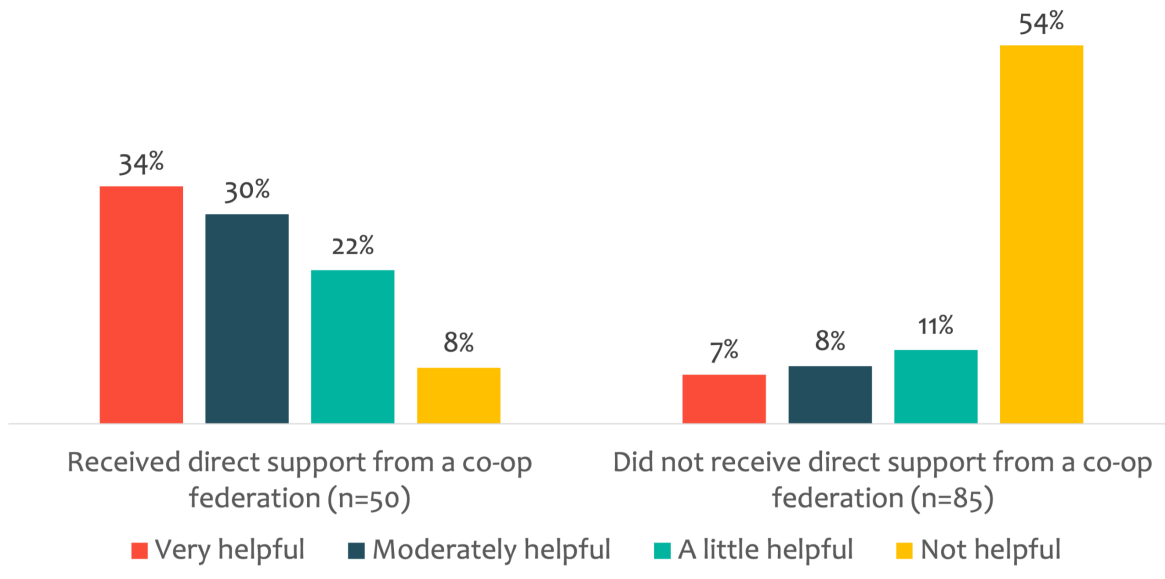


Figure 12. Respondents' perception of the helpfulness of their relationship with a co-operative federation in their ability to cope with the COVID-19 pandemic

The comparison of figures 11 and 12 shows that relationships with co-operative federations appear to be perceived as more important by respondents than their relationships with co-operative associations, when asked about the

role played in helping to weather the pandemic. This could partly be explained by the nature of embeddedness in a federation, and the type and the number of supports received, as seen above.

Surprisingly, even some of the respondents who indicate their organization did not receive services or support from a CFA still estimate that their relationship with a co-operative association or a co-operative federation helped them better weather the pandemic. Arguably, without having received direct support from them, some benefits may remain through these relationships – for example, collective advantages obtained from the integration into a federative structure or from services made available free of charge.

Canadian co-operatives and mutuals’ response to the pandemic

To face the pandemic, businesses had to make quick decisions, influenced by various factors, some weighing more than others. To understand the priorities addressed by Canadian CMs, respondents were asked to rank the importance of different elements in their decision making (table 1).

Continuity of activities came first when making decisions about the measures to be taken in response to the pandemic. This can be directly linked to responding or adapting to members’ needs, which comes third, and long-term viability of the organization, in fifth position. Despite urgent measures and survival preoccupations, respondents report also considering a long-term perspective. This could be linked with the previous observation that sufficient reserves were considered an important factor in weathering the crisis. Ranks 2 and 4 are attributed to employees’ well-being and jobs/wages/benefits preservation respectively. Overall, the results show a general focus on the organizational level and internal stakeholders.

