Multi-stakeholder Home Care Cooperatives:
Reflections from the Experience of Québec

Final Report to the Cooperative Development Foundation
December 29, 2011

Margaret Lund, Principal
Co-opera Company, Minneapolis, MN
Introduction:

On September 12 – 14th, 2011 an American delegation of cooperative experts visited the province of Québec, Canada to learn first-hand of the region’s extensive experience with using cooperative enterprises to provide home care services to the elderly and disabled residents of the province. The team included team leader and lead consultant Margaret Lund, Margaret Bau, a USDA Cooperative Development Specialist and domestic expert on cooperative home care, and Diane Gasaway, Executive Director of the Northwest Cooperative Development Center.

Our study trip covered a wide range of contacts including visits with local and provincial officials, cooperative sector leaders, university researchers with topic area expertise and of course site visits with the cooperatives themselves. Armed with a list of dozens of questions, our aim was to better understand the experience – by all accounts very positive and successful – of multi-stakeholder cooperatives in Québec, particularly in the healthcare industry. With a better understanding of the achievements and limitations of the model in Québec, our goal was to bring home lessons that would be helpful to those working to expand the use of the multi-stakeholder cooperative model in the U.S. home healthcare sector, with the ultimate objective of enhancing patient care and experience while at the same time improving both wages and working conditions for caregivers.

We chose Québec for a number of reasons. It is a region well known in cooperative circles for the depth and breadth of its commitment to cooperative ideals and practice; it is a largely rural province where cooperatives are used extensively as a tool to bring resources to remote communities; and it is an area where the cooperative model has found particular resonance and success in the field of healthcare and social services.
We found some things as we expected, but other surprises. Cooperatives in Québec truly are given due credit as a preferred job creation and economic development strategy. The extensive support and nurturing provided to co-ops in Québec leads, not surprisingly, to a large number of well-functioning cooperatives operating in a wide variety of markets and industries. It was simply a pleasure to be among them.

We gained a much better understanding and appreciation during our visit of the market context for home care co-ops in Québec, and particularly the significant restrictions that operate on home care agencies in Québec, restraints which place firm boundaries both on the permissible geographic territory and also the suite of services that co-ops may offer. This restrictive environment made the Québec experience not as useful as a direct model for U.S. co-ops, as U.S. markets for home care services are much more open. We were very impressed, however, with the use of the multi-stakeholder model to engage workers, consumer and community supporters together in a common cooperative pursuit. For the home care cooperatives, this model was used to help connect individual home care co-ops to other important players in their local and regional healthcare system, and to provide a direct means to link the co-ops to the broader cooperative movement through shared board membership in the “supporter” category of co-op membership. This is a strategy that could easily and fruitfully be put into practice in the U.S. under most state cooperative statutes today.

We were also disappointed -- although perhaps not surprised -- to find that home care co-ops in Québec have not yet fully solved the driving dilemma of the care industry, how to pay a respectful wage to those providing home care services. This is an issue we will perhaps all have to collaborate on to solve in the future! In total, however, our visit was very fruitful and gave us much rich information to contemplate. In particular we were convinced that given the successful history of worker cooperatives in the U.S. home care industry, a multi-stakeholder approach with a strong worker component would build on our existing strengths while adding an important new dimension.

**BACKGROUND and CONTEXT:**

*Cooperative support and development in Québec:*

Cooperatives benefit from an extensive support system in Québec, a system build on cooperation and coordination between the provincial government and the cooperative sector itself. Beginning in 1985, the province has supported a regional economic development system which has relied on the cooperative model as a key delivery mechanism. In 2003-2005, this system of cooperative development was significantly reorganized and improved. Cooperative development efforts receive annual funding of approximately $5 million\(^1\) per year, of which 10% or $500,000

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\(^1\) All dollar figures in this report are Canadian dollars.
comes from the cooperative movement itself, primarily the very large cooperatives such as the Desjardins credit unions. According to 2009 data, there are approximately 3,300 cooperatives and mutual insurance companies operating in Québec serving 8.8 million members (10% more than that provincial population!). These co-ops control $173 billion in assets and employ 92,000 people, a very significant accomplishment.

Cooperative development services are delivered through a network of 11 regional development centers serving 17 regions of the province, as well as through the 11 cooperative sector federations, including one for health care and home care cooperatives. About 75% of new co-ops are started by the regional development centers, the remaining one-quarter by the co-op sectoral federations. In general, the regional centers handles more innovative or complicated co-ops start-ups, as well as working with co-ops in any sector (artists co-ops, technology, many services) that do not have a federation of their own. Either agency is given the same funds by the government, based upon new co-op formed and new jobs created. Individuals must use one of these two sources to assist them with starting a co-op in order to make sure they are following the law correctly. According to the federation of regional development centers, over the last five years they alone have organized 550 new co-ops creating 2,000 new jobs.

Regional development centers and co-op federations are paid a set amount for each new co-op formed (currently $4,500) and then get an additional amount for each new job created (currently $4,500 for each of the first three jobs, with a diminishing subsidy after that). In two years, if a new job is still in existence, the agency gets another small bonus. While regional development centers do take part in some other projects such as occasionally collaborating on university research, the provincial payment systems keeps them very focused on job creation and cooperative development. Overall, 80 – 90% of their revenue comes from these activities.

