

The Role of Co-operatives in North End Winnipeg's Urban Revitalization

by

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A thesis submitted to the Faculty of Graduate Studies of

The University of Manitoba

in partial fulfillment of the requirements for the degree of

MASTER OF CITY PLANNING

Department of City Planning

University of Manitoba

Winnipeg

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Acknowledgement

I would like to thank my parents Marjorie and Rodolfo, and my brother Aaron, for giving all their love and support through all my degrees and insatiable desire to gain more education. I would like to thank my advisor Rae Bridgman for all her kindness, patience, and wisdom as I worked though writing my research. Thank you to all the people from Neechi Co-operative, Pollock's Hardware Co-op and Urban Eatin' Landscaping Co-op who have shared their time, ideas, knowledge, and a bit about their personal life with me. Thank you to John Loxley for being kind enough to let me sit in his class and expand my knowledge in the world of Community Economic Development and co-operatives. Finally, I will be forever thankful to April Malabute for continually reminding me to never stop working, build my momentum, and think of all the possibilities after I attain my Master's degree in City Planning.

Abstract

The North End is one of the most colourful areas in Winnipeg, Manitoba. Plagued by urban decay, the North End is a melting pot of cultures and catch basin for many marginalized people. In the face of adversity, people unite under similar ideals and principles to work towards common goals. This unity is exemplified in co-operatives, which has been in the North End for decades. Co-ops exhibited outstanding camaraderie with the goal of alleviating adverse social conditions. Today, the co-op sector, exemplified by Pollock's Hardware and Urban Eatin' Landscapes, continue to operate in the area like conventional business, while practicing social and environmental responsibility under a common set of principles. Due to their ideologies and principles, their impact on neighbourhood and community revitalization is more profound than expected. Through case studies, this research found that co-ops offer urban planners and government officials a complimentary method to conventional urban revitalization methods. Co-operative Urban Revitalization starts by uniting marginalized people and empowering them to devise solutions to social and economic problems.

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I. Introduction

Once upon a time, people decided to live in groups and form unions to enhance their chances of survival. Fast forward to today, cities and urban landscapes exist where people are aggregated in a society characterized by both competition and mutualism. It is this dualistic trait of society, which made a dynamic and oxymoron where turmoil was created through competition and pacified through co-operation.

On one hand, competition exists in different forms and scales where most common are naturalistic competition between individuals exists (Berg, et al., 2011), as well as competition between places (Batey & Friedrich, 2000). In the city, competition happens in a rather peaceful manner on a micro-scale, between different areas and neighbourhoods, while maintaining border permeability. Each area or neighborhood in the city strives to attract the most number of residents and businesses. Molotch (1976, p. 309) argues that the “elite competes with other land-based elites in an effort to have growth-inducing resources invested within its own area as opposed to that of another.” The competition between places causes neighborhoods to decline while others to prosper. At the same time, co-operation is innate in people as a form of social cohesion. People who live together are more likely to co-operate with each other to tackle adverse situation collectively for survival (Williams, 1993). The resulting cooperation is what we commonly call, in the realm of City Planning, a community.

As I conducted this research and analyzed the results, I found myself borrowing and amalgamating different concepts from my Bachelor's degree in Geography and Environmental Science, my Master's education in City Planning, and my interest in the world of Economics. In this research, I explored how competition between different areas of the city resulted in the decline of urban areas, and how unions and co-operation among people preserved the history of place and the sanctity of human union, amidst the destructive powers of change.

A. Statement of the problem

Urban Decline is one of the most common phenomena in almost all urbanized areas in the world. Also known as urban decay, the phenomena is characterized by gradual economic stagnation in a distinct region or area of the city, which is accompanied by deteriorating housing and infrastructure, as well as low-income households and numerous other social ills. City Planners often baffle over the occurrence of this phenomenon, and ponder over how urban decline may be reversed without negative consequences on lower-income residents, by maintaining the availability of affordable housing stocks and limiting gentrification.

Many scholars studying Geography and Economics often discuss gentrification in literature as a desirable indicator of the reversal of urban decline. However, most planners

understand that the simple act of reviving neighborhoods through infrastructure investments resulting in increased neighbourhood desirability, which in turn evokes gentrification, only causes the symptoms and associated social problems of urban decline to shift to different parts of the city. Lower-income people are often segregated in new slums, shantytowns, or deteriorating parts of the city as a result of gentrification. Therefore, it is important to identify the different tools that may reduce or reverse the impacts of urban decline.

Economic Competition is a type of economic productivity whereby individuals in society, often characterized by corporations in modern times, try to surpass each other's productivity. This economic concept may be applied to the realm of Geography and City Planning when we look at regions, cities, and neighborhoods as entities that try to out-compete each other in attracting industrial and commercial investments (Molotch, 1976). At a city scale, without any market export expansion, and just by analyzing the local economy, neighborhoods try to compete against other neighborhoods in becoming more desirable for residences, commerce, and industry. By the nature of competition, there will be winners as well as losers. When certain neighborhoods become more successful in increasing its desirability, higher-income households and establishments that cater to them are drawn to locate within the most desirable locations in the city. The phenomenon has been observed in Detroit, Michigan as the richer upper and middle class, almost overnight,

relocated from the inner city to the suburbs. Across the globe, Hong Kong also experienced industrial decline, resulting in the creation of slums as high-paying labour jobs moved to Mainland China to be replaced by low-paying service sector jobs (Chan, 2015). Winnipeg's North End also fell victim to deindustrialization when industries outsourced to other countries and suburbanization drew other industries to relocate to newly developed areas of the city (Leo, nd; Distasio et al., 2015; & Silver, 2010). The result is neighborhoods with low desirability, which often absorbs residents who cannot afford more desirable areas, due to housing prices. Many residents who can afford to move to a more desirable location, usually middle class families, often do. With the departure of wealthier residents in the neighbourhood, businesses often follow in exodus.

