Journal of Co-operative Studies

Vol 59 No 1, pp. 30-39

https://doi.org/10.61869/OFBM1548

When ambition overrides co-operative principles: Insights from Canadian and US outdoor products co-operatives

Howard L. Smith and Richard Discenza

When co-operatives progressively drift away from their primary principles and values, crisis and even catastrophe can happen. Ambition overriding co-operative fundamentals is analysed in the leading recreational apparel and equipment retail co-operatives in Canada and the United States. The paper draws on the concept of degeneration, that leads to an insulated managerial elite and subsequent tension with key stakeholders such as personnel and members, to study Mountain Equipment Co-operative (MEC) and Recreational Equipment Incorporated (REI). Fiscal measures and performance metrics such as membership growth patterns are explored to reveal contributory factors that led REI to a point of crisis and MEC to dissolution. Although the co-operatives accomplished many great things, the sense of community in both co-operatives was diluted and roadblocks hampered members' role in governance. In effect, degeneration was occurring to the point that in both co-operatives democratic principles were undermined. Other co-operatives addressing similar hostile external challenges or pressures to shift toward corporatisation should consider the experience and lessons of MEC and REI. Findings from the study suggest an evidence-based research agenda that explores how co-operatives can accentuate self-help and accountability to members, democratic control, and concern for community in resisting degeneration and pressures for corporatisation.

Introduction

What happens when co-operatives forget to live by their charter and progressively drift away from the primary principles upon which they are based (International Co-operative Alliance, 2015)? This provocative research question guided an analysis of the leading recreational apparel and equipment retail co-operatives in Canada and the United States. An easy answer is that when co-operatives fail to live up to their code they eventually go out of business, but this is only a small part of the story. A rich tapestry of learning is made possible by methodically analysing the cases of Mountain Equipment Co-operative (MEC) and Recreational Equipment Incorporated (REI) to understand the paths these troubled organisations have taken, the trade-offs they made, and the implications for reaching sustainability. Such insights are invaluable because the Canadian co-operative, MEC, has since dissolved and converted into a for-profit entity (Krashinsky Robertson, 2020). Meanwhile the US co-operative, REI, is battling to remain solvent (Parton, 2025).

According to Co-operatives and Mutuals Canada (n.d.), there are over 6,700 co-operatives in Canada at the time of writing. In the US, the National Cooperative Business Association (n.d.) indicates that 65,000 co-operatives are in operation and that one out of every three people in the US is a member. As these estimates suggest, co-operatives are quite prominent in North America, and they continue to emerge despite the growth of for-profit corporations (Boone & Özcan, 2014). In view of the prevalence of co-operatives, especially those competing in challenging retailing markets, there is value in gaining knowledge about building effective co-operative communities.

This study reviews the evolution of Canada's and the US's leading co-operatives in outdoor goods retailing as a basis to understand contributory factors that led REI to a point of crisis and MEC to dissolution by neglecting fundamental principles salient to all co-operatives. Implications for an evidence-based research agenda are considered regarding how co-operatives can better manage issues pertaining to self-vision, community, and governance.

Conceptual and Theoretical Framework

Fundamentally co-operatives adhere to a set of principles attributed to the Rochdale Society of Equitable Pioneers in England (Fairbairn, 1994) and subsequently systematised by the International Co-operative Alliance (2015). Our study places particular emphasis on democratic member control (namely members actively participate in decision-making), member economic participation (namely members contribute equitably to the organisation's capital) and autonomy and independence (namely co-operatives are self-help entities accountable to members). However, in addition to these emphases, insights are gained about the impact of the macro-economic environment in Canada, the US and larger global community where pandemic forces and digital technologies are redefining the economic landscape. Retailing is one economic sector that has particularly been challenged as reflected in the fiscal performance of many organisations, including the co-operatives in this investigation (Fox et al., 2025).

Co-operatives can encounter challenges in successfully implementing their guiding principles. It has been theorised that co-operatives are susceptible to forces of degeneration, or the tendency for a managerial elite to arise with expanding scope and scale (Michels, 1911/1966). In this regard, a co-operative community can experience undesired stratification and emphasis on efficiency by leaders, which may undermine members' goals (Diefenbach, 2019) and erode co-operative identity (Novkovic et al., 2012; 2022). Degeneration may also lessen the impact or input of workers (Cornforth, 1995) as decisions are usurped by upper echelons.

