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Contradictions in Canadian Co-operation: A Diffusion of Innovations Approach

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This paper challenges functionalist notions of Canadian co-operation as a static, ahistorical, monolithic or unitary system, instead focusing on its inherent tensions. Drawing together literature on European and Canadian movement history, diffusion of innovations theory is used to first examine the model's trans-Atlantic and cross-continental spread. European invention dates are compared to Canadian first-adoption dates, across a range of co-operative models. This situates the Canadian co-operative experience in a comparative, historical, and world-system context. It also illustrates the scope, timescale, and significance of the lag in mutualism's trans-Atlantic diffusion. The analysis spotlights how its parent movements' often conflicting traditions gave rise to internal contradictions, such as mutualism's language-based, bi-national structure. Similarly, Canadian regionalism resulted in a three-wave expansion: across Eastern and Central Canada, in the foundation stage; across the Western frontier as the railway opened the West to settlement; and, most recently, across the North. Finally, the paper addresses settler co-operation's colonial legacy and the challenge of reconciling with Indigenous communities. Canadian mutualism's dependent, delayed, divided, and uneven development is thus placed in comparative and critical context.

Introduction: The Co-operative Conjuncture in English-Speaking Canada

Like New Zealand, Australia or the U.S., millions of British immigrants settled in Canada in the decades-long wake of the Industrial Revolution, lured to destinations tied to the British Empire by settlement propaganda and promises of free land (Owram, 1992). The British were not alone in this trans-Atlantic migration. The Irish Potato Famine of the 1840s brought 300,000 people to Canada in just five years while the French-speaking enclave of Québec remained uniquely attractive to French-speaking migrants. While later waves of migration diluted British predominance, in the nineteenth century's latter half many brought co-operative know-how with them.

Applying diffusion theory (Rogers, 1995), European societies emerged as the co-operative movement's 'innovators' and 'early adopters' on a world scale (Birchall, 1997; Zamagni & Zamagni, 2010). By contrast, this era's Anglo-settler societies joined the 'early majority' by adopting co-operative innovations at a considerable delay (MacPherson, 1979). Behind Canada's Anglo-settler cohort lagged many societies not similarly fertilised by these late nineteenth and early twentieth century seeds of settler co-operation. They would adopt co-operation much later, resist its paternalistic dissemination by colonial authorities in the early twentieth century or not adopt it at all (Develtere, 1996). This was the formative contradiction for Canadian mutualism. On the one hand, it emerged as a dependent movement; its late start reflects delayed diffusion from co-operation's European cradle. On the other hand, Canadian settler co-operation enjoyed 'early majority' advantages relative to the rest of the world.

Secondary contradictions in Canadian co-operation include powerful ethno-linguistic and regional diffusion barriers. A defining feature of early Canadian co-operation was its hybrid character, combining the primary influences of its British, French (and later, American) parent movements. The two solitudes of British and French mutualism profoundly shaped the movement's evolution. This duality opened the movement to both English and French traditions although pan-Canadian spread was largely contained within segregated communication channels. Linguistic, cultural, institutional and doctrinal bifurcation proved a stubborn barrier to the diffusion of co-operative innovations (National Task Force on Co-operative Development, 1984).

Diffusion analysis thus contextualises contemporary co-operative gains in Québec. Its unique North American features include a powerful social economy movement (Bouchard, 2013); an out-sized worker co-operative sector that opened the door to worker-, shareholder-, and multi-stakeholder models (Côté, 2007; Girard & de Bertoli, 2004); strong collaborations with organised labour and a solidarity finance system that is co-operators' envy continent-wide (Bourque, Mendell & Rouzier, 2013). Rooted in French-speaking European traditions and mutualism's distinctive history in Québec, these innovations puzzle many of their Anglo-Canadian neighbours (Vaillancourt, 2009).

Similarly, Canadian regionalism has both propelled and obstructed the diffusion of co-operative innovations. Spanning a vast economic and cultural geography, mutualism first developed in Eastern and Central Canada. Subsequent waves saw distinct traditions emerge in the West and, later, across the North. Regionalisation both fostered movement diversity and isolation. In fact, geography and jurisdiction reinforced by class politics acted to contain co-operation's spread. By thwarting federal enabling legislation, big business made provinces the early movement's *de facto* locus (Trevena, 1976). This fragmentation delayed co-operators' ability to achieve the scale economies necessary to challenge large capital, which freely expanded across provincial borders. It also held back inter-provincial movement learning.

