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**The Role of Cooperatives in Communities:  
Examples from Saskatchewan**

by

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# The Role of Cooperatives in Communities: Examples from Saskatchewan

*Murray Fulton and Lou Hammond Ketilson*

This paper examines the role of cooperatives in the economic and social development of communities in Saskatchewan, a prairie province of Canada. Based on a comprehensive study of cooperatives in that province, it provides statistical evidence of the economic importance of cooperatives and anecdotal evidence from interviews that demonstrates the value of cooperatives in contributing to the social well-being of residents and in maintaining a sense of community. It also posits a number of theoretical models that can be used to explain the role of cooperatives in communities. A major finding is that cooperatives play a critical role in ensuring the continued social and economic existence of many communities, particularly smaller communities facing rural decline.

Cooperatives have played an integral part in the social and economic development of Saskatchewan. The formation of the first cooperative enterprises at the turn of the century grew out of the struggle of rural people to gain control over their local economies. Cooperatives were formed to counteract various forms of market failure, from a lack of competition in grain marketing and handling to the inadequate provision of goods and services, such as farm supplies and credit. Rural people turned to cooperative activity as a means of marketing their agricultural produce and obtaining needed goods and services (Fowke).

The cooperative sector in Saskatchewan is very diverse. Six of Saskatchewan's top twenty firms are cooperatives, including the two largest businesses in the province.<sup>1</sup> At the same time, cooperatives are found in the smallest communities of the province. In many instances, the largest coop-

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eratives are linked directly to the cooperatives in the smaller centers through wholesaling activities and the provision of centralized services. Over the last 90 years cooperatives have been formed to supply everything from recreational services to child care to fuel to employment. Total revenue earned by cooperatives in 1989 exceeded \$3.5 billion. Together, cooperatives control more than \$8.7 billion in assets (Fulton, Ketilson, and Simbandumwe).

The diversity and the success of cooperatives suggest they possess characteristics that have enabled them to address problems experienced by their members and by the communities in which the members live. Given the major economic changes that are under way in rural Saskatchewan, the purpose of this paper is to examine the role that local retail cooperatives and credit unions are currently playing in rural communities. The role of the Saskatchewan Wheat Pool, a large integrated agricultural cooperative and the largest cooperative in the province, is not examined in this paper. Although it operates elevators and service centers in a large number of the communities in the province, its centralized structure made it less applicable than the retail cooperatives and credit unions to the study carried out in this paper.

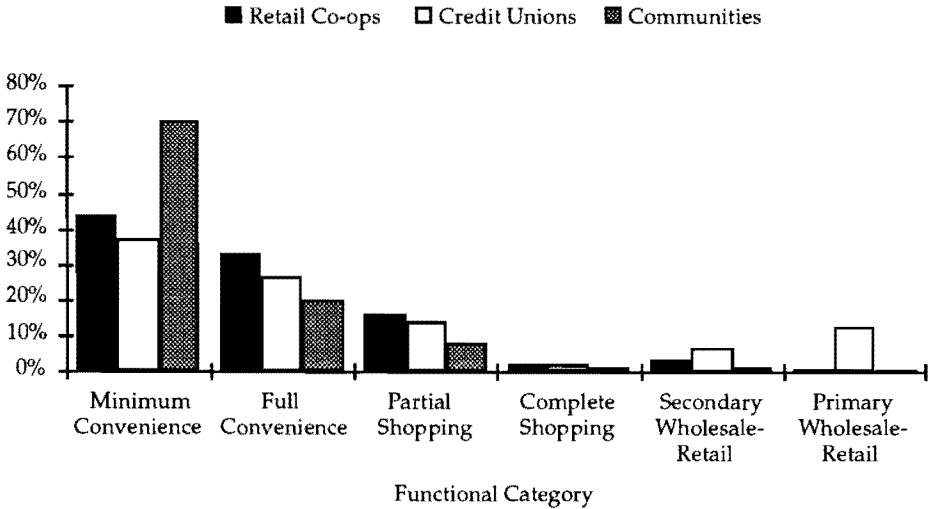
The paper is structured as follows. The following section provides statistical information identifying the importance of local retail cooperatives and credit unions in Saskatchewan communities, on a provincewide basis. It is shown that these cooperatives play a major role in the smaller communities of the province. The paper then presents a number of theoretical models that can be used to explain the role of cooperatives in communities. To examine more closely the applicability of these models, the results of interviews carried out in February 1991 with cooperative and community leaders in 11 different Saskatchewan communities are presented and discussed.

## **The Role of Cooperatives in Saskatchewan Communities**

There are 598 communities in the grain belt region of Saskatchewan. These range in size from hamlets, with populations of less than 20, to the two major cities in the province, with populations of approximately 200,000. To examine the role of cooperatives in the province, these communities have been grouped into six functional categories: Minimum Convenience, Full Convenience, Partial Shopping, Complete Shopping, Secondary Wholesale-Retail, and Primary Wholesale-Retail. The names of these categories describe the functions the communities perform. Communities were grouped together and assigned to a category based on similarities in population, number of businesses, and numbers and types of services.<sup>2</sup>

Cooperatives are found in communities representing all six functional categories. In terms of numbers, cooperatives are concentrated in the communities that provide minimal services. Figure 1 indicates that 43 percent of the 176 cooperative retail outlets and 37 percent of the 351 credit unions in Saskatchewan are located in the Minimum Convenience category. A further 33 and 27 percent of retail cooperatives and credit unions, respectively, are located in Full Convenience centers.

**Figure 1.—Percentage of Cooperatives, Credit Unions, and Communities Located in Each Functional Category, 1990**



Source: *Annual Returns*, Saskatchewan Department of Justice, and Stabler, "Functional Classification of Saskatchewan Communities," unpublished material.

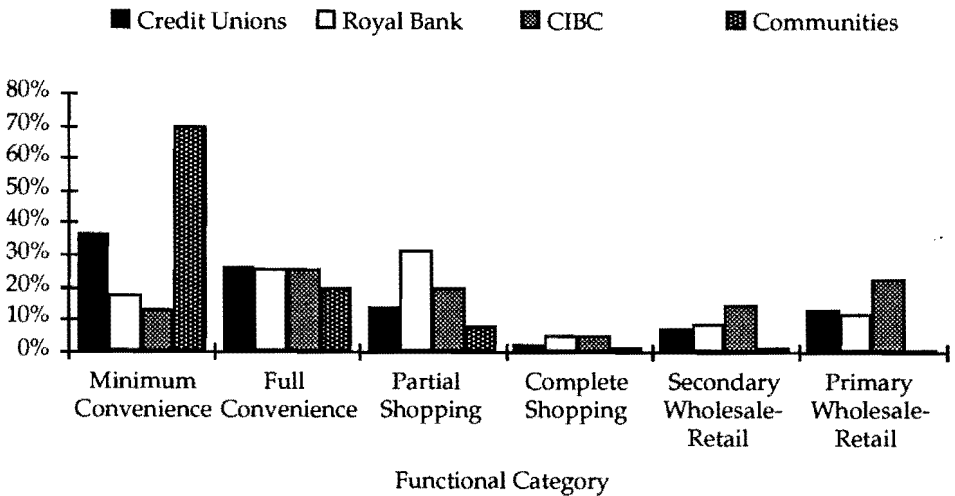
Although the concentration of cooperatives and credit unions in the lower functional categories is not as great as the concentration of communities, the role of cooperatives is nevertheless significant in these centers. At the Minimum Convenience level, for instance, only one community in three has a general store, and only one in four has a grocery store. Since cooperatives are located in 23 percent of the Minimum Convenience and 62 percent of the Full Convenience centers, it is clear that cooperatives are a major factor in providing services to this level of community.