<i>Mean rank</i>	<i>Factor influencing the decision-making</i>
1	Continuity of activities / business continuity
2	Employees’ well-being
3	Responding / adapting to members’ needs
4	Jobs / wages / benefits preservation
5	Long-term viability of your organization
6	Mitigating the pandemic impacts on vulnerable groups
7	Helping your community through pandemic
8	Helping other co-operatives through pandemic
9	Payment of patronage dividends*
10	Other

Table 1. Factors that influenced the Canadian CMs in their decision-making about their response to the COVID-19 pandemic
* The low ranking attributed to the payment of patronage dividends can be partly explained by the large proportion of respondents from CMs that do not distribute them.

One of the objectives of the survey was to learn about some of the measures taken by Canadian CMs to mitigate the effects of the COVID-19 pandemic on their organization and, also, on their stakeholders. Therefore, in the following

sections, the measures taken by CMs in terms of employment, membership and towards other stakeholders are further explored¹⁰.

Measures taken with respect to employment

Survey respondents were asked to identify all the measures their organization took with respect to employment during the first 18 months of the COVID-19 pandemic; figure 13 shows these measures, excluding the responses coming from CMs with no employees. It can be observed that remote work was adopted by most of them. Those who did not indicate remote work as a measure mainly come from industrial sectors where on-site work is considered essential, such as accommodation and food services (83%, or 5 out of 6), retail trade (44%, or 8 out of 18) or health care and social assistance (31%, or 5 out of 16).

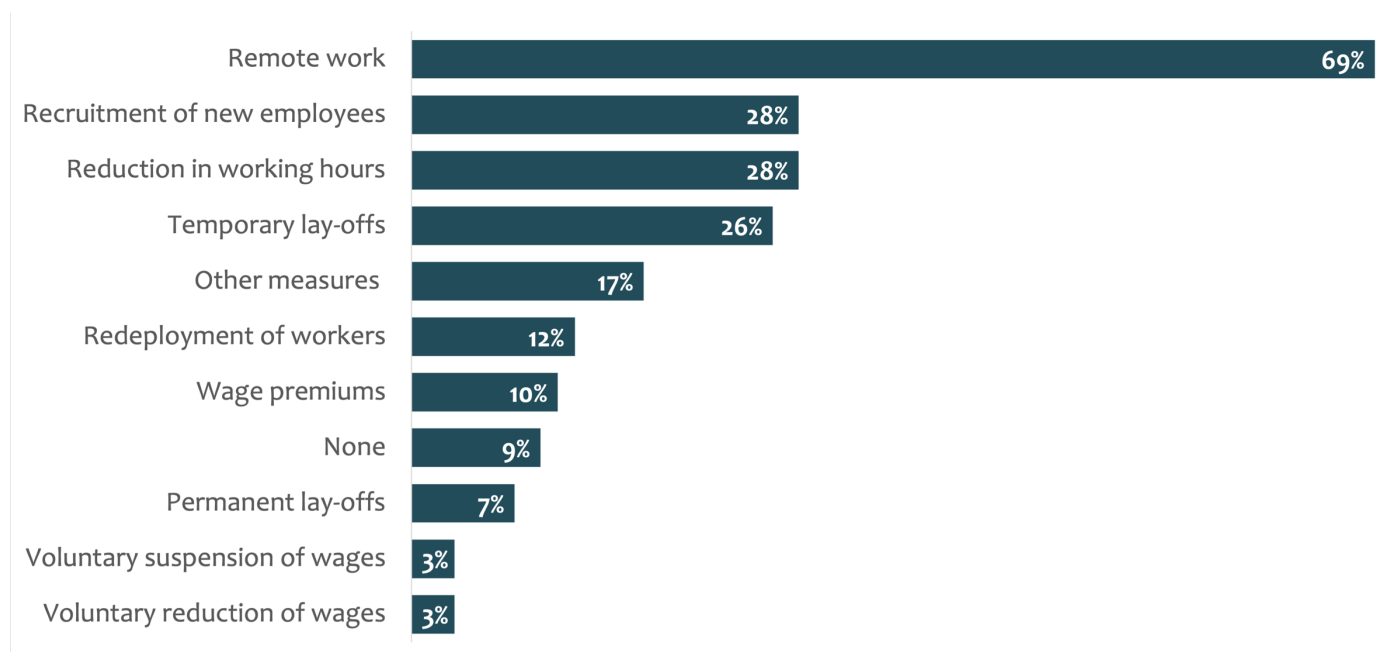


Figure 13. Employment-related measures adopted by Canadian CMs in the first 18 months of the COVID-19 pandemic, excluding CMs with no employees (n=163)

Figure 13 shows that just over a quarter of respondents report having hired new employees in the first 18 months of the pandemic, while only 7% report having to make permanent layoffs. While it is currently not possible to determine the actual increase or decrease in the overall number of employees in Canadian CMs between 2019 and 2020, these data suggest that efforts have been made to retain jobs as much as possible.