**The growth of multi-stakeholder or “Solidarity” cooperatives:**

Multi-stakeholder cooperatives are co-ops that formally allow for ownership and governance by representatives of two or more “stakeholder” groups within the same organization. Such stakeholders might include consumers, producers, workers, volunteers or general community supporters. While traditional cooperatives allow for only a single class of “patrons” or members, multi-stakeholder cooperatives allow for interested parties with various roles and perspectives to join together in a common pursuit.

Multi-stakeholder cooperatives are the fastest growing type of co-op in Québec, which is home to one of the most vibrant cooperative development sectors in the world. Such co-ops exist in all sectors of the Québec economy, but are particularly strong in the areas of healthcare and social services. Co-ops which allow more than one class of membership are known as “solidarity” co-ops in Québec, and must be organized under a special provincial statute. First passed in 1997, this statute divides groups of potential co-op members into three categories: **Worker members** which can include both managers and non-managerial workers; **“User” members** which can
include producers, consumers, or anyone who regularly makes use of a cooperatives services; and “supporter” members a category that includes individuals who may not be regular users of the co-op, but are still vested in its success by virtue of living or working in the same community or otherwise sharing a common objective or interest with other co-op members.

The three members categories are not all treated equally in Québec law. The number of supporter members on a board is limited to a maximum of one-third, and co-ops are not permitted to pay interest on supporter co-op shares – as their name implies, supporter members are expected to play a supporting role to the other two classes of members who are seen to have a more direct stake in the outcome of the co-op. The existence of a supporter category of member is widely seen as very beneficial however, and about 60% of new co-ops formed by the regional development centers in the last year (2010-2011) took the solidarity model for their approach.

At first, Québec law required that multi-stakeholder cooperatives have representatives of all three categories – workers, users, and supporter members – on their board in order to qualify as a solidarity cooperative. This requirement proved unwieldy, however, and after ten years the law was changed to allow co-ops to organize as solidarity co-ops with only two of the three categories represented. This resulted in a surge in the number of solidarity co-ops formed. According to our hosts, “nobody is criticizing Solidarity co-ops in Québec” because solidarity co-ops appeal to “people who are sensible.” The structure forces people to think about their common interests. If they are unable to pursue these interests better together, they simply form a different kind of co-op or do something else that will work better. So by default, solidarity co-ops end up being made up of people who have voluntarily chosen to pursue a common path.

A resource for rural communities:

Québec is a largely rural province, and cooperatives play a vital role in their economy. Although close to half of the population live in and around the major cities of Montréal and Québec City, three-quarters of all co-ops as well as three-quarters of all jobs in cooperatives are located in rural areas.
Solidarity cooperatives have been particularly popular in rural Québec. Many visitors to the province see the sophisticated metropolis of Montréal or the well-preserved beauty of old Québec City. Few realize however, that beyond these two cities, the vast majority of the province of Québec is rural. Québec is the largest province in Canada by geography, most of it very sparsely populated. With an overall population of approximately 8 million people, something less than half of the population lives in or around the St. Lawrence River which links the populations centers of Montréal and Québec City in the extreme southeastern corner of the province. The remaining four million plus inhabitants are scattered across a region almost three times the size of Texas.

For residents of small communities, solidarity cooperatives have provided an ideal means to engage community members broadly in the delivery of important community amenities. One popular growth area is in the provision of a broad category of resources known as “proximity services” which include such important amenities as the local café, gas station and grocery store. Across Québec, approximately three-quarters of solidarity co-ops in Québec are in the healthcare or social service sectors. For rural residents living in remote areas, these co-ops are an essential part of the economic and social infrastructure, providing a vital link to care and community.

MARKET ISSUES:

*The delivery of home care services in Québec:*

Since 1997, the government of Québec has provided a specific per hour subsidy for supportive home care services for all residents of the province in need of such services, replacing the former system which was a patchwork of inconsistent support largely dependent on volunteer labor. This move was part of a larger initiative begun in 1996 to provide a more consistent social infrastructure across Québec as well as create jobs through the aggressive application of the social economy model. Eligible services covered under the subsidy program include such things
as housekeeping, meals, laundry, shopping and other errands. To be eligible for the subsidy, services must be provided by an approved agency, either a nonprofit organization or a cooperative, chartered specifically to serve that particular region of the province.

Anyone over 65 (or younger people with a referral from their local health authority) can receive a government payment of $4 per hour to hire a home care worker regardless of income, with additional subsidy available according to need. Clients pay $16-$25 per hour for services, with an average of $20 before the subsidy. People over 70 years old can also get a tax credit equal to 30% of their costs for either home care or personal care up to a certain dollar limit. Agencies are paid by the government to help clients with the paperwork necessary to receive the subsidy. There are now 100 approved home care agencies (both cooperative and nonprofit) in the province with 85,000 clients, 6,000 employees and over $100 million in annual revenue.