Figure 2 provides further evidence of the importance of cooperatives in the lower functional categories. Unlike the credit unions, the highest concentrations of Royal Bank and Canadian Imperial Bank of Commerce outlets, the two largest agricultural banks in the province, were not found in the Minimum Convenience centers. Instead, the greatest representation of the chartered banks was found in the higher functional categories.

## Conceptual Model

The predominance of cooperatives in smaller communities is not by chance.<sup>3</sup> Cooperatives (this term will usually refer to credit unions as well), by their nature, are likely to behave differently from other institutions. In this section, seven different components of the behavior of cooperatives are examined. Three of these components derive from the theoretical literature on the output and pricing decisions of cooperatives. This literature stresses

**Figure 2.—Distribution of Credit Unions and Chartered Banks in Saskatchewan, 1990**



Source: Credit Union Central, Royal Bank, CIBC, and Stabler, "Functional Classification of Saskatchewan Communities," unpublished material.

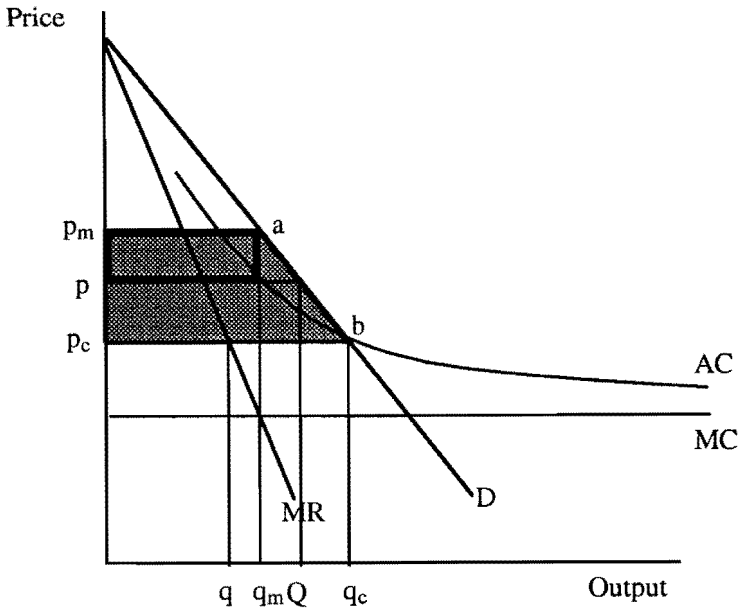
that cooperatives have different objectives than investor-owned firms (IOFs) and hence can be expected to make qualitatively different decisions. The degree to which cooperatives can be expected to provide competitive pricing of products, provide additional goods and services that might otherwise not be provided, and undertake additional economic activity in the community is examined in this section.

The notion that cooperatives are a form of collective action requiring cooperation provides the basis for two more components. One of these is the degree to which members of a community support and sustain a local business, even though they might individually be better off if they shopped elsewhere. Related to this is the degree to which members of a community realize that their economic decisions (e.g., deciding where to purchase a product) often have social consequences (e.g., the loss of a community meeting place).

The final two components are linked to the unique role that management plays in cooperative enterprises (Fulton and Laycock). One of these is the degree to which cooperative managers are able to adopt the uniquely cooperative behavior described above. The second is related to the first in that a key element of the ability to adopt a "cooperative" behavior is the degree of local control exhibited by a cooperative.

### Competitive Goods and Services

One of the traditional roles for cooperatives is to provide products and services at competitive prices. Providing a good or service at a competitive

**Figure 3.—Market Power and the Role of Cooperatives**

price becomes increasingly important as the number of businesses providing a service in a community declines. As this occurs, the ability of the remaining firms to charge higher prices increases. Price increases that occur in this manner may go unchallenged if the demand in the region is sufficient to allow only one firm to operate.

Figure 3 illustrates this scenario. The demand for the good or service in the community is given by  $D$ , while the average cost and marginal cost curves for the firm are given by  $AC$  and  $MC$ , respectively. These cost curves represent a firm with a fixed investment cost and relatively constant variable cost. In the absence of other competitors, the firm will be able to act as a monopolist, charge a price  $p_m$  (determined by setting marginal revenue ( $MR$ ) equal to  $MC$ ), and earn a profit equal to the outlined rectangle.

Although profits are being earned by the firm, it is not profitable for another firm to enter. For instance, suppose that two firms are able to divide the market between themselves equally (an equal market division provides the best opportunity for both firms to survive). As long as the  $MR$  curve lies below the  $AC$  curve, however, the two firms will be unable to earn positive profits. This follows because the  $MR$  curve is also the demand curve for a firm with a 50 percent market share; as long as it is less than  $AC$ , both firms will lose money. As an example, assume that the total quantity

produced by the two firms was equal to  $Q$ ; the price charged would then be  $p$ . With a 50 percent market share, the quantity each would sell would be equal to  $q$ . At output  $q$ , however, the average cost of production is greater than the price.

The problem in this situation is that the market is not large enough to support more than one firm. With only one firm, the possibility of market power being wielded increases. Cooperatives, however, can mitigate the effects of this market power. Using figure 3 as an example, cooperative members will find it desirable to lower the price from  $p_m$  to  $p_c$ , resulting in a demand for the good of  $q_c$ . At a price of  $p_c$ , the cooperative would be just breaking even, while consumer members would be experiencing a gain in benefit equal to the gray shaded area. (In formal economic terms, the member gain is the change in consumer surplus, area  $p_m abp_c$ .) Since this gain by members is greater than the loss in profits (if the cooperative did not lower the price to  $p_c$ , it would be able to earn monopoly profits and return these to its members as patronage refunds), operating the cooperative on a break-even basis will lead to a greater level of welfare for the members.<sup>4</sup>

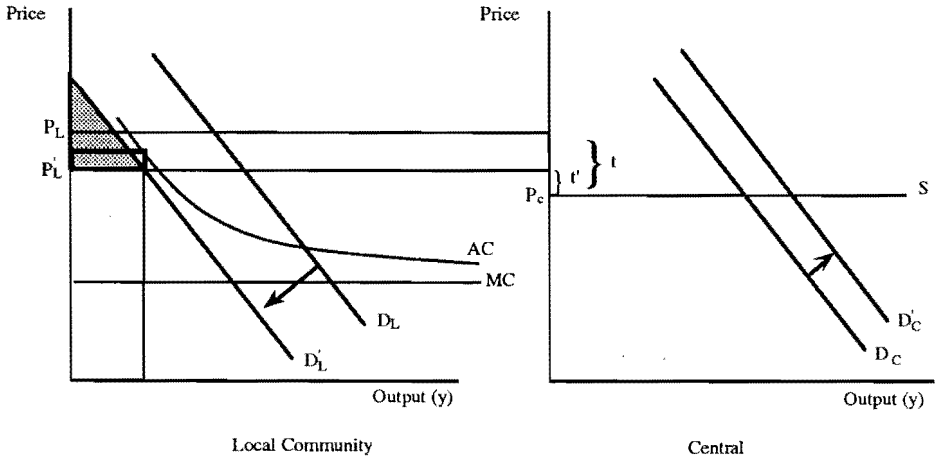
### Provision of Goods and Services

A cooperative also has a role to play in providing goods and services that would not be provided were the cooperative not present. Figure 4 illustrates one example of this type of situation. The left-hand side of the figure shows the demand at the local-community level. Due to shifting population (fewer people in the community) and reduced transportation costs ( $t$  to  $t'$ ), demand at the community level shifts in from  $D_L$  to  $D_L'$ . At the same time, demand at the more central location shifts out from  $D_c$  to  $D_c'$ .