¹⁰ Measures taken to ensure the continuity of activities were not explored in the survey, except for those related to employment.

In fact, in figure 14, it is possible to see that CMs that saw a reduction in their number of employees between 2019 and 2020¹¹ took many measures to retain them, even more so, it seems, than CMs where the number of employees has remained stable or increased. Recruiting new employees is a strategy that has been equally adopted both by those CMs that observed an increase in their number of employees and those where it decreased. In the latter case, one-quarter of the respondents mention that their organization redeployed workers to other positions or locations, and one-fifth that it offered wage premiums to keep their employees. Some even voluntarily reduced or suspended wages to preserve jobs. The fact that only 21% say they made permanent lay-offs and 61% indicate they recruited new employees, while still showing a reduction in their number of employees, suggests that some may have faced voluntary departures. This could be partly explained by the reduction in working hours reported by almost half of these respondents. The difficulty, or impossibility in some cases, of transferring to remote work – especially during periods of stricter confinement - could also explain the loss of employees. The results obtained in the survey do not allow to verify this since industrial sectors vary greatly between respondents from each category.

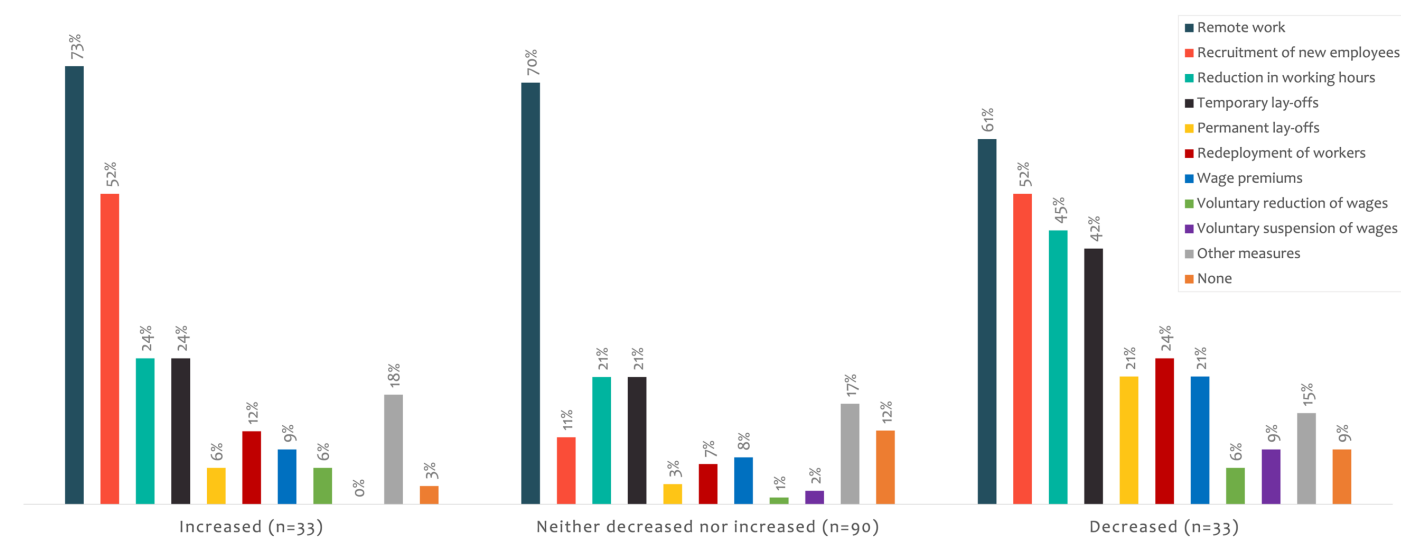


Figure 14. Employment-related measures taken by Canadian CMs in response to the COVID-19 pandemic, broken down by 2019-2020 trends in their number of employees