Finally, Indigenous co-operatives' mid-twentieth century emergence and the contemporary project of inter-cultural reconciliation have challenged settler mutualism (Hammond Ketilson & MacPherson, 2001; Findlay, 2004; Sengupta, Vieta & McMurtry, 2015; Settee, 2019). Drawing on co-operative traditions that long predate modern European models, Indigenisation and reconciliation are redefining Canadian co-operation — from a narrow, settler-dominated sector to a more inclusive and expansive movement.

This brief outline thus offers a conceptual alternative to chaotic, ahistorical, and uncritical views of Canadian co-operation as a unified, homogenous or singular national system. Against the functionalist view, this analysis focuses on the contradictions which have defined this movement's dependent, delayed, divided, and uneven development. In doing so, it follows Giddens' injunction: "Don't look for the functions social practices fulfill, look for the contradictions they embody" (1983, p. 131). By extending the conceptual horizon beyond the atomistic view of co-operatives as self-contained or the managerial preoccupation with market metrics and short-term lobbying, critical co-operative studies can help focus on the most pressing, larger challenges and opportunities for movement advance. Indeed, much of what frustrates progress in the Canadian context reflects contradictions of wider relevance. Co-operators across the capitalist world struggle to communicate their models' benefits against an entrenched system of class power, including the corporate media and a culture of competitive individualism (Carroll, 2010). Urbanisation has certainly created divisions in rurally rooted movements beyond Canada (Wetzel & Gallagher, 1987). Maturing sectors everywhere also face the systemic threat of bureaucratisation (Diamantopoulos, 2012a). However, unique cleavages of settler colonialism, language, and region have also driven complicated and delayed co-operative advance in Canada. To extend generic understanding of contradictions in co-operative development, this paper therefore focuses on those specific features that have so profoundly marked the Canadian experience as unique.

Co-operation Delayed: The Trans-Atlantic Development Gap

Vast distances delayed early co-operation's arrival in Canada from the maturing sectors of Britain, France and the U.S. Proceeding at the pace of the nineteenth and early twentieth centuries, settlers' trans-Atlantic voyage was by sail and later steamships. Co-operators' early inland journeys continued by horses, covered wagons, ox-drawn carts and, only in 1885, by transcontinental rail. Indeed, without a rail-link, the land rush to settle the Prairies and British Columbia was postponed until the early twentieth century.

pioneered in 1872 in Friedberg, Germany (Birchall, 1997) followed, two decades later when The Farmers' Binder Twine Company opened for business in Brantford, Ontario in 1892 (MacPherson, 1979).

There were important early exceptions to this pattern of decades-delayed diffusion. Americans set up the first modern agricultural production co-operatives with their path-breaking cheese factories and creameries. The earliest co-operative innovation to make an East-bound journey across the Atlantic, the idea of dairy co-operation returned on a ship with its Danish messengers. The first dairy co-operative was founded in the U.S. in 1810. By 1867 there were about 400 dairy co-operatives in the U.S. (Birchall, 1997). Crossing the border into the provinces of Ontario, Québec and the Maritimes within a few years, Canadians established about 1,000 creameries by the turn of the century (MacPherson, 1979). Certainly, European innovations such as consumer and worker co-operatives boasted an earlier vintage, but dairy provided many Canadians' earliest exposure to co-operation (see Church, 1985). This reflected their proximity to the American experience, the far-flung new nation's agricultural economy, and the lack of established dairy facilities. Dairy was an important scaffold for later innovations. Similarly, important to Prairie co-operation was the landmark struggle for control of the wheat staple. Adapting pooling from California fruit growers in the 1920s transformed the political economy of the Prairie West (Lipset, 1959; Sharp, 1997; Brown, 1973; Fairbairn, 1984). In fact, by 1930, over half of Prairie farmers contracted with a pool (Conway, 2006). Within another decade, the Prairie pools were the "largest business groupings in Canada in terms of dollars" (MacPherson, 1979, p. 120). Agriculture was serious business and the farmers were very serious indeed.