In Québec, public policy makes an important differentiation between “home care” and “health care” services. Home care involves care for the home of a disabled or elderly client, but does not include care for the client him or herself. Any service involving the client directly, whether it be dressing, bathing, toileting, taking basic measures such as blood pressure readings or assuring medication is taken falls within the province of the local health service, not the home care organization. Thus basic patient care services such as bathing that are routinely provided by direct care workers in the United States, are in most cases provided by a healthcare worker in Québec, not a “home care” worker. Since healthcare in Canada is a function of the government, healthcare workers are generally public employees, a heavily unionized sector.

The right to provide the higher paid “health care” as opposed to home care services – even those basic personal care services that a direct care worker might easily be qualified to carry out – are reportedly jealously guarded by unions and local health care authorities. Permission to provide such services must be sought from the local health service center, and each case can be different. In general, it seemed that such permission was often denied to home care agencies to add these services. Most of the home care cooperatives we visited reported 90 percent or more of their billings were in the lower-paid home care services category such as cleaning rather than higher paid personal care services. In the opinion of co-op managers, this policy limits their ability to pay higher wages to their worker-members because their services are limited to lower-paid work.

Because of the limitations on permissible home care services, home care cooperatives in Québec generally served an elderly population, with some disabled clientele as well. Other potential markets, such as respite care for parents of severely autistic children or targeted care for those living with chronic illness, for example, are simply not opportunities that home care cooperators can pursue because of the limitations placed on personal care services. We also got conflicting reports on whether home care workers can be paid to provide services to family members -- this appears to be a discretionary issue which is sometimes permitted and sometimes not.
**Wages and working conditions:**

While our study tour participants all harbored great hopes that the deep commitment to solidarity and social well-being in Québec would translate into better wages and working conditions for home care workers, we were unfortunately not able to find strong evidence of this.

Similar to the situation in the United States, all of the home care co-op managers we visited with complained of the relatively low wages they were able to offer and the relatively high degree of turnover among workers. Pay in the industry is to a large degree effectively determined by the rate of public subsidy, which many pointed out to us had not been increased since the program began almost 15 years ago. Had it been indexed for rising costs, the payment rate would be about 40% higher today (although several years ago additional payments were added by the government to fund administration and transportation expenses for agencies). The provincial association representatives we met with in particular, focused on the anemic subsidy rate as a significant impediment to the industry. Wage rates appeared to be generally similar to U.S. rates (in the $10.00 - $12.50 range with transportation sometimes paid or partly paid), although direct comparisons are not strictly valid because of the high degree of public benefits such as healthcare and retirement funds that supplement these wages and are received by all citizens of Québec. The bonus for doing personal care as opposed to home care work, when permitted is reportedly about $2 per hour for workers. Some workers also get higher wages for “heavy” work or for working nights and weekends.

The provincial healthcare system in Canada pays significantly more than home care work – reportedly around $17-18 an hour, so many home care workers are tempted to transfer to that field. Recruitment is a significant issue for home care agencies, and the provincial federation of home care and health care cooperatives reported that collectively their members currently had need for 1,000 more workers than they currently are able to hire.

The sector has made significant progress in another public goal however, that of job creation for the unemployed. According to 2006 data, over half of the employees of home care agencies were previously recipients of public benefits. In some remote regions, home care agencies are now among the main employers in the area (Jetté and Vaillancourt 2010). Home care agencies have also been given some credit in meeting another public goal, that of combatting the black economy where service quality and labor conditions are often poor.

Home care work does not require any special accreditation or training on the part of employees, only the agencies themselves are required to be accredited. There was some talk while we were in Québec among various parties about changing this situation, however, and implementing some form of training and accreditation standards or requirements for workers. People felt that providing some sort of diploma course might be one strategy to engage young workers more fully and also to provide a foundation to lobby for increased payments from the government for
more skill or experienced workers. A set of professional practices or standards were put in place in 2009 and approved by the government, but they are voluntary.

In addition to welcoming supporter members to the cooperative, the new solidarity model in Québec also allows for the addition of worker members to a co-op that had formerly been run on a consumer-only model. Because the improvement of working conditions is such a prominent driver of home health care co-ops in the U.S., and because the worker cooperative tradition in general is very strong in Québec, our delegation was surprised to find that very few home care cooperatives in Québec are organized on a worker co-op model. Officials we interviewed thought perhaps there might be one home care co-op in Québec that had originally been structured as a worker cooperative, but even they were unsure. Today, all home care co-ops in Quebec are either structured as consumer cooperatives or used a solidarity model with a mix of representation from workers, consumers and outside supporters.

Home care co-op managers that we interviewed appeared to have mixed feelings about having workers on their boards. Many were concerned – as managers in the U.S. are – that worker board members would be unable to fairly evaluate the general manager in a performance review or effectively participate in a salary negotiation, and two we interviewed specifically voiced apprehension at the potential of having a worker serve as board president. Others, however, were not bothered by the presence of workers on the board and welcomed their perspective. One manager noted, for example, that the idea of setting up a sample apartment at the office to train workers on cleaning standards was one that came from a worker, and the training apartment is now being used by various co-ops across the city. While we did not have an opportunity to speak with worker-board members directly to follow up on these observations, in general it did not appear to us that many of the home care co-ops in Québec took full advantage of the opportunity the solidarity model presents for fully engaging their workers in a more meaningful way in the prospects and strategic direction of the company.

