

Governance of the Co-operative Enterprise: An In-Depth Preliminary Study

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Key Features of project

Co-operatives are a type of nonprofit enterprise and find themselves mid-way between the corporate model and the nonprofit model. While corporations, nonprofits and co-operatives may seem like three different forms, they also can be said to exhibit three different types of governance.

The corporation's purpose (and the one that its directors are sworn to pursue) is return on investment for the shareholders. The nonprofit's purpose is to serve its members or a specific community. The purpose of the co-operative is best enunciated in the seven principles of the International Co-operative Alliance, which are widely followed by co-operatives in Canada and across the world: 1. Voluntary and Open Membership, 2. Democratic Member Control, 3. Member Economic Participation, 4. Autonomy and Independence, 5. Education, Training and Information, 6. Co-operation among Co-operatives, and 7. Concern for Community. In the accounting and reporting function, many co-ops specifically measure not only their financial progress but also progress in fulfilling these principles. In other words, many co-operatives not only pay lip service to a "triple bottom line" but specifically demand accountability. They have developed sophisticated instruments to measure these criteria

Many co-operatives not only pay lip service to a "triple bottom line" but specifically demand accountability. They have developed sophisticated instruments to measure these criteria. This in-depth study will explore the extent to which governance is practiced and impacted by these principles. The researchers will concentrate on a selected group of co-operatives in Alberta and Nova Scotia.

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