CO-OPERATIVE DEMOCRACY
versus
PROFESSIONAL MANAGERIAL BUREAUCRACY

A Case Study of a Housing Co-operative facing External Management

by

Janet Louise Wack
B.A.H., Acadia University, 1993

Thesis
submitted in partial fulfilment of the
requirements for the degree of
Masters' of Arts (Sociology)

Acadia University
Fall Convocation 1998

National Library
of Canada

Acquisitions and
Bibliographic Services

395 Wellington Street
Ottawa ON K1A 0N4
Canada

Bibliothèque nationale
du Canada

Acquisitions et
services bibliographiques

395, rue Wellington
Ottawa ON K1A 0N4
Canada

Your file Votre référence

Our file Notre référence

0-612-33831-2

Canada

TABLE OF CONTENTS

Page

ABSTRACT v

ACKNOWLEDGEMENTS vi

CHAPTER ONE: INTRODUCTION 1

CHAPTER TWO: CONCEPTUAL FRAMEWORK AND LITERATURE REVIEW 4

CHAPTER THREE: METHODOLOGY 23

CHAPTER FOUR: ETHNOGRAPHIC CASE STUDY OF EVANGELINE COURTS HOUSING CO-OPERATIVE LTD. 33

CHAPTER FIVE: ANALYSIS OF THE DATA ON ECHC 96

CHAPTER SIX: CONCLUSIONS 106

REFERENCES 111

APPENDIX A: Names and Acronyms 115
APPENDIX B: Seven Principles of Co-operation 116

ABSTRACT

Historically, co-operatives were established to combat the serious social, economic, and political inequalities found in industrial societies, that is, those based on the capitalist system. Today is no different. Co-operatives are an organizational form that can potentially provide the structural bases for highly democratic and empowering relations to occur for the members who co-operate within them depending on their orientation toward 'collectivism' or 'bureaucracy'.

Evangeline Courts Housing Co-operative Ltd. was designed to provide quality, affordable housing for low income families. It was initially started by a group of sole parent women with common life circumstances, experiences, and needs. By working together with a local resource group and facilitators trained in collectivist organization, the women were able to develop a set of common values and goals and a democratic form of organization to achieve them. This form lasted for a few years and then their struggles ensued as the collectivist form of organization began to change to a bureaucratic form which included being managed by professional property management groups. This process defied their goals of creating an empowering democratic community and they fought it tooth and nail.

Their story is about the struggle to maintain a democratic organizational form amidst the highly bureaucratic dominant capitalist relations found in society. As the world struggles with large scale issues of democracy, members of this housing co-operative are fighting to define and entrench it within their organization. Understanding this struggle against professional managerial bureaucracy in favour of co-operative democracy aptly illuminates the intricacies of democratic processes required for collective transformative change to occur.

ACKNOWLEDGEMENTS

First of all, I would like to thank Dr. R. James Sacouman who, as my thesis supervisor worked with me to keep this thesis within a realistic scope. I would also like to thank him for giving me the continuous support, encouragement, and confidence I needed to see this project through to the end. I would also like to thank Dr. Jeanette Auger for her methodological insights and direction she has continued to give me.

Next, I would like to thank the members of Evangeline Courts Housing Co-operative Ltd. for allowing me the freedom to write about our space and for giving me access to all documents involved. I would especially like to thank the "community members" at Evangeline Courts Housing Co-operative Ltd. for agreeing to work on the project in a collaborative way. It is their input, thoughts, ideas, goals and values that form a great deal of the perspective within this thesis. Their strength and determination as well as their community values have influenced me greatly.

I would also like to thank my two children, Ayla and Ashley, who have been so patient and understanding of the work I needed to do. The research has brought people into our home; taken us away from our home; and required resources from our home. I would like to thank them for their continual support and co-operation.

Finally, I have to thank Pamela Magee for being 'there' and George Hutt for taking me away from 'there'; that is, a place in my head I enjoy visiting but also take vacation from.

CHAPTER ONE
INTRODUCTION

This thesis explores how democracy is socially accomplished in a micro setting. I analyse how members of one housing co-operative have struggled to achieve democracy in the context of bureaucratic organizational structures found within the co-operative and with respect to property managers and government. Because democracy is accomplished within social relations, this thesis examines such relations through an ethnographic case study of a particular housing co-operative. It analyses the co-operative's internal relations, those with managers, and relations with the government in light of the co-operative sector's stated principles, rules of organization, and theory, as well as, the initial collective ideals that the members of this housing co-operative shared when they initiated the project.

My honours thesis (Wack, 1993) was a macro study of social movement theory. I analysed the theoretical strategies for collective action coming from the "left" political spectrum as they work towards the goal of socialism. Specifically, I critiqued a particular type of social movement theory called "radical democracy", given its emphasis on individual identity and the preoccupation with political theoretical concepts about democracy without any dialectical relationship to practice.

This thesis attempts to understand issues of democracy in practice. It is a micro analysis of a particular form of collective action, that is, of people working together in co-operatives. My interest, given my previous research, is to study the intricacies of how democracy is (or is not) socially accomplished within small groups of people working together collectively to achieve common goals. My objective is to try to explore how the

concept of democracy is actualized/socially accomplished in order to identify some of the specific ways in which it may be achieved. Another goal is to identify and articulate some specific defining principles of democracy. These could be used as guidelines for co-operative members or any other group of people who work together to achieve common goals. If I can establish some of the specific ways in which democracy is achieved, the next step is to see if those ways can be incorporated into the procedures to ensure people work together democratically.

I chose to analyse the co-operative form of organization because of its theoretical stance towards and interest in democracy. I chose a housing co-operative because I thought that it would best mirror small scale society, that is, diverse people, with different interests yet some common goals, who attempt to work together democratically. Also, I chose this specific housing co-operative because I live in it; I was a participant in something I wanted to systematically observe, record and analyse in order to understand and make decisions. The co-operative was changing. Members like myself were struggling to keep the democratic ideals, goals, and purpose of the co-operative (as developed in the initial stages) alive but various forces were working against us. The most significant factor was that Evangeline Courts Housing Co-operative (ECHC) changed from being managed by the members themselves to being managed by an external property management group. Other co-operatives were also hiring the services of external property managers. Members of ECHC, including myself, wanted to understand this new phenomenon because hiring managers was not a goal for a "member- run" co-operative.

This thesis documents and analyses those experiences and articulates some of the

positive and negative aspects involved with having external property managers in a housing co-operative. My research, therefore, has immediate use to a community of people. I had access to rich data because of my involvement in this community project. I made sure at the onset that members were aware of my thesis work, and many worked with me on it. We made collective decisions about what forms of action we would take as we struggled through these experiences together and took definitive steps to try to have impact on what was happening.

Finally, I wanted to add to the research already accumulated about this particular co-operative (Nadasdi, 1988; Seebold, 1992) to continue the documentation of members' experiences involved in this co-operative. To the extent that I have done this, I hope it is useful to ECHC, housing co-operatives in general, the co-operative sector, and anyone interested in understanding democracy in practice.

Chapter two reviews the literature in co-operative studies and democratic and co-operative theory. In chapter three I discuss my multi-method approach. This multi-method ethnographic case study methodology includes content analysis of co-operative literature, semi-structured interviews, participant observations, group discussions, and action research. Chapter four is the data collected, that is, the ethnographic case study. Chapter five provides an analysis of ethnographic case study data and chapter six presents a number of conclusions.

CHAPTER TWO
CONCEPTUAL FRAMEWORK
AND
LITERATURE REVIEW

A. Key Concepts

A co-operative is an organization designed to facilitate people working together to achieve common goals. There are many types of co-operatives. What distinguishes them is the philosophical values they are based on. A unique aspect about the co-operative form of organization is that it is adaptive to the members given the cultural, economic, and historical contexts in which the members find themselves (Craig, 1980:20). "[T]he creation of co-operative institutions is a struggle, a sacrifice, and a series of obstacles that must be overcome" (Melnyk, 1985:148). The following are the key theoretical concepts related to the understanding of co-operatives for the purpose of this thesis: mutual aid; adult education; empowerment; egalitarianism; participatory decision-making; and democracy. They are very briefly defined below but are developed further in the literature review.

Mutual aid is a concept that people with a common need will work together to achieve goals in a spirit of co-operation as opposed to competitively (Craig, 1993:5). Craig (1993) summarizes further:

> [C]o-operation is based on the premise that only the fittest survive, not individually, but as a species. The greater the development of mutual aid, the greater are the obstacles that any group can overcome, and the more they can develop, and conquer threats to their existence. The basic drive for survival leads to mutual aid. (1993:5)

Adult education is the idea that people can generate the solutions to their problems by

working together, first to identify their common difficulties, and second, to develop ways in which these problems can be addressed; particularly through working in co-operatives (Craig, 1993:59). Adult education is but one form of empowerment.

Empowerment "is basic to the idea of co-operation, where people work together to achieve goals that they could not achieve as individuals"(Craig, 1993:193). Empowerment is:

> a process that occurs both at a personal and at a political level. It is a process that involves changing power relations between individuals and groups and social institutions. At the same time, it is a process of personal change as individuals take action on their own behalf and then redefine their understanding of the world in which they live. Self perception moves from victim to agent, as people are able to act in a political and social arena and pursue their own interests (Shragg,1993:iii).

"It is generally agreed that co-operatives are organizational forms in which people can be empowered"(Craig, 1993:193).

Egalitarianism within co-operatives can mean simply one member equals one vote or more broadly as necessary for community and for building "social property that encourages equality" (Melnyk, 1985:112). Participatory democracy is a process where people in groups collectively make the decisions that affect their lives.

> Since co-operative organizations exist to serve people's needs, it follows that participation and dialogue are necessary to enable individual to specify these needs and to translate them into action. If the participation process is followed to its fullest extent, then the best possible decision for the group at a particular point in time is the one that emerges from this process. Thus, the actual decisions are less important than the manner by which they are reached. In this setting, individuals gain meaning in their lives and a fulfilment of their belief systems through the simple act of co-operating. (Craig, 1993:67)

Largely this is done through a process of *participatory decision-making* which includes consensual, majority, and proportional outcome voting and group deliberation (Gastil:1993:6). Democracy is participatory in this thesis and is defined in the following passage:

> Democracy embodies powerful philosophical principles that have never been fully realized on large social scales. [. . .] Democracy connotes wide-ranging liberty, including the freedom to decide one's own course in life and the right to play an equal role in forging a common destiny. Democracy means social and civil equality and a rejection of discrimination and prejudice. It welcomes a wide range of perspectives and lifestyles, moving different social groups toward peaceful coexistence or respectful integration. Democracy represents the ideal of a cohesive community of people living and working together and finding fair, nonviolent ways to reconcile conflicts. In sum, democracy embodies all three elements of the famous French Revolutionary slogan, "Liberté, egalité, fraternité." (Gastil:1993:5)

B. Brief Historical Overview of Co-operatives

Co-operatives began in the early stages of the Industrial Revolution to address the severe poverty and deprivation of the new communities of workers (Craig:1993:24). Robert Owen in Britain and Charles Fourier in France both elaborated their vision of a good society through co-operative models (Craig, 1993:25). Later, the 'Rochdale Pioneers' were a group of people from Rochdale England who formed what many have called the first co-operative and established a set of rules which have since been organized into co-operative 'principles'. There are six principles: 1) open and voluntary membership; 2) democratic control; 3) limited interest on capital; 4) surplus earnings belonging to the members; 5) member education; 6) co-operation between co-operatives (Melnyk:1985:3). These original six principles are a reflection of the social philosophy which was the bases of their co-operative

venture and served to explain and guide their action.

Mutual aid is a theory first developed by Peter Kropotkin in the early nineteen hundreds (Craig, 1993:5). Kropotkin collected historical evidence about clans and tribes, some species of animals and, by observing the agrarian collectives in his native Russia, developed an argument against competitive social Darwinism. Kropotkin argued that, for survival, people in *need* will organize themselves into groups for the mutual benefit of all. In Nova Scotia, Moses Coady, together with J.J. Tompkins founders of the Antigonish Movement, added to the theoretical understanding of co-operatives by elaborating an 'adult education' stance towards co-operation (Melnyk:1985:20).

> Through small group discussion they were able to mobilize large segments of the population to launch economic organizations for community improvement. By 1934, 952 study clubs had been formed in Nova Scotia and 150 co-operative enterprises had been set up. The movement touched fisherman, farmers, and miners through credit unions, co-operative canneries, and marketing co-ops. During the Depression the Antigonish Movement became an important regional vehicle of survival for ordinary people. (Melnyk, 1985:20)

Currently, co-operatives are found throughout much of the world. In Canada, statistics collected in 1995 show that there were "5, 412 non-financial co-operatives having over 4.5 million members, a combined volume of businesses of $24.8 billion and assets of $14.1 billion (Gagné and McCagg,1997:I)." "More than 43 percent of adult Canadians belong to at least one co-operative organization (Thordarson,1990:8)." In Canada, in 1995 there were, "1,946 housing co-operatives reporting had combined assets of nearly $5.3 billion and 107,000 members (Gagné and McCagg,1997:II)." In Nova Scotia, there are approximately 100 housing co-operatives (Gagné and McCagg, 1997:20).

Some in the co-operative movement have stressed the importance of 'co-operation' as a concept and as an organizational form which has the potential to make radical change towards the evolution of socialism in society. For instance M.L. Davies wrote,

> People are apt to think of Co-operation as a thrift movement, or to associate it with the Army and Navy Stores. How little is it realised by economists and others that Co-operation is the beginning of a great revolution! The Movement shows in practice that there is nothing visionary or impossible in the aspirations of those who desire to see the Community in control, instead of the Capitalists. (Davies,1931)

Another writer at the time states that, "[c]o-operation is wholly constructive and evolutionary, never destructive or revolutionary. [. . .] The expansion of co-operation [co-operative enterprises] is never sudden or cataclysmic. Old forms [capitalist enterprises] are neither destroyed nor discriminated against. They melt away as new and better forms [co-operative organizations] grow up and prove their value (Warbasse,1936:266)."

Co-operatives have often been associated with socialist goals. By co-operating on a small scale, humans learn the skills necessary to co-operate on a larger scale. Co-operatives, then, can be conceived of as institutional structures that achieve a specific need (e.g. housing). They can also be a part of a socialist goal for a new society to the extent that they tie their specific experiences to the larger socioeconomic reality. Co-operatives can be an attempt to create in the present world what it may look like in a changed world; to create in the present working models of the types of institutional structures and relations that people hope to see in the future/better society. By working towards that end now we are learning, refining, and creating the basis which makes those types of societal changes possible because people can actually see and feel their existence. This perspective is reflected in the work of

theorists in the following literature review.

C. Literature Review

Co-operative Social Philosophy:

"Co-operatives are organizational structures that have evolved from the social philosophy of co-operation" (Craig:1993: 49).

> The principles that distinguish co-operative from non-co-operative organizations are a translation of the philosophical values of the movement, rather than a literal statement of the values themselves. It is suggested here that the social philosophy of co-operation is founded on three basic value sets of *equality, equity or economic justice* and *mutual self-help*. (1993:41, emphasis mine)

Co-operatives thus, are designed to be organizational structures that are consistent with the values of co-operation. Their structure and relations are based on the values of co-operation and in turn, those values are promoted and perpetuated through the structure and relations. Ideally, co-operation is then ensured and persists because of the structure and defined relations. Co-operatives are not simply *a means to an end* they are both *a means and an end.* Co-operatives operate to serve members' needs (e.g. housing) but they also operate to ensure co-operative relations. Ideal co-operative relations have certain qualities such as adult education and further they have a whole set of qualities related to 'empowerment' which include education but also include gaining skills, being assertive, public speaking, sharing knowledge and learning, and participating in decisions that affect the local environment within co-operatives. All of these qualities have the benefit of enriching the lives of the members and are part and parcel of the co-operative package or

what Craig calls the 'co-operative logic'. This organizational form and its resulting social relations is qualitatively different from typical business organizations and their resulting relations or as Craig calls it the 'bureaucratic logic'.

Co-operative Potential:

There are four basic traditional co-operative forms outlined in detail by Melnyk (1985): Liberal Democratic, Marxist, Socialist, and Communalist. According to Melnyk (1985:103), all four traditions share five principles: non-exploitation, democracy, utilitarianism, co-operation over competition, and group self-determination. Co-operation enjoys success when: "there are real needs that can be met; when the co-operative project is motivated by high ideals; and when its organizational form is adaptable to a specific situation" (p. 103). In a nutshell, "co-ops have to be historically relevant to survive"(p. 105). Melnyk goes on to elaborate a multi-functional approach whereby numerous co-operatives are collected under one umbrella organization and whose participants help each other in the creation of more and more co-operatives. This is indicative of the Mondragon model found in Spain. Based on that type of co-operative system, he elaborates a self-contained community of 'social co-ops' which have a "mandate to relate to the wider society" (p.139). The bases of these co-operative communities are worker co-operatives where co-operative ideals are taken into workplace organizations to achieve socially owned and controlled workplaces with all the benefits of democracy through participation as stated below. These co-operatives are built with a view to the future and are part of a plan for the "creation of a worker- controlled society" (p.31).

In 1989, George Melnyk and Jack Quarter elaborated more on the "worker ownership phenomenon" in *Partners in Enterprise*. Here they tie co-operative formation with the promotion of "community economic development". In 1992, Quarter further discusses all of Canada's "social economy" which is made up of community organizations which are "neither in the private sector or government-owned" (Quarter,1992:iv) to show the extent of community support for socially controlled organizations. He documents some of the work people are doing within local economic development as further proof of its growing application.

> A democratically controlled economy is in effect a social economy. It is an economy beholden to and controlled by the members of society. Although co-operatives and the various forms of non-profits differ from each other, they often share the common feature of democratic control by their members. Both through education and investment in funds, they have the opportunity to promote democracy more broadly in Canada, and thereby strengthen the social economy of which they are a part. (Quarter,1992:179)

Democracy is used as a thread to weave together community groups including co-operatives into a new form of local economic development.

Finally, Paul Wilkinson and Jack Quarter (1986) discuss the issues related to building a community controlled economy, using a Canadian example found in Prince Edward Island of an existing community of co-operatives (like Mondragon) which they call the "Evangeline Co-operative Experience". Here they detail three essential conditions for community economic development (as created through co-operatives). They are: community consciousness, participation and self-reliance, and significant support organizations. Each by itself will not work; they are all enhanced in relation to the others. Community

consciousness "was created and maintained through deliberate efforts and an ongoing educational process" (p.160). Participation required a "planned strategy" and "significant human and financial resources" (p. 160). Self-reliant strategies were "utilized to develop local capacity and to increase the likelihood of a co-operatives's success" (p.160).

Key to understanding co-operatives then, is that they are an organizational form which exist for various purposes from a uni-functional approach (e.g. to provide housing) to a very complex multi-functional approach. They can be conceived of as a centre of community life (social and economic) to satisfy immediate needs or as part of a growing movement to radically alter society, albeit slowly.

All of these perspectives on the future direction of co-operatives can be summarized using the work of C. George Benello (1992). His writings are thoroughly embedded in the anarchist tradition, presenting a vision of a future society that contains political decentralization, economic democracy through workplace democracy, and psychological development of individuals and communities through empowerment and community control. For him, it is "the high rise, power-ridden structure of society that must be changed not simply the exploiters who inhabit the top" (p.19).