¹¹ Percentages are as follows: 42% of the 43 respondents from worker co-operatives, 28% of the 32 respondents from multi-stakeholder co-operatives, 8% of the 75 respondents from consumer co-operatives and 10% of the 10 respondents from producer co-operatives report a decrease in their number of employees between the end of fiscal year 2019 and 2020.

A closer look at worker co-operatives and employment

When asked about the impact of the COVID-19 pandemic on their organization (cf. figure 2), only 18% of the survey respondents indicate that their organization saw a decrease in their number of employees between the end of fiscal year 2019 and that of 2020. However, this percentage varies depending on the type of CMs, with worker co-operatives showing the highest percentage of respondents reporting such a decrease (18 out of 43, or 42%).

On the other hand, only 14% of these respondents report permanent lay-offs. Aside from remote work, reduced working hours (44%) and temporary lay-offs (35%) are among the most common employment-related measures they used. 30% even say they recruited employees during the COVID-19 pandemic. Furthermore, only 12% of respondents from worker co-operatives mention a decrease in their number of members during that same period, which suggests that worker co-operatives have developed strategies to keep their members employed. It could be possible that some employees became members during that period, but the survey does not reveal that information, since some may have used members and employees interchangeably in their responses.

However, several respondents from worker co-operatives still report that their biggest challenges during the first 18 months of the pandemic have been the labour shortage and the difficulty in recruiting and retaining employees. The reasons explaining the employment situation in worker co-operatives were not tackled in the survey, but industrial sectors do not appear to be a determining factor.

“We founded the co-operative with 5 members in 2019. In 2021, we lost 2 members. The main reason for their departure was the salary which was not high enough to provide a comfortable retirement. It is unclear whether the pandemic was a factor in these departures, given that wages never declined because of it.”
(Survey respondent; our translation)

Measures taken with respect to membership

In facing the pandemic, CMs took various measures regarding their membership (figure 15). Apart from measures taken to adapt to the constraints posed by sanitary measures (e.g., online meetings with board members, online or postponed Annual general meeting (AGM)), a large proportion of respondents worked on maintaining communication and relationship with their members. A third of the respondents mention that their organization offered online training and conferences in order to maintain a relationship with them and offer them support. Indeed, while maintaining relationships with members was repeatedly named as one of the greatest challenges encountered in the first 18 months of the pandemic, the measures taken to maintain these relationships were also a source of great pride for survey respondents. Moreover, 55% of survey respondents assert that relationships with members greatly helped their organization in better weathering the pandemic.

“What makes me the proudest is “our flexibility, how staff responded and rose to support members, the support of the board, the understanding of so many people we engage with and a general feeling of mutuality.” (Survey respondent)