As a result of the challenges brought by urban decline, there is a need to identify alternative methods to revitalization. The top-down or trickle-down approach has its advantages, but ultimately leads to the segregation of people. There is a need to identify ways to start revitalization by enriching the community and the individual.

B. Purpose of the thesis

The purpose of this study is to explore the effects of co-operatives on urban decay and discover what city planners can learn in revitalizing North End Winnipeg. This research explores two of the effects of co-operatives in Winnipeg's North End

neighborhood revitalization and community building. It investigates the interplay between the ideologies embedded in the co-operative movement and the motivations for the organization to act as both a for-profit business and social enterprise at the same time, thus affecting the local economy and community development. In particular, this research explores the influences co-operatives have on generating income for its workers and local economy as a for-profit organization. The revitalization effect of the co-operative is also examined in this research as the co-operative takes the form and function of a social enterprise. Social programs partially or fully financed by the co-operative as well as operational policies are explored, and its effects on the community are documented. Finally, the analysis ties the research to the realm of urban and city planning, as it uncovers the lessons city planners can use to supplement tested urban revitalization strategies.

C. Research questions

My research aims in answering the following questions:

- 1. How do co-operatives influence physical neighbourhood revitalization?*
- 2. How do co-operatives influence social community revitalization?*
- 3. What can planners and policy makers learn from co-operatives in urban revitalization?*

Planners are aware of the conditions leading to urban decay and they are knowledgeable about the methods for how to alleviate it. However, some of these methods require significant public and private investments, which can lead to gentrification, and can also potentially displace lower-income residents. Substantial research has been conducted on the effects of Community Development (CD), co-operatives, and other grass-roots initiatives in alleviating poverty and empowering marginalized communities, as well as their developmental capacity and interest in communities, which may have been neglected by the private sector. However, there appears to be scant research conducted on co-operatives' effects on declining neighbourhoods, which are also plagued with poverty and disinterest from the private sector.

D. Scope, assumptions and limitations

To complete this research in a timely manner and as efficient as possible, only select aspects of the topic were explored thoroughly. Other subjects tangential to the topic could not be substantiated in my research and are left for future researchers to explore.

There are many reasons for the occurrence of urban decay, and while most of the reasons are discussed in this thesis to give relevance to the main purpose, my research will not exclusively explore any one of them in full detail. One of the common problems of urban revitalization, at least with some of the successful ones, is gentrification. I have

mentioned the concept at the beginning of this thesis and gentrification would surface in other chapters as well. The concept cannot be separated or avoided when discussing urban revitalization, as it is one of the most notable undesirable aftermaths of any neighbourhood renewal project. The concept becomes more prominent in Community Economic Development (CED) and co-operatives as these initiatives attempt to build communities at the grass-roots level, which theoretically can prevent or reduce the impact of gentrification. My research, however does not aim to explore the topic exhaustively, as the concept is a topic in its own. My research merely touches upon the subject and leaves the core topic to be explored by other researchers, and does not explore the question “how can neighbourhoods be revitalized without causing gentrification?”

Another tangent topic to urban revitalization and CED is poverty reduction and alleviation of other social ills. Rampant poverty and other social ills are some of the key characteristics of deteriorated neighbourhoods, which is sometimes colloquially called ‘slums.’ Community Economic Development (CED) has been used in many places to generate jobs, create income, and reduce poverty. Moreover, certain CED projects aim in alleviating social ills, such as crime and substance abuse. Although, I do believe that these topics are very important and intriguing, my research does not expound on these subjects.

One of the assumptions of my research is that it stereotypes traditional business as inherently interested in generating profit and making profitability its main goal. It is

assumed that people are skeptical and very cautious when investing in a deteriorating neighbourhood, especially if the prospective clientele of the business are the local residents.

It is also assumed that co-operatives are more capable of staying in business in the North End when compared to conventional businesses. Co-operative workers are sometimes more willing to take losses on their pay and benefits to lessen the impact of poor business (Mochoruk, 2000). I also assume that the community, other CED institutions, and government agencies are willing to aid struggling co-operatives to keep them afloat. Congruently, evaluating the longevity of the co-operatives in my case studies is also beyond the scope of this research. Although it is important to know if the co-operative has a lasting effect on the neighbourhood, and is therefore worthwhile for the government or community to invest in, my proposed methodology does not capture enough related information to make the analysis. A longitudinal study involving quantitative analysis of annual income over the span of a few years of a sample size of co-operatives may be more appropriate and within the interest of another researcher, or as a sequel to this research.

The impact on the economy of co-operatives is a worthwhile study, which has been thoroughly investigated by other researchers. There have been lots of arguments and empirical proof supporting the theory that CED and co-operatives prevents economic leakages, and promotes economic linkages. The concept is also integral in studying urban revitalization, because economics and redevelopment can never be separated. To put it

simply, any revitalization effort may die in vain if the economic base is poor. However, for the purpose of this research, I am not investigating the economic contributions of my two case studies. On one hand, I assume that the quantitative contributions of two small-scale co-operatives to the Winnipeg economy would be too small, and may result to an inappropriate comparison due to scale. It does not make sense to compare two businesses to the Winnipeg economy. On the other hand, the contributions of the CED movement as a whole may show a more significant contribution, but is beyond the scope of this research.