> The basic problem is the problem of organization. Organization is power, which is what politics is about. All organization is ultimately political, and so the problem is to counter organized power with organization, but with a different kind of organization and a different kind of power. Both institutional change and attitude change are needed. The answer lies in a changed infra-structure where human association is a matter of face-to-face groups living and working together. Both the heart as well as the organizational form are involved. (p.20)

Co-operatives are at least one attempt by some people to do just that.

Critiques of Co-operative Potential:

Despite the solid potential of co-operatives, the reality has often been different. A number of studies of agricultural co-operatives (see, e.g., Mooney, Roahrig and Gray:1996; Rosa:1991; Taylor:1990; Cole, Lacy, and Busch:1986; Gray:1985) show how these co-operatives changed from placing members at the centre of control to being subsumed by both the larger economic relations of agribusiness and the managerial practices which characterized it. Such analysis question the very possibility for co-operatives to continue to exist, given the dominant capitalist socioeconomic reality.

Two other studies focussed on the relationship of co-operatives to the state. The first detailed the problem of the worker co-operative model being used in Third World development projects; it questioned the rationale behind initiating projects that produced products that could not compete in the local, let alone global, economy and therefore required continued state support (Mayoux,1992). The other focussed on the Canadian state's shift to social regulation and questions the impact of the state's diminishing socioeconomic responsibilities given government cutbacks (Leveque, Andre and Boti:1990).

Two other studies seriously question the ability for co-operatives to provide an alternative to capitalist relations. In one case, the study questioned this possibility because landowners still own the land (Moderrom:1986). In another, a worker co-operative was critiqued for its lack of participation, due again to the clash between co-operative and capitalist relations, especially after the organization increasingly hired more labour (Grunberg,1986).

In general, solid critiques on co-operatives tend to be from Anarchist and Marxist

perspectives. Anarchist perspectives show how bureaucracy is undermining co-operative existence. Marxist perspectives question whether co-operatives are providing real alternatives to capitalist relations or whether they can be a basis for real transformative change of capitalism itself.

Bureaucracy and Hierarchy:

Rothschild and Whitt (1986:50-64) compared and contrasted ideal types of "collectivist" co-operative organizations with bureaucratic organizations in terms of authority, rules, social control, social relations, recruitment, incentive structure, social stratification, and differentiation. *Collectivist organizations* have the members as the locus of control achieved through participatory democratic relations which include participatory decision-making, shared information, shared skills, and a rejection of central authority (p. 51). Authority "resides in the collectivity" (p.51) and "they seek to use as few rules as possible" (p.52). They are run in an informal way with meetings characterized as discussions that build consensus and decisions that are "based on substantive values (such as equality) applied consistently" (p.53). Members "reject bureaucratic justifications for authority" so no particular group has decision-making authority (p. 51) and they "refuse to legitimate the use of centralized authority" (p.54). There is a requirement of "homogeneity", that is shared values (p.95). Relations are "personal" and intertwined with the whole scope of the project which takes into consideration a broad range organizational goals based primarily on people's needs (p. 55). This affects the level of commitment because of the shared values and focus on personal relations helps ensure a sense of "shared purpose"(p.56).

"Egalitarianism is a central feature" and relates to the importance of shared knowledge, shared skills and a recognition and respect for individual differences in these regards (p.59). Because of this, members work to "minimize" the differentiation between roles and tasks within the organization as a way for members to participate freely and collectively in running it and knowledge and information are to be shared (p.61). Particularly interesting is their description of how knowledge is shared within a hands-on learning environment.

> Collectivist organizations . . . make every attempt to eliminate differentials in knowledge. Expertise is considered not the property of the individual, but an organizational source. Individually held knowledge is diffused and critical skills are redistributed through internal education, job rotation, task sharing, apprenticeships, or any plan seen as serving this end (p.70).

Finally, Roshschild and Whitt (1986:64-71) characterize some of the *constraints to achieving participatory democracy* in these particular operational properties as: requiring time, being potentially highly emotive, requiring education or a democratic consciousness and understanding of democratic values, having difficulties given bureaucratic society, and requiring work to equalize individual differences. They admit that, "there are *degrees* of collectivism" (p. 50).

Bureaucratic organizations are characterized by Roschild and Whitt (1986:50-64) as having highly formalized organizational structures. This means authority rests within the individual hierarchical roles or office positions; decisions are made at the top of hierarchical chain and imposed on down (p. 51). Their rules are many, very specific, and calculable so that appeals are related to the letter of the law (p.52-53). Behaviour is constrained by the rules and supervision of superiors (p. 52-53). This type of organization is noted for being formal and impersonal in its relations (p. 55). Members have specialized training within

their specifically defined roles and can learn more or advance through structured changes such as promotions (p. 59). "Remunerative incentives are primary (p. 62)" and "prestige and privilege" are part of the system of hierarchy that "institutionalizes and justifies inequality (p. 59)". Jobs and functions are highly "segmented" and "specific" with knowledge and "technical expertise exclusively held" (p.63).

> Democratic control is the foremost characteristic of collectivist organization, just as hierarchical control is the defining characteristic of bureaucracy. For this reason, collectivist organizations transform the social relations of production. Bureaucracy maximizes formal rationality precisely by centralizing control at the top of the organization; collectivist organizations decentralize control in such a way that it may be organized around the alternative logic of substantive rationality. (p. 61-64)

These two ideal types show the vast difference in organizational structures and the resulting social relations within them. Co-operative organizations may or may not, in result, be "collectivist" organizations and they are achieved in degrees depending largely on their success at being controlled democratically.

This poses a problem with maintaining co-operatives through time particularly with those that have a changing membership, such as a housing co-operative. Most people are already trained in the dominant bureaucratic logic, with its own set of values and ways of relating that do not ensure democratic co-operation. It takes special education and training in democratic co-operative logic. Co-operatives exist within the economic, political, and social context (structures) of the dominant capitalist culture. Trying to achieve co-operation within the traditionally dominant structures and relations is a very real problem which cannot be ignored. This problem is supported in the research (Mooney, Roahrig and Gray:1996; Rosa:1991; Taylor:1990; Cole, Lacy, Busch:1986; Grunberg:1986; and Gray:1985). It is

a constant issue that must be addressed but unfortunately has often gone unchecked. Craig argues further:

> There is a basic contradiction between the logic of co-operation and the logic of bureaucratic organizations. These logics often come into conflict, and over time the societal pressures squeeze out the co-operative logic, the bureaucratization of the co-operatives occurs and the organizations fail. This shift is very prominent cause of co-operative failures in both the industrialized and less industrialized countries.
>
> The bureaucratic mental set of leaders and management is a major obstacle to the development of co-operatives. The logic of co-operative activity is not only to market goods to satisfy consumer needs, but rather to provide as many benefits as possible for the people who are co-operating (1993:162).
>
> Yet, after co-operatives have been in operation for a long time, members increasingly feel relatively powerless to influence the organization. A common observation by researchers is that power has gravitated to the management (men) and members, particularly women or lower-class members, are largely irrelevant and powerless. Management practices in co-operatives converge more and more over time with the practices of competitors, and the logic of management in a process where staff and members are empowered gets lost in the day-to-day activities. The strength of the co-operative idea is that power is based in the membership when it is incorporated, and it is assumed that leaders will provide the mechanisms to enable the power to be realized through participation and that leaders will listen and learn from members. The idea of power-sharing through democratic processes is central to co-operatives (1993: 192-193).

Without processes built into the operations of co-operatives to shape the relations to ensure members are empowered and democracy exists, co-operatives are at all times in a precarious position of being co-opted by the bureaucratic logic of capitalist relations. Members have the continual potential to lose control of their co-operatives.

Stating principles is a first step to helping co-operatives work in consistent ways however, articulating precisely how those principles are related to values and further how those values are to be achieved in the operations (operationalized) so that democracy is

achieved is an important aspect of co-operative relations that seems to be often overlooked. How can co-operatives ensure democratic relations and take steps against this process of conversion from co-operative logic to bureaucratic logic and lost 'control' by the members? To understand this better requires a detailed look at democracy and its specific relation to management.

The Management Problem:

> A review of the history of co-operatives demonstrates that although new patterns of organization have been applied at various times and places, when the co-operatives run into economic difficulties, experts trained in the bureaucratic paradigm are brought in and given a free hand to "clean up the mess." This has meant applying the dominant paradigm to the co-operative organization; this paradigm frequently distorts the meaning of co-operation and reinforces the popular wisdom that co-operation only works in small groups. (Craig:1993:169)

> When a manager is hired the membership often delegates decision-making power to a board of directors and they delegate to a manager. Thus, the manager occupies a central position in the power structure, and decision making resolves around him [sic]. In the management context, the opposite of power is dependence; the greater the dependence on the manager, the more powerful he [sic] becomes (Craig:1980:10).

Craig identifies six key areas that need caution when dealing with managers: decision-making rational, decision-making process, flow of information, co-operation with co-operatives, and planning (1980:1).

> A maximum amount of participation in analysing the situation and in setting the goals means a greater commitment by members. This commitment will assist in the realization of plans and a progressive spiral effect. Conversely, the exclusion of people from the planning process reduces commitment, increases apathy and alienation, and frustrates the achievement of organizational goals. (Craig:1980:23)

Craig summarizes that co-operatives need to "develop ways of re-involving members" and "co-operatives should develop organizational structures and processes that will satisfy three main requirements: make efficient use of resources, be effective in realizing organizational goals, and be sensitive and responsive to the needs and aspirations of employees and members (1980:29)."

Co-operative Democracy:

There are many books on the topic of democracy but few that deal specifically with how it can be accomplished successfully, particularly in small groups and in housing co-operatives. In this section I look at the work of four analysts whose work is in the area of co-operative democracy.

In *Democratic Control of Co-operatives* (1980), J.E. Trevena and Bonnie Rose set up an interesting background to approach the issue of democracy. First, Trevena, defines three types of democracy listed below:

Cash Register Democracy

> It has been claimed that all business is "democratically controlled" to a great extent by its customers. In this line of reasoning, if the customers like what the business has to offer, and the price is right, they will buy, thereby "voting" at the cash register.

Generative Democracy

> A process by which people worked together, inspiring one another, making progress, and deriving benefits from wise decisions.

Theatrical Democracy

> [Annual meetings] . . . can be regarded as an exercise in "theatrical democracy." The members are seated in the audience. Performing before them are the leaders. Following a business-like agenda, the leaders move from one topic to another, mainly to reports on past

> events or decisions. As each performer concludes, the audience responds by applauding or voting to accept the report. Unlike generative democracy, theatrical democracy seldom offers members an opportunity to initiate discussions or divert them to an area of their own interest. (P.3-4)

Travena goes on to say that "standard bylaws", found in co-operatives across Canada, were created as "a substitute for member education and knowledgeable participation in the affairs of the association" (1980:12). He asserts that the Canadian co-operative movement has yet to define in detail "what democratic control really means" (1980:14). Rose defines some general directions when considering operationalizing democratic processes within co-operatives. She states that "as many co-operators as possible" need to work at "continually defining what democracy means to them, and how to practice it both in today's context and in probable future contexts" (p.16).

Studies by Heskin (1991) and Gastil (1993) look at the relationship between democracy and co-operatives and are particularly useful. Heskin provides an extensive case study of the "struggle for community" within a housing co-operative. In it, Heskin details a long battle between members of the co-operative whom he describes as the "populists" the "pluralists" and the "clientelists" given their particular understanding of community, power, empowerment, class, ethnicity, and gender (p. 8-9). Generally, the populists are like the "collectivists" described earlier, are "anti-professional", and are working class people (p. 8). The pluralists are co-operators but the "path to power was through the realization of rights and the development of competence" (p. 8). They are also described as "pro-professionals" (p. 9). The clientelists are described as seeing the community as "akin to family"; members here worked within a consensus way of decision-making and generally were humble

followers who "insisted on a benevolent leader" (1991:9).

In particular, Heskin concentrated on the struggle of the populists to define their community by working "to generate a counter-hegemony " that would put their vision of the future into action (p. 164). Heskin concluded that the populist approach ensures a quality community. That approach depends on having "organic individuals who understand the process at its core" and on "keeping the process open"(p. 164).

Gastil (1993) defines the areas of understanding in which democracy is expressed in small groups. Then, in a prescriptive way, he lays out what must be taken into consideration in order for a group to consider themselves democratic. The areas are: equal power; maximum inclusiveness; on-going commitment of democracy in action; relationships that acknowledge individuality, affirm competence, recognize mutuality and promote congeniality; open and constructive deliberation; and finally, listening rights and responsibilities requiring adequate comprehension and consideration (p. 18-24). Recognizing that the democratic process occurs mostly during the deliberative process within a meeting setting, Gastil states the following further criteria areas of concern: agenda setting, reformation of issues, information, articulation, persuasion, various voting methods, and allowing dissent (p.24-32).

In conclusion, co-operative organizations were developed with ideals and goals related to mutual self-help, adult education, empowerment, and egalitarianism. Their organizational structure was created to both reflect and continually create the social values they were built on. Historically, they have had an orientation towards democracy, particularly in terms of participatory decision-making processes. Democracy has always been

a goal and distinguishing characteristic of co-operative organizations. Specific democratic relations can be identified in co-operative operations. Finally, the research and theory about co-operatives both detail the problems co-operatives have over time with issues of bureaucracy and management.

CHAPTER THREE
METHODOLOGY

The type of information a researcher is seeking will greatly influence which method(s) she chooses. Because this thesis explores the practice of democracy in a co-operative, the methodology is qualitative rather than quantitative. The methods chosen are: an *ethnographic case study* using *content analysis*, *participant observation*, *semi-structured interviews*, and *group discussions* all within a methodological framework of *feminist action research*.

Research has the potential to inform change to the extent that something is done by the researcher and/or readers with the information that is gathered. Social research is for a purpose, to inform social change. Action research has a stated goal to act, in some way, on the information gathered. In other words, it is a conscious effort to make change through action as part of the research project. In this way, action research is a process not just a specific project. In the feminist tradition, of for instance, Reinharz (1992:175-196) I have chosen to conduct my research using a multi-method approach with an action research design as an overall methodology.

The 'action' in action research can take place at the researcher level, the participant level, and/or at the level of institutions involved with the topic. This research includes all three levels; the action begins with a commitment by the researcher to go beyond gathering and reporting on data. She takes the findings beyond documentation to try to do something with them. She works with the participants to help change their circumstances as the research is carried out. She works to involve institutions in change by evaluating their

part/policies in relation to the issue involved. Making this information available and asking for a response is one way of trying to direct change within institutions. Whether any of these actions on the part of the researcher has an effect is not the point. The point is that the researcher makes a conscious effort to go beyond the collection, analysis, and documentation of information and towards making a difference in society. Action research has a purpose: to inform action in the effort to make change.

Reinharz identifies different types of action research. This research is mostly "participatory" and "collaborative" and "evaluative" (1992:181-191). It is participatory and collaborative because members of ECHC were encouraged to be a part of creating the research design and analysing the focus as empowering activities. The research is "evaluative" because it attempts to access the policies, contracts, stated goals, standards, individual and organizational behaviours, and organizational forms found within this housing co-operative sector. Also, the research evaluates the performance and impact of property management on the co-operative organization. Because it is evaluative and from a certain perspective, it provides the values of the community members in the data section.

The action research design begins with the researcher's personal interest in affecting change at ECHC and with other co-operative housing sector members. Some specific steps I took myself to affect change were to: do purposive interviews, attend workshops, create the position of Education Coordinator at ECHC and a collection of workshop materials, sit in on a few CHF/NS education committee meetings, help organize the co-operation meet, volunteer at a CHF/C annual general meeting, go to CHF/NS workshops and annual general meeting, and, finally, organize and coordinate the community members of ECHC into a

group for discussions where collectively we worked to define our problems and to formulate strategic actions.

The sociological method I intentionally chose to affect social change as much as to gather data was purposive semi-structured interviews. The purpose was to put important issues (such as cooperative education, co-operation between co-operatives, and the rise of external property management) individually and as they relate to each other, in the minds and up for discussion with anyone so willing but also with key people involved with the co-operative housing sector in Nova Scotia. The interviews were conducted face-to-face and over the phone.

Copies of the thesis will be given to the CHF/NS and CMHC for distribution to anyone interested. Community members have been involved from beginning to end and a copy will be put in the office of ECHC for use by the members. If there is interest, copies will also be given to property management groups. In these ways, the information has been and will be shared between the researcher and the researched, between those researched, and between the researched and the organizations involved.

Attending to the issue of external management as it unfolded within ECHC helped members of ECHC to gather the information we needed to make decisions and act on behalf of our co-operative. A research goal was for members to be empowered as individuals and as a group by involving as many as possible in the research as it was carried out. Initially, many described their experiences vis-a-vis external management as a feeling of "powerlessness"; so doing research that included helping people feel empowered seemed the most appropriate. The empowered feeling comes from being included in the social

investigation and understanding so the research design focussed on creating opportunities for members to define the difficulties they were having, aspects of the research, and to have a say in the types of actions that were taken. Their perspective formulates the theoretical analysis of the data. This was done through many informal democratic group discussions. It was also helpful to have the issue being systematically focussed on from their perspective using their knowledge, feelings, and experiences and with a goal of working collectively to have it addressed. They had the opportunity to define the problem of external management from their perspective, as housing co-operative consumers and participants. This issue of more housing co-operatives choosing the services of external property management groups was new at the time ECHC began experiencing it in 1992. At the time, there were no official standards to access these property management groups, or policies by CMHC that clearly defined their role in it for housing co-operatives. Now some of these have been developed. The thesis itself may not affect change in those areas, but the community members' action work certainly sounded a local warning bell at least.

Action research, as a methodology, elicits the information required to develop effective strategies to make change for those experiencing the problem. Stating the intent to make change within the research design and taking steps towards that end ensures that information will be gathered that goes beyond data collection and analysis and on to making a practical difference; using public funds for the public.

Next to the fact that this study is action oriented is the fact that it is largely an ethnographic case study of members within a housing co-operative as they struggle to achieve democracy (maintain control) within their co-operative. An ethnography has a

number of defining characteristics such as: direct active involvement of the researcher in the research, the use of multi-methods, observations, participation, archival analysis, interviewing and so on to generate a body of knowledge about the contextual lives of a group of people (Reinharz, 1992:46-75). In short, the method explicates the group voice about their experiences within a social context. An ethnography is also characterized by including the "active involvement of the researcher in the production of social knowledge through direct participation in and experience of the social realities she is seeking to understand" (Reinharz, 1992:46).

An ethnographic account tends to lay out a story which has a beginning and end, highs and lows, character development, elements of discovery and surprise, suspense and, later, conclusions, all with interjections of the researcher's own understanding as well as those studied. Evangeline Courts Housing Co-operative has a story of a struggle by some of the female members including myself which takes place over a number of years. This method elicits the story of our struggle as well as some of the intentions and feelings behind our actions.