The relationship of the home care organizations with Québec’s powerful labor unions have also been tense at times, which may contribute to some managers’ reluctance to embrace more extensive worker involvement. This tension dates from the beginning of the systematic government support program in the mid-1990’s, when certain of the public sector unions viewed the new social economy organizations as a form of privatization, and therefore lost jobs for their members (Jetté and Vaillancourt 2010). Some of the solidarity co-ops have since been unionized, but most remain un-unionized workplaces. This tension continues to flare, particularly in instances where home care agencies have more aggressively sought a larger portion of the better-paying personal care market for their workers.

**Comparison with other social sectors; public policy:**

University research and longtime observer of the social and cooperative economies, Yves Vaillancourt found it instructive to compare the home care cooperative sector with that of day
care services for children. Both sectors typically face low wages and high turnover, but in Québec the daycare sector has been significantly more successful in securing government subsidy for its work than the home care sector. While there is still more demand than supply, the number of funded daycare places in Quebec has increased by 3.5 times in last decade, and parents pay only about $7 per day for services. As a result of this government support, wages have improved. The daycare sector has also, for whatever reason, been able to avoid the battles with the unions and the nonprofit sector that have subsumed so much energy for the home care cooperatives. In contrast to the daycare organizations, Vaillancourt cites the ongoing conflict between the home and health care cooperative federation and the powerful provincial social economy group CES and their ongoing inability to agree on a common strategy and provide a united message for the industry when negotiating with the provincial government. The conclusion is that some of the ongoing struggles and disappointments of the home care sector are to some degree a result of execution not destiny.

In the cooperatives favor, Vaillancourt noted that the tremendous rise in the social economy in general in Quebec over the last 15 years (both cooperatives and nonprofits) is strong and significant compared with other provinces. Just as important, it came at a time of a “neoliberal” government not known to be committed to the expansion of social services. Co-ops had to argue for their funding based on job creation results, and those results have been impressive. Such results-oriented policies have staying power, he noted, proving themselves able to survive a change in government. In summary, while Quebeccois are sometimes their own worst critics, Vaillancourt finds the accomplishments of the co-ops and the social economy organizations in general in Quebec to be very impressive.

**Observations and comparisons:**

The overall market and labor situation in the home care industry in Québec makes for some similarities, but also several important differences between home care cooperatives in the Québec, and those that are (or might be in the future be) organized in the United States:

- **Home care cooperatives in Québec effectively have a captive local market.**
  Government policy gives them the right to service a specific geographic turf, and clients wishing to take advantage of the significant government subsidy for home care services must use the designated cooperative or nonprofit serving their region. In some markets, a degree of competition (it is not clear how much) appears to exist either from black market firms paying workers “under the table” or from private sector firms geared to wealthier clients willing to forego the government subsidy, or both. For the most part, however, home care organizations in Québec “own” their particular corner of the market. As ‘social economy” enterprises delivering public benefits, they are not required to face the kind of competitive marketplace that comparable U.S. enterprises do;
On the other hand, while base markets for home care organizations are generally “safe” from significant competition in Québec, the range of service offerings allowed to be offered to that market is also quite limited. While some co-op managers stoically accepted this situation, others we talked to chafed at these restrictions. Some of the more entrepreneurial home care leaders were quite creative in thinking up new ways to organize work or offer auxiliary services that would enable them to offer better hours or expand the wages of their worker-members (see case studies at the end of this report).

For what are likely deep historical and cultural reasons beyond the superficial understanding we were able to glean from our short visit, significant tensions appear to exist between the home care sector and the provincial healthcare delivery system. Some of this tension appeared to be related to the high rate of unionization in the public sector, but it did not seem to be as simple as a “union or not” issue. While certainly some home care co-ops enjoy supportive relationships with their local health authority (in fact, local representatives of the healthcare system are a common category of “supporter” members for home care solidarity co-ops) turf battles were commonly referenced and there did not appear to be a lot of collaboration or communication between these groups. At least two academic observers felt that such a perspective was a self-limiting factor that was not present in more successful social service sectors such as daycare.

For all their successes, cooperators in Québec have not found a definitive answer to the low pay and high turnover problems that plague the home care industry. The home care sector in Québec struggles, as we do, with these issues and cooperative ownership is no panacea. Few home care cooperatives appeared to see the potential for using the engagement of workers as cooperative members as an effective tool for systematically improving care and performance or limiting turnover. While some home care agencies were very entrepreneurial, for others the existence of significant government subsidy appeared to blunt their market instincts and led them to focus in perhaps too narrow a manner on the limitations of the existing subsidy model rather than the opportunities present in the wider marketplace. In this regard, U.S. industry innovators such as Cooperative Home Care Associates in the Bronx and Cooperative Care in Wisconsin are perhaps better models of the promise of the cooperative model as a means for transformative change for the industry.