Despite their late start, co-operative campaigns increasingly defined Canadians' way of life through the twentieth century. A complex dialectic of exogenous and endogenous factors was in play. In part, the escalating application of co-operative know-how across the sprawling and under-developed frontiers of Canadian society reflected the 'settler subsidy' of information, experience, and continuing links to their countries of origins first provided by the Great Migration from Europe; and later the American mid-West. With a wide range of unmet needs, pioneering Canadians were well-positioned as 'early adopters' of co-operative innovations from both Europe and the United States (Sharp, 1997). In part, co-operative enthusiasms reflected the attempt to replicate and adapt early successes to other, emerging challenges. Often these campaigns were sponsored by social movements. From the priests conscripted by the *Mouvement Desjardins* (Poulin, 2000) or the socialist farmers of the Great Plains (Lipset, 1959) in the early twentieth century, to the fishers of the Antigonish movement in the 1930s (Didaro & Pluta, 2012) to the Inuit of Nunavik after 1960 (Tulugak & Murdoch, 2007), co-operation took increasingly diverse forms. Growing in scope, scale, and significance, there were co-operative creameries, retail stores, housing co-operatives, credit unions, grain elevators, fish plants, sawmills, childcare, community clinics, funeral homes, and even the world's first co-operative oil refinery. Despite the many and considerable delays to innovation adoption, mutualism flourished in this fertile soil. By the 1930s, the Canadian movement may even have been, for a time, the world's most diversified (MacPherson, 1979).

Co-operation Contained: The Rural-Urban Split

Paradoxically, a predominantly rural society and rising agrarian movement in the West often consigned the working class to a subsidiary role. In the context of twentieth century urbanisation, Prairie co-operation's deep farm-gate roots had increasingly contradictory implications. On the one hand, alliances with labour empowered major state reforms and co-operative expansion on the Prairies with the rise of an agrarian-socialist bloc and the election of the continent's first socialist government in Saskatchewan in 1944 (Diamantopoulos, 2012b). In crisis, the movement's rural strength and focus protected vulnerable rural communities (Fairbairn, Bold, Fulton, Hammond Ketilson & Ish, 1991). On the other hand, the dominance of rural interests and values often failed to provide movement support to urban development

potential — from housing to childcare to worker co-operatives. Prairie farmers led the movement but saw little benefit for the movement's rural base from expending such resources (Axworthy & Perry, 1988; Diamantopoulos, 2011).

Farmers' contradictory class interests meant they led the movement for collective action against corporate power while many were also seasonal employers of farm hands and indirect employers of co-operative staff. As agricultural consolidation drove larger but fewer farms, many farmers drifted right politically in the globalisation era. Workers ceased to appear as valued members and partners in a transformative social project (i.e. the 'Co-operative Commonwealth'). Instead, they increasingly appeared as a financial burden and threat to farmers' dividends on farm supplies. Indifference to workers' rights and hostility to trade unions and 'urban values' increasingly undermined joint-action (Axworthy, 1986; Wetzel & Gallagher, 1987; Knuttila, 1994).

Indeed, farmers' distrust of workers and trade unions had deep roots. The National Labour-Co-operative Committee had cited "rural values" as a friction point in relations between the labour and co-operative movements across the country in the 1960s. Among other things, "cost conscious farmers, who work long hours for uncertain income and no fringe benefits, often resent those working shorter fixed hours for assured remuneration" (Wetzel & Gallagher, 1987, p. 11). A flare up of strike activity in the consumer co-operative system lent these historic antipathies decisive effect in the 1980s. In this period, financial strain on the Prairie wholesale, Federated Co-operatives Limited (FCL) drove a wage-lag relative to its competitors. From 1983 to 1985, co-operatives accounted for 37 percent of all strikes in Saskatchewan, yet they only employed 6 percent of the province's unionised workforce.

Farmers struggling against shrinking margins were increasingly reliant on recovering the greatest possible patronage refunds from their farm supply costs. Co-operative supplies could easily span everything from fuel to equipment rentals; fertiliser to seed; herbicides to livestock feed; and grain silos to lumber for barns and fencing. For a large operation, these costs might run into the hundreds of thousands of dollars — with refunds potentially worth thousands. This desperate dependence made farmers increasingly resentful of workers' counterclaims to a share of 'their' surplus. Always a tenuous alliance, economic crisis intensified this class conflict. A deep wedge had been driven between the provinces' farmer co-operatives — notably the rural consumer co-operatives which relied heavily on agri-supply sales, and their workers — some represented by the Retail, Wholesale and Department Store Union (RWDSU) and others by the United Food and Commercial Workers (UFCW).