Empirical studies of co-operatives provide evidence of a confounding dualism when underlying imperatives to operate as a business conflict with essential grounding as a community-driven enterprise (Thompson, 2015). Several studies have clarified that remediating degeneration is a difficult challenge with long-run implications (Bretos & Errasti, 2017; Storey et al., 2014). Other scholars suggest that the dual nature of co-operatives as social organisations and economic enterprises offers a degree of synergy that enables co-operatives to balance competing economic and social forces (Novkovic, 2008; Shanahan, 2025). This leads to an insulated managerial elite and subsequent tension with key stakeholders such as personnel and members.

Methodology

A comparative case study approach was utilised to discern evidence of degeneration and variability in the respective balances of duality in MEC and REI, namely, the tension versus synergy reflected in the imperatives for commercial expansion versus member service. Data were collected using certified accounting and fiscal records, archival documents from top management and the governing boards, and media reports. Quantitative fiscal measures and performance metrics (e.g. membership growth patterns) provide a basis for objective comparisons while qualitative information drawn from public and private sources are explored to uncover contributory factors that led the US co-operative to a point of crisis and the Canadian co-operative to dissolution from neglecting fundamental co-operative ideals.

Each co-operative began to experience sustainability issues as the COVID-19 pandemic took hold. Thus, the timeframe of analysis centres on MEC's last four years before dissolution (2017-2020) and REI's fights to remain solvent over four years (2021-2024).

Creation and Evolution of Two Retailing Co-operatives

Our study focuses on the former MEC headquartered in Vancouver, Canada and REI located in Seattle, US. In their early years both co-operatives focused on outdoor equipment and clothing, and each followed similar strategic paths until the COVID-19 pandemic. Thereafter MEC was dissolved and converted to a for-profit corporation while REI encountered strategic and operational difficulties causing it to languish.

MEC's formative years, expansion, and demise

MEC was created in 1971 when six founding members, who had been purchasing equipment through REI, decided to replicate the co-operative model in Canada (MEC, n.d.). The co-operative's charter was to "…inspire and enable everyone to lead active outdoor lifestyles. We do that by selling outdoor gear, clothing and services" (MEC, 2014, p. 2). Bricks and mortar locations were expanded in Vancouver, Calgary, Toronto, Ottawa, Winnipeg, and Edmonton culminating in 20 cities and 22 stores as sales and membership increased (see Table 1).

Table 1: Growth of MEC

	# Stores	# Members	#Employees
2020	22	5.0-5.7 million	2,400
2010	14	3.3 million	1,500
2002	6	NA	NA
1972	1	6	NA

Source: the authors based on MEC accountability reporting https://www.mec.ca/en
NA = not available

Around 2009, MEC expanded into a diverse set of urban outdoor products and apparel centred on yoga, bicycling, and running (Silcoff & Strauss, 2015). In 2013, the co-operative rebranded itself as "MEC" to minimise the impression that the co-operative was primarily about mountains when its business was as much urban based as mountain based (The Canadian Press, 2013). By this point profits (before member dividends and taxes) were CAD 8 million on total sales of CAD 336 million, with 2,450 employees, and over 5.4 million members (MEC, 2014). MEC grew its own line of products as a strategy to position it for continued growth and dominance in the outdoor products industry (Bennett, 2017).

Table 2 presents MEC's financial metrics in its final four years of operation. The COVID-19 pandemic brought in-store sales to a halt and an ecommerce environment held sway threatening an enterprise that was employee-expense heavy and vulnerable in technology applications.

These data indicate that annual sales and cost of sales had stagnated, however, selling and general administrative expenses were increasing. Meanwhile net earnings losses increased from a loss of CAD -4,652,000 in 2017 to CAD -22,734,000 in 2020, although current assets were sufficient to cover current liabilities. In September 2020, MEC owed lenders CAD 74 million, expected to owe CAD 92.4 million two months later, while its 2019 year-end fiscal report would include a CAD 11.5 million loss on CAD 462 million in sales (Nair, 2020). Speculations about the true cause of MEC's demise include under-developed social media efforts, the purported high value of MEC's capital assets (buildings) that could be liquidated to address financial losses, and an overly optimistic perception about member commitment to the co-operative (Parent, 2020).