Although this method can be time consuming, or it could be hard to get access to a site or information, these were not problems for me. I had complete access to the site and any paper-type information and permission, even encouragement to carry on the research. I was a member; I had held various board positions in the past; and I was a part of a particular sub-group of ECHC who worked with others (informally) through the struggle as neighbours, co-operators, and women. There was trust, empathy, and openness between the members of ECHC and myself, but not so much between myself and some of those

interviewed such as the Property Management Service providers or CMHC. My perspective was made known from the beginning and that affected the information I was able to obtain from some of the people and groups. As a member I was able to engage in direct participant observations. The perspective taken by the ethnographic study is that of both the members and myself because the whole articulation of our experiences and problematic has been a group effort (Atkinson, 1990:19). Atkinson describes this type of account as a "confessional' (1990:33). My point of view is discussed openly but I also show where my personal point of view is distinguished from that of the other members.

It is important to document how co-operatives work and to make their existence known in order to provide working models for others to build on. This ethnographic study is useful to our specific co-operative as well as to others because it articulates specific details of operations, through time, showing both the options available and the thought processes that the co-operative members went through before making decisions. Government, business, and co-operators are all trying to hammer out how this new growth of external management is affecting co-operatives. Nova Scotia housing co-operatives exist in a specific social/political/economic context. Detailing how government and business relates to co-operatives is required in order to understand co-operatives in their contextual realities. The ethnographic account helps to identify and express these relations.

This ethnography is a case study. A case study is a particularly good method for contextually documenting a topic through time by revealing the interconnections between events, lives, institutions and so on. Case studies are methodological tools that provide in-depth descriptions which reveal problems, and how the parts of the problems are related.

Case studies are especially informative when the topic is a new phenomenon and/or is little known.

This thesis explores the relatively new phenomenon of external management in co-operatives in order to identify its current context and impact, to understand the issues related to it for analysis. It is possible to detail the social forces that have played a part in one housing co-ops change from self-managed styled co-operative form of organization to an externally property managed form of co-operative organization by using a case study.

The case study adds to the historical documentation of co-operatives because it is an extension of two other case studies of ECHC done and simply because it puts 'on the record' ECHC experiences. Finally, the case study identifies the issues related to housing co-ops and external property management making further analysis possible. The information generated, then, has historical, experiential, and analytic relevance and importance.

A case study method is often chosen over other methods when one is trying to understand: a process related to the topic (how democracy is accomplished in housing co-operatives), how institutions are related to people's lives (the relationships between ECHC, property management groups, and CMHC), what the significance of the facts are that were defined in prior work (areas of concern identified in other studies on ECHC), and when it is important to understand events over time (ECHC experiences with two different external property management groups and CMHC's role in that as a struggle by members to achieve a goal).

The co-operative chosen for this case study is unique in that it has had experiences with two property management groups; it had an interest in being self-managed but had

external management imposed on it by the government and, yet, at times it too chose these services. My goal in the end is not to make generalizations about property management groups, given these members experiences, but to identify these members interests in and attempts to achieve democracy which are uniquely highlighted within those experiences. The literature and property management groups claim that member control can be maintained within this relationship. I show how it was not maintained in this example not to make generalizations but to document exactly how member control may be lost in order to identify what it takes to achieve and maintain and how the co-operative sector theory is uniquely aligned towards the goal of democracy.

The ethnographic case study requires the use of many methods. In this case, content analysis, participant observations, and semi-structured interviews have been used. Content analysis is "a systematic procedure for examining the content of recorded information" (Hagedorn,1990:558). The recorded information within this study is ECHC's minutes of meetings, memos, correspondence with property management groups, CMHC, CHF/NS, literature found within the co-operative housing sector (CMHC, CHF/C, CHF/NS, property management groups, newsletters, educational workshops, minutes of meetings, resolutions, pamphlets and contracts).

What is unique about content analysis is that one is not working directly with people, but rather with cultural representations they have produced or find valuable. Sociologically, Reinharz defines these types of recorded information as "cultural artifacts"(1992:146). They are a window into the culture (beliefs, norms, and values) of these various groups. Some of the artifacts studied here reflect the real conditions (members' notes and minutes) while

others (contracts, pamphlets, books) were created to, or at least have the potential to, mediate experience. So, some 'reflect' what has happened while others were created to mediate what potentially could happen. The community members artifacts are juxtapositioned with the property management, government, and co-operative sector artifacts. It is interesting to see their underlying theoretical perspectives in a comparative way.

To the extent that the artifacts reflect true feelings, thoughts, interests, values, beliefs, and goals, they are informative. Obviously there is a difference between what people say or record as the truth in documents and what actually is. With content analysis it is important to note both what is there and what is not, as well as what could be there. Content analysis is limited in the types of artifacts used; to the extent that they reflect the truth, however, it does help to elicit people's values. Combining content analysis with other methods like participant observation helps to elicit even more information by combining theory with action; what was said or recorded as being done or to be done can be combined with observations of what was actually done.

Participant observation is simply a focussed, asserted attention to take note of the phenomenon whilst one is a part of it. Participant observation is a method used when it is important to question the written text of something: to "see", if you will, if that *is* what happens as compared to what someone *says* that is what happens in reality. Of course what is 'seen' is also someone's perspective. Participant observation is a way of documenting people's behaviour particularly given other written texts of stated interests, goals, policies, procedures, and other types of documents. It helps place the issue within a context. Unfortunately, with participant observation there can be problems with being "seen" or

"known", by taking notes which may disrupt the activity one is trying to observe. Also, if one is involved, then systematically observing may be difficult. This research did not have difficulties in these areas. Because this research took place over a number of years (1993-1997), I have had numerous opportunities to observe, I was known and a part of the activity. In fact people were used to me taking notes because I always had done so before the research was started; it was common to see me note-taking.

The semi-structured interviews were conducted very informally. There was not a specific set of interview questions prepared before interviews were undertaken. But the interviews were guided in that they were about questioning people as to their thoughts on education, co-operation, management, and democracy. Through a few mistakes, I learned to be more organized with my interview skills. I have always been inquisitive so the asking of questions was not a problem. But the note-taking at the time or being sure to sit down and record the interview after were things I had to learn. Luckily, given the extended time period of this research, and the good rapport I had with most of the interviewees, I was later able to go back and ask questions again and to reinterview some people for updates. The interviews took place mostly face to face at the workshops, co-operation meet, meetings, AGM's and a few that I had to make appointments for (CHF/NS and CMHC); some were over the phone.

CHAPTER FOUR
ETHNOGRAPHIC CASE STUDY
OF
EVANGELINE COURTS HOUSING CO-OPERATIVE LTD.

How ECHC was started:

A local resource group associated with the United Church helped begin ECHC. The group had already started some other co-operative housing projects in the area. One representative worked with a few sole parent women who had expressed to her their dissatisfaction with the unavailability of housing for people with children living in the area. Wolfville is basically a retirement town but also it is home to Acadia University so the town has many students who move there for the school season and then leave in the spring. The rental units in the area were largely made for students, mostly converted houses with shared bathroom and kitchen facilities.

Most of the women seeking housing were already associated with Acadia University so the problem they were facing was two-fold. They needed affordable housing that was suitable for children and a daycare for their children while they attended university; Acadia provided neither. This group of women acted as a support group for each other. Their shared experiences with the lack of affordable, decent, housing that allowed children and their goal to continue their education meant that they were a group of people with common struggles and common goals. This aspect made them perfect candidates to initiate a "co-operative" project. It is these women who make up the initial "core group".

> The "core-group" is the group of people who plan and develop the housing project. . . . It is important at this stage that the core group be committed. The group need not be large, and no doubt a number of people will come and go before the process is complete. But almost every successful project has

> relied on a few committed people to develop an idea and follow it through. CMHC, 1995:11)

The plan was to build a housing co-operative in the Wolfville area that also housed a daycare. The first meetings were held in 1985. These initial meetings were to organize the women into a group and discuss the potential for co-operative housing. Once it was agreed that co-operative housing was the way to go, people in the initial stages needed to understand how to work collectively in what is called a "co-operative enterprise". There is a "Co-operative Act" that is regulated by the Nova Scotia Government stipulating how to do a co-operative, including regulations and procedures for meetings, announcements, voting, keeping and submitting financial reports, keeping minutes and so on. Also, there were educational workshops given by facilitators within the co-operative housing sector.

The housing co-operative sector is itself within a larger movement made up of not just housing co-ops but also worker, agricultural, service, and food co-ops as well as the Co-operative Housing Federation of Nova Scotia and the Co-operative Housing Federation of Canada. It is through this larger movement that the educational understanding of co-operatives is achieved. Facilitators from this sector who have been trained in co-operation and small group facilitation teach people how to work within co-operative organizations. Reading the Co-operative Act itself is a starting point for this type of learning but is not the whole picture. The Co-operative Act is a set of specific rules and regulations but it is open to interpretation. It is the co-operative sector that provides the understanding of co-operatives. It is here that the ideals of co-operative organization are revealed and enthusiasm for such projects is solidified.

Many meetings took place in this early time, between the co-operative sector facilitators and the membership in order to help people understand what potential co-operatives have and how to work co-operatively. The first meetings were large with various people attending. But with the realization of the size of the project, the work and time required and the many, many meetings, the number of individuals dropped off to a core group of five females. These five were the original ones who had voiced the need in the first instance.

Meetings were also held with representatives from the town, potential residents, Canada Mortgage and Housing, Provincial Housing Department, the resource group and others. With the persistence and vision of these women and the help of the resource group and facilitators, the group worked step by step to achieve its goal. Acquiring the land was difficult; much education had to be done with town council to explain what co-op housing was and to dispel some of their concerns about locating a "low-income housing" project in their town. Then the women had to work closely with an architect to design the buildings. The three town houses were designed specifically for "women with children" in mind. The result was an open design layout so that these women could, for instance, watch their children play or oversee their child's homework at the dining room table while they cooked in the adjoining kitchen area. Also, there are large, grassed common areas for children to play and private back yards so members can keep a closer eye on smaller children and have some private outdoor space to be with their families. Some receptacles and outlets were placed high out of children's reach and the buildings have two, three, and four bedrooms to accommodate various sized families. Unfortunately, the group had to scrap the daycare idea

because of the extra financial expense but still continued with the rest of the vision. As the buildings began to take shape, more people could see the project as a reality so interest and attendance at community meetings did eventually increase.

Finally, after much work, in May of 1988, members began moving in. From a group of committed women with shared experiences and needs, as well as a common set of goals, after many meetings and working with others came the realization of a common dream. Despite some setbacks (no daycare) and an immense amount of unpaid time and energy (beyond being sole parents and going to university) for three years, Evangeline Courts Housing Co-operative became home for 27 families.

The Membership of ECHC:

In the beginning, the membership consisted of approximately 40 adults (27 voting members) and 50 children. Of these, 13 were sole female parents and the rest were married couples and one senior woman with no children. Most families were low income but some were in a middle income range. Most of the children were small, that is, elementary school age and younger, although there were also some teenagers. Since the membership expanded to include others beyond the core group of women, the most important aspect that brought this larger group of people together was the common need for quality, affordable housing. Just about everyone had children. Because about half of the membership consisted of sole female parents, many of whom were also going to university and doing so on subsistence level incomes, this group of people had many common interests, needs, and goals.

To be able to achieve the financially restricted dual role of paying for university and providing for their families single handedly, the sole parent women found numerous ways of helping and supporting one another. Most included shared child care, from watching children for a few moments while the mother went to get milk to trading days watching them after school to fit Mom's class schedules. Another area of support women gave one another was with transportation. Only some women could afford a car and its upkeep so many women helped others with drives that were needed. Mostly, those women without cars used local public transit, taxis or walked, but members were very giving in asking others if they needed a lift. Cooking was another main area of support. On subsistence level incomes, at financially draining times such as holidays, when school supplies need to be bought, and near the end of each month as money became tight, women often pulled together their resources and shared meals.

The list goes on of the many ways these women worked together in what could be described as a tight-knit community or even an extended family. Because so many had such shared experiences, common struggle, and similar goals on such a wide area of subjects, this group of people worked together in many ways beyond simply their need for housing. This aspect within the description of the membership has been important to include since it involves half the membership. As the other two studies of ECHC (Nadasdi, 1988 and Seebold, 1992) discuss, women in general, whether sole parents or within coupled situations, have had the most influence on the running of and the social life within the co-operative. In almost every heterosexual coupled unit, it has been the female partner who has volunteered to be the voting member of the unit and has taken on the responsibilities as a board member,

as a co-ordinator of a committee or as a member of a committee. This housing co-operative cannot be viewed without an understanding of the significant role women played within it.

The Structure of ECHC:

A non-profit association had been set up to make the decisions about what the units would look like and is still in existence today. The association consists of the members who live in the housing co-operative, that is, one primary member per unit (27 units). By working together in meetings, members decide what happens with the money collected through rents, a monthly federal grant that is for the whole project and a monthly provincial grant that supplements fifty percent of the members' income. Since the members do the work of running the business of the co-operative themselves, doing the books and the repairs rather than hiring others to perform these tasks, they then have more money to spend in other areas such as social events, collective activities for the children, newsletters, tools and equipment related to the yards and grounds of the co-operative, and repairs and beautification. This is largely the difference between co-operative housing and rental units. Members have a say in how the "rent" money is spent, they have to work for the co-operative, and there is money spent for things used in common such as tools and equipment and for social activities. Also, by working with neighbours in meetings and on committees an active member can get to know them, unlike in some rental situations.

Meetings then are where most of the social relations of the work of the co-operative occur. Meetings have always been structured with both formal and informal aspects. First of all, meetings are held in members' units rather than a hall or formal meeting room. They

are held in members' living/dining/kitchen area (open design layout). Meetings usually included tea and coffee. Members sit in a circle on couches, recliners, dining room chairs, and even fold-up lawn chairs. In the initial years, care was taken to have board members sit interspersed with the general membership in order physically to instill in everyone the idea that we are a collective of equals. The secretary always sits at the person hosting the meeting's dining room table. Meetings can be described as discussions/conflicts, interesting/boring, hot/cold, empty/crowded, informative/a-waste-of-time, funny/upsetting, usually long and any number of other descriptions; we have had them all.

The positions on the board have changed over the years but usually they consist of the President, Vice President, Treasurer, Secretary, and Membership Co-ordinator. Sometimes the board also includes the Maintenance Co-ordinator and the Grievance Committee Co-ordinator. The board performs the office work of the co-operative. It sets, types, and distributes the agendas, does administrative work with related government departments, the bank, insurance company, and much more. Basically it does the tasks involved with the administration of the co-operative. All positions are and have always been voluntary. Some of these positions--the Treasurer, Maintenance, Membership, and Grievance co-ordinators--work on the board and co-ordinate other members on related committees.

The committees deal not only with the running of the co-operative but are also formed to ensure that members associate in social settings that are also fun. The main committees that have been established and were relevant since the beginning are finance, maintenance, and membership. Other committees are social, co-op kids, and the newsletter.

These others depend on interest; throughout the years sometimes these committees did not exist. Each one of these has a co-ordinator who organizes the committee and acts as a chairperson. Additionally, ad-hoc committees have been set up for landscaping, the playground, co-operative sign, and investments.

Generally, committees are set up with one purpose in mind. Their function is to do a particular task within the co-operative on a regular basis. What that task is should ideally be defined by the entire membership. How exactly it is accomplished should ideally be defined by the members on the committee. How this has actually worked will be discussed later. With ad-hoc committees, once the task is completed there is no more need for the committee.

The finance committee is obviously set up to do all tasks related to money within the co-operative. That means taking in the 'rent', paying bills, doing budgets, approving expenditures for maintenance, and the like. The financial records are to be kept in legal order and up-to-date so that information is available for the general membership at any time. There has been a difference, however, in how arrears problems have been handled. Some years it was handled with leeway for members having financial difficulties; other years it was handled very strictly with fines for late payments. Each way of handling it seems to have had a different effect on how the people feel about living at the co-operative. If it is too slack, then the people who pay the proper amount on time feel someone is taking advantage. If it is handled too strictly, those having trouble paying feel living in the co-operative is no different than renting an apartment. Achieving a balance has been necessary. The members have agreed that there should be some leeway in paying rent within reason--not always by

one member, concessions made for certain circumstances, and not too much money involved when some leeway is given. Obviously finding the balance is a little tricky but is a key to living co-operatively and is another distinguishing characteristic of co-operatives compared to regular rental accommodations.

The maintenance committee was formed to do the regular maintenance and repairs on the units and grounds of the co-operative. The goal is to ensure that as much work as possible in repairs, grass cutting, and so on is done by members so that money is not spent to hire other people to do it. This means that more money can then be put to other use. The co-ordinator of this committee has a big job given that it is voluntary and there are 27 family dwellings. The jobs get done, but it may take a while. The philosophy has been for members to maintain their own units as much as possible so that committee members can handle tasks such as painting when members move out and other large jobs. A few jobs have been organized by the committee but carried out by the entire membership. These very large jobs have been to re-sod the entire back yards of all 27 units and the staining of all back fences. The money saved by members doing these types of jobs on a voluntary basis is significant.

The membership committee was set up to do the work of getting new people when members move out. It is a contact point for people seeking housing; this committee interviews potential new members, explains to them what co-operative living is about and advertises so that there is (hopefully) a waiting list so units can be filled quickly. Although this sounds cut and dried, it is not. The membership committee needs to have a good set of interview questions to be able to identify if the people approaching the co-operative for

housing are people that would be "good" members. Good members are people who have the same understanding and interest in the co-operative and who will do the required work. Interviews consist of screening people for their potential as members as well as explaining to them what this co-operative is about to see if they are interested in being part of it. There have been arguments and policies which have switched back and forth over the years as to what priority people get on the waiting list: those who applied first or those who are in most need. Through many discussions, members have come up with a point system that blends the two issues. Who finally gets selected to move into the units is a decision made by the entire membership usually at a special meeting called specifically to select new members.

The social committee has been at times just an ad hoc committee, at other times it has been very active. The committee depends on a few eager members to organize activities and the rest of the membership to participate in the events. Some of the activities that have been organized are tea and coffee parties, dart and card evenings, cookie swaps, diet clubs, barbeques, pot luck suppers, street dances, craft nights, Christmas parties, carol singing with hot chocolate, even sleigh riding.

These have been organized activities by the social committee, however, there are still many ways that "social" relations occur. As stated earlier, since a large portion of members are in similar life circumstances (people with children and many attending university) they relate in social ways. Also, many members have similar interests and have socialized with one another through sharing skills such as sewing, car repairs, furniture refinishing, computers, gardening, and house plants, to name just a few. There have been cards that members sign and sometimes collective gifts for those families who have had someone in

the hospital, had new babies, a death in the family, or because members where moving out. Summer is a particularly active time socially. Often people sit out front of their units and welcome others walking by over for a visit or people are invited into the back yards. This year, some members worked together to create a few horseshoe pits and built benches and a picnic table to go beside the garden area. The garden area was created a few years ago; it is made up of a group of individual garden plots for those members who like gardening.