My research looks at Winnipeg's "North End," which is known for its manifestation of the symptoms of urban decay. There are no official political boundaries demarcating the North End. However, the approximate boundaries are colloquially known as the CPR Railway to the south, the Red River to the east, McPhillips Street to the west, and Caruthers and Matheson to the north. The two case studies in my research, which will be later on substantiated, are all currently located or have their main area of operation in the North End.

One of the most important pieces of legislation influencing co-operatives in Manitoba is the Co-operative Act. Along with the provincial government's Housing and Community Development department, as well as different programs such as tax credits and investment funds, acts of law both enable and regulate the creation of co-operatives. This research however will not focus too much on the intricacies of such legislation. My

intention is not to analyze the limitations of the legislations but to simply credit their contributions and role in promoting co-operative and other CED initiatives.

Lastly, I would like to point out that it is not my intention to criticize conventional businesses and corporations as solely profit-oriented “menaces” to society. This research is not meant to study regular businesses activities and contributions, or lack of, on the three facets of sustainability. Moreover, I would like to note that for-profit businesses have indeed been known to show certain degrees of social and environmental responsibility. However, I assume that co-operatives are more likely to exhibit characteristics of social and environmental responsibility as a result of the Co-op Principles they abide by.

E. Significance of the research

The causes of urban deterioration have been studied thoroughly in different situations. Urban Planners are aware of the conditions leading to urban decay; they are knowledgeable about the different methods that may be employed to combat decline and its symptoms. However, some of these methods require consolidated public and private investments, which can lead to gentrification, and displacement of lower-income residents. In some cases, the method used involves raze-and-build strategies that completely renew an area, but ultimately displaces people from their community.

Substantial research has been conducted on the effects of co-operatives in alleviating poverty and empowering marginalized communities, which may have been neglected by the private sector. But there is scant research conducted on the co-operative's effects on declining neighbourhoods, which are also plagued with poverty and disinterest from the private sector.

This research is significant because it investigates the capacity of co-operatives to help alleviate poverty and revitalize neighbourhoods through their economic and social activities. By exploring this topic, an alternative method to urban revitalization, which starts within the community and can potentially revitalize physical capital, may be proposed. This work may influence social policies concerning co-operative development, as well as urban and neighbourhood revitalization. Moreover, co-operatives and other CED

tools generally create self-sustaining enterprises that require minimal government support. Because of the lack of the need for government aid, both Right-wing and Left-wing political caucuses often see the co-operative model as an ideal economic development tool (Simms, 2010).

The two case studies in this research may serve as good examples of co-operatives that are working to stay afloat in a competitive capitalistic economy, while maintaining principles that make them socially just. My research reintroduces urban planners to the concept of community engagement and links it to community mobilization amidst challenges. By exploring this topic, I hope to garner support for these co-operatives and their work for the community.

F. Overview of the structure of the thesis

My research explores North End Winnipeg's history, decline, and the emergence of some notable co-operatives in Manitoba. The Introduction Section begins with a quick overview of the research topic, its importance, and what the findings contribute to City Planning and other disciplines. In this section, I also discuss some of the assumptions and limitations of the research, as well as mention other available future research topics.

I follow this section, with an explanation of the methods I used to conduct my research in the Research Methods section. In that section, I discuss my research design and

the procedures I followed, the people I talked with as my key informants, and the qualitative techniques I used to analyze the data.

The third section, Literature Review, explores some of the relevant and significant research on urban decline, revitalization, co-operatives, and economic concepts related to Community Economic Development. A brief summary of the People's Co-op is provided in this chapter as an example of a North End institution that has positively impacted the community.

In the fourth section, case studies of two North End Winnipeg co-operatives are presented. Their activities and effects on the community and the workers are further explored to help answer the research questions.

Finally, conclusion and recommendation are discussed in the final section. Additional research possibilities related to co-operatives, economic development, and urban revitalization are also identified.

II. Research methods

Several research methods were used to gather, analyze data, and answer the guiding questions. This research used literature review and case studies as the primary research method. Semi-structured interviews helped gather raw data from the key informants, which were then analyzed using *content analysis* to reach a conclusion.

Semi-structured interviews were conducted, using a combination of open and close-ended questions, with two to four co-operative members from each case study to answer the first guiding question. The questions were divided into two themes - one focusing on the co-operatives' effects on the community, while the other focuses on the effects on its member-workers. The lines of questions were designed so that the co-operative's principles could be further explored, and help explain the reasons behind a co-operative's business decisions and strategy. Managers from both co-operatives were interviewed to gain their insight on the challenges they encountered in establishing or expanding the co-operative. The questions probed the different agencies and programs that helped in establishing the co-operative.

Some literature, in the form of journal articles, books, and newspaper articles, were available for both case studies. The available literatures were used to gain additional information about the influences of co-operatives on commerce in the North End. Most notably work is a book regarding North End Winnipeg's People's Co-op.