Table 2: MEC financial metrics (CAD)

	2020	2019	2018	2017
Sales	463,436*	462,445	454,445	466,176
Cost of sales	313,772	313,062	311,704	319,800
Selling & admin expenses	176,020	164,345	157,388	155,700
Net earnings	-22,734	-11,487	11,745	-4,652
Total current assets	388,994	363,745	362,155	380,821
Total current liabilities	156,205	114,122	163,420	193,505

Source: the authors based on MEC annual reports https://www.mec.ca/en
*CAD in thousands

An amalgamation of external threats (e.g., pandemic, shift to ecommerce, and disconnected members who purchased from competitors) delivered the final blow to MEC. The governing board made an undisclosed-to-members decision to sell the co-operative's assets to a US investment firm in 2020 (Krashinsky Robertson, 2020) under the rationale that such a transaction would preserve the highest number of staff employed (Richardson, 2020). Kingswood Capital Management LP pledged it would retain a high percentage of the employees as well as stores (upwards of 75%) in plotting a new future. Five-years later, in 2025, after the turmoil from the sales and financial crises, MEC was sold again, but this time to a group of Canadian investors (MEC, 2025).

According to Pigeon (2020), erosion of democratic control was instrumental in the failure of MEC. By destroying the community fabric, MEC leaders also distanced the co-operative from the very resources needed to make it a success, such as the infusion of creative thinking and inclusion of members in saving their organisation. Borden Ladner Gervais LLP, a prominent Canadian law firm, acknowledges that an appeal to members for capital could easily have saved MEC (Lambie & Jaipargas, 2020). In 2020, MEC had approximately 5 million members. If every member paid CAD 5 toward saving the firm, in 2020 the net loss of CAD 22 million would have been negated. In sum, many options existed beyond taking the organisation beyond its co-operative charter.

In retrospect, MEC violated key co-operative principles. It allowed non-members to make purchases thereby depreciating its identity and sense of community and in effect communicated publicly that non-members only have a responsibility for an economic transaction, not an investment in the community. MEC also incentivised members to minimise investments in the co-operative community. They had little if any direct personal stake in building a cohesive community. MEC set policy roadblocks to members' ability to serve in governance and leadership positions which diluted democratic control.

REI's formative years and growth

Turning to REI, in 1938 Lloyd and Mary Anderson created the co-operative in Seattle along with 23 friends (REI, n.d.). Their goals were to capitalise on group purchasing to lower costs and improve accessibility for new mountaineering gear sourced from Europe. For almost 40 years REI limited its operations to the Pacific Northwest allowing members to be closely connected with other co-operative members. This changed in 1975 when REI planned a store in Berkeley, California. Such a move sparked confusion about what was in the co-operative's best interest (Piscitelli et. al., 2025). The addition of diverse communities (with more store settings) ultimately meant challenges for the co-operative's identity and community functionality.

REI began aggressive growth in the 1970s that transformed it into a quasi-corporation intent on commercial success (Wahba, 2024). As it pursued ever higher sales and new members, co-operative principles were neglected. REI progressively adopted for-profit enterprise operating practices, restricted member involvement and governance, set its sights on building a premier brand, and worked zealously to maintain this trajectory at a time when savvy innovation was imperative (REI, 2023). REI set an overly ambitious strategic vision regardless of charter, external challenges, or organisational capabilities and resources.

Table 3 presents REI's growth over the last 20 years. These statistics underscore that REI grew after the pandemic in terms of stores, members, and sales. However, these facts do not adequately reconcile with the external challenges of a dramatically changing retail environment driven by ecommerce, social media, and declining profit margins since 2020.

Table 3: Growth of REI

	# Stores	# Members	# Employees
2024	179	25,000,000	14,000
2020	146	20,000,000	15,000
2010	114	4,340,248	NA
2001	53	2,078,058	NA
1971	2	200,000	400

Sources: the authors based on REI annual impact reports https://www.rei.com/

Part of REI's problem can be attributed to its business model which relies on small stores, leased bricks and mortar, buttressed by a few "flagship" stores. The pandemic not only limited members' ability to shop at co-operative stores, but it also paused the need for recreational equipment as many outdoor sites were closed. Yet, despite the decline in customer demand, REI was hesitant to manage personnel costs by reducing staffing because it was experiencing problems with employee morale and unionisation (Wahba, 2024).

Fiscal and membership crises

REI's diminishing performance is readily apparent in the co-operative's financial statements published yearly on its website. Selected income statement and balance sheet metrics are presented in Tables 4 and 5 drawn from audited results presented on the organisation's website (https://www.rei.com/).