The social committee plans social activities for adults and some activities for both adults and children. Another committee, the "co-op kids" was set up to organize activities just for the children. The idea behind the co-op kids committee was also to organize the children so that they learn the skills of co-operative organization too, making group decisions about what they want to do for activities. Depending on the age of the children, this has included organizing a formal structure where there is a chairperson, secretary, and treasurer at least. The co-ordinator would act as a facilitator with the children so that they too would learn the skills involved in working co-operatively. This was tried one year but has not been the practice for most of the years. The various ages of the children affect their ability to work as a group in the way it was intended and it takes a person willing to volunteer their time in this way, but trying to achieve this as best as possible has been the general goal of the committee. Some examples of activities the children have organized are the annual school's out camp-out, lip sync, barbeque and street dance, Halloween and Christmas parties, a night of Christmas carolling and hot chocolate, sleigh riding, swimming either to a lake or to the local community pool, yard clean-up of garbage and raking, crafts, popcorn and movie nights, organized fun days that include water balloon activities, three-

legged races, feed bag races, face painting, co-operative games, art contests, and even a bowl-a-thon in support of Big Brothers and Big Sisters. Many of these activities require the help of a number of parents.

Besides housing, children are the main thing members have in common. The fact that most people in the co-operative have children, working together to provide children with quality experiences and activities has had a major impact on the collective identity of the members. Next to the fact that members work together to provide themselves with housing, the common interest in providing for the children cannot be overstated as an aspect that has really helped members to have strong reasons for working together. Like the social committee, what is done each year is based on whether there is a member who will volunteer to co-ordinate the committee. Once someone initiates an activity with the children there are usually many others who will help to pull it off.

The cooperative also has a five page newsletter and a committee that works to put it out once a month. The first two pages are information for the adults, the next two pages are information for the children, and the last page is a calender that can be detached and hung in members units to remind them of meeting dates, social and children's activities, people's birthdays, and anniversaries. The newsletter was initiated as a social paper; its purpose is to bring members together by sharing information such as recipes, parenting, cleaning tips, saving money, pet information, quotation and jokes about co-operative living. It was felt that the co-operative already had a vehicle for serious discussion with the general meetings and that the newsletter would be a way to organize the meetings and events for members as well as share information and provide a vehicle for expression on the lighter side of running and

being involved with a multi-million dollar project that requires the co-operation of many people.

Members work for the co-operative by taking on a position on the board, as a Co-ordinator or as a Member of a committee. One way or the other, it takes members working together to achieve the co-operative housing venture. Obviously, the description of ECHC has so far been very basic and about the more positive aspects of living and working in this co-operative. Some of the real problem areas, or specific ways in which the co-operative members have worked together is the area of focus for this study: education, co-operation between co-operatives, and how specifically democracy is accomplished or not within ECHC are stated below.

Education, Co-operation Between Co-operatives, and Democracy:

In the initial years (prior to opening) and for the first year of operation, members of ECHC held many educational meetings, or "workshops". The topics of the workshops were varied but included sessions on co-operative housing, co-operating and co-operatives, government agreements, co-operative history, working in groups, effective listening, how to do the board positions, chairing meetings, delegating tasks, preparing agendas, effective meetings, meeting procedures, and Robert's Rules of Order. The purpose of the workshops was to train members in co-operative organization so that the members themselves would take over the total running of the co-operative and the job of the resource group would be over. Basically this is how it worked for ECHC except the resource group stayed involved for the first year of operation (once members moved in) to continue these educational

workshops. It should be noted however, that members were all learning the scope of the whole project together so that *anyone* could do the particular tasks. This way everyone had an appreciation for the various positions and tasks involved; everyone then developed numerous skills and knowledge about those positions. Also, everyone participated in making decisions as to *how* the operations were to work. In this way, everyone could understand the reasoning behind why some ways were chosen over others.

There was also time within these educational sessions for group activities that helped people get to know one another. Such activities included collective visioning, role playing, practice with group decision-making, usually by deciding on something that had nothing to do with co-operative housing. These activities were done in a light-hearted way to help bring people "out of their shell" and get them interacting with each other. By having light-hearted sessions such as these members had informal opportunities for speaking out in groups. These sessions were crucial in getting all members' skill level to an acceptable general level so that at general meetings everyone truly had an equal chance to voice their concerns because members were then used to the discussion process. Also, these sessions were an initial attempt to get people who were of different genders and income levels, yet that had a common need for housing, to learn and understand each other so working together could be possible. By the interaction itself, members began to feel related to each other because of housing but also because they began to understand that, despite their differences, there were many similarities with the other members, such as struggling with time constraints, caring for children, upkeep on their housing, car troubles, interests in music, reading, gardening and so on.

These initial educational interactive sessions are what helped to dispel myths about people so that members could begin to work together co-operatively. Some myths were: that people on social assistance are stupid and lazy and that single parents are irresponsible. These types of myths that are prevalent in society are directly challenged within a housing co-operative to the extent that they are not hidden, are openly discussed, and dispelled by virtue of example. To the extent that people understand that just because people are different does not make them separate from each other, co-operative interaction is embraced. It was largely through these educational sessions that members developed their shared ideals, a common form of organizational structure, and collective understanding about the goal of their co-operative. These were never codified specifically into the policies and procedures.

Some of the key ideals and democratic organizational forms that came out of working together within these initial educational workshops and that were collected in the group discussions with community members at ECHC were:

> 1. The best way to run the co-operative is for members to do the work themselves. The reasons for this are to save money, to maintain control, to learn new skills, and for the positive benefits to individuals of being and acting within a community.
>
> 2. The co-operative is more than just a place to live and vastly different than renting. It is a community where we will all know one another and despite our private spaces, there will be many opportunities to share, cooperate, and socialize. People are not just 'people who pay rent for units' but are 'members of a community' and that implies that we will keep that in mind as we relate with one another therefore on a deeper level than found in rental units.
>
> 3. There is acknowledgement and belief in "synergy", that is, that acceptable solutions to problems *will* be found, are found *within the group* (two, three, four, etc, heads are better than one) and that members are *capable* of finding those solutions. What everyone has to say then, is *respected* (it must be taken

into consideration) because it is part of the solution.

4. Communication is a process that some members are better at than others. Not all members communicate well but there is a responsibility to make the attempt by all other members not just to *listen* but also to *understand* all members' perspectives.

5. Discussions, differences of opinion and even conflicts are positive because people are asserting their concerns and because it can be a source of new understanding for those involved to the extent that the effort is made to work through them.

6. Power within the co-operative is invested in the general membership. That means that the flow of ideals and decisions is created from the members *first* whether that be at board, general, or in committee meetings. Members at all times have opportunities to influence and help create their surroundings. Members are in control of the process, the process itself ensures all members' input, and the members have the ultimate decision making power.

7. The focus of committee work, the projects, the policies and procedures as well as any organizational documents are decided by the general membership collectively (e.g. the general members decide how many pages the newsletter has, or *what priorities* the maintenance committee will work on; *how* the committee is going to work on those priorities is up to the committee members).

8. Procedures are developed that ensure *all members* have the opportunity to add issues to the agenda at *any* meetings and further to have input into how the agenda is ordered or time-organized.

9. Generally, the Board of Directors is responsible for the tasks of administration. It does not have authority for making decisions affecting the members. The President and Co-ordinators act as 'overseer'; not as 'authority' to make decisions or order people to do work (like a boss).

10. Members who have positions on the board or co-ordinators of committees
should actively work to dispel notions of authority people may assume they have by for instance, sitting among the membership at meetings (not together at one end of the room in a we/them dynamic). Also they should be sure general members are aware of their right to attend board meetings (though they may be requested to leave when particular confidential issues are discussed like an individual member's financial status), and take the utmost

care to inform general members of their work by distributing reports detailing their work minus any detailed information that is confidential (for example that an eviction was discussed but not about who it was).

11. The chairperson at any meeting should actively seek input from members who are not contributing to the discussion to encourage everyone's input and to ensure any hidden reasons for members' non-input can be revealed and solved. For instance, some members may not understand exactly what is going on, the discussion may have been going too fast, other members may have been dominating the discussion, they may be shy and need a little encouragement or they may be lacking some information to participate adequately in the discussion. It is the chairperson's job to seek out this type of information and gauge, the feeling in the room. Some members may simply need more time to think about or discuss an issue outside of the meeting. It is up to the Chairperson to ask these types of questions and find out how members feel so that these barriers to participation can be revealed and solved (for example, a decision can be made to get more information or proceed to a vote). Care must be taken that members skilled in Robert's Rules of Order, in making motions and meeting procedure, are not using their skill at the expense of other members ability to participate.

12. The board of directors make decisions only to the extent that there is a problem to which the general membership has made no policy that can inform how it is to be resolved. If the decision has ramifications on the general members or if it will set some type of precedent than a decision must wait until it can be resolved by the general membership. Obviously, some issues need immediate decisions and then the board must explain the decision it made and what the nature of the time constraints were. This is to ensure the membership is aware of decisions.

13. Minutes are taken at all meetings. Members receive copies within a few days of the meeting and everyone at those meetings has a chance at the next meeting to amend those minutes. Minutes include some details of discussions such as the ideas, suggestions or concerns that were brought forth as well as the actual motions, movers and seconders, and the numerical results of the vote.

14. Members are to be as informed about the issues they are voting on. All relevant information must be discussed or, better yet, put on paper prior to the meeting so that members have a chance to analyse the information appropriately before being asked to make a decision. Simply stating that the board recommends or the committee recommends and expecting members to have faith should never be the practice.

15. Some decisions are made by consensus (to flesh out which choices will be explored) but other decisions are made by majority rule (usually to determine the preferred final choice). Through open discussion and finally a tabulation of the general consensus members come up with a number of issues that must be addressed and potential choices. Then some members (a committee) may research those issues and choices and document their results to share with the general members who then formulate specific motions to vote on through majority vote.

16. It must be a general membership directive to pass decision-making authority about an issue to the board, a committee, a co-ordinator, or a member. For example, the board may suggest to the general membership that they think the maintenance committee should have the authority to choose which lawn mower to buy, but it must be the general membership who *decide* to pass that decision- making authority over to the committee.

17. At any given time within a group of people there are various roles being played by the members such as, the 'joker' or the 'articulator', the person who always seems to be able to find the right wording as members struggle to say something. These roles are both welcomed and recognized that they must not be dominated by some; hopefully all members take opportunities to try on these roles.

18. Decisions must not be giving some an unfair advantage, whether created or natural. Decisions should not be made when the particular people affected by the outcome are not present for some reason.

19. Levels of commitment and participation will always vary *between* members and *within* every member. Therefore, at all times there needs to be some *recognition*, *respect*, and *patience* for these differences.

20. Policies should be kept to as small a number as possible and as many as are needed to keep a formal record of how members have determined they would like to co-exist together. It should be recognized that no matter how well we may try to word them, policies are always up for interpretation and are meant to be changed. If possible, it is helpful to list the reasons for the policies within the minutes of the meeting at which the policy was adopted.

Unfortunately, since the initial set-up years and the first year of operation, co-operative members individually or as a group have paid little attention to education about

co-operativism, community development, or democratic association. Throughout the years, there has been money put aside within the budget for members to attend workshops put on by CHF/NS for instance; but only a few members have participated in these. Most of those that did attend did so within the first few years of operation. ECHC paid for membership in both CHF/NS and CHF/C for most years. Unfortunately, information in the form of newsletters or brochures on educational workshop sessions being offered by these co-operative sector groups often got no further than the board, leaving the membership unaware of their existence. The fact that most meetings of this sort occur in Halifax adds another negative dimension to the lack of interest in them. Also, since people are busy working longer hours for less pay in the workforce, and because they have meetings and duties to attend to on committees within the co-operative, education is often considered just "too much" on top of everything else. Finally, it is often felt that the co-operative needs education in the form of analysing our co-operative's particular procedures or policies, not a general workshop about a topic such as financial management. Members have wanted and continue to want specific information that is easily accessible.

As for co-operation between co-operatives, ECHC has never spent much time reaching out beyond their co-operative or involving itself much with other co-operatives. The only communication between ECHC and others is that a call here and there has been made to ask another co-operative a question as to how they do something, their policies, or to discuss waiting lists. Apparently, a call was made to another co-operative about the possibility of helping each other with filling units by informing people who inquire about housing at ECHC of the other local housing co-operative when units are filled at ECHC.

Other than that, little 'co-operation' between local co-operatives has occurred. That includes what is possible when attending educational workshops locally or in the city and other types of involvement in the co-operative housing sector. No members have sat on positions within CHF/NS or CHF/C.

The level of democracy is hard to ascertain within the co-operative by simply reviewing the minutes or observing meetings. Given the very nature of democracy, to understand how it is socially constructed within ECHC takes knowing the members, hearing their concerns, hopes, interests, and reviewing how these are then filtered into the process, that is, into the agenda, the discussions/meetings, the committees, and the policies and procedures. Just reviewing these social interaction settings by looking at the minutes or other documentation does not tell you what is not there; that is, these documents detail who made what motions and what was approved, but they do not necessarily reveal what people wanted on the agenda that did not get there or what alternative ideas were not pursued. Understanding this does not come from observations of the meetings either, because there are ways that even the discussions have been limited. The only way to get at some of that understanding is by knowing the members, questioning their interests and thoughts, and doing this over a long period of time. Democracy is a concept that can have various levels of understanding. For some members, just being able to vote at a monthly meeting is democratic enough; others like to be more involved in the process to establish the choices. For many community members, who have had a broad conception of what democracy means (being in control) have felt that the co-operative was getting less democratic then it had been originally. Over the years, democratic co-operation has been achieved at some points, and

at other times not. Some members have worked relatively hard towards achieving democratic co-operation; others have not.

The previous studies by members who were also sole parent female members, students at Acadia University, concerned for the continued existence of this housing co-operative can now be examined. In her Masters' thesis, *Co-operative Housing For Sole-Female Parents: Pockets of Empowerment in the Struggle for Community* (1988), Rita Nadasdi uses ECHC as a case study (one of three) to show women's participation "in mobilizing community-based housing co-operatives within the context of the Annapolis Valley, Nova Scotia (Nadasdi, 1988: Abstract). In her Honours' thesis, *Ideals That Ought To Work: A Case Study of the Co-operative Experience of Single Mothers* (1992), Terri-Dale Seebold also uses ECHC as a case study and "focuses on contradictions between the promise of voluntary co-operative housing and the lived realities of this goal experienced by a group of single mothers who are members of . . . " ECHC" (Seebold, 1992: Abstract). Very generally, both studies concern the relationship between the housing cooperative and women.

The Nadasdi study is of three Annapolis Valley housing co-operatives. Nadasdi summarizes the main ingredient necessary for the success of a housing co-operative by saying, "From the information received from all co-ops, the underlying contributive factor for success of any co-op would seem to be the motivational reasons for individuals becoming involved in a co-op, i.e. they support communal and co-operative living styles" (p. 65). ECHC is praised by Nadasdi because "members of the core group were more committed to the ideology of co-operativism than were the other two coops" that she studied (p. 67). "The residents of Evangeline Courts chose co-op housing primarily out of a desire to live in a

community" (p. 64). ECHC's success is presumably because of the ideals of community and co-operative living female members had initially brought with them, and not the dynamic between the initial resource group and the housing co-operative.

> Once the government required one year commitment to the co-op was completed, and [the] resource person was no longer available, Annapolis Valley and Apple Blossom [the two other co-ops studied] were on their own. But because they had come to rely on the resource group to solve their problems they were left to an overwhelming degree of utter dependency on external leadership and control. Out of this dependency grew a destructive level of dissension and division among members. Similar dependencies are not yet apparent at Evangeline Courts Housing Co-op, but it remains to be seen if Evangeline Courts members develop enduring and empowering autonomy in the coming developmental period . (p. 67)

> The sole-female parent residents of Evangeline Courts Housing Cooperative had a greater sense of community within the group. These women's concerns were focussed on collective values, and the importance of sharing in the responsibilities of creating a better neighbourhood for themselves and their families. In my opinion, many of the women in Evangeline courts experienced a large measure of personal empowerment and solidarity productive growth in collaboration with other women. However, it must also be noted that Evangeline Courts is the newest addition to the cooperative housing movement in the Valley, and only now faces the challenge of making ideas work in the practice of an operating housing cooperative. (p. 93-94)

Nadasdi is cautious about predicting what will happen to ECHC but her research indicated that the "different income groups and classes is one of the major obstacles to harmonious life in a co-op" and is aggravated by the "absence of sufficient organizing skills to foster democratic and participatory decision-making processes within the co-op" (p. 70).

Terri Seebold's honours thesis is another attempt to document and understand the experiences of at least the sole-female parent members of Evangeline Courts Housing Co-operative. Her specific interest was to evaluate "the gap between the promise offered by co-

operatives and the reality of these women's lived co-operative housing experiences" (p. 2). She describes her ECHC study as a "case-study of a particular 'dysfunctional' co-op not an inclusive statement about co-ops" (p. 36). This is interesting since it comes after the Nadasdi study which gave such praise to ECHC. Seebold identifies three main problems which I have summarized as follows:

> 1. Mixed group housing policy
> [CMHC] "housing policies which are aimed at providing housing for mixed groups" without an educative mandate to bridge the gap of understanding between groups" (p. 48). The groups she describes are largely divided in terms of their differences in gender and income at ECHC.
>
> 2. Housing subsidies
> A division is created in the groups because of the existence of housing subsidies for some units. This also leads to non-cooperation by members who do not receive subsidies and to a lack of control over membership which jeopardizes control of common goals. Again there is a division between generally low income sole-parent females and higher income dual-parent families.
>
> 3. Co-operative principles
> The lack of attention to one of the principles of cooperation, that is, education (p.51) As Seebold says, "Without the education of all our members about cooperativism, there is no collectivity among us and thus no co-operation" (p. 51).

In fact, all three of these problem areas are concerned with education: education about co-operative principles and how to put them into practice and education to encourage community development and democratic processes. In other words, co-operative education is necessary to address co-operativism, which itself alludes to the importance of community development and understanding, and democratic relations as requirements if people are going to learn the skills of working together to attain their mutual goals.

An important co-operative principle not discussed explicitly in the previous two

studies is the importance of co-operation between co-operatives. This is related to co-operative education; by working with other co-operatives, sharing experiences, being involved in the large co-operative sector by lobbying for more co-operative housing projects, or at least by having active membership in the provincial and/or Canadian Federations members are kept up to date on how to *do* co-operatives, what does and does not work, and so on. It is easy to see the educative aspects to co-operating in other like groups. Also, being involved in the co-operative sector helps to formulate and maintain ideals of co-operativism by understanding the whole big picture of co-operativism. This helps to affirm the co-operative ideology members have been introduced to and gives them concrete examples of how 'co-operativism' not only *can* be done but *is* being done all around the world. Membership in the Nova Scotia Federation and the Canadian Federation also gives members access to educational workshops and materials so that members are not 'reinventing the wheel' as they work to achieve their co-operative.

A closer look at the issue of education and co-operation between co-operatives reveals what lies at the crux of the matter: the issue of democratic association. Both previous studies question ECHC's continual existence based on the ability of members to work together. In both studies, there is a recognition for the problems associated with working together collectively for some common goals (in this case housing) in the midst of a group of people devided because of class and gender. This is a problem not only within the membership, but also, within the context of the larger social relations of the society to which ECHC is a part. For Seebold, the divisions are insurmountable; she opts for a "women-only" housing co-operative satisfying the gender issue but not the class, race, or any

other divisive issues that may come up. Nadasdi is more optimistic though she questions ECHC's ability to wrestle with "democracy", which she states to be "participatory decision-making processes "(p. 70).