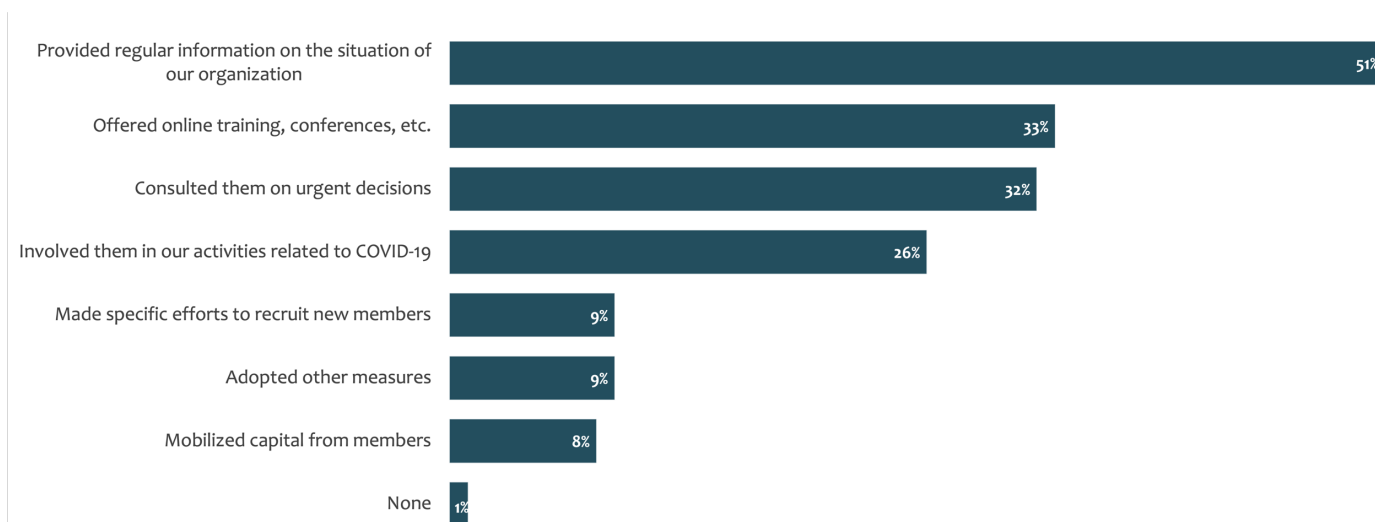


Figure 15. Membership-related measures adopted by Canadian CMs in the first 18 months of the COVID-19 pandemic

CMs took various other measures to help their members through the first 18 months of the pandemic. When asked about the support offered to members, 32% mention technical assistance, followed by in-kind products or services (24%). Overall, CFAs report the most different types of support offered (figure 16), which again underlines the importance of the role they have played with their members. Moreover, almost half of them set up a fund dedicated to supporting their members in these hard times. With respect to staff time allocated to members by worker co-operatives, the written explanations essentially indicate measures such as salary compensation for reduced working hours or the possibility of taking more sick days in order to maintain a stable salary.