Table 4: Select income statement metrics (USD)

	2024	2023	2022	2021
Net sales	3,536,474*	3,758,226	3,850,174	3,739,259
Cost of sales	2,101,524	2,304,354	2,308,084	1,981,654
Gross profit	1,424,950	1,453,872	1,542,090	1,757,605
Operating expenses				
• Payroll	879,970	941,391	963,777	798,045
• OGA**	699,574	726,242	793,177	635,264
Operating income/Loss	(154,594)	(213,761)	(214,864)	324,296
Member dividends***	775	(3,082)	(4,027)	186,596
Net income/loss	(156,439)	(311,128)	(164,712)	97,661

Source: the authors based on REI annual impact reports https://www.rei.com/
*USD in thousands
** Operating, general & administrative expenses
*** Annually REI may award a patronage dividend, promotional reward, or both. Promotional rewards [exclusive of member dividends] were USD 159.0 million (2024), USD 178.1 million (2023), and USD 173.3 million (2022). A dividend of USD 193.4 million was awarded in 2021.

Net sales were relatively stable from 2021 to 2024 with a modest decline apparent in 2023 and 2024. This trend is consistent with overall outdoor retail sales trends noted by the Outdoor Industry Association (2025), which observed that consumers were demanding more casual wear products than technical gear. In 2024, the cost of sales for the co-operative declined slightly, consistent with gradual slowing of inflationary trends (Dao et al., 2024). Gross profit for REI was down remarkably (19%) in 2024 compared to 2021.

REI's operating expenses rose precipitously in 2022 and 2023 before declining in 2024 due to high payroll expenses and operating, general, and administrative expenses. Despite declining sales and higher costs, the co-operative did not prudently manage payroll costs or general operating costs (Wahba, 2024). It raised employee pay and benefits in response to employee demands and union activity. By 2022, retail sales in the industry were on a downward trajectory which should have signalled the need to control human resources expenditures.

REI entered a three-year spiral in financial losses: USD 164 million in 2022, USD 311 million in 2023 and USD 156 million in 2024. Essentially the co-operative lost USD 451,000 *per day* in 2022, USD 852,000 *per day* in 2023 and USD 428,000 *per day* in 2024. The gravity of this fact is seen in Table 5.

Cash and cash equivalents were drained in 2022 and 2023. Cash reserves fell from USD 800,494,000 in 2021 — almost one billion dollars — to USD 144,187,000 in 2023 or a decline of USD 656,307,000. Then, in 2024, short-term investments were apparently liquidated to help fund the fiscal gap. REI went from a cash and short-term investments buffer of over one billion dollars (USD 1,024,252,000) in 2021 to half that in 2024; that is, USD 552,693,000.

Table 5: Select balance sheet metrics (USD)

	2024	2023	2022	2021
Cash & cash equivalents	283,959*	144,187	228,999	800,494
Short-term investments	55,269	199,172	296,791	223,758
Property & Equipment	541,612	566,164	528,245	466,687

Source: the authors based on REI annual impact reports https://www.rei.com/
*USD in thousands

Before he stepped down in February 2025, CEO Eric Artz was adamant that REI could reach 50 million members and thus increase sales (Wahba, 2024). Attractive member rewards represented an important strategy option. However, it is informative to reflect on REI members' failure to exchange their rewards. In 2024, members did not redeem USD 31.9 million in rewards while USD 34.4 million in rewards were not redeemed in 2023. Member promotional rewards in 2024 were USD 159 million over roughly 26 million members or only USD 6.12 per member, hardly an amount to incentivise additional consumption.

In 2024, REI's cost of membership was a one-time fee of USD 30. However, changing to a USD 5 annual membership fee by REI would raise approximately USD 130 million, or almost the amount distributed for member rewards. Purposeful fee management would not only raise needed working capital, but it could also articulate a compelling rationale for member growth and possible sales.

In view of REI's precipitous fiscal decline, a change in vision and strategy appear to be warranted. From a strategic management lens, REI must address its business model as well as its strategies designed to deliver customer value and enterprise profitability. Traditional strategy approaches include closing underperforming stores, cutting excessive personnel costs, lowering promotional rewards for members, and upgrading omnichannel capability. However, these strategies are probably not sufficient for resolving REI's operational problems and the external revolutions in retailing, social media driven ecommerce, and an ambiguous economy.