A. Selection of case studies

A case study is a form of an exploratory and descriptive qualitative research method, which collects detailed information about an individual or group (Colorado State University, 2013). Case studies are integral in this research because of the nature of the questions being asked, the amount of control the researcher has over the subject, and its real-life setting. Through case studies, certain aspects of the co-operative can be selectively focused on based on the discretion of the researcher. This research particularly attempts to answer “how” questions, which contain numerous types of variables. By using multiple data sources for the case study, it is possible to triangulate evidences to support the validity of the conclusions (Yin, 2009 and Soy, 2006).

However, case studies have limitations and are often criticized, which challenges the method’s validity. Like other qualitative methods, case studies are often subject to the researcher’s bias, as a result of the need for the researcher to interpret and analyze the data. Because case studies focus on specific subjects, which may be very unique, there is little basis to conclude scientific generalizations. This is the reason why people often question the validity of insights resulting from a single case study. However I must note that, this criticism may also be applied to the validity of conclusions stemming from a single experiment. This is why multiple experiments are used to demonstrate that results are replicable. In the same light, using multiple case studies could allow results to be observed

in several settings. This creates the possibility of triangulating the truths or results to arrive at a valid conclusion (Yin, 2009).

B. Literature review

Literature, or documentation review, is another research method, which helped inform this research. This method uses previously published research from accredited authors or scholars (Taylor, nd). This method involves conducting critical appraisal of raw data from the bibliography of refereed research and turns it to information (Friedman, 2006). Specifically, published scholarly articles, newspaper articles, and information from websites were analyzed to help answer the thesis questions and support conclusions in the Case Studies and Analysis Section. The Literature Review section includes general information on co-operatives' function, structure, as well as its effects on the community, the neighbourhood, and the economy.

C. Semi-structured interviews with co-operative member-workers

Case studies may be completed using different methods of gathering data for analysis. My research used semi-structured interviews with people working in the co-operative to be featured in this study. These co-operative worker-members served as key informants who provided pertinent information.

Semi-structured interviews are conversations between the researcher and interviewees. The questions are worded to focus on a particular subject while remaining open-ended enough to allow slight topic deviation. Through slight topic deviations, semi-structured interviews could uncover deeper 'truths' within a particular subject field. The research benefits from greater breadth and depth of the gathered information. The interview decorum is ideally conducted in an orderly, self-conscious, and organized fashion to prevent too much topic deviation and scope creep. The method does not simply aim at gathering 'yes' or 'no' data but a variety of responses (Clifford, 2003). Because responses from the person interviewed may vary, information from a semi-structured interview is usually best used for qualitative research. It is nearly impossible to conduct quantitative analysis on data gathered through semi-structured interviews (ibid).

The line of questioning of this research focused on three strands. First, the interview questions explored 'how' and 'why' co-operatives affect the neighbourhoods they are located in. The second strand of questions focused on the influence of the co-operative on the income of its members and the effects of this income on their housing conditions. The third strand is an open-ended approach consisting of additional questions resulting from tangent sub-topics arising from the conversation. The third strand of questions required careful participant observation to understand underlying emotions behind responses,

which gave clues on whether the topic should be explored further. Elven open-ended questions were asked in the interview, which lasted for approximately one hour.

After the co-operatives to be featured were selected, based on the committee's recommendations, key co-op member-workers were contacted through email and voicemail. In the event that the key contacts do not respond to the initial communication attempts, I visited their shop or store to personally introduce myself, explain the research, and request their co-operation. The key informant from each co-operative recommended two other key informants from their organization. A total of 6 people were interviewed. One person was interviewed from Neechi Commons, which was one of the original intended case studies, but was abandoned because of scheduling conflicts with the other prospective key informants. In order to reduce participant anxiety, build rapport, and elicit honest responses, the questions focused on the co-operative as a whole. The anonymity granted to the interviewee, by being part of a research group rather than as an identifiable individual, allowed them to be less inhibited.

D. Data analysis

After data collection through the interviews, case studies, and literature review, analysis was undertaken through *content analysis*. Patterns, themes, and groupings in the data were teased out through data reduction to interpret, understand, and explain the

effects of co-operatives in urban revitalization (Gray, 2004). *Content analysis* made inferences by systematically identifying classes or categories in the interview data (ibid). Common, special, and theoretical classes were identified in the data, which were then summarized to reduce the volume. Finally, a three-step analysis was performed, which includes summarizing, explicating, and structuring *content analysis* to arrive at a conclusion (Mayring, 1983 and Flick, 1998).

E. Ethics

There are several ethical procedures that were followed in conducting this research. Consent was acquired from the participants prior to conducting interviews. Participants were informed about the purpose of the research, and remained anonymous in the reports unless they request to be referenced. Interview notes, questionnaires, and tape recordings, and any other recording mediums will be kept in a safe and secure location. The raw records will also be kept for approximately 10 years after this thesis is completed and published to allow re-analysis. After this period, personal identifiers in the data will be destroyed or deleted so that it may be kept indefinitely. Finally, information will be disseminated with the respective interview participants and co-operatives either through a presentation or by providing a copy of the thesis. This thesis and the proposed research methods are not anticipated to pose any threat or adverse effects on participants' wellbeing.

F. Summary

The qualitative research was conducted using various research methods. Literature review provided pertinent background information on extensively studied sub-topics of the research question. Case studies were used to explore and uncover new theories on urban revitalization. Triangulation of occurring themes observed in the case studies was used to test the formed theories. The research was to be conducted in an ethically acceptable manner with outmost respect to the participants and the organization they represent.