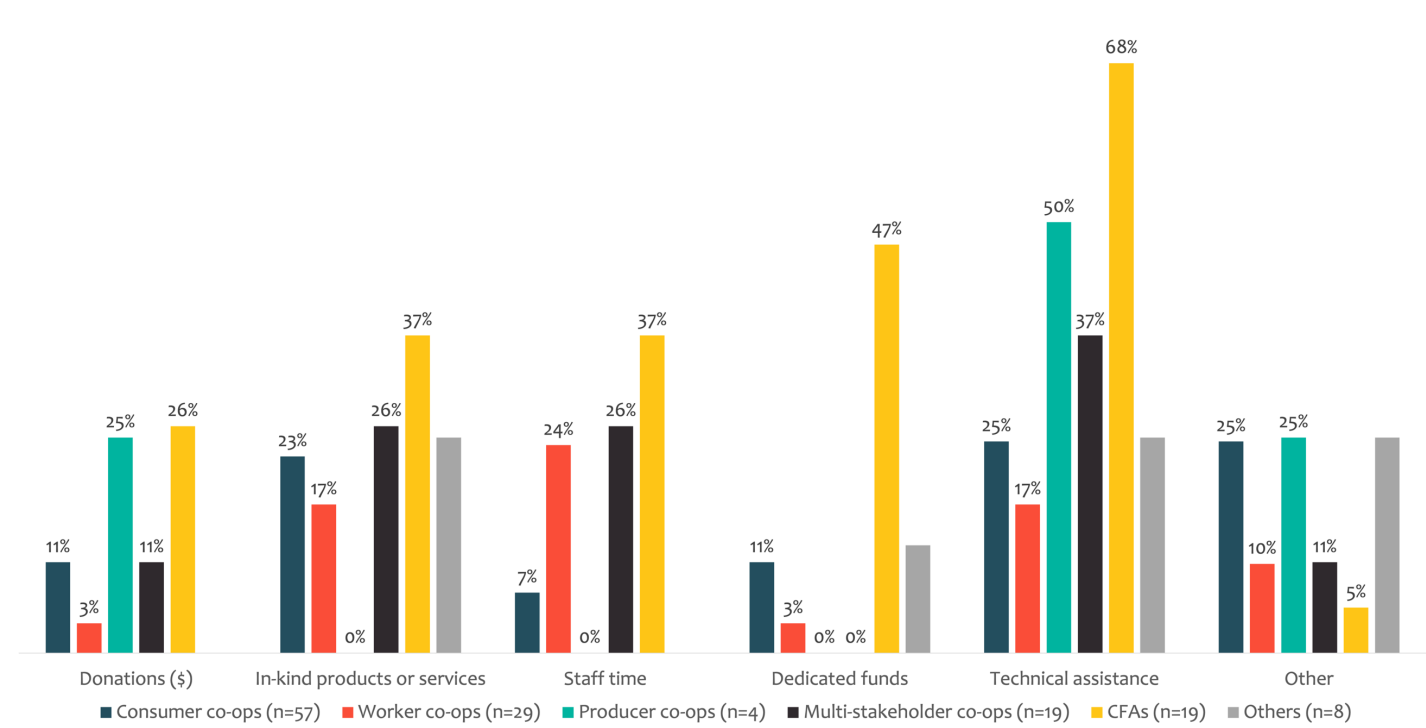


Figure 16. Type of support provided by Canadian CMs to their members in the first 18 months of the COVID-19 pandemic, by type of CM

A closer look at housing co-operatives and their members

Housing co-operatives are distinct from other types of CMs, especially due to their unique relationship with their members. For this reason, respondents from these co-operatives report unique measures taken with respect to their membership. Among the examples given, respondents report delaying the payment of housing charges, not increasing rents and offering gift cards for food and personal protection equipment. Most of them also stated that they provided extra cleaning and disinfection services in their buildings.

Several respondents from housing co-operatives mentioned challenges associated with the limitation of social interactions. “Maintaining a sense of community within the co-op without having community activities and events” was an important challenge, as well as to “continue to provide member services (i.e., maintenance and ongoing day to day functions of the co-op) while keeping staff and members safe”.

On the other hand, many respondents mention that they were proud of how their co-operative adapted its communication methods, kept their members safe and their buildings secure. All in all, the crisis seems to have been an occasion for members to step up and contribute to their living environment.

“We are a housing co-operative. The pandemic placed limits on face-to-face interactions which are one of the key elements of almost every aspect of our operation.”

(Survey respondent)

“We are most proud of the way the co-op has maintained the essence of being a housing co-op where members voluntarily help other members and help maintain the co-op.”

(Survey respondent)

Support offered to other stakeholders

While CMs indicate that their priorities were mostly oriented towards measures to ensure the continuity of their activities, employees' well-being and the response to their members' needs (cf. table 1), just over a third of the survey respondents (34%, or 65 out of 192) indicate that their organization offered support to their local community and other co-operative and non-co-operative organizations (figure 17). Among those, the main types of support offered to stakeholders - mostly to citizens or community - were donations (42%) and in-kind products or services (40%). Support offered to co-operative and non-co-operative organizations remained minimal.