The effect of reduced transportation costs in this example is particularly interesting. With a reduction in transportation costs from  $t$  to  $t'$ , the price at the local level falls to  $p_L'$ . Although this makes the goods cheaper at the local level (the local price [ $p_L$ ] is equal to the central price [ $p_c$ ] plus transportation costs), it also makes the goods purchased at central locations less expensive, making it cheaper for the people in the community to shop elsewhere.

Even with reduced transportation costs, demand at the local level will not completely disappear. This is partly a result of the fact that some people in the community are not mobile (e.g., the elderly) and partly a result of the fact that for convenience, people in the community would like to have certain goods and services nearby (e.g., basic groceries, minor repairs and parts, and fuel).

If the cost structure of the firm supplying the good or service is given by average and marginal cost curves  $AC$  and  $MC$ , then a shift in demand to  $D_L'$  will mean that the good will no longer be supplied locally. This follows because  $D_L'$  lies everywhere below  $AC$ , implying that there is no quantity for which consumers are willing to pay a price that is above the costs of producing the good. For instance, at price  $p_L'$ , the loss to the firm supplying the good is given by the outlined rectangle area. It should be noted that this loss might not be negative profits, but simply a rate of return that is less than a competitive rate elsewhere in the economy.<sup>5</sup> As a result of losing

**Figure 4.—Cooperative Provision of Goods and Services That Otherwise Would Not Be Provided**

the local business, people who do purchase locally are made worse off. A measure of this loss is the grey-shaded area in figure 4.

In figure 4, the loss to consumers from the closure of the business is greater than the loss that would be incurred were the business to operate. This suggests that it would be economical for the good to be supplied; the benefits of having the good supplied are greater than the costs of supplying it. However, as long as ownership of the firm is separated from the people who consume the good or service, it will never be advantageous for the good to be supplied.

A solution to this problem exists if there is a way to have the costs and benefits incurred by the same group of people. A cooperative or a community-run firm represents one such way. For instance, if a cooperative were to operate this business, its members would encourage it to stay in business, even though it is not earning a competitive rate of return. Thus, the behavior of the cooperative can be expected to be different from that of a profit-oriented firm.

### Community versus Self-Interest

The problem described above has many of the elements of a Prisoners' Dilemma. Individuals in a community decide to shop at the central location because it is beneficial for them to do so. However, when a large number of people do this, the result may be that the local firm closes down. Thus, in attempting to increase their individual welfare, the members of a community have actually reduced the overall welfare of the community.

Cooperatives and community-owned businesses are a possible solution to this problem. Through collective ownership of a business, community or cooperative members may be more likely to see the effect of bypassing

their local store or business and, hence, be more likely to alter their behavior. As a result of changing their buying habits, it may be possible that a locally owned business can actually prosper.

### **Social Role and Community Cohesiveness**

The above arguments are also applicable in the case of social activities and services that might be provided in a community. Although such services are distinct from the business activity in a community, there is nevertheless a correlation. For instance, the loss of a grocery or hardware store in a community may mean that there is no natural place for people in the community to meet, discuss local issues, and receive support and encouragement.

As Wilkinson (p. 2) points out, interaction is a core property of community; without it, community could not exist. The formation of a cooperative or community-owned business may be one way of getting people to realize that their business decisions and social activities are related. Put another way, a cooperative can be seen as part of a community field, a "process of interrelated actions through which residents express their common interest in the local society" (Wilkinson, p. 2).

### **Additional Economic Activity**

Cooperatives and community-oriented enterprises can also play a role in attracting and retaining additional economic activity in a local area. The argument here is very similar to the one made above with respect to the provision of a good or service that otherwise would not be provided. However, with respect to additional economic activity, the focus is not so much on what members of the community receive as consumers, but rather on the benefits that flow to the community from having additional employment and the resulting spin-offs.

It is useful in a discussion of this topic to once again distinguish between the behavior of an IOF, on the one hand, and a cooperative or community-based firm, on the other. For an IOF, any new business venture would have to be profitable enough that it would earn as good a rate of return as could be earned elsewhere in the economy. For a community-oriented firm, profitability would not be the only aspect under consideration. Also of interest would be the employment generated by the new venture, as well as any spin-offs to other firms in the community. If these other benefits were large enough, activities that did not earn a competitive rate of return might nevertheless be undertaken.

Cooperatives might also have a desire to encourage a business that provided employment and economic activity in the community. This is particularly true for worker cooperatives. In this case, the benefit the workers would look at would not be limited to the profits the enterprise would earn. In addition, the workers would be interested in the degree to which the enterprise provided them with employment that otherwise would not exist. Note that underlying this argument is a view that unemployment in the community is chronic and that other employment opportunities will not be forthcoming.

Members of other types of cooperatives might also have an interest in seeing additional economic activity undertaken in the community. However, unless the benefits of this activity are spread rather generally across the membership of the cooperative, it may be difficult to persuade the majority of the membership that this is something the cooperative should support. Thus, it might be expected that cooperatives will be rather selective in the types of activities they will support.

### **Impact of Management on Cooperative Market Behavior**

The ability of a cooperative to behave as outlined above depends on at least two things—management and local control. With respect to management, research indicates that cooperatives that focus solely on economic criteria or solely on social aspects are unlikely to grow and prosper. Managers that are able to translate social values into business operations, however, are much more successful.

A study of managers of consumer cooperatives conducted on the East Coast of the United States in the early 1970s examined the reasons for success and failure of the organizations (Briscoe). The researcher was interested in identifying the reason for the conservative behavior of a group of cooperatives that were either stable or in decline—a group he designated the *frozen cooperatives*.

What was identified was the existence of a belief that business success and social (or cooperative) values were incompatible. This belief led to two views of the world, resulting in two types of leaders. The first was the *trader*, who believed that economic criteria solely should drive decision making. This individual saw adherence to cooperative principles as a burden and a barrier to business success. The other type of leader was the *idealist*, who was prepared to compromise economic criteria in order to adhere strictly to cooperative principles. Neither approach resulted in rapid improvements in sales or profitability.

What did work, however, were business strategies focused on translating social values into business operations, resulting in improved business performance and increased member benefit by providing distinctive services to the customer/member. There was no need for business efficiency to be in opposition to socially responsible behavior. The key thing was to identify the social values of the stakeholders (member/customers) and to demonstrate them through the actions of the cooperative.