III. Literature Review

A. Introduction

This chapter discusses subject areas related to the urban decline of Winnipeg's North End, the CED movement, the subsequent co-operative sector, and its emergence in Manitoba. It begins by providing an overview of the North End, its location, history leading to its current condition, and revitalization efforts. It tackles the concept of urban decline and substantiates the major known causes observed in other cities and in the North End. Some of the symptoms of urban decline and aftermath, such as poverty, high crime rates, and environmental deterioration, are explored. This literature review analyzes some of the programs or strategies utilized by urban planners and development economists to combat neighbourhood deterioration. The programs range from subtle small-scale programs to large-scale raze-and-build strategies. The concept of Community Economic Development (CED), its major principles, and underlying economic theories are also tackled. This section explores the benefits of co-operatives in places where the private sector is uninterested, or unable, in investing. Lastly, this literature review shows examples of how legislation and government support can be essential in the creation, operation, expansion, and continued existence of a successful co-operative.

B. Winnipeg's North End – early history

Perhaps of all the neighbourhoods in Winnipeg, the North End is the most colourful. There are no arbitrated political and physical boundaries demarcating the extents of the North End. North End Winnipeg is one of the oldest areas of the city with a history stretching back to the 1880s. Prosperity came to Winnipeg, and the North End, after the construction of the Canadian Pacific Railway, which gave the city the nickname – “The Chicago of the North” (Gourluck, 2010). Its boundaries are vernacular, very permeable. The changes in intrinsic and extrinsic characteristics are subtle, as the area is traversed. As a result of the lack of clear boundaries, this research uses the jurisdictional boundaries established by the North End Community Renewal Corporation (NECRC) as part of their development zone. According to NECRC (2015), North End Winnipeg is located north of downtown, and may be reached as soon as the CPR Railway is crossed. It is bordered by the Logan-Canadian Pacific Railway yard on the south, and Caruthers and Matheson Avenue on the north. Located to its east is the Red River; and McPhillips Street is to its west (NECRC, 2015).

Starting at late 19th century, Winnipeg's North End was already an “immigrants’ quarters.” Its people were described as “tough and rough” because of the challenges they had to face in a new city, and in some cases, a new country. It was a neighbourhood composed mostly of working class men and women with meager salaries (Mochoruk,

2000). Eastern Europeans were the first migrants to come to the North End around 1896, who came in large numbers and at a fast rate. As a result, the North End quickly became over crowded, and city services and the housing market could not cope with the sudden influx of people. It was documented that in 1908, 120 families lived in 41 houses, or 837 people occupied 286 rooms (Silver, 2010). During this time, it was common for two families to share a single house (Mochoruk, 2000). These figures meant that there were more than 20 people living in a single house (Silver, 2010).

During the late 1800s, Eastern Europe immigrants came to Winnipeg to work in the rail yards and other booming industries. Women often found work in the “Schmata” or garment industry in addition to performing domestic tasks as homemakers (Mochoruk, 2000). Just like other rapidly growing cities experiencing an influx of migrant workers, the North End tackled housing problems and overcrowding. On average, a single house catered to as much as 20 people living in it, while half of the North End had no water and sewer services (Silver, 2010).

In addition to the poor housing condition, poverty and discrimination were also rampant problems. North Enders earned less than half of the required annual living wage. People were paid inadequately, or worked in seasonal jobs in the farms and railway construction (Silver, 2010). In 1913, the required annual living allowance was \$1,200. However, most residents earned less than half of this number (ibid). As a result of poverty