In summary, while U.S. home care cooperators face a highly competitive market, their contemporaries in Québec simply do not. There are obvious advantages for home care organizations of being assigned such a captive market, but there are disadvantages as well. While U.S. cooperators are always “free to fail” in the absence of guaranteed government contracts, they are also free to innovate as well, in a way that is much more restricted and
difficult for their Québécois colleagues. For U.S. home care cooperators, the most advantageous situation would of course be a combination of these two situations -- a long-term local government contract paired with the ability to market to private pay clients and offer a variety of auxiliary services at the same time. The Québec situation does not provide us with much guidance in the area of market expansion or development.

Both countries suffer from inadequate government funding for necessary home care services, and somewhat surprisingly, the generally exceedingly well-organized and highly effective cooperative sector in Québec has not been able to effect higher payment rates for home care work. Some of the relative weaknesses of the home care co-op sector in Québec compared with other co-op sectors appears to be related to historical or political circumstances (turf battles with the healthcare sector, labor unions or non-profit providers siphoning off energy that might have been more productively spent otherwise) that really do not relate to the industry itself per se. These past difficulties do not lead one to conclude, for example, that higher wages or lower turnover are impossible to achieve in the home care sector, only that it has not happened in Québec (or in the U.S. either) to date.

So what positive lessons can we bring back from the home care coop sector in Québec? Several, it turns out, most of which relate to the structure of the cooperative delivery mechanism itself as a tool for providing more effective services and engaging a wide variety of constituents

**STRUCTURE ISSUES:**

*Cooperatives vs. nonprofits:*

When the legislation providing the subsidy for home care was first passed in Québec, the Ministry of Health dictated that organizations eligible to receive the government subsidies would have to be nonprofit. The Québec co-ops lobbied to allow cooperatives to provide these services as well. Now, of the 100 regionally-based government approved sites, 46 are organized as either consumer or solidarity cooperatives and 54 are nonprofit organizations.

Whether a local home care agency is organized as a nonprofit or a cooperatives appeared to depend to a large degree on local conditions. In an environment such as Montréal, where the nonprofit sector within the social economy was strong and well-organized, nonprofits tend to dominate the sector; in rural areas, cooperatives are the main providers of such services.

While cooperatives and nonprofit home care agencies sometimes cooperate, joining the same apex organizations for example, they also compete -- for market share sometimes and credibility certainly. Cooperative leaders, not surprisingly, expressed a preference for the cooperative model. This was true even among those who had experience in both settings. Notwithstanding that one of the most entrepreneurial of the home care agencies we visited was a nonprofit in
Montréal, most informants expressed the firm opinion that the cooperative legal structure encouraged home care agencies to act “more businesslike” which in turn encouraged other parties to treat them in a more business-like manner. Informants noted that while in their experience, nonprofits just went for subsidy, in the solidarity co-ops people “had to reach for balance and find the right price” that was fair to everyone. Multi-stakeholder co-ops, one observed noted, “provide a realistic view of a co-op’s capacity” so board members have a better understanding of their roles and that of others. Several people we interviewed mentioned that they also felt the cooperative model provided more role clarity for everyone involved, which they found to be a positive thing. Member rights, for example, are much more well-defined in co-op law as opposed to nonprofit law. One co-op manager noted specifically that while nonprofit legislation sets regulations on who can and cannot be on the board, the co-op “is open to everyone” and she felt that was a very positive attribute for her community.

The people we spoke with also liked the fact that the cooperatives had wide representation of stakeholders on their boards. When most nonprofits would have, at most, one worker and one consumer on the board, the solidarity cooperatives commonly had a board evenly split between all three constituencies of worker, consumer and supporter. Virtually all informants saw this diverse board representation as a big advantage.

Cooperative organizations also enjoy the distinct advantage of being able to borrow money more easily than nonprofits instead of always having to rely on donations, a state of affairs that contributed to their being able to act in a more “businesslike” manner. Nonprofits under provincial law have a very limited ability to retain assets, making them unattractive borrowers. Québécois cooperatives, on the other hand, have access to the largest and most sophisticated system of cooperative development financing in the world, the Desjardins credit union system. This may be the reason that reportedly 25% of new solidarity co-ops that have started in Québec in the last decade are the result of the transition of former nonprofit organizations.

While philosophically the two models appear very distinct (and practitioners self-identify distinctly), in practice the difference between the two approaches is more nuanced. Perhaps because the regulatory environment constrains behavior to such a large degree, there are as many similarities as differences. While some cooperatives are not particularly business-oriented, for example, the one nonprofit we visited was as entrepreneurial as any. Under some circumstances organizations that are formed as cooperatives can also qualify as nonprofit for the purposes of the tax ministry further blurring the distinction, and often co-ops and nonprofits join each

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2 they cannot pay patronage dividends or offer dividend-bearing shares in this case
other’s apex organizations. Both cooperative and nonprofit home care leaders spoke of their objective being service to the community rather than maximizing profit.