Implications for an Evidence-based Research Agenda

This investigation into the two largest outdoor products retail co-operatives in North America clearly underscores the importance of adhering to fundamental principles and values upon which effective co-operatives are based. Co-operatives especially need to follow these key principles in order to avoid degeneration and drift toward non-co-operative missions. Our analysis implies that three inherent principles should have received more attention in practice — self-help and accountability to members, democratic member control, and concern for community learning. These ideals frame opportunities for future research.

Self-help and accountability to members

Given the scale of REI, almost USD 4 billion in annual sales, 179 dedicated stores, 25 million members, and diversified products for far-ranging recreational use, some would argue that REI has the means to weather its current challenges. That might be an optimistic assumption. By looking at what happened to MEC, REI should understand the gravity of its situation and recognise that a strategic vision must be equivalent to the challenge. REI vitally needs to adopt a strategic vision, informed by its membership or other co-operatives consistent with the ideals espoused by the International Co-operative Alliance (2015).

MEC and REI have pursued ambitious paths that were well outside of their charters and thus made themselves susceptible to degeneration wherein leaders were out of sync with members. They lost touch with their communal co-operative ethos as the possibilities of enterprise growth emerged. The irony for MEC and REI is that the ambitious drive to be more, to achieve more, or to become a dominant powerhouse can be presumptuous. Reaching for largeness, greatness, or superiority can distract from a sense of alignment. Right now, REI might do better by not trying to achieve more, but by refining its vision and strategies by asking “what is the right thing to do in this situation from a co-operative’s perspective?” In the final analysis, the redeeming lesson is to align a vision for the future with a realistic knowledge of a co-operative’s capabilities and resources.

Future research could better address the best practices that co-operatives use to help themselves. How does more imaginative thinking (and problem-solving) by a co-operative community create a climate for objective discussion about bridling contentious ambitions?

Democratic member control

Startling similarities were observed for the decline of member governance in both MEC and REI. MEC’s governing board defined more rigorous experience and qualifications for board membership which was interpreted as an effort to exclude candidates with less sophisticated or non-professional backgrounds. The ultimate undermining of democratic member control occurred in 2020 when the board approved selling MEC’s business to Kingswood Capital Management without consulting members and despite a subsequent petition signed by 73,600 people to terminate the transaction (Harding, 2020). The board argued that its highest priority was saving a maximum number of jobs which justified not bringing this decision to the membership because it could jeopardise the agreement with Kingswood Capital Management (Richardson, 2020). Like MEC, REI has essentially limited members’ ability to run for board positions. Nominations must now pass through the Governance Committee which acts as a gatekeeper.

Future research could focus on governing boards’ attempts to minimise democratic control which could lead to degeneration. There is also a challenge in making certain that leadership is experienced and capable of sound fiscal decisions. Research should concentrate on how co-operatives balance these competing demands for democratic representation and professional skills.

Concern for community learning

One of the most valuable lessons for other enterprises is the imperative to make certain that ambition is bridled by reality and the actual charter of an organisation, considerations that generally are subsumed under the idea of co-operative learning (Bourn, 2025). The overly optimistic aspirations that floated through the minds of top managers and governing board members ultimately channelled MEC and REI toward a vision that was inconsistent with who they had been and what they were intended to accomplish.

REI's overly ambitious reach to be a brand leader is admirable from a for-profit lens, consistent with degeneration and the aspirations of professional managers, but not from the perspective of a co-operative's mission. Somehow MEC and REI leaders seemed to forget this important principle of co-operative learning. Promising studies should document the cases where co-operatives have not only grappled successfully with the tension of an evolving vision while also building consensus.

Lessons for the Future

This study offers convincing evidence that supports co-operative theory about the value of upholding fundamental principles which distinguish co-operatives from other organisational forms. Audited data provide confidence in the integrity of the findings. However, conclusions that can be drawn from this investigation are limited due to the comparative case study format's sample size of two co-operatives. With this limitation in mind, an opportunity exists for further studies to explore these findings in other co-operatives, particularly those both in and outside of the retailing sector. The small sample does not necessarily vitiate the value of this study's results especially when considering that both co-operatives have served as leading national benchmark entities.

As this analysis of Canada's MEC and the US's REI suggests when co-operatives forget to live by their charter and progressively drift away from the primary principles upon which they are based, crisis and even catastrophe can happen. For MEC, a crisis became a catastrophe. For REI, the jury is still out. Hopefully the trials that these two co-operatives endured will not be in vain. Other co-operatives can learn from MEC and REI by understanding the paths they have taken, the trade-offs they made, and the implications for introducing change to avoid similar pitfalls from neglecting fundamental principles essential to co-operative organisations.