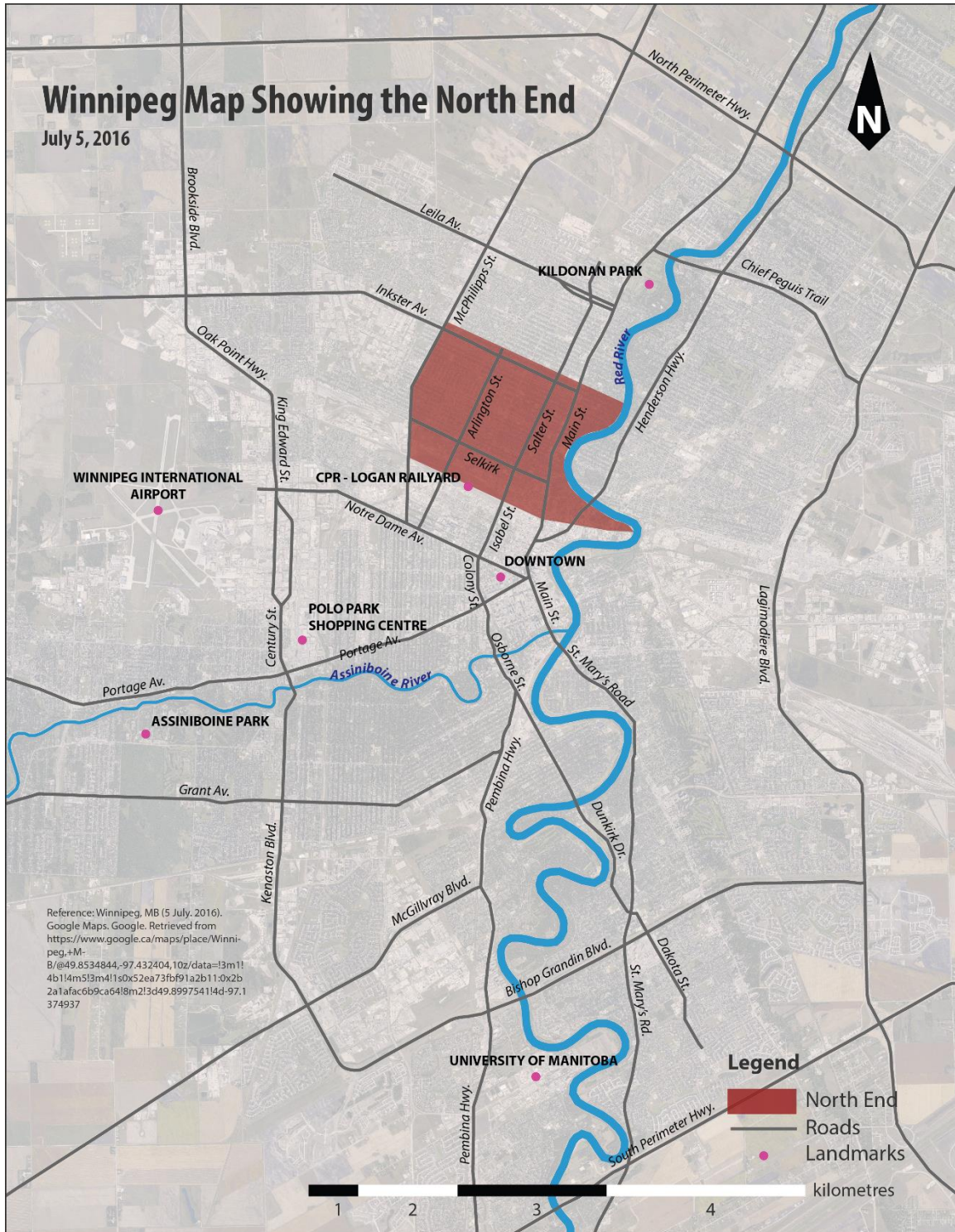
and peoples' ethnic background, North Enders were called various discriminatory and derogatory names. People residing north of the tracks were noted as "not of a desirable character" and were often called "dumb hunkies," and "bohunks" (Mochuruk, 2000 & Silver, 2010). Jewish settlers often faced anti-Semitism, which include violence, restrictions on entering the University of Manitoba's medical school, and housing covenants, which prevented them from living in certain neighbourhoods (Mochoruk, 2000).

Although the North End was described as a "world apart," the area was the site of a rich and varied cultural landscape. Selkirk Avenue served as a second main street, as it housed various businesses, which catered to Eastern European clientele because the owners spoke different languages. Mutual aid societies, a labour temple, radical political organizations, and a strong co-operative sector were all present in the North End (Silver, 2010). One of the most notable co-operatives born in the North End, that had an insurmountable impact on its people and local economy, is the People's Co-op, which is discussed later in this chapter.

In Winnipeg, both the North End and downtown area experienced tremendous decline because of deindustrialization and suburbanization after World War II. Most of the North End residents, who could afford to, move to the suburbs. The once vibrant inner cities and industrial centres located close to the rail yards became desolated spaces with

little desirability. The North End was branded as one of Canada's 'Areas of Major Urban Decline' (Carter, 2010).

Map 1



C. The onset of North End urban decline

Desolation happened as the economic mode of production shifted from industrial to service sector jobs. Many high-paying unionized industrial jobs moved overseas to take advantage of cheaper wages and deregulated environmental and labor legislations (Silver, 2010). Main Street and Selkirk Avenue businesses relocated to other places or went bankrupt. Finally, housing prices dropped and most became rental places owned by slumlords (Silver, 2010).

The shift in modes of production was coupled with the onset of suburban sprawl, improvements in transportation, and popularization of supermarkets. Residents, who could afford to leave, left the inner city and first ring suburbs for newly built subdivisions at the city's periphery (Silver, 2010). The diaspora of higher-income residents is followed by the relocation or store closures on commercial streets due to competition from chain retail and big-box stores (Yeates, 1998). As a result, many inner city and first ring suburb residents experienced poverty and a host of other social problems.

Winnipeg's inner city and North continue to serve as the first neighbourhood most new immigrants settle in, as it did in the 1800s (Carter, 2010). Original early settlers were mostly from Eastern Europe, which were composed of German and Jewish migrants who worked in the industrial sector (Levin et al, 2007). Refugees from other countries also flock to the inner city and North End in search of low-cost rental units that can accommodate

their limited finances (Carter, 2010). In addition to refugees, Indigenous people from First Nation Reserves often immigrate to the inner city and North End in search of better economic opportunities in Winnipeg (Carter, 2010 & Silver, 2010). Most of the early First Nation people were from Ojibwa and Cree communities who selected the North End because of its affordable housing (Silver 2010). By the 1960s to 1970s, suburbanization started to happen and many European migrants started to leave the North End for newer parts of the city (Silver, 2010). Around the same time, Indigenous peoples started to immigrate to the North End, which compensated for the emigration of the earlier European immigrants (ibid).

The demographic shift resulted to a new set of social problems. First, poverty still existed as most Indigenous people immigrating to Winnipeg had little financial capacity. Second, Indigenous people settling in the North End and inner city were ill-equipped for urban living, as a result of the decades of colonial abuse (Silver, 2010). Today, Winnipeg's poverty and crime rates are still among the highest in Western Canada. Social determinants for poverty and crime rates are complicated, and government funding to mend the situation is often misguided. Program dollars do not always meet community needs, nor have lasting effects (Zurba et al., 2012). Most of the government support is from the Provincial Government. Civic and federal government assistance is almost non-existent in the North End. As a result, community and grassroots movements have taken the role of

social developers. These organizations include women's groups, family resource centres, alternative education centres, and community development organizations (Silver, 2010).