These two participant observation case studies of ECHC clearly show that education is fundamental, a necessary requirement of a housing co-operative if it has any possibility of sustained existence beyond the initial set up phase. In the absence of an effective educational component, dependency on external organizations has proven to be a final last ditch effort at saving a housing co-operative, as Nadasdi's thesis demonstrates. That decision does not always ensure its continual existence, e.g. the closure of Annapolis Valley co-operative. The problems of neglect and/or dependency related to property management alternatives is documented later.

At the time of Nadasdi's study (1983), members had been freshly trained, were full of ideals and optimism, and had had few real crisis to deal with like lack of funds, deteriorating buildings, vacant units, and other financially related problems that can put a housing co-operative in severe distress and potentially cause it to "go under"; if this happens, CMHC takes it over and it is sold as a rental unit.

The Crisis in ECHC:

Unfortunately, since the Nadasdi study, many things have occurred at ECHC to begin a process of decline. First, many of the original members, including those sole female parents who shared so many common interests, left the co-operative as their university studies finished and they found employment. New members were not necessarily of the

same common group. The divisions articulated in both previous studies became more entrenched. On the one hand, all of the original members had been trained in collectivist co-operation. They tended to be people in a lower income level; they viewed the co-operative as a community not simply as a place to rent. They can be referred to as "community members", because of their predominant view of the co-operative was that it existed to provide community not just housing. As these types of members moved out there were an increasing number of people joining the co-operative who had not gone through the initial training and were not necessarily of the same life circumstances, experiences or goals. These new members brought with them the typical ways of organization and decision-making found in society, those defined as hierarchical, authoritarian, and top-down. These members tended to be in coupled relationships with higher income levels and viewed the co-operative as a uni-functional project, that is, a project designed simply to provide housing. They can be referred to as the "individual members" because their predominant view of the co-operative was that it existed simply to provide housing, not community. Obviously, in reality the distinctions are never so clearly divided *between* the members or *within* each member. There began to be less unity in the discussions at general meetings and more conflict. Largely, this is the time period of the Seebold study or about four years since the co-op's inception. Notable arguments included differences in opinion as to how money should be spent, how the co-operative was suppose to work, and how responsibilities were divided.

One argument about money, for instance, was a difference in opinion about spending money for brass mailboxes or on children's activities. Some members were not interested

in having their children associate with the other children of the co-operative so spending money on collective children's activities was not a priority for them.

Many other arguments arose out of how the co-operative was to work. Members were very like-minded in the initial stages as already mentioned. This was because of the similar circumstances many were in and because of the initial training they had received. These members developed ways of organizing themselves democratically; however, these relations were never codified within the policies and procedures or by-laws. This left the new members coming into the co-op ample opportunity to change the relations of the co-operative. Instead of the chairperson acting as "facilitator" some members filling that position took on the role of "boss". Instead of a board which simply does the tasks of the administration, members filling those positions began also making decisions as a president and board that did not include the membership. For instance, instead of everyone having not only access but also being encouraged to help form the agenda, *only the Board* began making the agenda.

Generally speaking, members from one group would largely form its board and co-ordinator positions for one year and the next year the other group would. Each year, whichever group formed the board would work hard to incorporate its way of doing things into the policies. Each successive year the other group would have those ways replaced with its ways. This was possible in part because there was another group I have so far not mentioned. That is the group of members who are shy, unskilled, or uninterested, who often just pay their rent and participate as little as they may get away with; their style of voting is to simply vote with the majority.

When the 'community members' were on the board, the 'individual members' were on the attack with questions focussing on whether the books were being handled properly (given their belief in the myths stated earlier). When the individual members formed the board this same tactic was used by the community members. In 1992 (four years since the official opening), all members were not getting their regular monthly financial statements from the treasurer. Community members were on the attack at every meeting, asking for statements and asking for answers to financial questions. Surprisingly to the community members, the individual members were not disturbed that these financial statements were not forthcoming from the treasurer. At the end of the term an election was held. The community members were voted back into the board positions but the treasurer remained the same. Within a week of officially taking over the positions, the community members went to the treasurer's unit in order to demand to have all the financial files. At that very moment, the husband of the treasurer was on the phone with the police to report his wife as a missing person. Within moments the police arrived and took the financial files and records to the station. Community members worked at the police station over the next few days to figure out what the treasurer had done. The treasurer had taken approximately $28,000 from the co-operative in the previous months through a number of methods including the forging of signatures and she had left the country.

The amount, how she took the money, and that she left the country was a shock to everyone. The community members had figured out that she was doing something underhanded and they had worked to expose what she was doing; but they were paralysed by the limitations put on the membership to check those in positions on the board. Given the

lack of "democracy" or power of the members to have access to information and communication and the lack of concern and proper responsibility by the other members on the board to provide a check on the treasurer, the situation was able to occur.

This situation was a defining moment within the co-operative. The membership had been divided over the last few years heavily along class or income level lines. Many accusations and much distrust had been openly displayed (as documented in the Seebold study) by the individual members against the community members concerning their ability to run the co-operative because of the stereotypical myths and assumptions these people had about sole-parent low-income females, some of who also lacked high formal educational levels, and their misunderstanding about what co-operative organization is. How ironic that in the end it was one of the individual members who stole money and did so while the individual members were the ones who formed the board This single act proved community members' arguments about why things needed to be done democratically, why it was important to dispel these myths about people, and why co-operative 'communities' were better than simply renting. Many were upset and concerned for the treasurer who had acted in such a silent individual way and we questioned if we had contributed to her actions or how we could have helped her to act in a more collective way.

At the point that the money was stolen, it was also revealed that many members were in arrears. The treasurer at the time was not enforcing rent payments and kept any rent payments of cash (paying in cash was not ECHC policy) from members for herself. There were some members who took advantage of this situation and went into arrears for many months. The news of the missing money (although we knew we would get it back through

the courts or through an insurance claim) was bad enough. But the fact that a number of members took advantage of the situation and went into arrears was a hard blow on the morale of the general membership. Mistrust was rampant and the whole project went into disarray. The community members were in contact with CMHC, begging them to do what is called an operational review in which CMHC comes in and evaluates how the co-operative is working or not and suggest how to do it better. The community members wanted this done because the co-operative had been working so differently from how they had been trained in co-operative organization and they were hoping that the CMHC evaluation would show this as well as narrow in on where the problem areas were. CMHC refused to do an organizational review.

Given the rampant confusion, low morale, and general mistrust, the membership voted at a general meeting (October 5th/92) that the operational policies were no longer valid. The individual members had argued that it was because of the policies and procedures that the money was able to be stolen. They wanted to review the whole way things were done and basically start anew. The community members argued against there being a problem with the policies and procedures and argued that the problem was that those policies and procedures were not being followed and further that board members had not done their job to provide a check on the treasurer. In fact, there was also a person being paid to provide such a check but they were not doing their job. No one would have ever thought the treasurer would do such a thing so people were slack in their responsibilities related to her.

A few days later a special meeting was called by the community member board. That board called the meeting to inform the membership of their resignation. They stated in a

letter handed to all members that their reason for resigning was because they were unwilling to work on a board without a set of policies to inform their actions. At a later meeting, an interim board was struck until another set of formal elections could be held and members of the resigning board agreed to work with the interim board until the signing officers could be changed. Also, the policies and procedures called into question by the individual members were reinstated. The issue of hiring external property managers was discussed. During this time, resource groups, accountants, and property managers had began submitting proposals and estimates.

Members of CMHC met with the interim board (November/92) to explain its reasons for "withholding" the Federal Subsidy to the Co-operative and to "strongly suggest" hiring outside management. In a previous letter to the Board CMHC had stated,

> Co-operatives which tolerate continuous or increasing arrears by its members can be considered as in breach of the operating agreement. Under such circumstances CMHC may suspend indefinitely all shelter assistance to the Coop.
>
> If a Coop feels that, for whatever reason, it is unable to address and resolve its arrears situation then serious consideration must be given to engaging a professional property management service. (Letter to ECHC from CMHC Oct. 12, 1992)

A few weeks later, a manager was invited to a board meeting to go over in detail a legal contract proposal between the property managers and ECHC. Soon after (December/92) a general meeting was held where the manager presented his company's proposal before the general membership who then voted the property management company in.

The First Property Management Experience:

The management agreement was for three years and voted in by the membership. Members were not working together, policies had been voted out, everyone agreed that a great deal of education was needed to train members, and the financial situation (given the stolen money and members who took advantage and went into arrears) needed the help of professionals. Members agreed to obtain the services of a property management company until this education and financial turn-around could take place. The property management company however, only made contracts for three year periods. The co-operative decided that it might take that long to get back on its feet and, if not, they decided that there was a clause within the contract that would allow ECHC out of the contract with a three month notice if they found they were ready to again run the co-operative before the time period of external management was over. So, despite the three year aspect, the co-operative agreed to the contract. All financial records and files were handed over to the manager; all mail was re-addressed to his office in the city; and all members were to pass their twelve post-dated checks to the manager.

It did not take long for members to notice the implications of the change in management structure at ECHC. Suddenly there was more paper work. Letters were sent to members instead of face-to-face encounters. New operational forms and procedures developed from who knew where. Some written statements of amounts owing were incorrect. The process had changed from working with and between members to top-down administrative relations. Robert's Rules of Order suddenly came into effect and anyone not familiar with its intricacies was left without a voice in the discussion. Agenda items were

placed within specific time periods devised by the board giving them the power to decide which issues would get more attention than others.

Discussions at meetings became more formalized, rather than open and informal, because of the use of speakers lists and a we/them adversarial room arrangement with the board at one end of the room around the table . The chair ceased to undertake conscious attempts to ensure full participation. Given the formality, many only spoke if spoken to, and discussions turned into simply the dissemination of information from the board to the members, the assumption being knowledge was contained within the board; the members were there simply to hear what the board had done. Strict financial policies were developed that left no room for members having difficulty and fines were imposed. There was more money spent to do maintenance work by people outside of the co-operative rather than have members doing it themselves. Instead of a personal discussion with a member in the privacy of their living room for instance saying "the books are showing you owe X amount could you check your records or find your receipts to show what you think it is", a letter arrived by mail with attached arrears statement and/or eviction notices.

Everyone knew that the past treasurer had made a mess of the financial books and that it would take time to sort it all out. Given this, it was particularly important to address members respectfully until the correct amounts could be ascertained, instead of making an assumption by the administration that they had the correct figures; again the assumption being knowledge was unquestionably contained within administration. Of course some members were guilty of owing the amounts but others were wrongly and coldly accused. This left members with the job of disputing the amounts to a new faceless administrative

company located in the city (long distance calls) and it put the security of their continued housing up in question. Some of the money stolen by the past treasurer had not been deposited .

Other than these swift first awakenings to property management, the first year went along. The manager worked mostly with the board, was rarely seen by members, and provided only one educational session for the Board (a 'Board of Directors' workshop) located in the city to which none of the board could attend. It took the manager three months to get the financial books in order; then he gave out financial statements every two months.

With the large amount of money going towards property management services, there was no money left for social, co-op kids, or the newsletter. Given the low morale, and people questioning whether the co-operative was going to make it through, social events were virtually non-existent.

As before, community members continued their questioning of everything that the individual member board and new property manager was doing. This initiated a response from the property manager; a meeting was held between the management company and CMHC and CMHC wrote the co-operative a letter (May 13, 1993) stating:

> [The property management company] is well versed in the *proper procedures for running a meeting* and *we would strongly urge the membership to take advantage of their experience.*
>
> We would also like to remind the coop members of their obligations under the terms and conditions of the operating agreement with CMHC. *A coop is to ensure efficient management of its operations.* Given the recent events relative to the police investigation and the continued fallout of certain aspects of that investigations such as the resolution of the housing arrears situation, this coop was *placed in a high risk category relative to its ability to self-manage.* Our concern with this coop's future was to such a degree that *we*

> *insisted on property management* to *assist in returning the project to a fully functional coop which should eventually assume efficient self management.* A strong collective effort by all members of the coop will be needed to achieve this objective. [My emphasis]

This letter was read to the general membership at a meeting. Community members were happy to hear that CMHC finally admitted on paper how they had "insisted" on the co-operative obtaining the services of property management because they had tried to get them to put the order in a letter before. Also, they had agreed that a "fully-functional" co-operative is due in part to the extent to which it is "self-managed" and this remained an eventual goal. Finally, community members questioned to whose benefit having a property manager "liaise" with the government was.

The 'board of directors' continuously praised the manager (mostly they were the only ones with contact with him) and happily reported the amount of work that he was doing relieved them of numerous tasks. Largely, the Board spent the year tracking members' arrears because of the faulty treasurer.

As in previous years, continuing a trend within the co-operative, there was an election and the individual member board was replaced by the community members. The first thing this new community member board did as a group was decide to hold "open meetings where general members could attend but not participate". The idea was "to let the general members see how the Board conducts the business of this co-op". This was for educational purposes, to try to stop the adversary component that the co-operative had developed over the years. At the second meeting, the management contract was passed out to each board member and they were asked to go over it for discussion at the next meeting. The manager missed the

next meeting so a special board meeting was called to go over the contract in detail with the manager. At that meeting, there was much discussion over the issue of education and the manager's responsibility to be giving members educational workshops. Board members wanted educational workshops held at the co-operative but the manager wanted them in the city. Having them at the co-operative would have cost the co-operative because of the manager's travel expenses.

Finally, the board decided that they had had enough with the management and wanted to give the three months notice. At the eleventh meeting of the new Board, a representative from CMHC was invited in order to understand the problems they were having with the property manager. Four problem areas were noted: the cost, lack of on-going co-operative education, problems with the financial management, and problems with distance and communication.

1. Cost: Board members noted that in past years the co-operative was always in a surplus situation at the end of the fiscal year (except with the stolen money year). Hiring a manager meant that the co-operative would be going into debt.

2. Education: Almost a full year since hiring the property manager and no workshops held (except the one in the city that members could not attend). Board members request the "operational review" as stated in the contract be done but the manager had stated that was to be done in the first part of the third year. Board members question the reasoning for this since an operational review would show where the trouble areas are in order to identify direction and specific education requirements.

3. Financial Management:

   (a) Overdue Bills included a town tax bill and power bill. The power bill was a notice to disconnect. The manager then paid the bill twice by mistake. This was the first time in the entire life of the co-operative that it had overdue bills. The manager explained that the overdue problem was due to the time it took to courier the cheques

back and forth between the co-operative and the manager for signing and bill paying. The co-operative was charged late fees on the overdue bills.

(b) Replacement Reserves (an account for major future repairs) were not being adequately funded.

(c) Arrears - A letter arrived from CMHC saying that the arrears situation had not changed in a year. The manager has been sending incorrect amounts to CMHC. An unjustified eviction letter was sent to a member by the manager but was corrected by the board with apologises.

(d) Financial Statements - The financial statements were consistently two months behind.

(e) Borrowing Money - the manager recommended borrowing money while the board questioned his motives. The board thought the manager wanted them to borrow money so that it would not be so obvious that the co-operative would go into arrears because the manager was hired.

(f) Insurance Claim - The manager had not been active in the claim on behalf of the co-operative.

(g) Audit - The audit did not get finished in time. This was another first for ECHC. The reason given was that a "communication problem" had happened between the auditor and the manager.

(h) CHF/NS - The Board questioned the real reasons why the manager recommended not to renew membership with CHF/NS. It had always been a resource to the co-operative and had provided information to members via their newsletter which kept members informed about other housing co-operatives.

4. Distance and Communication - The manager being located in the city caused numerous problems for the co-operative. The manager was not on-site so members did not have easy access to ask questions; there were extra costs with courier bills; transactions took too long.

Two comments by some of the community members apparently upset: "They made

things worse financially and otherwise"; and "They worked exclusively with the board and tried to impose systems without having first asked the membership." Generally, the community member board questioned why they had to continue with the property management service when it was the board who have identified mistakes the manager had made, mistakes that had never happened before. The representative from CMHC responded by suggesting that the community board members write their expectations and concerns in a letter (using dates) to the property management service, setting a time limit for improvement and sending copies to CMHC and Fred Pierce (Inspector of Co-operatives for Nova Scotia).

In a bold move (and not very democratic since they did not ask the general membership) the community member board decided not to send a letter as suggested by CMHC. The community member board agreed amongst themselves that they had articulated enough times to the property management service the problems they were having with their manager. The problem was not a problem of communication, as the CMHC representative was suggesting, but one of incompetence by the particular manager the co-operative was dealing with. At the next board meeting, the property manager finally provided an outline of the educational workshops he would provide: "General Member Orientation, Committee job descriptions, Board Goals and Objectives, Membership Committee Development, and Crisis Management", all to take place in the coming months. He agreed that member education was *now* a priority. Still, community members felt he had not done the work properly and that they were not getting the full service agreed to.

Despite this new promise of educational workshops, the community member board

wrote the property management service and CMHC letters informing them of an upcoming meeting the Board had called with the general membership to vote on a motion to terminate the service (with copies to its lawyer, accountant, and Fred Pierce). It was now just over one year since the co-operative had hired the property management service.

In February (1994) a meeting between the community board members, CMHC, and the property management service occured at the request of CMHC. CMHC felt that the community member board should give the property management service the opportunity to answer to some of the complaints by ECHC, the intention being to try to mediate the problem before going to the general membership with a motion to dissolve the service. ECHC complied with having a meeting but felt it was simply a gesture to satisfy CMHC because they had been communicating their problems to the property management service for a long time. At the meeting, the issues were presented from both sides. The property management service claimed it was unaware of ECHC's concerns. In its view, the problems were due to poor communication; they admitted while some things were done wrong, these errors were mistakes we had to expect.

Both CMHC and the property management service gave lectures on the importance of leadership from a board--to make a decision and take it to the members. The community member board made it clear that the co-operative works from the members up. Community members would describe their experiences with the property management service and express their disappointment with them because that was how the community member board as a collective felt. They explained to CMHC and the property management service that it would be a general membership decision and that other options were being explored, such

as other property management service groups, to be presented to the general members. CMHC then asserted that they had a requirement that housing co-operatives who have had our type of difficulty should retain management services for a full two years or they would pull their subsidy support. The community member board requested that CMHC send a letter to that effect but that never happened. Nothing was decided at the meeting.

CMHC followed up with a letter to ECHC requesting a letter from the co-operative of the outcome of the general meeting coming up with the motion to terminate the service and requesting copies of minutes of the meeting between them, ECHC, and the property management service. Despite the obvious desire of CMHC to have ECHC keep the property management service, in another bold move the community member board continued on with its plan and had the general membership meeting with the motion to terminate the lease using the 'three month clause'.

At the general membership meeting, members voted to terminate the lease with the property management service and to find *another* property management service to satisfy CMHC's request to continue with a service for another year. The co-operative sent the letter and copies of the minutes to CMHC as requested and the official notice letter to terminate the lease with the existing property management service. In the meantime, the community member board worked to find various property management service companies which were later presented to the general members for a decision on which one to hire.