### **Local Control Over Decision Making**

Cooperatives' ability to adopt behavior different from that of other organizations is also dependent on the degree of local control possessed by individual cooperatives and their members. Knowledge of local conditions, as well as the sense that they possess the power to alter those conditions, enable cooperatives to make decisions that take into account members' welfare. At the same time, local control cannot be at the expense of the ability to tie into a wider network that can provide scale economies. However, tying into this network often means a loss of autonomy.

Both the retail cooperatives and the credit unions in Saskatchewan are part of a federated structure. In the case of the retail cooperatives, the local organizations are organized independently but have pooled their resources to purchase a wholesaler, Federated Cooperatives Limited (FCL).<sup>6</sup> Although the retailers own and formally control the wholesaler through representatives on the board of directors, there are fears that the local autonomy is threatened (Hammond Ketilson 1988).

Although the credit union system is modeled on a federated structure, it possesses many of the characteristics of a centralized system. The legitimacy for control over the actions of the autonomous credit unions at the local level rests in legislation enacted in the province. In accordance with the Saskatchewan legislation, a credit union is required to meet the "standards of sound business practice" prescribed by the Credit Union Deposit Guarantee Corporation.<sup>7</sup> If it fails to meet these standards and does not respond to suggestions by the corporation as to how it might, it is subject to being placed under supervision until such time as its business status improves or it successfully merges with another credit union.

This loss of autonomy can be countered through the values underlying the principles of the cooperative organizations (Hammond Ketilson 1991). By the use of this countervailing power, the local cooperatives can maintain control over their organizational decision making while, at the same time, having input into the decisions of the central body. Because of the nature of the cooperative organization and a desire to maintain cooperation among cooperatives, there is a strong motivational investment of the local in goals mediated by the central cooperative. Despite disagreements that may exist, a commitment to developing a strong cooperative system allows the conflicts to be mediated.

## **Empirical Observations**

To examine the importance and applicability of these conceptual models to Saskatchewan, a survey of cooperative and community leaders in 11 communities was undertaken in February 1991. The responses to these interviews have been coded into seven interrelated areas, corresponding to the conceptual points of view outlined above.<sup>8</sup> A discussion of these responses is provided below.

The communities were chosen from three distinct geographical regions in the province: the southwest, west-central, and northeast parts of the grainbelt. These areas were chosen to provide a broad overview of the province and to obtain samples that reflect different climatic conditions and resource bases.<sup>9</sup>

In the southwest portion of the grainbelt, five communities were chosen. Each of the towns in these communities is small (less than 100 people), and all belong to the Minimum Convenience category. The dominant economic activity in these communities is grain production, and livestock production plays an important role in the more southernly of these communities. In all the communities, the local retail cooperative and/or credit union, and the grain elevators, are the only commercial business in town.

Three communities were studied in the west-central area. Two towns are medium-sized (approximately 2,500 population), while the third is very

small (fewer than 25 people). The two larger ones belong to the Partial Shopping center category, while the smallest one belongs to the Minimum Convenience category. In the smallest community, a consumer cooperative provides the only services available.

In the northeast area, three communities were studied. Two of the towns are larger, with populations of approximately 4,500. Both belong to the Complete Shopping category. The third community is a Full Convenience center. It is smaller, with a population of approximately 800. A full range of consumer and producer services are provided in all the communities. Cooperatives have a very strong presence in the three communities.

### **Service and Competitive Prices**

There was a strong sense that the cooperatives and credit unions in the six smallest communities provided service and competitive prices that other businesses were not willing or able to provide. Comments in this vein included:

The [cooperative] provides service no one else provides.

It is easier to order things from the co-op than to wander around the city.

Every time I would go to the bank it would be closed.

[Co-op] prices are good, comparable to Canadian Tire (a national chain, with stores located in the cities).

[The] co-op is still here because it provided excellent service.

The credit union would back people based on character; if you've got a good name, they'll at least consider you.

Almost all the retail cooperatives noted that there was a general lack of competition in their region. In terms of fuel, the commodity that made up about 80 percent of the nonfood sales, the competition is generally located some distance from the towns in question. This geographic pattern has developed over the years largely as a result of the cooperatives being able to acquire and maintain a significant portion of the potential customers in their immediate market area. For instance, each of the cooperatives has a market area that is between 8 and 15 miles in radius. Within an 8-to-10 mile radius, the cooperative typically captures 80-90 percent of the potential business. Outside this area, investor-owned competitors capture an increasing share of the market. They also hold the majority of the market around centers that do not have cooperatives.

Given this geographic distribution, there was a feeling that should the local cooperative disappear, there would be little or no competition to keep prices down. In addition, the concern was expressed that although the co-op provides a wide spectrum of goods and charges the same prices to all members, the investor-owned competitors often limit their business to fuel and oil and often provide lower prices to their larger customers.

Despite the small size of the cooperatives, an extremely wide range of goods is available to members. This level of service is made possible despite the fact that relatively little inventory is held. Instead, members place orders

for things they would like. By relying on a daily bus schedule and the ability of Federated Cooperatives Limited (FCL) to wholesale a wide range of items, the local cooperatives are able to bring a large number of goods virtually to their members' doorsteps.

In the larger communities studied, the role of cooperatives was perceived rather differently. Although it was felt that the presence of the cooperatives strengthened the community, it was also felt that they had to be careful not to undercut other similar businesses. As one cooperative store manager said:

Member expectations create unrealistic assumptions. They want more service, cheaper than anywhere else and want patronage refunds as well. They don't seem to realize that the co-op has to remain viable as well.

How you perceive the impact of co-ops depends on your political perspective. If the co-op is large and strong, people feel it kills competition; in some communities there would not be any services if it weren't for the co-op.

### **Provision of Goods and Services Otherwise Not Provided**

Among the six small retail cooperatives considered, the notion that cooperatives are capable of supplying goods and services that otherwise would not be provided received considerable support. One aspect of this was presented in the previous section, where it was pointed out that all the cooperatives regularly ordered items in response to specific requests.

A better example of this sort of behavior, however, is the case of one of the cooperatives taking over the retail postal outlet in town. Although the cooperative is able to provide services only four days a week (the cooperative closes on Monday), the alternative was super mail boxes, which would not have allowed people to mail parcels. The point was also well made in the comment, "[cooperative] prices are a bit higher, but going to [the city] is not cheap. If you had to go somewhere else it would cost you, e.g., [the cooperative supplying] propane—not making a lot of money, but a good service."

The formation of a community grocery store in one of the communities after the previous owner left is an additional illustration of the role a community or cooperative can play in providing non-profitable goods and services. As will be discussed below, the ability of a community to undertake successfully something of this magnitude requires a real sense of community.

In addition to these concrete examples, a number of the communities expressed the notion that they might be willing to consider the possibility of supplying a service should it be withdrawn from their community. For example, a few talked about supplying postal service or offering the services of a mechanic. The remark was also made that as banks close in the smaller centers, the demand for credit unions grows. In this vein, it was interesting to note that one of the communities traced the beginning of their credit union to the withdrawal of a commercial bank in the 1960s. One community also raised the question of what would happen if their local elevators

were closed and whether the cooperative in the community would or could respond with a bulk loading system.