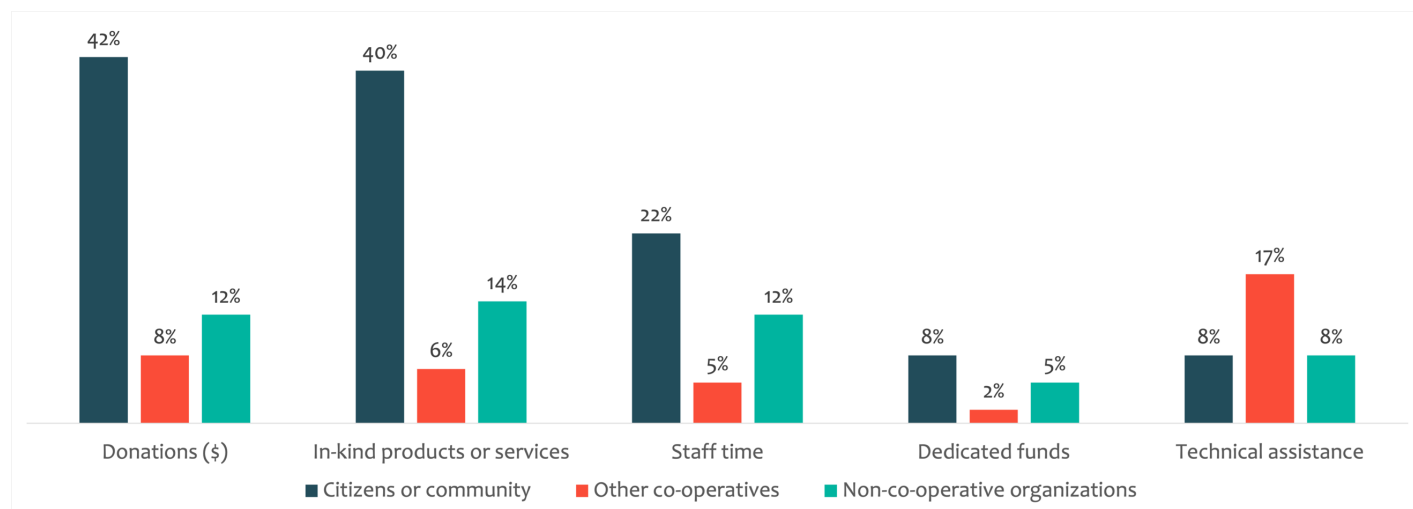


Figure 17. Type of support offered by Canadian CMs to different stakeholders (n=65)

Among the 25 respondents from CMs with annual revenue of \$5 million or more, 76% report having offered support to their stakeholders during the first 18 months of the pandemic. All of these made donations, and 58% of them say that these donations were directed to citizens or communities¹². Lower annual revenues do not appear to have been a barrier to providing support. For example, 52% of the 31 respondents from CMs with less than \$100,000 in annual revenue say they offered some kind of support to their stakeholders, and 19% of these say they did so in the forms of donations, in-kind products or services and staff time to their community.

¹² For detailed examples, please see: El-Youssef, H., Charbonneau, J., Duguid, F., Fouquet, É., Guilloite, C.-A., Jankovic, I., Merrien, A.-M., & Novkovic, S. (2021). *Industry Reports & Media Review on Co-operative Responses to the Pandemic*, Working paper, [https://www.smu.ca/webfiles/CoopsCovidPartIIFindings\(July212020\).pdf](https://www.smu.ca/webfiles/CoopsCovidPartIIFindings(July212020).pdf).

“I’m proud of the way our members have stepped up to serve the community – ensuring that our relief programs are cheerfully available to everyone in the community who has a need, not getting overly concerned about if they are a member or not.”
(Survey respondent)

“Our food rescue program has gone from a twice weekly drop into seven days a week, 600 lbs a day operation and we are working hard to meet this need, despite having zero budget allocation for this.” (Survey respondent)

“We have been there for all citizens and the most vulnerable. We have offered new services, adapted our ways and taken care of our members.” (Survey respondent, our translation)

In order to provide support to their stakeholders, respondents mention that their organization implemented new projects (32%), developed new products or services (40%) or established new partnerships (30%). 82% relied only on their own financial, human, technical or material resources to do so. Overall, 29% of all 192 respondents report, however, that their organization did not offer any kind of support - whether to members, employees or other stakeholders – during the first 18 months of the COVID-19 pandemic.

Conclusion

This report is a portrait of the situation of Canadian CMs in the first 18 months of what has become a multiyear crisis. However, organizational resilience is a matter of perennity, and further research will be necessary to assess the long-term impact of the COVID-19 pandemic on CMs in the years to come. Research should also focus on the strategies that CMs will adopt to face future disruptive events, beyond the coping strategies put in place to deal with the emergency of the situation. In this sense, several elements should be of interest to co-operative actors and researchers in the coming years, such as:

- the ability of CMs to thrive even after government support programs have ended;
- the characteristics and long-term strategies of CMs that have fared best during the pandemic;
- the relative importance of cooperation between co-operatives, of co-operative federations and associations as well as of government support in the ability of CMs to weather long-term or particularly severe crises;
- the changes implemented to adapt to virtual governance procedures and practices;
- the strategies adopted by newly founded co-operatives to survive and thrive, in such difficult times;
- the longer-term impact of CMs’ activities on community resilience;
- the emergence of CMs as a response to societal challenges highlighted or catalyzed by the pandemic, such as safeguarding weakened businesses or imagining new collective ways of offering products and services.