The hard-fought dispute between Regina's Co-operative Refinery Complex and its workers in 2019-20 provides a recent example of potential for class conflict. In this case, the employer locked out more than 700 workers for six months. The dispute led to picket line arrests, divided loyalties for working class co-operative members, a Prairies-wide boycott of co-operative stores and gas stations and a motion from Regina City Council urging the Province to broker a settlement (CBC News, 2020, June 22).

It takes time to heal divisions and rehabilitate the co-operative brand in the wake of such bitter disputes. Consider the entrance of the right-wing populist truckers group United We Roll Convoy for Canada on the side of FCL while progressive farm leaders, such as National Farm Union (NFU) Vice President Glenn Norman, joined the boycott against FCL (Stephenson, 2020, Feb. 7). In a public statement urging the employer to return to the bargaining table, the NFU confessed "it has become harder to see how the Federated Co-operatives is different from other companies" (Voinea, 2020, Jan. 28). This dispute highlights the risk that union-busting tactics may jeopardise the co-operative brand's distinctive identity and ethical advantage over big business on the Prairies; and that co-operative values more generally may lose significant moral authority.

Cumulative class antagonisms have built up over the years through such lockouts and strikes at co-operative stores, dairy plants, railways, elevators and grain terminals. These periodic conflicts all jeopardised farm income, stoking anti-worker reaction. By the same token,

vulnerable working families frequently struggle to subsist on strike pay. As the family farm was gradually eclipsed by more business-minded, larger scale operators, 'traders' in managerial ranks increasingly counselled hardball bargaining. Workers were alienated by established co-operatives' labour practices increasingly indistinguishable from those of investor-owned firms. Every nasty dispute eroded member participation and patronage, broader co-operative sector loyalty and development prospects amongst the growing working class and their progressive allies. This gradual collapse of the historic agrarian-labour bloc undermined co-operation's long-range prospects, particularly on the urban Prairie. Like the recurring problem of managerial power, bureaucratisation and movement degeneration faced by maturing sectors everywhere (MacPherson, 2007; Diamantopoulos, 2012a), or the perennial conflicts of ideology and politics, this urban/rural split reflected emerging class conflicts within the movement. It was just one of the contradictions that would divide Canadian co-operators, arresting co-operative development and frustrating movement advance on the Prairies.

Co-operation Divided: Regional, Linguistic, and Cultural Development Gaps

Canadian Confederation (1867) was the deliberately brokered product of the French and British traditions — each then in the international movement's advance guard. However, settler co-operation's bi-national form emerged as a formative contradiction of early Canadian mutualism — both a source of great promise and missed opportunity. Certainly, working together across these differences came neither easily nor quickly. Colonial era conflicts between British and French imperial powers had come to a formal conclusion with France's 1759 capitulation of Québec. However, its lasting legacy of division fated co-operators to build on cracked foundations. This posed vexing challenges to sharing their innovations. They grappled clumsily to overcome linguistic, cultural, and doctrinal differences. Fragmented by sector and provincial jurisdiction, they also struggled for movement unity in conditions of vast geographic dispersal.

The arrival of credit unionism on the Prairies provides one example. While it took a couple of decades for western Francophone communities to adopt the *caisse populaire* concept, established in Québec from 1900, diffusion took a circuitous path to reach Prairie Anglophones. This postponed the broad-based development of credit unionism until the desperation of the Great Depression finally forged the breakthrough — two decades after the earliest Francophone *caisses* on the Prairies:² "It is a reflection of the depth of western linguistic-religious divisions that their development had gone generally unrecognised by Anglophones and others" (MacPherson, 1979, p. 164).

Barriers to innovation: linguistic path dependence and movement segregation

An early challenge for Canadian co-operators was thus combining the Old-World traditions of France and Britain. On a mostly English-speaking continent, this potential remained largely unrealised a century and a half later. Language, trade, and politics turned Anglo-Canadians' attention first to their own heritage and the Rochdale tradition. The Rochdale model's preeminence and consumer co-operation's widening hegemony over the English-speaking movement would have important Canadian implications. Consumer co-operation's growing dominance at a formative moment in the world movement's constitution marginalised workplace democracy across the English-speaking world. This began with the failure of the Brighton wave of hundreds of worker co-operative shops by 1833 (Birchall, 1997, p. 5); deepened with the defeat of co-partnership, which sought to share consumer co-operative profits with its workers from 1884 to 1896 (McCabe, 1922); and was soon thereafter reinforced by Webb's (1899) degeneration thesis.