In the larger communities where there is competition, the provision of additional goods and services presents a dilemma for the cooperative, as evidenced by the following comment:

Co-ops are presented with a double-edged sword; if they introduce a service in competition with another privately owned store, they are seen to be weakening the community, undermining private enterprise's rightful place. But if it introduces a service not otherwise provided and it fails, everyone says "I told you so."

It appears that the cooperative's actions are appreciated if a business has already closed down, such as the furniture store or lumber yard mentioned in one of the larger communities. However, controversy erupts in town when the co-op opens a service already in existence, such as a bake-off (in-store bakery) when there is already a bakery in the town. Thus, cooperatives are expected to provide services that do not exist, even if others have closed because they could not make a profit, and they are expected to not underprice a competitor.

The pressure on cooperatives as community-based businesses to provide goods and services that other, non-community-based, enterprises are off-loading increases during tough economic times. The credit unions in two of the larger communities indicated they were feeling the pressure to take over farm and commercial debt, almost as a show of good faith to the community. This again can be a double-edged sword, for they do not want to increase risk to their depositors, but they do want to show support for the community.

The question of the provision of services that might otherwise not be provided has another dimension. In the northeast area, each cooperative and all but one credit union had branch operations in other smaller communities. Some of the branches had been acquired when outlying communities approached the more central community to amalgamate in order to provide more services or to assist in maintaining the service in the smaller community. Others had been established by the central cooperative or credit union at the request of the smaller community when another, investor-owned, business had closed, leaving them with reduced or no services.

This relationship cast most of the cooperatives in the role of having to consider not only the needs of their immediate community, but also those of communities as far as 20 miles away. Another dimension was thus added to the decision-making criteria for the cooperative organizations. The way in which the branches were treated seemed to be related to the overall philosophy of the board and management. Some saw the branches not as a burden, but as an opportunity to assist the other communities and to provide services that otherwise would not be there.

We chose to open the cafeteria to try to turn the store around which was losing money, rather than close the store. It looks good now. We have later hours of opening for the supper hour and the cafeteria seems to have brought in new business. We decided not to close the branch because our community would not have likely picked

up their business. The local people would have just got mad and taken their business elsewhere.

We started a branch in [the neighbouring town] because there was no service there. However we may have to pull out because we have not received the patronage we thought we would. But we will not be able to use strictly economic criteria to decide when we do.

### Social Role and Community Cohesiveness

Size of community seems to have an influence on the perceived social role and contribution to community cohesiveness made by cooperative organizations. In the smallest of the communities examined, where there had been a long history of cooperative community activity, the store was more than just a point of business; it was the social and economic hub of the community. Residents went there to pick up their mail, have coffee, and catch up on community news or plan events, witnessed by comments such as:

I wouldn't know what was going on in the community without the store being there.

If the cooperative shut down, customers would split; we would lose the community.

[The manager's] loss leader is coffee.

If you're feeling down, the cooperative is a good place to go to talk to people.

For new ideas to emerge, [people] need time and a place to talk; community is not groups of one or two.

Those interviewed also shared remembrances of their childhood:

I was raised in the curling rink (also a cooperative).

The annual Christmas concert was the highlight of the year. It was sponsored by the Co-op store and that was when patronage dividends were handed out, along with the candy and oranges for the kids.

To this day Boxing Day<sup>10</sup> has a totally different meaning for me than many others. My dad was the president of the co-op board for many years and we spent every Boxing Day as a family taking inventory in the store.

Do you remember the baking contests sponsored by the local cooperative guild? That's when I learned to bake.

These comments indicate that community is valued and that cooperatives play a role in maintaining a sense of community. Given the dominant economic role that cooperatives play in these communities, it is not surprising that the cooperative, credit union, or local store also plays an essential social role that enhances community cohesiveness. The comments also indicate, however, that community is not something tangible to which one can point and say "That is community." Instead, community is viewed as

part of everyday life—people interacting with each other as they go about their regular business. Community, in this sense, follows very closely the idea of community fields discussed in the conceptual model section.

The importance of the cooperative or credit union, therefore, appears to go beyond being simply another business. Comments about the community being cooperatively minded, e.g., that the fire department and recreational facilities in town are organized and run cooperatively (though not as a cooperative) and that as the population has dropped people have moved closer together, indicate that something that everybody owns and controls does take on an added, or a different, value.

In the larger communities, even if the co-ops have a broad base of support, the majority of their community activities are of the good corporate citizen nature. Involvement in the community as an organization consists of donations to local clubs, provision of scholarships, and purchase of 4-H calves. The following comments, however, provide an indication of being slightly more community-oriented, rather than just being a good corporate citizen.

We do not spend money on the grand champion just for the status, but rather prefer to spend the same amount and buy several calves, and that way spread the benefit of the contribution around.

We try to support anything that is focused on community.

The relationship with branch organizations in some of the communities meant that financial contributions and support were made to all communities, including the central one. Involvement by staff in community events was also noted as an important contribution to the viability of the community. In one medium-sized community in particular a great deal of emphasis was placed on the involvement of the credit union staff in community events. As one manager said, "We want to employ staff who are prepared to participate in the community. The board emphasizes community involvement and will pay for staff memberships in local clubs." In the other communities those interviewed talked proudly of their volunteer commitments. Among the board members in particular, it seemed to be an indication of a good manager if he or she was actively involved in community activities.

## **Community versus Self-Interest**

The importance of the community in the lives of people can be further explored by looking at the degree to which people in the community act in their own self-interest or in the interest of their community. The notion that people cared about the community and the organizations in it and were willing to take action to preserve them was particularly strong in the six smaller communities:

There is a feeling that people do buy locally instead of in the city.

People try to shop here; the bulk of people's business is done here— if you don't buy things here; then it won't be here in the future.

[While] the dividend plays an important role in keeping business, the biggest dividend is the co-op being here.

The thing that hurts is having to spend ten dollars [by traveling] for a fifty-cent item.

People are buying locally more in last few years; taking time to order things.

Difference between the generations; younger people have a more hard-nosed attitude—they go for the best deal.

If we don't pay our bad debts, we're letting our credit union down.

One of the themes running through these comments is that people appear to realize that the decisions they make have an effect on their community and that they can control this effect to some degree. For instance, one of the cooperatives had just moved into a newly constructed building. One of the reasons for a new building was to be able to continue to supply the services they had been supplying and to branch out into other areas such as hardware and small parts. A significant portion of the cost of the new building was obtained from a one-half cent per litre charge added to the price of fuel. This charge has been in existence for 10 years, and in 1984 the proceeds were used to buy a new fuel truck. The remarks also show that people's recognition of the interrelationship between their decisions and the state of their community is something that has increased in recent years and is more evident in some of the older members of the community.

The question of community versus self-interest is rather complex, however. In one of the smaller communities there was no doubt that the residents made a concerted effort to support the local cooperative store rather than take their business out of the community. The cooperative had maintained its sales and net savings position and had been able to pay out significant patronage dividends. However, the same support was not being given to the local curling rink. The rink had been rebuilt in the early 1980s, complete with artificial ice. However, this past year there was not enough support in the community even to put in the ice. Although it was suggested that the decline in the local population was the major factor in this event, it would appear that although people are willing to stay close to home to support economic services to keep them alive, they are not as willing to patronize local recreational services if there are others within driving distance.