Conducting a survey can only provide a partial picture of a given situation at a given time. Indeed, people who choose to answer such a survey do so on a voluntary basis and the responses obtained are not necessarily representative of the whole. For this reason, it remains important to systematically collect data at the national level, here on Canadian CMs. Furthermore, information on the specific characteristics of this type of organization should be collected, such as the number of members, the level of capitalization or the distribution of surpluses, for example, in order to obtain a better view of the evolution of the Canadian co-operative sector.

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Annex 1. Detailed profile of survey respondents

The tables presented in this annex are based on self-reported responses from all 192 survey respondents. They show that survey respondents came from varying CMs in terms of their type (table 2), year of establishment (table 3), number of members (table 4), number of employees (table 5), annual revenues (table 6), and industrial sectors (table 7).

Table 2. Distribution of respondents by type of their organization

Type	#	%
Consumer co-operatives, including credit unions and mutuals	75	39%
Worker co-operatives, including shareholder worker co-operative	43	22%
Producer co-operatives	10	5%
Multi-stakeholder co-operatives	32	17%
Co-operative federations and associations	20	10%
Other types	12	6%
TOTAL	192	100%

Table 3. Distribution of respondents by year of establishment of their organization

Year of establishment	#	%
< 1970	33	17%
1970-1979	15	8%
1980-1989	26	14%
1990-1999	25	13%
2000-2009	29	15%
2010-today	56	29%
No response	8	4%
TOTAL	192	100%

Table 4. Distribution of respondents by number of members of their organization

Number of members	#	%
3-9 members	40	21%
10-49 members	44	23%
50-249 members	45	23%
250 or more members	53	28%
No response	10	5%
TOTAL	192	100%

Table 5. Distribution of respondents by number of full-time equivalent employees

Number of full-time equivalent employees	#	%
No employees	29	15%
1-4 employees	70	36%
5-9 employees	27	14%
10-19 employees	20	10%
20-49 employees	18	9%
50-99 employees	7	4%
100-249 employees	5	3%
250-499 employees	3	2%
500 or more employees	5	3%
Unsure	1	1%
No response	7	4%
TOTAL	192	100%

Table 6. Distribution of respondents by approximate annual revenues of their organization

Annual revenues	#	%
Under \$100,000	31	16%
\$100,000 to \$249,999	30	16%
\$250,000 to \$499,999	23	12%
\$500,000 to \$999,999	28	15%
\$1 million to \$5 millions	38	20%
More than \$5 millions	25	13%
Unsure	9	5%
No response	8	4%
TOTAL	192	100%

Table 7. Distribution of respondents by industrial sector of their organization

(NAICS) Industrial sector	#	%
(11) Agriculture, forestry, fishing and hunting	18	9%
(21) Mining, quarrying, and oil and gas extraction	0	0%
(22) Utilities	5	3%
(23) Construction	4	2%
(31-33) Manufacturing	7	4%
(42) Wholesale trade	2	1%
(44-45) Retail trade	18	9%
(48-49) Transportation and warehousing	3	2%
(51) Information and cultural industries	8	4%
(52) Finance and insurance	12	6%
(53) Real estate rental and rental and leasing	35	18%
(54) Professional, scientific and technical services	12	6%
(55) Management of companies and enterprises	1	1%
(56) Administrative and support, waste management and remediation services	1	1%
(61) Educational services	2	1%

(NAICS) Industrial sector	#	%
(62) Health care and social assistance	16	8%
(71) Arts, entertainment and recreation	12	6*
(72) Accommodation and food services	6	3%
(81) Other services (except public administration)	15	8%
(92) Public administration	0	0%
Unsure	10	5%
No response	5	3%
TOTAL	192	100%