The fate of worker and producer co-operation also illustrated how co-operative models' global diffusion would be unevenly channelled by ethno-linguistic traditions. Nowhere was this

divergence clearer than in the cases of British and French settler co-operation since France was the cradle of the worker co-operative movement. Adoption rates in settler movements reflected home country traditions and prejudices as settlers carried them to the New World. These competing traditions' differential effect was considerable in Canada, where the two language communities existed side-by-side and created parallel organisational structures.

At the turn of the century, the consumer was king in the British tradition. Many British migrants would bring their Rochdale tradition to Canada with them. Perhaps most influential for the movement's course was George Keen, the first secretary of the Co-operative Union of Canada (MacPherson, 1979). Formed in 1909, the Co-operative Union of Canada absorbed prevailing Anglo-prejudices against worker and producer co-operatives and credit unions (MacPherson, 1979). Englishmen Samuel Carter and George Keen at first knew and cared little about these models. Committed to co-operative stores' leading role, doctrinal purity delayed the movement's reach — by model, sector of activity, region, culture, and language.

Later Anglo-Canadians' adherence to British tradition and Rochdale doctrine eased with the Western advent of agricultural pooling and Prairie co-operators' rising fortunes and voice (Fairbairn, 1984). Consumer co-operation's early dominance had nevertheless delayed credit union development and sowed the worker co-operative movement's ground with salt across English-speaking Canada. The early twentieth century's *caisse populaire* mobilisations only gradually softened scepticism toward credit unionism outside Québec. Moves to replicate their advances in worker co-operation met stiff resistance through the twentieth century, in part reflecting the continuing influence of the degeneration thesis (Axworthy & Perry, 1988). This ethno-linguistic path dependence helps explain why worker, worker shareholder and multi-stakeholder co-operatives became so much more common per capita in Québec than Canada-wide by the twenty-first century (Co-operatives Secretariat, 2001; Finances, économie et recherche, Québec, 2003).

Innovation accelerators: bilingualism and inter-movement exchange

By contrast, language and tradition trained Quebecers' gaze on the wider spectrum of continuing innovations that defined French-speaking Europe's *économie sociale*. The Rochdale model influenced the co-operators of the *Francophonie*, including Québec. But it would not dominate them. Alphonse Desjardins' trans-Atlantic correspondence, reaching across the European continent at the end of the nineteenth century, exemplifies this open channel to the wider continental experience (Fairbairn, 2000). However, Desjardins also worked hard to break the early ethno-linguistic containment of credit co-operation to Québec. As a parliamentary secretary, he spread the *caisse populaire* model in Ontario when the (officially bilingual) House of Commons was sitting. In contrast with the general ethno-linguistic segregation of Canadian co-operators, this co-mingling of French and English co-operative traditions — particularly in the country's most bilingual centre, Montréal — created an important incubator for innovation (Bouchard, 2013).³

Canadian co-operation's ethno-linguistic geography, particularly outside the bilingual cultures of Ottawa and Montréal, thus posed an enduring paradox. French- and English-speaking co-operators circulated in different social networks and flows of information. These 'structural holes' (Burt, 2005) prevented them from learning from each other's experience and adopting their innovations. As the National Task Force on Co-operative Development (1984) reported, "we found in our discussions across the country that frequently co-operatives in one province or sector were completely unaware of relevant developments in another part of the co-operative system" (pp. 121-122). Moreover, Canada's ethno-linguistic solitudes were still institutionalised at the turn of the twenty-first century, by the Canadian Co-operative Association in English-speaking Canada and the *Conseil canadien de la coopération et de la mutualité* across French-speaking Canada.

One price paid for movement segregation was a widening gulf of ignorance, disunity, and misunderstanding. Different traditions, guiding metaphors, and preferred models made it

increasingly difficult to engage across linguistic and conceptual differences. This was much more than simple 'translation drag'. English and French-speaking communities coded intellectual traditions with their own leading theorists, terminology, and bodies of knowledge. Over time, mutualism's development discourses, interpretive communities and communities of practice increasingly diverged.⁴ Canadian co-operators' symbolic worlds were defined by segregated movement cultures, scientific literatures and political agendas. Bilingualism might bridge the language gap, but institutional, cultural, and conceptual gaps often remained.