One was chosen and given a request that it be conditional upon their proposed contract and that the new manager be voted in. The current manager had to continue working until the three month notice period was over. The new contract was scrutinized by

the community board members and the co-operative lawyer. Given their lessons with the past manager, the community member board worked to draft with the new manager a contract suitable to both parties. One community board member commented in a note passed to each other over the proposed contract:

> Too much legal jargon in this contract. This contract needs to be written in simple, understandable English and not in her majesty's proper - bloody legalees. [her word] How the hell are we to know if we are receiving adequate, proper and full property management services if we are unable to refer to the contract. (April/94)

What is notable about this contract is the new manager agreed to a one year contract but at the same time put a clause in that the co-operative must give a three month notice prior to year end or else the contract will be a three year contract. In other words, in nine months from obtaining this manager the co-operative would have to make a decision to keep the services or give the new manager notice. The community member board requested that the property manager work directly on site, not from the city, so that members could work with the manager in a training situation.

Also, the community member board wanted a commitment of four educational workshops, member approval for any expenses over two hundred (not five hundred), additional expenses only with written permission from the Board, attention to work being accomplished in a timely fashion, and a unique working relationship with the new manager with the understanding that the co-operative only wanted the services to the extent that they can work to train members to be in a position to self-manage the co-operative again, with most of the work being done on-site with the members doing as much as they were able. The contract was drafted, reviewed, and signed at the end of April 1994.

The Second Property Management Experience:

The new property management service with two people often on site started off with a goal of its own: to get the financial files and documents from the old management service and have everything set up on the computer and working within forty five days. They achieved that by mediating the turnover between ECHC and the old management service. Working in their favour was the fact that the financial documents were with the accountant as the year end audit had just been completed, so they were able to begin with a clean slate unlike the first manager. They were on-site as promised and made themselves known to members by having regular office hours on-site. They worked directly with the treasurer, the board, the maintenance committee, and the membership committee. They worked with members at the committee level to revise the policies for maintenance and membership committees which were later brought to the general membership to be voted on but not without some difficulty.

The policies had removed the decision-making power from the general membership to the membership committee for voting in new members and to the maintenance committee for deciding the priorities for maintenance and for maintenance purchasing. The general membership disagreed. They wanted every member to be able to have a say in who gets voted in as co-operative members and into the units. With respect to maintenance, the general membership wanted to have input into what the priorities were and where money was to be spent by the committee. In the end, it was agree that the general members would make the decision (as had always been done before) as to who gets voted in as new members; the maintenance committee would do the inspections, research, and documentation of what was

needed and the general membership would make the final decision.

The treasurer had numerous complaints with the new manager concerning deadlines, and paying bills; she felt that she had to still "be on top of them" in terms of specific figures. Also, since the co-operative had made the arrangements with the new manager that this would be an on-site apprentice-type situation, she wanted to have more access to the laptop computer and financial system the management service had set up. The management service, however, said that if it was responsible for the financial books that only they would have direct access to the financial system. This left the 'apprentice' situation to a process of the treasurer looking over the property management service's shoulder. She felt that the co-operative was not getting "its moneys worth" in terms of on-site training relating to the financial documentation and that the contract was not specific enough in this apprenticeship area. ECHC had bought a computer some years earlier for the purpose of on-site apprentice type training of members about bookkeeping. The treasurer wanted herself and someone else to get this from the new property management service but that did not happen.

As with the first property management service, educational workshops were not being done to the satisfaction of the board. Monthly requests were made by the community board members to get some workshops going and monthly excuses were made by the new property management service. Everything ran very smoothly otherwise with the new property management service; there was no question as to how well the financial reporting was going. The new property management service found back GST money and proposed a deal where ECHC pool its various reserve funds with other co-operatives run by the new property management service to get a good rate of return. The community members were not

interested, given the requirement of changing banks to one in Halifax, and questioned their ability to control the money once it was so tied up. Their interest was only to have the new property management service for the one year and then self-manage again. This proposal was only relevant if ECHC were to remain with the property management service. Interestingly, the co-operative had previously tried to get CMHC approval for using the funds in creative ways such as this but were only allowed very limited actions with respect to these reserves. The new property manager wrote CMHC with the proposal and attached their approval response to his package for the general membership. In it, CMHC commended the new property management service for helping co-operatives in this way. At the meeting to vote it in, community members reminded the membership how the goal was to keep the management for a year and members voted not to accept the proposal, despite fear that this decision might affect their relationship with CMHC.

There was another difficulty pointed out by the treasurer. Apparently, the new property managers had contacted each of the businesses that ECHC normally dealt with and stated to them that all correspondence between these businesses and ECHC must go through the new property management service as well as any dealings. The treasurer asserted that this was a retaliation tactic by the new property managers because ECHC continued to insist on all mail going to the ECHC mail box. The new property managers agreed contractually to have mail delivered to ECHC but they continued to lobby various members to have that changed. It was important to community members that all correspondence go directly to the ECHC mail box as a check over the property managers, given their experiences with the first property management service not paying bills on time. ECHC continued to have its mail

delivered to ECHC.

Other issues like this came up over and over. Members wanted to do as much as possible and stay *actually involved* in the day to day managing of ECHC because their goal was eventually to self-manage again. There were some members of ECHC that thought the community members were crazy; if we were paying the property managers why not let them do it all? The community members felt that that would just ensure a *dependent* situation which would never lead to self-management.

Another issue that came up was that, although the new property managers were good at working with the maintenance committee in helping them to get better inspection sheets so maintenance could be monitored, they were the ones hired to get tenders. The co-operative always had a philosophy before about maintenance jobs. Members were encouraged to do all the work themselves or, if a job was too big or beyond the members' technical abilities, then the maintenance committee was to get tenders from local small construction firms in order to keep local people hired and money in the community. With both property management service groups, tenders were taken from the city where the managers were based. Community members had to work constantly to ensure tenders were taken from the local area.

The contract for the new managers came up before the full two year time requirement that CMHC requested. The new property management service wrote a letter to CMHC (December 14, 1994) saying: ". . . we feel that Evangeline has reached the stage of their development where they must be free to make their own decision in regards to management." ECHC had earned: "the right to have no conditions placed on the renewal of our contract,

the choice of using other services or trying on their own." CMHC replied (December 19,1994): "It appears from your letter that the operations of the co-op have improved consistently since 1992. Therefore, we will not insist that property management remain in place, and leave it to the members to make an informed decision on the administrative and operation activities of the Co-op." So, with just a letter by the new property management service and having done no operational review on them or the members of ECHC, CMHC made the decision that the co-operative could handle its operations in the self-management style. At this point however, ECHC had only had the new property management service for eight months and had yet to finish its educational training. Still wanting the educational training for a large portion of the membership and knowing that they could be released from the three year contract again with a three months notice to quit, the members voted to renew the new property management service contract.

With continuous pressure from the community members, the new property management service initiated a schedule of the educational workshops they would perform. The first was an "Overview of Maintenance Planning" and the second was "Understanding the Financial Aspects of Operating Your Co-op" (May 1995). The maintenance workshop was designed to "review the set-up of maintenance procedures and the preparation of both short and long term maintenance plans" while the financial workshop was to "familiarize [members] with the financial responsibilities of [the] Co-op and reporting requirements" also, to "review the budget process and interpreting financial statements" (May 1995). The new property management service did this not on-site, as originally requested by ECHC; instead they held the workshop in the town hall and invited other co-ops that they did not

manage to join as well. Five community members attended but there was nobody else from the co-operative and only two people from another local co-operative. At the workshop members received handouts and a general overview of the topics to be discussed. After, members described the workshops as "interesting" and "informative" but that since it was a general overview and not about specifics that the workshops were "a bit of a waste of time". Members said they had wanted a workshop that went through their own co-operative's financial statements in detail to explain all the relevant categories and how to interpret the information. One member stated she felt it was more of a "promotional campaign" for the property manager since he made numerous comments as to the fact that his company provided this or that service. On the drive home another member said: "We've just been used to get him another co-op."

The other two workshops planned were about going over our operational agreements with CMHC and the Department of Housing. The workshops were to take place again outside of the co-operative at another local town meeting place, this one further away. This one was organized by the manager in a town mid-way between ECHC and the other co-operative who had members attend the last workshop; it had since hired the property manager. Despite the efforts made by one of the community members to pick a date that the general members agreed on ahead of time, by the time the workshop was to take place no one wanted to attend so it was cancelled.

One thing the new property manager did on a number of occasions was to single out members within ECHC to make alliances with. In one instance, the manager took a particular board member to a picnic complete with checkered table cloth, French bread and

cheese. This was done by the manager in order to influence the board member about a particular issue. In discussing the incident afterwards the community board member stated, "He didn't fool me, I knew what he was up to but I decided to go along anyway. We sat in the sun, I ate his food and smiled when appropriate. It was a great picnic! . . . but he didn't change my mind I voted the way I wanted to." This was a common tactic used by this manager.

Turning the Tide:

Given the experiences the co-operative was having with losing control internally, with both property management services and with the constant threat of CMHC power hanging over its head, community members, including myself, began to meet informally to discuss our concerns. We were all living very close together given the townhouses and so these meetings were while we made supper, while we were sitting around drinking tea on front porches, in back yards, and in living rooms. They were more like get-togethers, although some were formal in that we did have sessions where we wrote and compiled our thoughts about what our concerns were, how our co-operative had changed, and what we were going to do. The first thing we did was write down our thoughts about how we thought the co-operative should be working based on the original educational sessions we had had and our earlier experiences within the co-operative (these are recorded in the values of ECHC). I then decided to have this form my research to obtain my Master's degree and everyone agreed that having someone be so focussed would mean that I had specific jobs like compiling and typing information, going to the library and elsewhere for co-operative

information, and doing interviews.

The first thing we did was read the two previous research papers for historical information that might lead us to what some of the reasons were for the problems and to brainstorm what problems these members thought that needed to be overcome if they were to self-manage again. Given the past two studies and their analysis of the co-operative principles and the Co-operative Act, the focus of the meeting was *education* and *co-operation between co-operatives*. This led us to initiate a couple of actions as a group. Given the numerous calls we had made to CHF/NS over the years about the problems we were having internally and with the property management service and how we wanted education for our members, CHF/NS planned a set of workshops to be held in our area. Five of us got together in two cars and we drove to the sessions. There we met members from other co-operatives and were able to exchange information about our respective co-operatives between the sessions and at tea and coffee breaks. The sessions were very informative; the facilitators did a great job and members decided to give a report to the general members at the next meeting and to leave any hand-outs in the office of ECHC so that the information was shared with the general membership. Community members stated the further educational sessions they thought the co-operative needed as: "long term planning", "financial control", "board of directors", "democratic procedures", "dealing with government bureaucracy", "how to get member participation", and "member understanding of what makes a successful co-op". In evaluating why our co-operative members have not attended many educational sessions, community members stated the following reasons: "too expensive", "not central enough", lack of interest by members", "time", "transportation",

"they are all either too far away or too expensive", problem of "the board knowing about the workshops not necessarily the members", also that it is often "the board who gets to participate in education". One woman expressed her frustration at the financial resources required for educational workshops:

> [I]t is difficult to get our co-op to commit (money/passing on info) to the idea of co-operative education. I have too low of an income (I can't afford decent groceries or activities for my kids) to even begin to think about paying for workshops.

Another person said they had "no faith in CHF/NS, CHF/C, to deliver programming that is valid to our experiences." Finally, one person stated that they wanted "on-site education for all of their members." A few comments were on the problem of education sessions often being held "on weekends"; one stated that she and others found it hard because they worked in the "retail trade" and weekends were their most important time.

Because these members identified co-operation between co-operatives as an area ECHC had not attended to in the past and since they had had the interaction with the other co-operatives at the educational session put on by CHF/NS, these members decided that more exchanges like this would be good. They wanted the other members of ECHC to be able to meet with these other local co-operative members. So, the community members developed a plan for a social gathering so their local co-operatives could get together. They discussed the plan with the general membership and it was approved. It was called "The First Annual Evangeline Courts Housing Co-op Tubing and Tour Meet" to be held the second week of July 1994. It included a tour of local co-operatives, social activities such as a barbeque, tubing down a river, games and a lip-sync for the kids, plus a street dance.

These members went to the other local co-operatives to deliver the notices door-to-door and encourage members directly to come for a day of fun and getting to know other people who co-operate. This process alone, they thought, would help begin to bridge the gap between local co-operatives. They were able to discuss it directly with approximately 15 people and for the rest, the notices were left in their door.

In the meantime, CHF/C had their annual meeting in Halifax and I and another community member volunteered to work in it. The idea to volunteer was because ECHC was already spending money on the property management service so there was no extra money for doing these kinds of activities. Community members knew the general membership would not vote to pay to have members go given the financial restraint the property management service put on the housing co-operative and since the property manager was already set to attend. Our interest in going was to have more opportunities to meet with people from other co-operatives, to be able to question other co-operative members about their experiences with management services, and to gain access to numerous educational sessions.

The CHF/C conference contained two aspects, the business meeting, where co-operatives from all over Canada have an opportunity to define what their representative to CHF/C will do and educational sessions. Interestingly, at the conference there was a motion on the floor for CHF/C to "create a membership category for Operational Service Groups" (resolution #2 - CHF/C 1994 Annual Meeting Information handout).

> [The] reasons for this resolution are:
> 1. The number of groups providing operational or management services to occupied housing co-ops has grown in recent years. It is time to decide

where these groups fit in the membership structure of CHF Canada.
2. All important players in the co-operative housing movement should be recognized in CHF Canada's membership structure.
3. We should promote the highest possible standards for housing co-op management.
4. The best way to promote standards for co-op management is to work with groups providing those services as members of CHF Canada.
5. CHF Canada's members should be asked what they think about the standards to set for operational Service Groups.
6. Once developed, standards for Operational Service Groups should be given to all CHF Canada members so they will know what they should expect from companies providing such services.

The Members of the CHF/C annual meeting carried on a heated discussion about this. It was obvious to us that many people also had reservations about property management. The members had agreed to defer the motion until the standards could be developed, as stated, with the input of CHF/C members, to be voted again at the 1995 AGM. The idea of standards sounded good to us since it was so difficult to pinpoint our problems in the area of keeping control. From the discussion on the floor, we felt there were people like us, who understood the problems with property management services. We looked forward to seeing what the standards would look like and realized that possibly our problems were happening elsewhere.

The conference lasted five days and these community members were able to meet and discuss with many other co-operative members from across Canada, the issues of concern to them: education, co-operation between co-operatives and management services. At the end of the conference these members invited people they had met from other co-operatives in Halifax and Dartmouth area to come to the Co-operation Meet that was a week away.

Six members from the city representing five other co-operatives came to the Co-

operation Meet. They were billeted out to the community member organizers' units for the night so they could participate in all events and not have to leave to travel back to the city. In the local area only two families arrived. The tour was of four local co-operatives including ECHC. By caravan we all followed each other in cars to the different housing co-operatives. The tours included the outside grounds of the co-operatives and inside of some units. The inside tours were given at ECHC and one other co-operative. The "tubing-down-the-river", a common local attraction, was cancelled due to the questionable weather and resulting lack of interest, but everything else went off as planned. There was a barbeque, games, lip-sync, and street dance that lasted until one in the morning. Obviously, there were many occasions to share how each co-op is the same and different, good and bad experiences, future plans and general information about how members in each co-operative participate or not and ideas of what these different members tried to solve their various difficulties. Of the members that attended, there was an exchange of information and ideas not just between local housing co-operatives but also an exchange between local co-operatives and those from the city.

As a member of this group I had particular tasks that I did while attempting to understand and encourage the relationship between members and co-operative education. I attended a few meetings of the educational committee of CHF/NS and I developed the position of "Education Co-ordinator" for ECHC including organizing into binders information about co-operative organization. Also, I attended another annual general meeting, this time for CHF/NS and took in a workshop on co-operative management.

CHF/NS has an educational committee. Through many phone calls and

conversations at the conference and Co-operation Meet (a couple of facilitators were there) and by sitting in on a few meetings, I was able to learn a lot about the services CHF/NS provide. My interest was to obtain the information so that we could begin to figure out how we could get more co-operative education happening within our co-operative. CHF/NS provides educational services to member co-operatives for a fee and co-operatives who are not members for a slightly higher fee. For the most part, the educational sessions are provided in the city, but they try every year to provide some in four or six other areas around the province. There is a training course given through CHF/C that takes two weeks with some peer work before people graduate and can deliver co-operative sector educational workshops. Facilitators at CHF/NS have had this training. Both property management service groups had managers trained in this way as well. There are many ways for co-operatives to use the services of these facilitators through CHF/NS. They can take the yearly sessions that happen in conjunction with the annual general meeting, they can attend the ones given around the province or they order them for their specific co-operative. Some co-operatives have even developed yearly educational plans drawn up with CHF/NS to do many educational sessions right on site each year. All of it, however, costs money.

Given that our co-operative was being stretched financially because we hired property managers we decided that we might be able to produce our own internal educational workshops at no cost. I developed a job description and set a goal that the education co-ordinator must provide four to six educational workshops per year, with the content and date/times of the workshops as requested by the general membership. Also, I pulled together as much information as I could from old handouts given out at the educational sessions in

the initial stages of the co-operative, from what we have been able to gather from the conference, and CHF/NS workshop and from the many books between all of us that we had on co-operatives. Binders were organized with information and a guideline for a facilitator to guide the sessions. The goal was to produce binders that would contain the information and guidelines so that *anyone* within the co-operative could act as facilitator and these educational sessions would become enjoyable, quick, informative, and provide the information new members or anyone needed so that our co-operative would have the basis reminiscent of the original educational workshops. Like originally, the plan was to pull members together into informal settings to learn as a group about co-operative organization and a lot about each other at the same time.

Finally, I attended the CHF/NS annual general meeting in November of 1994 and participated in their educational workshop on property management. This was only the second time CHF/NS had given a workshop on this topic and the first time we had a real opportunity to get such good information about property management. In the business part of the meeting, a motion was on the floor to accept in principle the idea for CHF/NS "to establish a Society to provide the full range of operational services, that is, property management, maintenance and membership services to coops which wish to receive these services" (CHOSS Proposal). After much discussion, the motion was passed to accept the idea in principle.

The educational session was entitled "Good Co-op Management: Questions and Answers" and was facilitated by the president of CHF/C. It was attended by about 25 people. I was the only person who had any experiences with external property management

services. Everyone in the room had come from housing co-operatives that were self-managed and at the beginning of the session it was established that no one was in the immediate situation that they were going to be obtaining such services. On the board was written "Good Management: What is it?" We assumed that: when the finances are in order, property in good shape, members happy, participation good, low conflict, organized committees, effective communication, roles understood, low turnover in units, educated Board members, high meeting attendance, and that CMHC does not bother you. We then discussed the various options: self-manage (everyone volunteer their time for all the work), hire staff (pay some external people to do some of the work), or complete management (pay for property management services to do a number of operational tasks). Next we discussed division of decision-making and responsibilities, management contracts, new law about directors being held personally responsible, how to contract the services (eliciting proposals, examining contracts, comparing costs) and finally common mistakes of general management. We then were asked to break into groups and come up with the pros and cons of each option; self-manage, hire staff, or complete management. Given the arrangement of topics and since no one had experiences with complete management, it was simple to start thinking about the possible advantages of contracting the work of co-operative housing out. A sixteen page document was then handed out which gave a whole list of "operational standards"; in the introductory passage it said:

> This chapter contains a set of operational standards for co-ops to use. The left column lists tasks that co-ops may expect staff to perform. The right column describes the standard to which each task should be performed. Co-ops should select tasks that they want staff to perform, and then use the corresponding standard to assess staff qualifications.