Businesses were also affected by the diaspora of higher-income residents, as a result of a shrinking market and remaining residents' limited buying power. Shortly after the influx of immigrants from Eastern Europe in the early days, notable establishments started sprouting on Main Street and Selkirk Avenue as well as tertiary shopping streets like Dufferin Avenue. The shopping strips contained notable establishments like Oretzky's Department Store, The Palace Theatre, as well as the First Children's Hospital – all of which are now nonexistent. The closure of the establishment is a symptom of urban decay (Yeats, 1998 & Wright, 2010). C. Kelekis Restaurant is perhaps one of the latest North End historic establishments, which has closed its door for good after the wife of its original owner, Mary Kelekis, wanted to retire. Like Pollock's, Kelekis' owners tried to sell the business, but was unsuccessful (CBC New Winnipeg, 2013).

D. The concept of urban decline: Symptoms and causes

One of the most common problems in North American cities is inner city and first ring suburb decline. Its causes are varied and planners, along with other professionals from different fields and academics, devise different ways to help alleviate the symptoms and reverse its effects (Yeates, 1998 & Wright, 2010). The phenomenon is characterized by low

property values, high levels of unemployment and poverty, environmental problems, and declining infrastructure among others. The urban decay problem has challenged city planners, social workers and economist alike (OECD, 1983).

In addition to physical and economic deterioration, declining neighborhood residents often face social segregation based on ethnicity and income (Cheshire & Hay, 1989). The term shrinking cities is used to describe the symptoms of urban decline. Characterized by the diaspora of middle to upper class residents mostly in the core and older neighbourhoods. Urban decline causes areas of the city to experience a decrease in population as people move to the suburbs (Siebel and Haußermann, 1987). The outmigration is sometimes caused by job migration, which was observed in post-reunification Germany in the late 1980s. Shrinking cities is a multi-dimensional process that encapsulates a decline in both economic and social bases (ibid).

Rosenthal (2008) argues that the urban decline is cyclical and neighbourhoods transition from high to low income and vice-versa. Nevertheless, the transition from deteriorated to revitalized form requires outside intervention and cannot depend on the free-market (Dymski, 1996). However, public investments in deteriorating neighbourhoods and interventions tend to increase housing prices above current residents' willingness-to-pay threshold. Increases on housing prices causes housing stress and can displace lower-income residents as housing affordability decreases (Vigdor, 2010).

Economic transformations, with regards to changes to modes of production, also play a role in the decline of neighbourhoods, and sometimes, entire cities. The post-Fordist shift towards service sector from industrial jobs, also known as deindustrialization, has been cited as one of the most common causes of large scale decline (Audirac, 2007; Hall, 1993; Hollander et al., 2009; Klemme, 2009; Pallagst, 2008; Wiechmann, 2008). According to Popper and Popper (2002), change in modes of production does not entail automatic decline if the shift is balanced in income or wealth generation. In cases where the income or wealth generation is unbalanced, the current population may leave, and the city or region may not attract new immigrants, thus resulting in urban or regional decline (Hoekveld, 2015).

E. Neighbourhood revitalization

To reduce and eventually reverse the effects of urban decline, different strategies from social support programs to more drastic reinvestment strategies have been employed by different agencies. One of these strategies is new housing and housing renovation support (Brown et al, 2004). This strategy often involves government programs that grant individuals, especially low-income people, financial support for home improvements or renovations. In some cases, housing programs aim in attracting new homeowners to settle

in declining neighbourhoods who may commit to improving the housing stock (Varady, 1986). Clay (1979) termed the resident-renovation scenario as “incumbent upgrading.”

However, Porter (1996) criticizes over reliance on government support. He argues that government support, and some programs, mostly mends the symptoms and ill effects of urban decline rather than creating long-term sustainable economic activity. According to Porter, investments on for-profit businesses and job development must balance the provision of social services as a realistic economic strategy. The inner-city cannot rely on low-wages and low-rent as these advantages may be found in non-inner city neighbourhoods. Instead, the inner-city can rely on its strategic location, unmet local demand, integration with regional clusters, and human resources as competitive advantages (ibid). A favorable economic atmosphere must also be created in the inner-city to attract private businesses, not through direct intervention and subsidies, but through the improvement of education, infrastructure, and streamlining regulations (ibid).

Policy also plays a concerted effort in alleviating the symptoms of urban decline, with the goal of instigating redevelopment. In Detroit, one of the most well-known stories of urban decline experimented with a state-level legislation, known as the Urban Homesteading Act and PA 123, with very little success (Schindler, 2014). The state had the impetus to efficiently reallocate property and create an active property market by making the transfer of ownership of abandoned properties to the city quicker and easier. Tax-

foreclosed properties seized by the city are auctioned. However, speculative and predatory investors have used the legislation to acquire and hoard large tracks of land throughout the city with no regard to land-use. The only condition the pieces of legislation require owners, is that taxes are paid. Speculators are able to purchase some of the most desirable foreclosed properties, while properties that are too derelict or undesirable are ignored (Akers, 2013). As a result, the government is left responsible for some of the least desirable properties in the city.