Canadian co-operative practice thus remained sharply divided by language and region over a century after its earliest mobilisations. Two organisationally and conceptually distinct movements evolved. The English was defined by its nineteenth century Rochdale roots but adopted the late twentieth century's guiding metaphor of community economic development, particularly in 'the regions'. The French built on its nineteenth century social economy tradition. At the turn of the twenty-first century, one example of this enduring communication gap was the fate of the worker-shareholder co-operative model (Côté, 2007). In the 1990s, Québec workers developed these co-operatives to buy shares to gain job security and influence in a business. This shareholding also positioned workers to take over the business on an owners' retirement. In 2015, 39 of these co-operatives were active in Québec. The rest of the country had yet to incorporate a single worker-shareholder co-operative (Co-operatives Secretariat, 2016).

As with worker-shareholder co-operatives, Anglo-Canada was also late to adopt multi-stakeholder (or solidarity) co-operatives. While the worker co-operative wave of the 1980s had set this innovation chain in motion, tripling the size of Québec's sector from 100 to 300 firms in just five years (Lévesque, 1990), these flexible models would overtake the worker co-operative as the sector's new growth pole. What workers could not do alone, these hybrid structures allowed them to do with a little help. Taken together these models accounted for over a third of Québec's non-financial co-operative employment by the turn of the century. Québec's non-financial co-operatives generated over 11,000 jobs from 1995 to 2000; a gain of 46 percent compared to an employment gain of only 9.2% in Québec's economy as a whole (Finances, économie et recherche, Québec, 2003, p. 17 and 20).

Clearly, co-operators who speak only French and those who speak only English are embedded in substantially different symbolic worlds. With less than one in five Canadians being bilingual, the challenge for effective inter-cultural diffusion of co-operative innovations is clear. Consider the lack of cultural and geographic proximity between co-operators in the predominantly French-speaking province of Québec and the English-speaking provinces of the Prairies. Although nearly half Québec's population speaks both official languages, in Saskatchewan fewer than one in twenty are bilingual (Statistics Canada, 2016). News of a Saskatchewan innovation may thus face significant delay in reaching Québec, but a Québec innovation will face many more obstacles to adoption in Saskatchewan. This asymmetrical drag on innovation diffusion is one of the dilemmas of a highly regionalised and unevenly bilingual federation.

Ethno-linguistic path dependence has therefore deeply conditioned co-operative innovations' viability in Canada. Where a common language and cultural proximity opened diffusion channels the relay of innovations accelerated. The internet gradually dissolved geographic barriers of time and space between French-speaking Europe and Québec. Quebecers were quick to adopt models from French-speaking Europe. Conversely, diverging language traditions continued to act as stubborn diffusion barriers between Canadian neighbours. Despite sharing a border with Québec, Ontario co-operators learned about its innovations indirectly and slowly from bilingual Quebecers. Indeed, it is commonplace in Canada to speak of the 'Two Solitudes' (MacLennan, 1945). This segregation generally reflects the regionalisation of Canada's English and French-speaking language communities and specifically Québec's distinct enclave culture. However, cohabitation in places like Montréal and joint problem-solving in places like the House of Commons, federal political parties and national organisations after Confederation in 1867, gradually built bridging social capital between these two solitudes. Here Anglophones and Francophones, disproportionately bilingual and occasionally able to benefit from simultaneous translation, built trust, understanding, and relationships based on reciprocity. These networks

connected people from different social groups, bridging structural holes, and opening diffusion channels. These relationships helped them “get ahead”, better advancing their career and development agendas (Bezanson, 2006). As Desjardins’ early example illustrates, the result was increased inter-cultural dialogue and joint action.

As Canada’s deeply entrenched, residual segregation by language gradually yielded to an emergent bilingualism, prospects for the inter-cultural and inter-regional diffusion of co-operative innovations improved. Federal support to second language instruction in Canadian schools after 1970 was an important early turnkey for bridging this linguistic divide (Statistics Canada, 2006). Official bilingualism was introduced in the federal civil service in 1969. Bilingual civil servants were well positioned to span structural holes between Francophone and Anglophone co-operators. The federal Co-operatives Secretariat’s creation in 1987 formalised that role. Less expensive airline travel and the rise of new information and communication technologies in the last quarter of the twentieth century also eased exchange between movement leaders and researchers. As the cost of translation drag on innovation diffusion became clearer, increased investment in translating research findings and conference proceedings followed. For example, the Co-operatives Secretariat played a key role in funding simultaneous translation for movement proceedings.