> The skills and knowledge needed to manage a co-op professionally are extensive and varied. In using these standards to assess the qualifications and suitability of staffing options, co-ops should be realistic. It is not reasonable to expect one person to have all the skills contained in the standards, although there are workers in the field who come very close.
>
> *Sector-based* operational services companies are likely to meet a broader range of the specified standards through the resources of their staff groups. A co-op will probably pay more for this type of service. Co-ops that want employees to assist with a greater number of the tasks listed should set aside a budget for professional development.
>
> Depending on the amount of volunteer time available, not all co-ops will require staffing for all the tasks listed. [my emphasis]

We wished we had received a document like this when our co-operative first began. It clearly listed specific tasks which could have helped members understand *their* roles as volunteers within the co-operative. Obviously, it has been developed to use for choosing the tasks you may want done by a paid staff or property manager and further it acts as a *guide* to assess their work. It had only been five months since the national conference so I knew this handout was not the "operational standards" of the type discussed at the conference; because there had not been enough time for that process, however, I was glad a copy was going to our co-operative for the use by members. It clearly made the distinction between "sector-based services" and "traditional" property managers and said the distinguishing feature that does this is "community development".

> Community development is a two-part process. It consists of building intentional democratic co-op communities, and identifying the ways and means to build them.
>
> Community development involves the following:
>
> * education and orientation of members, so that they understand how co-ops

function and what they are trying to achieve.
* democratic functioning
* awareness of the broader co-op housing sector, and the organizations that represent and lead the sector
* effective meetings
* good communications
* orderly decision-making and consensus-building

> Successful community development empowers the entire membership of a co-op. It works against a tendency to make members feel left out and disappointed. In a well developed community, members know that they can influence the goals and directions of the co-op through their participation.

At the time, there was no official criteria to judge whether or not the property management services ECHC obtained were considered "sector-based". Both property management service companies ECHC hired had CHF/C trained managers. The operational guidelines as passed out in this handout included no standard for their performance within the sector, for instance, whether they encourage co-operatives to have membership in federal and provincial co-operative housing federations.

The End of Property Management Services for ECHC:

The last experiences ECHC had with the new property management service was after a heated discussion at a community member board meeting (August 1995). The community members were continuously requesting workshops and asserting their goal for a self-managed style of operations by wanting to have control over the day-to-day operations with the managers. The next day, the new property management service wrote letters to the general membership and a different one to the community member board and sent copies to CMHC serving their official ninety day notice to terminate their management services. The

letter to the community member board stated the reason: "It is our opinion that, in order for two groups to work together in the best interest of the membership, trust must be present and philosophies similar" (letter dated August 24, 1995). There is no mention of this in the letter to the general membership. In that letter, the new property management service stated that they were tendering their notice to terminate services but gave no reason. They do say that they "would like to thank all members for their support over the past 15 months", and wish them "much success"(letter dated August 24, 1995). The end of services was to be the end of November. The community member board was considerably upset and made sure general members were read both letters so they knew all the facts.

For the last few months of the contract the community members spent their time getting quotes from people who would do the financial bookkeeping. The new property management service expired and ECHC hired an accounting firm to do the monthly bookkeeping. Once the statements came out for the year end it showed that this management service had cost $11,513.00 for the year. Also, there was an administrative cost of $6,173.00 (it was usually around $1500.00 given the previous six year period). Although community members were glad to finally be rid of property management services they did not feel they had received their monies' worth in terms of member training.

Rise of Property Management Services in Nova Scotia:

On Tuesday, February 25, 1992, the federal government reneged on its commitment to provide a national co-operative housing program. The program cut meant that the co-operative housing projects that were in the process of being created were not, and no other

new starts were going to occur in the near future. This action by the federal government exacerbated the growing problem of housing for low income individuals and families who cannot afford home ownership -- a daily problem thousands of Nova Scotia families are faced with. This cut seriously affected the viability of resource groups to develop and deliver new housing co-operatives and shifted their focus instead on to getting contracts to do the day-to-day managing of co-operatives. Obviously people who have spent considerable time being trained in co-operativism and working to develop housing co-operatives for years want continuous employment related to this unique organizational form. As the government cut back on housing initiatives, they began to work to shift their responsibilities onto continuous management. In the case of one property manager ECHC hired, his first training was in property management and then in co-operative housing organization.

As these two management groups are busy trying to get more housing co-operatives to hire them, CHF/NS is also working to establish its own "Co-op Housing Operational Services Society" (CHOSS). They are currently in operation now. The difference between them (I am told from an interview with a CHF/NS representative) is that the philosophy behind CHOSS is "to go into a co-op do what needs to be done and get back out". She said they are not looking to provide long-term service to co-operatives but to train members to self-manage just as the initial resource groups had trained members.

Prior to ECHC getting a property management service, there were approximately six property management service groups and only one that had many co-operatives. In an interview with the President of CHF/NS, about fifteen co-operatives were using full property management services and one group was managing eleven co-operatives. By the time we

hired the second property management group the management group that had the eleven was being taken over under a new name; our new property management group had only three (we were their forth). By the time our new property management service group left us they had eleven housing co-operatives they were managing. This brings the total between just the two main property management service groups to a total of about twenty two. Since then, these two main property management service groups have merged into one and in a recent telephone interview with a CHF/NS representative she estimated that thirty five housing co-operatives in Nova Scotia have full property management services.

We were told by the first property management service back when we first hired them that Nova Scotia and Newfoundland were unique to the overall Canadian perspective on co-operative housing, that we had developed through the resource group phase to be set up in the self-managed style and that all across Canada property management services were catching on as a way to *do* co-operatives.

In a document from CMHC on "Management Models" they state the following which are summarized:

Newfoundland:	Self-Managed
Nova Scotia:	Self-Managed
New Brunswick and PEI:	Property Management Service
Quebec:	Self-Managed
Ontario:	Sector Property Management Service
Manitoba:	Hired staff
Alberta:	Hired staff (Southern Alberta)
	Self-managed (Northern Alberta)

This did not matter to the community members and their perspective was also reflected in the "Impediments" research which showed the resistance to management

services by housing co-operatives in Nova Scotia at that time (1988). This document also stated the difference between which co-ops used property management services and which ones did not was based on "the size of the projects, with co-ops 65 units or greater using full time or part-time paid manager (CMHC)." Although there are impediments in Nova Scotia for housing co-operatives to seek the services of property management groups, the Co-operative Housing Federation of Canada recognizes the increasing number of "companies providing operational services to occupied housing co-ops" and they state that these companies "have become important players in the co-operative housing movement" (CHF/C:1994:151).

The impediments document also stated that: "There is clear evidence that most non-sector private management companies show almost no interest in being involved in the larger co-op housing movement and this orientation influences the co-ops they manage" (CMHC). By reviewing the newsletters of CHF/NS, I was able to ascertain when property management services really started pushing their interest and convincing housing co–operatives in Nova Scotia that they need their services. Using the "Co-op Housing News" the official news-paper for CHF/NS, going back as far as 1989 and up to 1997, it was clear that the advertising for such groups does not start until in 1990 there is one advertisement for a management service, then in 1992 there are two more. In 1994 (winter) the two main property management services (both of which ECHC had) were welcomed as new members in CHF/NS. In 1995 CHOSS got its first advertisement in and also a statement which said:

> CHF Canada's 1993 Annual General Meeting the membership voted that housing co-operative federations would be the recognized delivery agent of co-operative education. In Nova Scotia the recognized delivery agent for co-

operative education in housing is CHF/NS.

> [In a later statement CHF/NS said] Co-ops Beware! Businesses using the co-op name or claiming to offer co-op sector skills and service may not be all they claim to be. Check with the Federation first–get the facts!

Obviously there is beginning to be a struggle waged between "sector-supported operational services" and "private property management services". Since then, as stated before, the two main property management services joined and further they have created their own co-operative association (although not sanctioned by the Government Inspector of Co-operatives) and the co-operatives they handle have no membership in CHF/NS (whether they did before is unclear).

Meanwhile the Federal Government has downloaded the administration of co-operative housing onto Provincial Governments which has caused CHF/C to wage a large campaign to "self-manage" the co-operative housing sector itself with the same funds from the government. The CHF/C proposal is "to create a non-governmental organization, based in the co-operative sector, that would manage the federal co-operative housing programs under contract to CMHC (Press release, May 5, 1998). Obviously, CHF/C believes that the managerial expertise within the co-operative sector based on its thirty years of experience is at an appropriate level. This is either the case of wanting to "self-manage" or the sector has come to "professional managerial" maturity. Whether this move would help housing co-operatives keep the self-managed style or not is unknown.

CHAPTER FIVE
ANALYSIS OF ECHC DATA

ECHC as a Collectivist Co-operative Organization:

The data clearly show that the initial core group of female members were highly homogeneous and they shared a common need, values and goals, given their similar life experiences which made them solid candidates for using a co-operative model of organization. What made them particularly successful was the fact that they had so many similar interests not just a common need for housing. These women wanted to create an alternative community which valued and enriched people's lives. They conceptualized community as a potentially empowering experience and created a collectivist-co-operative organization as a structure that would allow them to achieve it . They worked to achieve a community that would empower the women, families, and children.

Their substantive values permeated their decisions and organizational structure which created participatory democratic relations. Through these relations information, skills, and knowledge were shared because they managed the business collectively. Roles within the organization were loosely defined and equally respected. Members actively worked to dispel notions of authority and encouraged everyone's input into the deliberative process at meetings. Meetings and relations were informal and congenial. Goals of the co-operative went beyond housing and included serving members' personal needs. Members' level of participation and commitment were high because: their needs beyond housing were being met; they were being empowered through learning new skills; and they were a part of the decision-making process which gave them the power to collectively create their community.

Core members enjoyed a number of positive experiences through the early years within the co-operative.

ECHC Bureaucracy:

Conversely, there were new members joining the co-operative that brought with them their bureaucratic logic and as a result democracy went from being generative to being theatrical; relations became formal, unequal, and impersonal. Deliberative processes became undemocratic and hierarchical to the extent that decision-making power went from the general membership to committee heads, the board, and worse--the president. As a result, member commitment and participation dropped to an all-time-low which was even reflected in the lack of commitment by members to pay their rent.

When members sought clarification within the sector (CMHC, CHF/NS, Fred Pierce) over policies, procedures, and by-laws, they often got opposing answers. CMHC and Fred Pierce would back up the individual members with bureaucratic answers while CHF/NS would back up community member solutions. Unfortunately, arguments between these groups served to weaken the co-operative not create understanding. The two main groups had oppositional dispositions to co-operative organization.

ECHC did not take steps to include on-going education as suggested in by co-operative sector literature. New members did not receive the extensive training core members received. When the attempts were made by community members to get general members to attend workshops a number of problems with workshops presented themselves. Members did not want to travel to Halifax or even local communities. They wanted specific

educational workshops relevant to the policies, procedures, and by-laws of their co-operative and help from co-operative sector people who would come onsite and work with the general members to solve their specific operational problem areas. Members viewed educational workshops given out by the sector as too costly and they asserted that they wanted the sessions held onsite and to include the entire membership with a focus on the analysis of policies and procedures. The creation of the educational co-ordinator and the internal workshops that were developed seemed to have at least some type of success for the members who attended but were successful only to the extent that they covered what was needed to build a co-operative community. Without collectivist education, bureaucratic invasion seems inevitable.

ECHC and Management Bureaucracy:

The definitional struggle between collectivist and bureaucratic orientations for the co-operative organization combined with the illegal actions of the treasurer who stole funds from the co-operative created the conditions ripe for management. Despite the pleas by the community members for CMHC to do an organizational review none happened. It was easier and less costly to CMHC to just demand ECHC hire full external property management although it meant a huge cost for ECHC. It seems they did so by making stereotypical assumptions about the community members' ability to create a workable organization or else they would have allowed ECHC to get partial professional help. Community members wanted the review to show that the treasurer stole the money by doing illegal acts not because policies, procedures and systems were not already in place. By not

attending to serious analysis through an organizational or operational review meant that the managers were able to go into the co-op and work as if there was a clear slate and *fix* or in actuality *establish* the operations as they saw fit (bureaucratically).

ECHC was dealt a particularly poor manager to handle the day-to-day tasks of management with the first managers. It appears he was simply incompetent to handle the tasks involved in terms of paying bills on time, getting correct figures, following up on arrears actions and other day-to-day tasks. Both managers, however, clearly related within a bureaucratic logic that worked in their interests for long-term management. ECHC experiences with two different management service groups indicate that this relationship guards democratic relations precariously, despite the co-operative sector materials which suggest otherwise. Those materials are written as if it is possible to combine a bureaucratic logic with collectivist goals and without members losing control; however, research and ECHC experiences indicate there are real ways that a clear transfer of power occurs over time; subtly, obviously, manipulatively but surely.

To begin with, both management groups originally requested contracts for full management over a three year period. They were not interested in doing operational reviews at the beginning of their contracts to access problem areas because defining problem areas would have meant viewing them from a particular perspective (collectivist or bureaucratic) in which to make the assessment. Their operational reviews were to be done near the end of the management contracts so that the reviews could be used by the managers to highlight performance in order to have their contracts renewed rather than to identify problem areas. This lack of identifying problem areas means that managers can define those areas for

themselves and literally go in and make changes practically as they see fit.

The managers were interested in taking on as many tasks as possible which sounds good but creates problems. It is easier to manage a co-operative by controlling as much of it as possible rather than doing isolated specific tasks within it. Managers wanted control to do as little as they could get away with but as much as needed to influence the co-operative in directions for their benefit. The bureaucratic system has little time for managing through a democratic process which involves large portions of the membership in deliberative discussions.

Because of this, one of the first things both management groups did was single out members on the board for strategic support and to redefine processes and decision-making authority through the board not through the general membership. Then they have to deal with only few people and have at least some people with positions of power to work with them to influence others. One way they achieved this was by taking on the task of revising the policies for the co-operative. For example, when the new managers came in and helped with policy revisions they were given free reign to find examples of how other co-operatives structure their policies. Then they gave copies of other co-operative policies to members to use as a guide so the members could make the changes themselves. The problem lies in the sample policies the managers gave the co-operative. As we have seen, policies can reflect bureaucratic or collectivist type of orientations. The management groups simply chose three policy examples from bureaucratic oriented co-operative as examples for ECHC to emulate giving the allusion that the co-operatives then had the control to pick from a number of examples and that they were exercising their democratic right to choose; yet all were from

a bureaucratic perspective. This is one way that information was carefully mediated through the managers, for the benefit of the managers, at the expense of collectivist ideals.

Another way managers carefully mediated information for their benefit was when the second manager made a condition of their first one year lease that members had to make the decision to renew his contract only eight months into the term. This was done because the year end audit would be out when it was time for the management group to finish or have its contract renewed. The problem with this for the manager was that it would mean their renewal would have been up right at the time of the audit coming out and that would have shown comparatively how much it was actually costing for property management. Strategically, the manager made sure that within the contract with ECHC that the members would have to make the decision to renew the contract four months before the year end, oddly giving the co-operative only eight months to evaluate the management groups performance. Of course at that time, none of the educational workshops had been carried out so the decision to keep them was not disputed by many. The second contract was for a full three years. What seemed as a cocky attempt to brazenly ask the question early and prove to members that they were not beholden to the management group was really a clever way to have the decision go in their favour since they held out on what the members wanted the most, the educational workshops.

Finally, another way the flow of information was arranged by the property management groups was when a decision was needed on something. The management groups are the professionals that are consulted to find solutions rather than solutions being developed within the discussion process as was done with the collectivist model. In this

way, management groups had tremendous power to influence the group within discussions at ECHC, even against competing voices who were then seen as trouble makers. Instead of members thinking problems through for themselves, collectively, managers as the "professionals" were asked to find the solution. That creates a problem for anyone who understands the nature of democratic process because there is a power in being the one to define the options that are listed to be chosen. At ECHC, a common way this manifested itself was when the managers were instructed to find solutions. They were able to choose solutions they liked and pit them against solutions that were obviously bad. The combination of this and a formal deliberation process that did not give members the chance to include other choices, meant that again managers were able to wield control over the membership.

Also, managers worked to get certain members' support for options, particularly board members. When two or three options were presented (giving the impression of democracy) they were given with a recommendation for or against by the board. Worse, options were presented with both board and management approval or rejection. This is common in bureaucratic organizations but proved detrimental to collectivist goals since those options were often not in the best interests of the collectivity. Obviously, it was important for managers to have enough board members on their side to help sway such decisions in their favour.

Both managers put off the educational workshops as long as they could and when they gave them the workshop content was of a "general overview" nature and not sufficiently infused with enough content for members to be equipped to manage themselves. An

educational workshop was used by one manager to recruit a new co-operative into his company and the other manager only offered a workshop in Halifax specifically for board members. Finally, one manager made sure they were inconveniently placed out of town, and the other manager offered them only in the city, both creating a bad atmosphere about workshops that they are ineffectual. Creating these difficulties with educational workshops only worked to make them unappealing to members. It seems that managers had no intention of getting the co-operative back on its collectivist track.

With both managers, the annual cost of management services was around $12,000 dollars and the cost of other budgetary items such as office expenses and miscellaneous went up. Since so much of the working capital available to the co-op was taken up with property management services, it left little money for socials, co-op kids, newsletters and other community type expenditures. This problem of the high cost of property management also affected ECHC's ability to pay for the dues and fees associated with membership in sector federations. Without membership in sector federations, ECHC was more dependent on the manager than ever. All external workshops were more expensive and money for attendance at AGMs were out of the question. Both managers were able to attend the CHF/C AGM; community members did but only because they volunteered to work in them. Not having membership in these types of federations also meant that the manager would go on behalf of the co-operative, which did little for members having co-operative education opportunities, as well as, opportunities to meet and interact with members from other co-operatives.

A major point behind the whole idea of hiring outside help, whether partial or full

services, affects the way members participate. When the co-operative was in the collectivist mode, members participated for various reasons including because everyone else was. When certain tasks started getting a financial reward associated with them, especially in regards to the managers, this tended to lower the level of participation by the members. In both management cases, members repeatedly made statements about getting the manager to do it all since they were being paid and for the co-operative to get its money's worth. The problem that presented was that the more tasks that the management groups accomplished the less the members participated; the less the members participated, the more dependent on the managers they became; the more dependent on the managers they became, the more power the manager had to influence the direction of the co-operative and dismantle the collectivist form in favour of the bureaucratic form. Also, the more members let the managers achieve this the more entrenched those bureaucratic relations become and long term management becomes inevitable. Managers end up doing book work for the price of property management because since it is a co-operative there are always some people who volunteer their time for specific tasks that would make the manager's job easier.

In other words, the more property managers became successful, the more the co-operative members lost control of their co-operative. Control to the community members included doing the day-to-day managing because that provides the hands-on learning that is so empowering to members as well as provides the content for democratic deliberation that in itself, is empowering to members.