The larger communities, in contrast, appeared to be fighting more of a losing battle with community self-interest, as demonstrated by people's willingness to drive to the larger centers for almost any good or service. It was felt some older people shopped at the cooperative to keep a store going, but that young people were not as loyal. One credit union, which offered a *Christmas Cash Program* (interest-free loans are provided in the form of vouchers that can be used only at local participating businesses; the program is designed to keep people shopping at home), admitted that they lost money on the venture, but felt that it was an important contribution to the viability of the community.

There was some evidence that attitudes are changing. As times have become more difficult, younger people have not seemed as willing to drive as far and are more interested in shopping locally. One cooperative recently

introduced a new equity program that really helped to draw new members. However, it had a negative repercussion for other cooperatives in the area that were not making patronage refunds. The cooperatives and credit unions all indicated that they did their best to patronize local business for any building or expansions undertaken.

Evidence was also presented of the dilemma faced by management regarding when to add or delete a service or product line:

We do not add a service if it is already provided in the community because we do not want to undermine another business. We will down-size an existing product line so that it does not compete too much with another business in town, but will continue to carry a certain amount since members expect to find it in the co-op. We carry wool because we make money on it, but we are going to drop our toy line so that the drugstore can have the market there. This does create image problems for us in the community because some feel we should pull the line completely so that the fabric store in town can survive.

We know people want competition, but we have to be cautious; we don't want to kill other businesses.

As discussed above, credit unions seem to be caught in the proverbial hard spot over picking up farm debt. They want to keep the community afloat by giving more time to creditors, but they do not want to put credit union members at risk. These comments describe the problem:

The smaller credit unions have been reluctant to pick up farm accounts since recent homestead legislation changes do not allow foreclosure on the home quarter.

If the member has been a loyal customer we will take extra steps until the depositors may be at risk; for new people we will take them only if they are low risk.

Credit unions have also been prepared to initiate activities such as the *Christmas Cash Program* as incentives to keep money in the local community. For some it has been very successful, both economically and for their image as well, as indicated by the comment, "We got better PR from that activity than any advertising dollars we ever spent."

### **Additional Economic Activity**

In the six smaller communities, the usual reaction to a question about other economic activity was that the local cooperatives and credit unions were too small and too much at risk financially to consider such an idea. The notion also surfaced that other economic activities were not possible in their region. However, one community did say that "we should be looking at something new," even though they thought the possibilities were limited. It is interesting that this remark came from people associated with the credit union who had been receiving questions of the same kind from Credit Union Central. Credit Union Central of Saskatchewan is currently

encouraging the credit union system to become more involved in community development.

The credit union in one of the larger communities was very active in supporting the development of new enterprises. They were one of the first to donate to the local community bonds issue (a program in which money raised in the community for a project is guaranteed a limited rate of return by the provincial government), considering it to be of benefit to everyone to bring business into town. The local co-op did not feel the same enthusiasm because it felt that its money should have been invested in a co-op business. However, it did contribute money to the venture. Other than this initiative, neither was active in initiating other cooperative ventures. In another community, the credit union was an active supporter of a local buyout by employees and saw this as consistent with the role of a cooperative in a community.

The level of involvement in community-development initiatives seems to be a product of viability of the cooperative or credit union and the level of energy of the local management, both paid and volunteer. From a community where the co-op was facing difficulties of its own, we heard:

Community development is the responsibility of the co-ops. In the early days they were formed to meet a need, but they grew into a large business and got out of touch with their members. Now the members are less involved, loyalty is reduced, and economic criteria drive decision making in tough times. However, times have not been tough enough yet to bring people back to co-op models of business.

You have little interest in developing other business if you are in bad shape yourself.

In two communities where the credit union is doing very well and has branches in a number of other communities, we heard the following:

We have only limited involvement in initiating new businesses. We have had bad experiences with some commercial loans in the past. We did save a dealership in [an adjacent branch community]. We feel there is greater pressure brought to bear in smaller communities for the credit union to help, and management of the credit union feels a greater responsibility to these small communities than do management of the banks.

I [the credit union manager] am very involved in the local Economic Development Committee (EDC) and the credit union is heavily involved in financing business operations. The banks are not involved in the EDC but they do want the business.

Despite the interest in community development, there is no preference given to co-op models of business. One person noted, "It is not an important thing these days. You are focused on your own survival, not promoting cooperative forms of business." In a smaller community where the cooperative is strong and has an energetic manager, someone said, "Our manager is very involved in the EDC, and has been very involved in getting artificial

ice for our curling rink. In our most recent expansion we tried to purchase everything locally.”

## Management

The importance of good management was emphasized by all the communities surveyed. In fact, the comment “a good manager is the one reason the cooperative is still here” sums up the view of all the people surveyed. Good management was also seen as one of the reasons one cooperative has never been behind in its retirement payouts, why the number of bad debts of a credit union has always been small, why one cooperative has almost always been able to make a cash payment to members, and why members could now buy a wide range of goods at competitive prices. These points are noteworthy, since they speak to the ability of a cooperative to provide the kinds of benefits that have been discussed above, such as good service and competitive prices.

Other examples demonstrated the centrality of good management, both paid and volunteer, to the success of the cooperative. In one of the smaller communities, the current manager is highly educated and skilled. FCL would like to move him up in the system, but he wants to stay in the community (family ties). Those interviewed felt the store would not run nearly as well without him; he provides not just services through the store but also farm management advice and assistance.

In another community it was suggested that the manager is key not only in running the cooperative, but also in changing the composition of the board. The previous manager had been there for 35 years, leaving a stable organization but one that was also stagnant. The new manager is a real “go-getter” and now has a younger board. They have begun to engage in long-range planning, asking questions such as “what would we be wanting to achieve if we were just opening our doors right now?” to set their objectives.

Although these examples appear to place a lot of the responsibility for the success of the cooperative or credit union on its manager, there was evidence that some members realized that other factors were also present. For instance, one comment was, “[While] management is very important, people get the kind of management they ask for.” Further in this vein, it was pointed out that it is not just the ability of paid management that is key: the support and attitude of the board are also vital. If the board membership is too old or has had little turnover so that there are no new ideas, the cooperative can become stagnant. The following comments demonstrate this situation:

The growth of the credit union had been stagnant until [the current manager] came. The former manager was looking to retirement and did not want to increase his work load. He had turned people away in the past, and [the current management] had to overcome this impression of the credit union.

What [the current manager] needs is a new board with younger, more positive members.

Our [co-op] manager is very aggressive. He is heavily involved in the EDC and the Small Business Loan Association and is active in trying to get a chemical recycling business to town. He also runs seminars for other co-ops and is very active in the community. He was responsible for initiating a new equity program which is drawing customers from other co-ops and from as far as thirty miles away.

It was also pointed out that a board had to consist of both young and old in a community—too many of either would likely tilt the balance of the cooperative too much. The comment was also made that perhaps the tough economic times have not been all bad, since the cooperative or credit union is likely to be managed better when things are tight.