A landmark social economy research and knowledge transfer effort spanned 2005 to 2010. Supported through Social Sciences and Humanities Research Council funding, this consortium included regional research nodes and a federal hub (Mook, Quarter & Ryan, 2010; Bouchard, 2013; Novkovic & Brown, 2012; McMurtry, 2009). It established important new insight into regional co-operation’s distinct realities, breaking down research barriers between regions, disciplines, non-profit and co-operative researchers, and French and English language research traditions. It was a concerted effort to bridge these structural holes — and the parochial and ethnocentric traditionalism they reinforced.

Over a century and a half, a string of bridging initiatives dissolved many barriers to innovation’s transfer. The country’s French and English movement apex organisations merged in 2014. The founding of Co-operatives and Mutuals Canada was the culmination of a long, difficult, and frequently contested train of political reform, policy-building, and programme funding within Canadian federalism; as well as a parallel and equally fraught process of movement negotiation within organised co-operation. Although partially driven by cost-savings, it also enfranchised co-operators to better communicate across their differences and learn from their long-segregated experiences. It also marked only a beginning toward the needed shift in movement culture, as new knowledge and practical know-how spread to the grassroots. Nevertheless, linguistic segregation had once institutionalised a structural hole that frustrated the relay of innovations. This merger instead created a new ‘dialogue site’ (Côté, 2007).

This long and winding trail reflected a simple social fact: European settlement after the mid-nineteenth century sowed the seed for Canadian co-operation. British immigrants brought the consumer co-operative tradition. The French imported their mother country’s attachment to worker co-operation and state support for co-operative development and the social economy. However, more rapid international diffusion and more varied immigration also brought a wider variety of co-operative traditions into constructive contact. Settlers’ turn north as prime U.S. frontier land was exhausted in the early twentieth century, also meant Western Canada benefited from American innovations, notably agricultural pooling. Co-operative Canada’s development was thus far from a mere epiphenomenon of utility-maximising economic actors; it was deeply embedded in these settler societies’ complex history, demography, and social structures.

Mutualism in the North and Indigenous Communities

Canadian settlers were late to include and learn from Indigenous people’s experience. In fact, through the nineteenth and twentieth centuries co-operation was part of settler colonialism’s project. Indigenous people were dispossessed by the Canadian state and agrarian capitalism. In this segregated new society, they were *de facto* excluded from co-operatives built by settlers

to meet settlers' needs (Fairbairn, 2005). While Canada's first (settler) co-operative formed in 1861 Nova Scotia, Canada's first Indigenous co-operative would not unite the Cree fishers of Reindeer Lake at Kinoosao until 1945 (White, 2018). Nevertheless, these resilient communities complicated and expanded twentieth century co-operation. Indigenous co-operators played an important, though contradictory, role in decolonising Northern Saskatchewan in the 1940s (Dobbin, 1981). With the support of the Co-operative Commonwealth Federation government, they organised Indigenous fishers, hunters and trappers and consumer co-operatives. This early experiment was followed by the founding of Northern Québec's *Fédération des Coopératives du Nouveau Québec* (FCNQ) in 1960 (Girard, 1999; Tulugak & Murdoch, 2007) and the 1972 launch of Arctic Co-operatives, serving communities across Nunavut, Yukon and the North-West Territories (McCarville, 2004).

Building co-operatives on Indigenous communal traditions and their struggles for self-determination succeeded where imposing colonial models failed. Arctic Co-operatives Limited unites 32 member co-operatives and 14 co-operatives make up the FCNQ (Hammond Ketilson & MacPherson, 2001). Far from marginal players, each federation's sales exceeded CA\$200 million in 2015 (Innovation, Science and Economic Development Canada, 2015). This earned each a place amongst Canada's top 25 non-financial co-operatives (ranked by revenues).

Northern innovations provide instructive examples for southern Indigenous communities and Indigenising movements. By the turn of the twenty-first century, the North-West Territories had four times as many Indigenous co-operatives as the rest of Canada combined (Belhadji, 2001); 140 co-operatives serving a region of about 100,000 compared to only 35 co-operatives in a country of almost 38 million. This illustrates a large diffusion gap and pent-up development potential. For example, from 1992 to 1997, FCNQ revenues almost tripled; its assets more than tripled (Hammond Ketilson & MacPherson, 2001, p. 217).