Collectivist co-operative organizations that include participatory democratic decision-making processes require specific educational training to this type of orientation particularly

given the loosely defined structure indicative of this type of organization. The constraints of collectivist organizational models, such as the requirement of time, their potential for being highly emotive and stressful, although relevant to the ECHC case, they had little significance compared to the dismantling effects of bureaucratization within and external to ECHC.

CHAPTER SIX
CONCLUSIONS

This has been a story of one co-operative's experiences with keeping their self-management style of organization within a sea of professional management logic. Currently, ECHC is managing their housing co-operative by themselves. They pay only for a bookkeeper through their audit company, and occasionally hire people to do large maintenance jobs. Incidently, since ECHC struggled to rid their co-operative of management services, the International Co-operative Alliance amended the six principles of co-operative associations (listed in the appendix) to include a principle for ensuring members recognize the "community" aspect of co-operatives; respecting members' needs and building community both within and outside of co-operatives. (CHF/C: 1998)

Evangeline Courts Housing Co-operative Ltd. has experienced the positive effects of a collectivist co-operative organization. Some members were empowered and felt the effects of the community building activities that were once prevalent given the generative form of democracy that was in use. ECHC members have also experienced the degeneration of democracy within their co-operative when the bureaucratic logic is applied by some members, managers, and by government. Community members were clearly grounded in a collectivist theoretical base of understanding. Individual members, property managers and CMHC were grounded in a bureacratic logic. The use of property management within co-operatives is clearly on the rise within Nova Scotia. CHF/NS is making the attempt at least to provide a sector-based alternative which concentrates on helping co-operatives with specific operational problems not continuous property management. Whether this is possible

remains to be seen. Although ECHC is currently using a self-managed style it remains to be seen if the community members can provide the educational background in collectivist organization or convince the rest of the members of the need to pay for such services to be given by CHF/NS or CHOSS for instance. Also, community members have a struggle yet on their hands to successfully implement into the policies and procedures the collectivist model values in order to formally entrench that aim within the relational processes at ECHC. This will require collective action work on the part of community members to involve the general membership in the whole process, if it is to be achieved successfully.

I think it is clear that ECHC could have avoided trouble if they had attended to continuous education of their members particularly in collectivist co-operative organization. It takes money to hire people to give educational sessions on co-operation. Co-operatives are not saving money by not attending to this. The research has shown the importance of educating the new members coming into the co-operatives in the value set of the co-operative and about the operational and organizational responsibilities. Those hired need to be collectivist in orientation; hopefully that is what CHF/NS is still promoting and what CHOSS employees will do. It would be interesting to compare and contrast the various management groups and assess their orientations towards organization as collectivist or bureaucratic.

Also, it would be interesting to find out how many of the co-operatives that have had property management services, are now self-managed. ECHC experiences were that these managers had a philosophy of continuous management. ECHC community members felt that the second manager left of his own free will to be able to *say* that he had got a co-

operative back in a self-managed style for credibility because at the point they were not even asking for his company to leave.

There seems to be a hidden rule within the sector about asserting all co-operative forms are collectivist but it has been shown that bureaucratic co-operative organizations are not only possible but are increasing. It seems important for the sector to define specifically the collectivist organizational model and to make attempts to assert it as the sector-supported model. Operational services would then be sector-supported to the extent that they work to create/ensure co-operatives are designed with a collectivist model.

The complex design of this research, as established by working collectively with the members of ECHC, has given me a greater understanding of and respect for this type of research. As compared to the amount of information that was coming largely from managers (sector supported or otherwise) it has been crucial for a complete understanding of this phenomenon to hear from people who are experiencing it. I think it is obvious that the carriers of knowledge go beyond the professionals; what these members have to report on their experiences with property management groups is crucial to any full understanding.

Luckily community members of ECHC had a solid like-minded core group with a deep understanding of the nature of democratic relations and collectivist organization. Obviously the theory of empowerment through collectivist organization holds true for this group since they saw the problem, struggled against it and finally fought it collectively and, for now, won.

As for the co-operative potential for permeating democratizing organizational structures within the fabric of society in order to create existing models reflective of a

socialist plan, collectivist co-operatives appear to have a struggle on their hands. The differences in value bases and therefore structural designs of collectivist and bureaucratic organizations as demonstrated in the experiences at ECHC are clearly at odds with each other. Collectivist organizational models are seriously threatened because of their loosely defined structure, (which is maintained organically on purpose) and because of its alternative nature given its struggle to exist within the context of the dominant bureaucratic structure of society.

The very basis for the co-operative potential is the orientation towards democracy that collectivist type co-operatives aspire to. It is clear within the experiences of ECHC that bureaucratic influences worked systematically to dismantle democratic processes. Some of the democratic concepts that need to be operationalized within collectivist co-operative organizations are:

1. Power must be equally disbursed.
2. All group interests must be adequately addressed not silenced through majority rule.
3. Democratic relations must be entrenched in the processes.
4. Relationships between people must acknowledge people's individuality, affirm their competence, note their similarities and foster congeniality.
5. Deliberation must be structured so as to ensure that it is an open and constructive process.
6. People must be listened to and given respectful consideration.
7. Information must be shared equally among the group and not persuasively altered.
8. Voting is legitimately done through consensus, majority rule, and proportional outcomes.
9. Dissent must be acknowledged and noted.
10. Information must be articulated at a comprehension level available to everyone.
11. All members need equal access to set, change, and organize the agenda.
12. All members need to have access to reformulate issues being discussed.

Obviously, these are just some guidelines of the types of issues that need to be addressed if

an organization can claim to be democratic. Democratic processes do have specific properties and co-operatives need to operationalize those within their organizations.

Government cutbacks have impacted negatively on the co-operative housing sector first by forcing a shift within resource groups from having educational goals to having management goals. These cutbacks also meant that government resources were no longer there to help co-operatives experiencing trouble, instead they shifted this responsibility onto the co-operatives themselves by forcing them to hire full property management services. Finally, the government cutbacks have downloaded the whole co-operative program onto the provinces; it is unknown at this point what the implications of that will be. Hopefully, the provincial government department that now has the co-operative housing responsibility will recognize the many advantages available for people who participate within the collectivist model type of co-operative.

Evangeline Courts Housing Co-operative Ltd. has endured a difficult struggle against long term management and they will continue to struggle with the bureaucratic logic prevalent in the contextual reality of which they are a part. Their determination and work is guided by their values in community and their experiences that collectivist co-operative organization is not only possible but deeply empowering.

REFERENCES

Atkinson, Paul
1990 *The Ethnographic Imagination: Textual Constructions of Reality.* Routledge

Benello, C. George
1992 *From the Ground Up.* Black Rose Books

Canadian Mortgage and Housing Corporation
1993 *The Management Model in Canadian Housing Co-operatives.* Handout

Co-operative Housing Federation of Canada
1998 *Principles.* Co-operative Housing Federation of Canada

Co-operative Housing Federation of Canada
1994 *Annual Meeting Information.* Co-operative Housing Federation of Canada

Co-operative Housing Management Task Force (CHAO)
1994 *Good Co-op Management: Questions and Answers.* Co-op Housing Bookstore

Cole, William D., William B. Lacy and Lawrence Busch
1986 "An Alternative under Attack? The Evolution of the Role of Agricultural Cooperatives." *Rural Sociological Society,* association paper

Craig, J. G.
1980 *Managing Co-operative Organizations.* (Co-operative Future Directions Project Working Paper # 4). Co-operative College of Canada

Craig, John G
1993 *The Nature of Co-operation.* Black Rose Books

Davies, Margaret Llewelyn (ed.)
1931 *Notes on the Women's Co-operative Guild.* Hogarth Press

Duke, Jim and Sue Macleod
1995 *Housing Ourselves Affordably: A Guide to Affordable Housing Through Collective Self-Help.* Canada Mortgage and Housing Corporation

Evangeline Courts Housing Co-operative Ltd.
1988-1998 *Executive Minute Book.*

Evangeline Courts Housing Co-operative Ltd.
1988-1998 *General Minute Book.*

Evangeline Courts Housing Co-operative Ltd.
1988-1998 *Special Minute Book.*

Gagné, Stéphan and Les McCagg
1997 *Co-operatives in Canada** (1995 Data). Co-operatives Secretariat

Gastil, John
1993 *Democracy in Small Groups: Participation, Decision Making & Communication.* New Society Publishers

Gazzard, Nicholas
1994 *Overview of Co-op Housing Management: A workshop prepared for the Co-operative Housing Federation of Canada.* Co-operative Housing Federation of Canada, British Columbia, and Ontario

Gray, Thomas W.
1985 "Determinants of Goal Selection among 60 Agricultural Cooperatives in Kentucky." *Rural Sociological Society,* Association Paper

Grunberg, Leon
1986 "Safety, Productivity and the Social Relations in Production: an Empirical Study of Worker Co-operatives." *International Sociological Association,* Association Paper

Hagedorn, Robert and R. Alan Hedley
1990 *Sociology.* Holt, Rinehart and Winston of Canada, Ltd.

Heskin, Allen David
1991 *The Struggle for Community.* Westview Press

Interchurch Housing Society
1991 *Impediments to Providing Post Development Management Services to Housing Co-operatives in Nova Scotia.*

Levesque, Benoit; Jo-Anne Andre and Marie Boti
1990 "State Intervention and the Development of Cooperatives (Old and New) in Quebec." *Studies in Political Economy,* Vol. 31, Spring: 107-139

Mayoux, Linda
1992 "From Idealism to Realism: Women, Feminism and Empowerment in Nicaraguan Tailoring." *Development and Change,* Vol. 23, No 2: 91-114

Melnyk, George
1985 *The Search for Community: From Utopia to Co-operative Society.* Black Rose Books

Mooney, Patrick H., Jerry Roahrig and Thomas W. Gray
1996 "The De/Repoliticization of Cooperation and the Discourse of Conversion." *Rural Sociology*, 61, 4, winter, 559-576

Nadasdi, Rita A.
1988 *Co-operative Housing For Sole-female Parents: Pockets of Empowerment in the Struggle for Community.* Master's Thesis, Acadia University

Quarter, Jack
1992 *Canada's Social Economy: Co-operatives, Non-profits, and Other Community Enterprises.* James Lorimer & Company

Quarter, Jack and George Melnyk, eds.
1989 *Partners in Enterprise: The Worker Ownership Phenomenon.* Black Rose Books

Reinharz, Shulamit
1992 *Feminist Methods in Social Research.* Oxford University Press

Rosa, Franco
1991 "Cooperation in Italy: The Transition from Solidarity to Agribusiness." *Journal of Rural Cooperation,* Vol. 19, No 1-2: 35-53

Rothschild, Joyce and J. Allen Whitt
1986 *The Co-operative Workplace: Potentials and dilemmas of organizational democracy and participation.* Cambridge University Press

Seebold, Terri-Dale
1992 *Ideals That Ought To Work: A Case Study of the Co-operative Experience of Single Mothers.* Honour's Thesis, Acadia University

Shragge, Eric ed.
1993 *Community Economic Development: In Search of Empowerment and Alternatives.* Black Rose Books

Taylor, Peter Leigh
1990 "Economic Competition and Economic Democracy in Two Spanish Agrarian Production Cooperatives." *Rural Sociological Society*, association paper

Thordarson, Bruce
1990 *Banking on the grass roots: Cooperatives in global development*. North-South Institute

Trevena, J. E. and Bonnie Rose
1980 *Democratic Control of Co-operatives*. (Co-operative Future Directions Project Working Paper # 5). Co-operative College of Canada

Warbasse, James Peter
1936 *Cooperative Democracy: Through* Voluntary *Association of the People as Consumers*. Harper & Brothers Publishers

Waters, Tom; Reg Rankin and Jim Duke
1994 *Proposal*. Co-op Housing Operational Services Society

Wilkinson, Paul and Jack Quarter
1996 *Building a Community Controlled Economy: The Evangeline Co-operative Experience*. Toronto University Press

Wilson, Alexandra
1998 *CHF Canada Plan for Non-Governmental Administration of Co-op Housing Programs: An Alternative Service Delivery Model*. Canadian Housing Federation Press Release

APPENDIX: A
NAMES AND ACRONYMS

Evangeline Courts Housing Co-operative Ltd.	ECHC
Canada Mortgage and Housing	CMHC
Co-operative Housing Federation of Nova Scotia	CHF/NS
Co-op Housing Operation Services Society	CHOSS
Co-operative Housing Federation of Canada	CHF/C

Defining Characteristics:

Evangeline Courts Housing Co-operative Ltd.

A twenty seven unit housing complex (town houses) established as a co-operative, members run it themselves.

Property Management Services

Are incorporated business organizations which are paid to take on various tasks on behalf of housing co-operatives usually through three year contracts.

Canada Mortgage and Housing Corporation

The government body which holds the mortgage for housing co-operatives. There is an official contract (operating agreement) made between CMHC and housing co-operatives which specifies responsibilities.

Co-operative Housing Federation of Nova Scotia

The co-operative sector identified association to which housing co-operatives may have membership in. The goals of the federation are education, advocacy, crisis intervention, and organizational maintenance on a provincial level.

Co-op Housing Operational Services Society

An incorporated non-profit society made up of CHF/NS and Client representatives which offer sector supported financial, maintenance, membership and marketing services to co-operatives with a philosophy of "assisting them and then getting out".

Co-operative Housing Federation of Canada

The co-operative sector identified association to which housing co-operatives may have membership in. The federation lobbies government on behalf of co-operatives.

APPENDIX: B

On September 23, 1995, the International Co-operative Alliance, the body representing co-operatives world wide, adopted new co-operative principles. They appear in short form below.

1. **Open Membership**
Co-ops are open without exception to anyone who needs their services and freely accepts the obligation of membership.

2. **Democratic Control**
Co-ops are controlled by their members, who together set policy, make decisions and elect leaders who report to them. In primary co-ops each member has one vote.

3. **Economic Participation**
All members contribute fairly to their co-ops, which they own in common. Co-ops pay a limited return (if any) on money people have to invest to become members. Surpluses are held for the future and used to improve the co-op's services.

4. **Independence**
All agreements co-ops sign with outside organizations or governments should leave the members in control of the co-op.

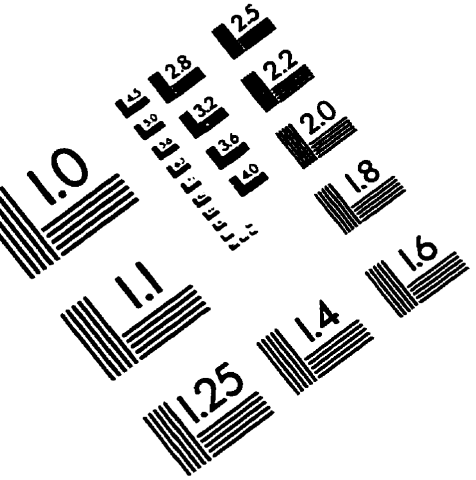
5. **Co-operative Education**
Co-ops offer training to their members, directors and staff. Co-ops tell the public what they are and what they do.

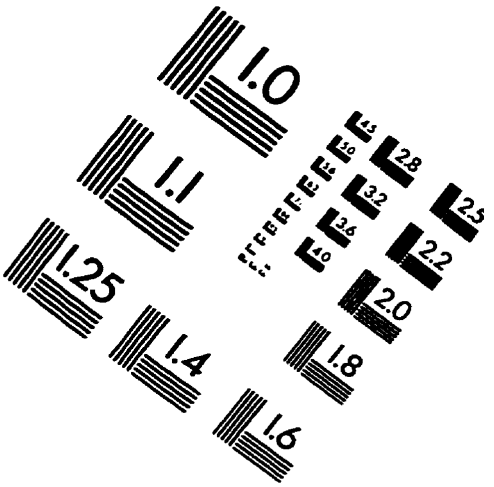
6. **Co-operation among Co-operatives**
Co-ops work together through local, national and international structures to serve their members.

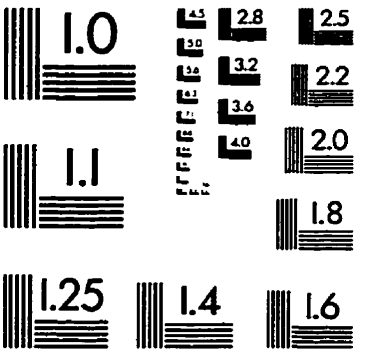
7. **Community**
Co-ops meet members' needs in ways that build lasting communities inside and outside each co-op.

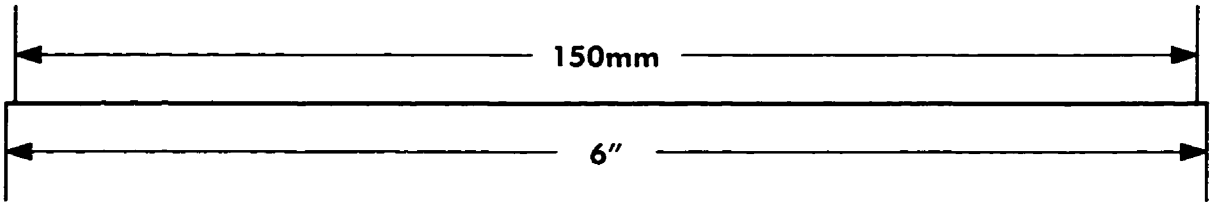
(Press Release, CHF/C, August 6, 1997)

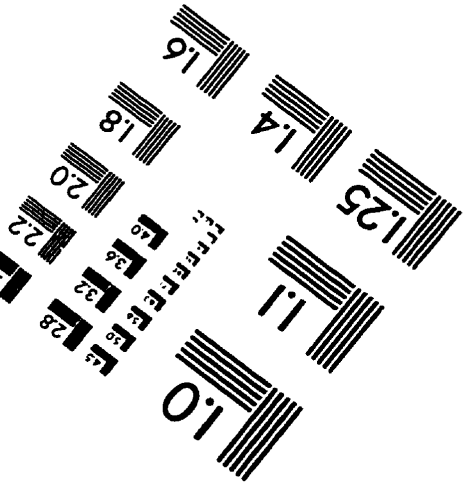
IMAGE EVALUATION
TEST TARGET (QA-3)

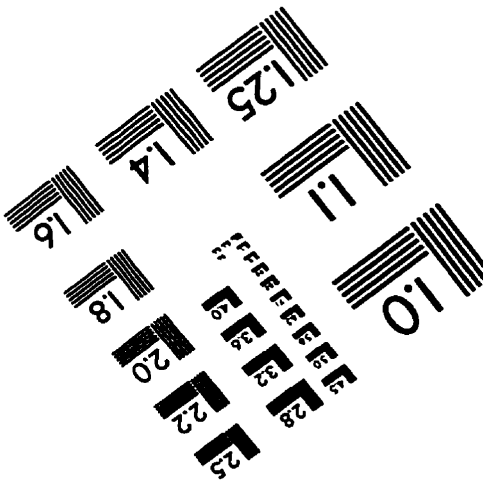












APPLIED IMAGE, Inc
1653 East Main Street
Rochester, NY 14609 USA
Phone: 716/482-0300
Fax: 716/288-5989