### Local Control

Closely related to the issue of management is the issue of local control. One primary theme that emerged from the interviews was the importance to those surveyed of the retention of control at the local level. It was felt that the local board and management understand the local individuals and the local situation and that local control provides a sense of doing something that is meaningful.

For the smallest cooperatives, a strongly held view was that their continued existence depended on their ability to make the majority of the decisions themselves. This view was largely a result of watching what happened to nearby cooperatives that had amalgamated or merged. Although evidence from around these particular cooperatives supported the notion that cooperatives that merged or amalgamated have disappeared, this is not true in other parts of the province—for example, in some of the branch cooperatives in the northeast region. Repeated references were also made to the notion that the co-op was still in business because it had resisted take-over attempts. Other references were made to problems dealing with FCL, but how, when cooperatives persevered, FCL eventually came around and was willing to help.

These comments say as much about community cohesiveness and the ability to attract and hire good managers as they do about the benefits of local control per se. Nevertheless, it was obvious that local control had given the people in these communities a sense of empowerment. Comments such as “with the cooperative, we’re in charge—it was our objective and responsibility to build a new building” or “central doesn’t tell us who we can lend money to” indicate that the need for some control over their economic life was important.

The cooperatives in the larger centers shared the belief that local control is one reason why cooperatives can serve their communities better than businesses with an outside orientation, such as the branches of larger chain businesses. For example, in one community, the credit union designed a mortgage plan specifically for the community and captured a large portion of the mortgage market as a result. This proved to them the virtue of customizing services to their local needs. They have since hired more staff and put more money into research in order to identify more of the kinds of specific services that the community needs.

Other comments support the idea that local control is important:

Our head office is here and we try to tailor our services to the needs of the community.

We are responsible to those who organized us and to the reasons why we were organized; the banks are only responsible to Toronto. They do not allow their managers to stay long enough to get community roots. They want them to be able to be a bill collector if needed.

We originated as a result of the community and this is what will keep the credit union here and functioning.

We have no other place to go if things get bad so we have to prevent them from getting bad.

We are committed to community and do not look to the outside for business.

We offer the same services to everyone; we do not play favorites.

We feel that the co-op has a major impact on community. Who is always the last out? That is the true measure of commitment to a community.

As suggested above, the desire for local control created a dilemma for the cooperatives and credit unions with branches in smaller communities. The two larger credit unions in this situation had elaborate representative structures to respect the need for local control of branches. Decisions made regarding when to pull services out were made with the input of the local communities, but it was seldom an easy decision, as witnessed by these comments:

[In our branch community] we had two community meetings. We decided we had to close the bulk storage tanks because we could not afford to upgrade them to meet federal environmental regulations. As a result we lost 80 percent of our fuel and food customers. If the co-op does something that is unpopular it is the institution that gets blamed, not the manager or board. People bear a grudge for a very long time and will not patronize any co-op.

If you take something away everyone complains, even the ones who do not patronize it. They expect the co-op to stay even if they don't patronize it.

For both the cooperatives and the credit unions, there is a feeling that political and economic forces are leading to less and less local control. In the case of the retail cooperatives, stricter environmental regulations regarding the storage of fuel has resulted in FCL establishing a series of centralized bulk storage facilities from which a number of local cooperatives obtain their supply. Although this system has been working well since it was introduced last fall, the real test will come in the spring when the demand for fuel increases. For the credit unions, there was concern over the greater amount of paperwork that was being required and how loan

application procedures were increasingly being laid down by Credit Union Central.

At the same time, the cooperatives recognized the importance of a strong central organization. In almost all cases, cooperative members commented favorably on the role FCL was playing in providing a wide range of goods and services at competitive prices. An important element of these services was the patronage dividends that the cooperatives had been receiving in recent years for their purchases from FCL. Without these dividends, the financial picture of the cooperatives would not have been as good as it was.

## Summary and Conclusions

Table 1 summarizes the results of the discussion in the previous section. In this table the importance of the seven components of cooperative behavior examined in this paper are shown as they relate to the type of community in which the cooperative is located.

The first conclusion to draw is that cooperatives in the smaller communities (i.e., the lower functional levels) play a more important role in providing competitive prices and services that otherwise would not be provided than in the larger communities. Thus, cooperatives play a critical role in ensuring the continued economic existence of most of the smaller communities. This is consistent with the theoretical models examined earlier, since market power considerations and failure to provide goods and services are more likely to be important in the smaller communities.

A second conclusion is that the role of cooperatives is not limited to economic considerations alone. Particularly in the smaller communities, cooperatives play a significant social role. They also provide a mechanism whereby members of the community are able to pursue community interests rather than focusing solely on narrow self-interest. In particular, cooperatives appear to provide a mechanism that allows members to see the impact their individual decisions (e.g., shopping locally rather than in a central location) have on themselves and the community.

A third conclusion is that involvement in community economic development appears to be directly related to the size of the cooperative and the community in which it is located. Although this relationship is not strong, the cooperatives in the larger centers have somewhat greater resources and a somewhat larger range of potential projects from which to launch new economic activity. In addition to size, the other major factors influencing cooperatives' involvement in new activities are the energy and initiative of local managers and the economic viability of the cooperative. In considering initiatives, little preference appears to be given to cooperative enterprises. As discussed in the theoretical section, the relative lack of involvement by cooperatives in additional economic activity is not surprising, since cooperatives are likely to engage in such activity only when the benefits are distributed in an even fashion among all the cooperative members.

A fourth conclusion is that management is important in all sizes of cooperatives and communities. The nature of the management problem, however, becomes different as the cooperatives and the communities in which they operate become larger. There are at least two elements to this.

**Table 1.—Importance of Selected Components of Cooperative Behavior by Community Function**

Community Functional Categories	Components of Cooperative Behavior						
	Competitive Goods and Services	Provision of Goods and Services	Social Role & Community Cohesiveness	Community vs. Self Interest	Additional Economic Activity	Cooperative Management	Local Control
Minimum Convenience	High	High	High	High	Low	High	High
Full Convenience	Moderate	Moderate	Moderate	Moderate	Low	High	High
Partial Shopping	Low	Low	Low	Moderate	Moderate	High	High
Complete Shopping	Low	Low	Low	Moderate	Moderate	High	High
Secondary Wholesale/Retail				Not Studied			
Primary Wholesale/Retail							

The first reflects the fact that cooperatives in larger communities have to deal with competition from other firms. In the medium-sized centers, managers of cooperatives have to consider the effect of their actions on the ability of competitors to stay in business. In many instances the market is not large enough to allow two or more firms to offer all the same items. This often creates a dilemma for the cooperative, which is under pressure both to provide a full range of goods and services at competitive prices and to not force other firms out of business. In the larger centers, the problem becomes one of competing with well-established firms and of remaining an active player in the market.

Second, cooperatives located in the larger communities are more likely to have branch operations. The problem here is the necessity to ensure that the needs of the people in the smaller communities are heard and that appropriate action is taken.

This last point relates directly to the issue of local control. Local control is an important component of cooperative behavior in all community categories. For all communities studied, local control was important in providing the cooperative's members and management with a sense of power. Local control also meant that the cooperative was often able to better react to local conditions. At the same time, local control has to be supplemented with central power, since it was only through involvement in more central organizations that local cooperatives were able to obtain goods and services at a cost that allowed them to behave competitively. As pointed out above, this need to balance central power with local control played an important role in the management function in those cooperatives with branch operations.