The one pieces of research we were able to locate that looked systematically at the differences between cooperatives and nonprofits in the home care sector in Québec found little difference between the two. There were no statistical differences between the two agency types in terms of wages, for example, although nonprofits more frequently offered ancillary benefits such as life insurance. And type of organization was also not a predictor for either quality or overall client satisfaction scores. When the data was parsed further, however, researchers found that worker involvement in governance was associated with higher client satisfaction (the higher the percentage of workers on the board, the more likely an organization received a top score) while consumer involvement was linked to a higher overall quality score (Leviten-Reid 2009). Thus while incorporation as a cooperative alone did not yield any specific benefits to users, the involvement of stakeholders directly in governance did. This is an important distinction for cooperators to keep in mind.

The “solidarity” difference:

Of the 46 home care cooperatives serving residents of Québec, 36 of them are organized as solidarity co-ops, while the remaining 10 are consumer co-ops. Without exception, people we spoke with in Québec had very positive things to say about the solidarity co-op model, and specifically the ability to add supporter members to their boards. When asked what kind of people they recruited to become their supporter members, co-ops reported soliciting such individuals as someone from the local health authority, for example, or a representative of the local Desjardins credit union. The solidarity model appeared to be a very efficient means for a home care cooperative, which is by definition in Québec a very locally-focused institution, to forge meaningful ties not only to potential competitor/collaborators such as the local healthcare authority, but also to other social service providers in their community as well as the wider cooperative movement. Even those co-ops who had not yet made widespread use of their supporter member category were very happy that they had this flexibility and intended to expand this membership category in the future.

Another clear conclusion we drew from our interviews with co-op practitioners is that despite the difficulties and frustrations of working in an industry lacking in both pay and prestige, Québécois cooperators exhibited clear pride of ownership. They were proud of their organizations and their accomplishments, and when asked “what would the perfect co-op look like?” one manager simply replied “my own.”
More observations and comparisons:

A comparison of home care structure and practice in Québec and the U.S. reveals a number of strengths of the Québécois model that could suitably be adopted by U.S. cooperators;

- While there is still little hard comparative data on the topic, the Québec home care sector is one market where cooperatives and nonprofits clearly provide similar services in similar markets, and therefore are an apt subject for comparison. Many in the province felt that the businesslike discipline of a co-op, coupled with the clear role differentiation for different stakeholders and access to the broad and sophisticated cooperative infrastructure in Québec were all advantages of the cooperative approach to the provision of social services; Since the comparison in Québec is mainly to nonprofit organizations, this sense of differentiation also assumes a common commitment along with their nonprofit colleagues to a “common good” approach to social services.; no one we spoke with seriously advocated the advantages of an investor-driven market for social or health care services.

- The ability to link supporter members to the co-op in a clear and specified role was seen as a great advantage of the solidarity model by virtually every informant we interviewed;

- Available data shows a direct link between worker and consumer governance structures and high scores in quality and consumer satisfaction; the cooperative model itself alone did not affect scores, but the degree of multi-stakeholder engagement did.

- The worker-member element of the solidarity model is still relatively underdeveloped in Québec, with few if any co-ops exceeding the one-third mark for worker board members. This is in contrast to other countries such as Italy and the U.S. where worker members play a clear central role in some kinds of social service cooperatives.

- Lots of Québécois simply liked their co-ops and are proud to be part of them. It may also be that non-profit workers in Québec think highly of their employers as well, we don’t know. This is in sharp contrast, however, to the way that many U.S. home care employees, even managers, likely feel about the agencies that employ them. Thus, while the worker element of the solidarity model is not highly developed in Québec, a sense of general pride of ownership and responsibility for worker well-being appears to widely present which is a significant accomplishment.
Conclusions and Lessons for American Home Care Co-ops:

Home care co-ops in Québec operate in a marketplace that is both much more protected and much more restricted than do their U.S. counterparts. In the field of market development, there is little similarity in the environment for the Québécois experience to be very instructive. In fact, co-ops in the U.S. have much more freedom to enter or exit geographic or client category markets as they see fit and to build an array of service offerings (assuming appropriate training and licensure of course) that might include a mix of home care, personal care, housing, and family support. Home care co-ops in the US could coordinate and deliver the multitude of activities that allow a person to live successfully in their own home – be it monitoring that all medications are ingested, watching for health changes while bathing and grooming, scheduling appointments, assuring safety and sanitation of the home, providing nutritionally sound meals, coordinating transportation, developing natural supports, and facilitating socialization to the wider community. All of these activities can ultimately reduce health care costs and improve quality of life by reducing medical emergencies caused by missed medications, falls in the home, dehydration and malnutrition, overlooked changes in bodily function, and social isolation.

In terms of organizational structure, however, there is much to learn from the Québec experience. Many Québécois, who are sophisticated and well-practiced cooperators, have openly embraced the practice of multi-stakeholder cooperatives, particularly for the provision of social and health care services. This is an important point, and not one we should pass over lightly. The cooperators we talked to were consistently supportive of the solidarity model, and particularly of the strategic use of the supporter member category to help connect individual co-ops to important local partners, and create an institutional bond with the broader cooperative movement. This is something that American co-ops could easily implement in most states, and an idea well worth exploring.