The Authors

Howard L. Smith is Professor, Milgard School of Business, University of Washington Tacoma, USA. His research focuses on health services and strategic management. Richard Discenza is Professor Emeritus, College of Business and Administration, University of Colorado, USA. He has published extensively on operations management.

References

Bennett, N. (2017, October 10). *2017 BC CEO awards: David Labistour*. Business in Vancouver. https://www.biv.com/news/human-resources-education/2017-bc-ceo-awards-david-labistour-8250873

Boone, C., & Özcan, S. (2014). Why do cooperatives emerge in a world dominated by corporations? The diffusion of cooperatives in the U.S. bio-ethanol industry, 1978-2013. *Academy of Management Journal, 57*(4), 990-1012. https://doi.org/10.5465/amj.2012.0194

Bourn, D. (2025). Co-operative learning: The distinctive contribution of the Woodcraft Folk. *Journal of Co-operative Studies, 58*(1), 35-46. https://doi.org/10.61869/ZBVA7276

Bretos, I., & Errasti, A. (2017). Challenges and opportunities for the regeneration of multinational worker cooperatives: Lessons from the Mondragon Corporation — A case study of the Fagor Ederlan Group. *Organization, 24*(2), 154–173. https://doi.org/10.1177/1350508416656788

The Canadian Press. (2013, June 18). *Mountain Equipment Co-op unveils new logo in attempt to shed granola image*. CTV News. https://www.ctvnews.ca/business/article/mountain-equipment-co-op-unveils-new-logo-in-attempt-to-shed-granola-image/

Co-operatives and Mutuals Canada. (n.d.). *Co-operation across Canada* [Data set]. https://canada.coop/cmcmapen

Cornforth, C. (1995). Patterns of cooperative management: Beyond the degeneration thesis. *Economic and Industrial Democracy, 16*(4), 487-523. https://doi.org/10.1177/0143831X95164002

Dao, M. C., Gourinchas, P.-O., Leigh, D., & Mishra, P. (2024). Understanding the international rise and fall of inflation since 2020. *Journal of Monetary Economics, 148*(supplement), Article 103658. https://doi.org/10.1016/j.jmoneco.2024.103658

Diefenbach, T. (2019). Why Michels' "iron law of oligarchy" is not an iron law — and how democratic organisations can stay "oligarchy-free". *Organization Studies, 40*(4), 545–562. https://doi.org/10.1177/0170840617751007

Fairbairn, B. (1994). *The meaning of Rochdale: The Rochdale Pioneers and the co-operative principles*. University of Saskatchewan, Centre for the Study of Co-operatives. https://doi.org/10.22004/ag.econ.31778

Fox, E. J., Bourdage, J., LaTorraca, J., O'Laughlin, L., & Santana, M. (2025). Lessons learned from the Kroger-Albertsons merger case. *Journal of Retailing, 101*(1), 138–152. https://doi.org/10.1016/j.jretai.2025.02.005

Harding, K. (2020, September 15). *Save MEC*. change.org. https://www.change.org/p/members-of-mec-anyone-who-has-purchased-anything-from-mec-save-mec

International Co-operative Alliance (2015). *Guidance notes to the co-operative principles*. https://ccr.ica.coop/en/media/library/research-and-reviews/guidance-notes-cooperative-principles

Krashinsky Robertson, S. (2020, September 15). *Outdoor recreation retailer MEC sold to U.S. private investment firm*. The Globe and Mail. https://www.theglobeandmail.com/business/article-outdoor-recreation-retailer-mec-sold-to-us-private-investment-firm/

Lambie, K. J., & Jaipargas, R. (2020, December 2). *Peaks and valleys: MEC's struggle to survive in a hostile retail market*. BLG. https://www.blg.com/en/insights/2020/12/peaks-and-valleys-mecs-struggle-to-survive-in-a-hostile-retail-market

MEC. (n.d.). *Our roots.* https://www.mec.ca/en/explore/our-roots

MEC. (2014). *2014 Annual Report*. https://cdn.mec.ca/media/Images/pdf/annualreport/MEC_2014_Annual_Report_v2_m56577569836394600.pdf

MEC. (2025, May 16). *MEC announces new Canadian ownership — Press Release*. https://www.mec.ca/en/explore/mec-announces-new-canadian-ownership---press-release