## Notes

1. "Saskatchewan's Top 100 Companies," *Saskatchewan Business*, August 1991. Businesses were ranked on the basis of sales.
2. See Stabler for a discussion of the methodology for assigning communities to the functional groupings and for the number of communities in each category in 1961 and 1981. In 1990, 419 communities were classified as Minimum Convenience, 117 as Full Convenience, 46 as Partial Shopping, 6 as Complete Shopping, 8 as Secondary Wholesale-Retail, and 2 as Primary Wholesale-Retail. Although there is a wide variation in community population in each of the categories, the average population level in each category increases as one moves from the Minimum Convenience category to the Primary Wholesale-Retail category.
3. A detailed examination of the role cooperatives play in smaller communities can also be found in Fairbairn et al., *Co-operatives and Community Development*.
4. For a formal statement of these results, see: Enke, "Consumer Cooperatives and Economic Efficiency;" Sexton and Sexton, "Cooperatives as Entrants;" and Fulton, "Cooperatives in Oligopolistic Industries."
5. This follows because the AC and MC curves are drawn on the basis that they incorporate a normal rate of return.
6. For a history of the cooperative retailing sector, see Fairbairn, *Building a Dream*.
7. *Credit Union Act*, 1985, c.C-45.1, s.257(1).
8. An outline of the people interviewed in these communities is provided in appendix A.

9. A more detailed description of the communities is provided in appendix B.

10. Boxing Day is December 26. Traditionally, this was the day when food and clothing were boxed so that they could be distributed to the poor.

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## Appendix A Interviews

Interviews with cooperative and community leaders in 11 Saskatchewan communities were conducted in February 1991. The communities were

chosen from three distinct geographical regions in the province: the southwest, west-central, and northeast parts of the grainbelt. These areas were chosen to provide a broad overview of the province, to obtain communities with different climatic conditions and resource bases, and to reflect regions with which the researchers had some specific knowledge of the social and economic foundations.

There was a great deal of diversity represented by the individuals interviewed in the communities in the west-central and northeast regions of the province. Some were long-time members and supporters of cooperatives and credit unions; others were younger and had become cooperative members only recently; still others were not members and held views that were not altogether supportive of such organizations. All were active in their communities, holding varying positions of responsibility and formal status.

Included among those interviewed in the northeast were an active member of the local Economic Development Committee, a former board member of the Saskatchewan Cooperative Women's Guild, a Community Economic Development officer, and an active member of the Lutheran Church and Women's Legion Auxilliary. In the west-central region, the interviewees included a member of a rural municipal council, the president of the Chamber of Commerce, and a prominent business person.

In the case of the communities in the southwest region, specific people were not sought out. Instead, a local person was relied upon to assemble a group of people in the community for a meeting. Most of the people were active in their community, although some of the people interviewed just happened to be present at the cooperative when the interviews were being conducted. Almost all the people were members of a cooperative and/or credit union. This is not surprising given that 85-90 percent of the people in the community are cooperative members. Many of the people were active in other aspects of their community such as the local Lions club, Saskatchewan Wheat Pool committee, recreational committees, fire-hall volunteers, and the like.

Of all those interviewed, just over half were board members, past board members, or managers of cooperatives. With the exception of the managers, all the people interviewed were local farmers. Those interviewed were split approximately evenly between older people (50 years plus) and younger people.

In the interviews, people were first asked to provide a history and description of the cooperative or credit union in the community. Through follow-up questions, information on the goods and services supplied by the cooperative was obtained. The interviewees were then asked to outline what they thought the impact on the community would be if the cooperative or credit union were no longer in the community. This question and the ensuing discussion provided information about several of the categories, including competitive pricing, additional goods and services, the social role, and community interest. The interviewees were generally not prompted with questions on these particular categories. Instead, the answers obtained from the interviews were assigned to a category by the interviewers. The interviewees were asked specifically about whether the

cooperative and credit union were engaged in promoting additional economic activity. They were also specifically asked to comment on the role of management in the cooperative.

## **Appendix B Community Profiles**

### **Southwest Area of the Grain Belt**

The five communities in this area belong to the Minimum Convenience category. Besides the grain elevators and post office, the local retail cooperative and/or credit union is almost the only commercial business in these centers. More specifically, all communities have a local retail co-op, and two have a local credit union. All the cooperatives handle bulk fuel and some small hardware, and one of the cooperatives also handles food. One of the communities also has a community-owned food store, which, while not strictly a co-op, has many of the same characteristics. With the exception of the Saskatchewan Wheat Pool and United Grain Growers elevators, there is no other formalized cooperative activity.

In terms of other activities, two of the communities have a church, two have a school, and two have recreational facilities (both of which are community-run). Two of the communities have a local mechanic, and one has a hotel. All the communities have some sort of service club such as the Lions Club. Despite the lack of economic activity, all the towns are well maintained. The population of the towns consists primarily of retirees, some local farmers, and those employed in the towns' businesses and services.

### **West-Central Area of the Grain Belt**

Of the three communities in this area, two belong to the Partial Shopping center category, while one belongs to the Minimum Convenience category. In the smallest town (population 25), a consumer cooperative provides the only services available. These are fairly extensive, ranging from farm inputs to groceries, but with a minimal inventory of items. There is also a curling rink and community hall, both organized as cooperatives.

The larger towns (population 2,500) offer most producer and consumer services, with some variety and brand-name choice. In one town the cooperatives are very strong. The consumer cooperative offers a full range of services, the credit union holds most of the financial business (despite the presence of three other financial institutions), and the Saskatchewan Wheat Pool operates a farm service center and elevators. A cooperative farmers' market operates in the community, and a cooperative Small Business Loans Association recently has been formed. The other town does not have a consumer co-op (it closed in the 1970s) but does have a credit union and Saskatchewan Wheat Pool elevators. Although the health clinic is not operating, a community clinic association remains in existence.

### **Northeast Area of the Grain Belt**

Three communities were studied in the northeast area. Two of the towns are larger, with populations of approximately 4,500. Both belong to the

Complete Shopping category. The third community is a Full Convenience center, with a population of approximately 800. In the Full Convenience center, groceries (two stores), gasoline (five outlets), lodging (two facilities), meals (three outlets), financial services (two), and a variety of other smaller service industries are available to consumers. Farm equipment (although only one brand name), bulk fuel, and building materials are available to producers. There are also a number of small-scale industries in the town. The cooperatives have a very strong presence in this community, with a credit union, a retail cooperative offering a full range of services (with the exception of clothing and furniture), and a Saskatchewan Wheat Pool elevator. The community has a school, three churches, senior citizen housing, two community halls, a skating and curling rink, and a number of active service clubs.

The Complete Shopping centers offer most producer and consumer services, complete with variety and brand-name choice. The cooperatives have a very strong presence in both these communities. The consumer cooperatives are very large, providing a full range of services, and are housed in large shopping centers. The credit unions hold the greatest share of the financial market in both communities. In one of the two communities, the Saskatchewan Wheat Pool provides a farm service center in addition to elevator facilities.