Our colleagues in Québec were also quite eloquent and convincing about the advantages of the cooperative model relative to a nonprofit structure in creating a sense of ownership, engagement and market discipline. The worker co-op element was not particularly strong in the home care co-ops we visited and heard about, but it was present in all of them. People cited specific examples of the contributions of worker co-op board members and noted the importance of engaging a variety of people with different roles in the overall work of the co-op. While few in number, we have some very compelling examples of employee engagement in worker-owned home care co-ops in the U.S. Our own experience and that of Québec would tell us to build upon this experience and use the co-op model as a key tool for both worker engagement and service transformation.

Two final more general thoughts on cooperative practice in Québec are relevant here as well. First, both regional and sector-specific technical assistance resources are a prime ingredient in the breadth and success of the cooperative movement in Québec overall; technical assistance
organizations receive regular and systematic support from both the government and the cooperative sector broadly, and are expected to meet specific and measureable annual job creation and development goals in order to continue to access financial resources. There is much for U.S. cooperators to learn from this experience if we wish our work to result in something as bold as laying the foundation for systemic change in long term care.

Secondly, although time and language limitations dictated that our site visits were with urban and suburban cooperatives, a final and very compelling element of the Québec experience is the prevalence and importance of this model for the provision of a wide range of necessary goods and services in scattered rural communities. From housekeeping for the elderly to affordable gasoline to simply having a place to have a cup of coffee in the morning, cooperatives -- and increasingly multi-stakeholder co-ops -- are the vehicle of choice for providing a high level of service to a very far-flung and isolated populace. In addition to providing vital services for everyone, but especially for seniors, such co-ops have also become significant creators of stable employment for working-age rural residents. With the general aging of the U.S. population only exacerbated in rural areas, there are many things yet to be learned from cooperative practice in Québec.
CASE SUMMARIES OF SELECTED HOME CARE COOPERATIVES
**Location:** Québec City

**Membership Base:** 3,000 users (consumers); 200 workers and about 800 supporters

**Governance:** Twelve directors – 6 consumers, 3 workers and 3 supporters

In order to offer better hours for staff and more efficient services for consumers, the co-op is currently in the process of developing a housing cooperative of 42 units. The units will be offered to co-op clients and co-op workers will provide all the services, enabling them to full days of work without unproductive travel time. Services d’Aide a Domicile de Québec (Home Care Services of Québec) was formed three years ago as a result of the merger of two other co-ops, one a consumer co-op the other a solidarity co-op, hence the majority of consumer members on the board. Supporter members include the local Caisse populaire (credit union), local health entities, community organizations, people from the co-op community and family members of clients.

The majority of their work is home care services, but they do provide some personal care as the local health service centers are not able to keep up with demand. They do little marketing, as they currently have a waiting list of 100 people. Having worked in different environments, co-op general manager Lucie Bussieres expressed a preference for the solidarity co-op arrangement “there is an advantage when different kinds of members understand their roles -- everyone understands that they must make the right decision for the good functioning of the co-op.” The co-op maintains a liaison committee to welcome new members, and a working conditions committee to handle workplace concerns so that worker board members are not tempted to bring such issues to the board for solutions. Lucie says it is helpful to have the worker point of view on the policy issues before the board, and also noted that the popular idea of creating a sample apartment in their office for training purposes originally came from a worker. This training venue is now used by other co-ops as well. The pride Lucie feels in the co-op is evident, and the welcoming atmosphere apparent to visitors. Prominent on display for example, is an enormous display featuring the photo of every co-op care worker, including three of the canine variety who make it their responsibility to help cheer up their clients who are in need of a little animal companionship. “The perfect co-op” says Lucie “would resemble this co-op.”
Location: Region on and around the Ile d’Orléans, Québec City

Membership Base: 978 consumers, 78 workers and 21 supporter members

Governance: Nine directors – 3 consumers, 3 workers and 3 supporters

The Services a Domicile Orléans Cooperative see their role in the community as more than just providing housekeeping – their objective is to counter poverty and the black market, create sustainable jobs, provide quality services to consumers and enable employees to acquire valuable skills and training. Like other home care organizations, most of the clients of the Orléans co-op are elderly with more than half over 80 and the oldest 106 – a client who would likely not be able to stay in her home were it not for the services of the co-op. Also in common with other home care organizations, the co-op cannot hire enough workers and maintains a waiting list of eligible would-be members. The co-op provides 65,000 hours of service per year, and could do more with more staff. Turnover is 30-40% per year. Although pay is low, some co-op workers have reportedly left higher paid health care jobs to do home care work because they enjoy the ability to interact with clients.