Reconciliation between Indigenous communities and non-Indigenous movement leaders has recently expanded the southern Canadian movement. For example, in 2016 Federated Co-operatives Ltd. invested CA\$5 million to advance co-operative development in rural and Indigenous communities (Settee, 2019). Even though Canadian co-operation's European origins continue to drive and limit its twenty-first century progress, the emerging role of Indigenous co-operatives and participation within the settler-dominated movement marks an important reform moment in Canadian mutualism.

Conclusion: From Fragmentation to Inclusion

First channeled by European migration and diverging ethno-linguistic traditions, Canadian co-operation's diffusion path followed three main geographic channels. Following co-operation's nineteenth century European invention, its development trajectory first followed in the Great Atlantic Migration's wake to the Maritimes and the territory of present-day Central Canada. With the construction of a transcontinental railway and the exhaustion of fertile, cheap land in the U.S., settler co-operators next tackled the many practical problems of the early twentieth century's advancing Western frontier. Canadian co-operation's third great geographic expansion saw its introduction across the North. This carried Canadian mutualism beyond its origins as a settler movement. Indigenous co-operatives began in Northern Saskatchewan, followed by the launch of Northern Québec's FCNQ and then Arctic Co-operatives' work spanning Nunavut, Yukon, and the North West Territories.

Canadian co-operation's roots in European traditions and the Canadian state's bi-national character shaped the movement's twentieth century evolution. The English-speaking and French-speaking movements paved parallel but distinct paths. This divergence shaped their comparative resilience and capacity to innovate in a globalising world (Diamantopoulos, 2011). Québec's dramatic progress in building a social economy movement, a solidarity finance system, worker-, worker-shareholder, and multi-stakeholder co-operative sectors illustrates its distinct legacy.

In its second century, Canadian co-operation continues to lag its parent movements in some ways (International Co-operative Alliance, 2019). For example, as earlier adopters, the French and U.S. movements realised enduring and compounding advantages as they achieved critical mass in emerging sectors. Stronger revenues as a percentage of national GDP per capita reflect their deeper roots. However, what Canada's adolescent sector lacks in economic muscle, it gains in popular appeal. With over half of Canadians belonging to at least one co-operative, they also belong to a select community of the world movement. Only the residents of Finland, Sweden, and Ireland can also make that claim (Zamagni & Zamagni, 2010, p. 35). Canada now enjoys a higher overall membership density than its parent movements, including the U.K., France and the U.S. Its broad-based membership suggests new campaigns may find traction with Canadians already familiar with co-operative models — if their democratic force can also be brought to bear on meaningfully resolving the deeply entrenched contradictions outlined above. The emerging generation of Canadian co-operators may thus be better positioned than their parent movements for future sector growth.

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Notes

- 1 MacPherson (1979) recounts the paradoxical role of the Scottish Co-operative Wholesaling Society in Canadian mutualism's development path. On the one hand, it provided Canadian prairie farmers with an important market for their wheat (including establishing a depot in Winnipeg in 1905). On the other hand, many British consumer co-operators opposed the formation of the producers' mighty Prairie pools, both for doctrinal reasons and to protect low grain prices for their members. The conflict culminated in a tour of the Prairies by representatives of the two major British wholesalers and the International Co-operative Alliance in 1927. The intervention of the ICA, which backed the pools and extended support to the Co-operative Union of Canada helped allay British fears. The episode also helped unify the Canadian consumer and producer co-operative sectors (pp. 95-7).
- 2 Although about forty Francophone caisses populaires were founded in Saskatchewan in the forties, only four were left by 1980 — victims of assimilation into an English-speaking culture (National Task Force on Co-operative Development, 1985). Similarly, the province's first credit union was started by the Jewish Colonization Company in 1910, further illustrating how ethnic segregation exercised a drag on innovation diffusion (Saskatchewan Credit Unions, 2020).
- 3 Prince Edward Island's Evangeline region provides another important case (Wilkinson & Quarter, 1996). Once a French colony, the Acadian region is populated by many French-speaking descendants.
- 4 Two examples of the discursive segregation of co-operative studies are MacPherson (1979) and Mungall (1986), both accounts restricted to English-speaking Canada. Despite the fact that 234 of the country's 350 worker co-operatives were located in Québec, none of Mungall's sixteen cases were drawn from that milieu. As the Co-operative Secretariat's Alain Roy said: "We don't have the day-to-day habit of working together. Anglophones have to go to Québec if they want to benefit from our experiments" (Mungall, 1986, p. 6).

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