Michels, R. (1966). *Political parties: A sociological study of the oligarchical tendencies of modern democracy*. Simon & Schuster. (Original work published 1911)

Nair, R. (2020, September 14). *MEC to be acquired by private U.S. investment firm*. CBC. https://www.cbc.ca/news/business/mec-acquired-private-investment-firm-1.5723934

National Cooperative Business Association. (n.d.). *What is a co-op?* https://ncbaclusa.coop/resources/what-is-a-co-op/

Novkovic, S. (2008). Defining the co-operative difference. *Journal of Socio-Economics, 37*(6), 2168–2177. https://doi.org/10.1016/j.socec.2008.02.009

Novkovic, S., Prokopowicz, P., & Stocki, R. (2012). Staying true to co-operative identity: Diagnosing worker co-operatives for adherence to their values. In A. Bryson (Ed.). *Advances in the economic analysis of participatory and labor-managed firms* (pp. 23–50). Emerald. https://doi.org/10.1108/S0885-3339(2012)0000013006

Novkovic, S., Puusa, A., & Miner, K. (2022). Co-operative identity and the dual nature: From paradox to complementarities. *Journal of Co-operative Organization and Management, 10*(1), Article 100162. https://doi.org/10.1016/j.jcom.2021.100162

Outdoor Industry Association. (2025). *Executive summary: 2025 outdoor retail sales trends report. Outdoor market shows modest rebound to $28B in 2024, driven by casual consumers.* https://oia.outdoorindustry.org/exec-summary-outdoor-retail-sales-trends-2025

Parent, M. (2020, October 6). *What the MEC sale might really be about.* The Tyee. https://thetyee.ca/Analysis/2020/10/06/What-MEC-Sale-Is-Really-About/

Parton, M. (2025, February 20). *"They're reevaluating everything": Why outdoor retailers REI and Patagonia continue to struggle*. Modern Retail. https://www.modernretail.co/operations/theyre-reevaluating-everything-why-outdoor-retailers-rei-and-patagonia-continue-to-struggle

Pigeon, M.-A. (2020, September 29). *The MEC debacle is a predictable and avoidable governance failure*. The Conversation. https://doi.org/10.64628/AAM.rcme5p3er

Piscitelli, A., McGowan, K., McHugh-Russell, L., & Geobey, S. (2025). The best interests of a cooperative. *Journal of Co-operative Organization and Management, 13*(1), Article 100257. https://doi.org/10.1016/j.jcom.2024.100257

Richardson, J. (2020, September 18). *A message from MEC's Board of Directors*. Alvarez and Marshall. https://www.alvarezandmarsal.com/sites/default/files/canada/September%2018%2C%202020%20Message%20to%20Members.pdf

REI. (n.d.). *Who we are.* https://www.rei.com/about-rei

REI. (2020, May 13). *REI history: It started with an ice axe.* https://www.rei.com/blog/camp/rei-history-it-started-with-an-ice-axe

REI. (2023, April 19). *REI releases 2022 impact report and financials, distributes $323 million back to co-op community.* https://www.rei.com/newsroom/article/rei-releases-2022-impact-report-financials-distributes-323-million-back-to-community

Shanahan, G. (2025). Two routes to degeneration, two routes to utopia: The impure critical performativity of alternative organizing. *Organization, 32*(4), 489-507. https://doi.org/10.1177/13505084231223639

Silcoff, S., & Strauss, M. (2015, October 16). *MEC governance changes spark dissent among long-time loyalists*. The Globe and Mail. https://www.theglobeandmail.com/report-on-business/mec-governance-changes-sparks-dissent-among-long-time-loyalists/article26852082/

Storey, J., Basterretxea, I., & Salaman, G. (2014). Managing and resisting 'degeneration' in employee-owned businesses: A comparative study of two large retailers in Spain and the United Kingdom. *Organization, 21*(5), 626–644. https://doi.org/10.1177/1350508414537624

Thompson, S. (2015). Towards a social theory of the firm: Worker cooperatives reconsidered. *Journal of Co-operative Organization and Management, 3*(1), 3–13. https://doi.org/10.1016/j.jcom.2015.02.002

Wahba, P. (2024, August 19). *REI has hemorrhaged money for two years in a row. Now employees fear its famed outdoor-nerd culture is at risk*. Fortune. https://fortune.com/2024/08/19/rei-outdoor-gear-green-vests-unionizing-losses-eric-artz/