Cost for a share is $20 for users, $10 for workers and $100 for supporters, which can be reimbursed. Supporter members of the co-op are mainly local government representatives or community groups. Co-op General Manager Renelle Valade says they have not made as much use of the possibility for supporter members, and would like to increase the number in the future. 90% of their work is in home care, but they also do some personal care services as well. Renelle finds it “somewhat challenging” to have workers serve on the board, particularly when the board considers sensitive issues like wages, but she thinks it helps that in her co-op, the general manager is not a member. While Renelle notes that it can be difficult for board members to keep to their roles and be impartial and not have conflicts, she also says the think she likes best about the co-op is that they work together and “everyone helps each other.”
Location: Montréal

Membership Base: Nonprofit organization

Governance: Six Directors including 1 worker representative and 1 consumer representative

For various historical reasons, nonprofit home care agencies rather than cooperatives dominate the Montréal marketplace, and Clean Sweepers is one of the most successful. It used to be that the organization had turnover of 50-60% per year, but now General Manager Bruce Cameron reports, it is down to 18-20% per year as he has become better at matching people with the organization. Those who do well are those who enjoy the aspect of human interaction that comes with the work. Many of his employees speak only English and in the context of Francophone Québec, this makes it hard for them to find other employment. Bruce has been creative in finding resources to help Clean Sweepers offer better employment. In addition to housekeeping tasks, the organization has secured funding through the social economy network to purchase a truck and some other equipment that allows them to do “heavy” cleaning like rugs or outside work as well, jobs that pay significantly more per hour. They would like to add more personal care services to their offerings, a move that is reportedly being blocked by local unions.

Clean Sweepers currently has 42 staff, including 4 administrators. There are 10-15 people on a waiting list, but recruitment is an issue as always. Bruce feels it is important for the organization to be responsive to the needs of the community, and he actively solicits representation from the area’s various ethnic groups to sit on the board as well as members of the business community. The organization’s worker board member is elected by peers, while other board members are appointed.
Location: Montréal

Membership Base: about 3,000 consumers, 65 workers and 12 supporter members

Governance: Seven members – 3 consumers, 2 workers and 2 supporters

Novaide is a cooperative that was formed by the merger of three nonprofit home care agencies in 2005, an example of transition for nonprofit to cooperative structure. General Manager Jacques Monette reported a primary driver of the transition was efficiency and financing – the three nonprofits were not financially viable as individuals units, and the cooperative model was well-recognized and made it easy for them to borrow money. Jacques also appreciated the more businesslike orientation of cooperatives, and especially the freedom he enjoys to develop new business lines and new ideas, something he attributes to the changes that came with the co-op restructuring. In terms of management tasks, it is the same.

Novaide has supplemented their home care work with commercial office cleaning, including the famous Cirque du Soleil among their former commercial clients (before the Cirque created a social enterprise cleaning entity of their own!). They would also like to offer personal care services, although Jacques notes that that will be “difficult” to arrange. The motivation for developing new services and lines of business is to improve pay and working conditions for the employees overall. The co-op has had a union since 2007, an organizing drive he attributes to the uncertainty and policy changes that accompanied the merger, which took place at a time of crisis. Today, things are much more stable.

One of the employee members of the board is a union representative, the other is an administrative staff member. This and the inherent tension between consumers and workers creates challenges for management, who, Jacques says, really “need to have special skills” to work in a solidarity co-op. There is a designated committee charged with overseeing working conditions so those issues are not brought to the board. Management compensation is also dealt with at a committee level. To date, the board leadership has also been provided by either consumer or supporter members of the board rather than worker members.

Turnover at Novaide was 44% last year, a challenge as always. The goal is to lower it to 25%. Montréal is a very diverse city and about a third of the co-op’s staff are minorities; this will likely grow as the co-op is now engaged in a special program to hire immigrant workers. While pay is low, the advantages to the work include full-time employment, basic benefits and also the opportunity to have a job where assisting clients is an important part of the work. Years ago the co-op’s waiting list was 2 – 3 months for services, but in recent years they have managed to reduce it significantly.
APPENDIX A:

List of organizations, individuals met during the study tour:

Government Offices and Officials:

- Québec Ministry of Economic Development, Innovation and Exportation (Cooperative Department) – Sylvain Levesque, France Boutin
- Federation of Regional Development Cooperatives – Emily Dick Roy
- Coopérative de développement régional Québec-Appalaches – Sébastien Girard

Cooperative Sector Organizations:

- Québec Council of Cooperatives and Mutuals (Conseil québécois de la coopération et de la mutualité) – Joséé Tremblay
- Québec Federation of Home Care and Health Cooperatives (Fédération des coopératives de services à domicile et de santé du Québec) – Chantal Bisson, Claude Boileau

Academics, Researchers:

- Yves Vaillancourt, Professor of Social Work (retired), University of Québec au Montréal, author and expert in the social economy
- Jean-Pierre Girard, Lecturer, University of Québec au Montréal and expert in Québec home and health care cooperatives

Home Care Cooperatives:

- Services D’Aide a Domicile de Québec (Québec City) – Lucie Bussieres
- Services a Domicile Orleans (Québec City) – Renelle Valade
- Novaide (Montréal) – Jacques Monette
- Coup de Balai/Clean Sweepers (Montréal) – Bruce Cameron

Other:

- Dennis Missud, local economic development and cooperative development practitioner
- Jean-Marc Félio, board and governance consultant
APPENDIX B:

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