The construction of new subdivisions and renewal of housing stock are another strategy commonly employed by municipalities to combat urban decline (Gouetze, 1979). Large-scale development increases neighbourhood desirability and increases the share of homeowners versus renters in the locale (ibid). Feinstein and Hirst (1996) argues that having more homeowners than renters in a neighbourhood is a sign of a desired neighbourhood, which in essence is not declining nor decayed.

Some social scientists also view urban decline as a social dilemma, which requires interventions that uplift aspects of society. In a study conducted by Colbert (2011), the author found that cultural investments in children's museums contributed to economic, physical and social revitalization. The author found that children's museums serve as amenities for families with the aim of nurturing children, which improves residents' quality of life and may act as *catalytic building* (Colbert, 2011). *Catalytic buildings*, according to

Sternberg (2002), are buildings that have traffic generating effects. Visitors are essentially drawn in the *catalytic building* and then discharged outside to patronize other buildings and establishments creating economic activity in the locale (ibid). Examples of infrastructure investments aimed at creating *catalytic buildings* for economic stimulation may be found in Detroit, Michigan. Proposals for such buildings range from the conventional sports stadia and entertainment districts to an unusual zombie apocalypse themed park. Such large-scale revitalization strategies often involve razing large tracts of derelict city blocks, and partnerships between private investors, and the government using taxpayers' money (Schindler, 2014).

Alternatively, Schindler (2013) in his study focusing on Detroit, Michigan argued that reversing urban decline could not be mended through neoliberal policies. The traditional use of privatization, deregulation, and welfare program reduction failed to jumpstart the economy. In its place, the *Degrowth Machine Politics* offers a strategy to stabilize the economy and create a sustainable economic system that incorporate environmental protection as well as social benefits. In Schindler's (2013) article, *Degrowth* strategy allowed for the gradual down-scaling of production and consumption in order to enhance environmental conditions to balance the supply and demand while maintaining essential services for people's well-being.

Similar to the *Degrowth Machine Politics*, Popper and Popper (2002) argued and advocated the use of *Smart Decline* and *Alternative Use* strategies. In their study of the Rustic Belt of the United States, declining regions and their services may be amalgamated into one, to consolidate and optimize resources. Their strategy, as well as Popper and Popper's 1987 proposal on the United States' Great Plains, goes as far as advocating the removal of political boundaries, replanting native grasses, and repopulating the bison herds (ibid).

F. Community Development and Community Economic Development

Before *Community Economic Development (CED)* can be explored, we must first define *Community Development (CD)*, which has no agreed upon single definition. CD is the process and product of mobilizing and empowering communities to address issues and work towards a common goal. CD involves giving members of the community the power to make decisions in a democratic process, thus giving people a better understanding of their economic, cultural and social disposition (Loxley, 2010). Community members are empowered to intervene in their society and redirect unfavourable situations toward more desirable outcomes. Such situations, many of which are economic, may adversely affect or by-pass the community if let alone (ibid). Conflict and other externally induced crises act as catalysts that mobilize communities (Williams & Scott, 1981). In Canada, development

of hydro dams, hydro transmission lines, mine expansion, fisheries contamination, and other activities have triggered First Nation communities to react and unify. Such development activities threaten the culture and way of life of many First Nation people, but can offer an opportunity to improve living conditions if the right agreements are made (Loxley, 2010).

Community, in CED, is not merely contained within geographic boundaries; rather it is the collective interests of a group of people with similar perspectives. The concept is abstract and often comprises of a group of people cohered by economics, politics, and society (Tudiver, 1973). Within the realms of *Community Development* (CD) is *Community Economic Development* (CED). On the one hand, CED is centered on economic analysis and the creation of an action plan geared towards the realization of a collective vision of a desirable community (Lotz, 1977). On the other, CED goes beyond economics and includes an integrated approach to development by including social and cultural wellbeing (Wismer and Pell, 1981). CED became popular as an income-generating enterprise that helps alleviate poverty, and reduce dependence on government assistance (Cummings, 2001). According to the United Nations 1948 definition, CED is “*a process designed to create conditions of economic and social progress for the community with its active participation...*”

G. *What is a co-operative?*

Co-operatives sit within the broad spectrum of CD and CED. It is a democratic organization aimed at producing consumable goods or services, while maintaining social and environmental responsibility. It is composed of members who work for, and is serviced by, the co-operative. Each co-operative member is entitled to a vote regardless of the member's monetary contribution or investment in the organization. This system of control is contrary to conventional businesses practices, which bases a person's voting power on his or her investment shares in the company. Co-operatives also follow an unconventional reinvestment scheme. Rather than maximizing profits, a co-operative may choose to reinvest portions of their profit on community projects, and distribute it with its members based on use rather than the amount of investment.

According to The International Cooperative Alliance, a union representing over 272 co-operatives in 94 countries, a co-operatives is:

“an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise... Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social

responsibility and caring for others” (“Co-operative identity, values & principles | ICA: International Co-operative Alliance”, 2016).

There are numerous types of co-operatives categorized based on the services provided and organizational structure. Different co-operative unions such as the Canadian Community Economic Development Network (CCEDNet), and British Columbia Co-operative Association, as well as Industry Canada have classified co-operatives differently. As a result, it is easiest to categorize co-operatives based on area of activity. According to the Report of the Special Committee on Co-operatives to the House of Commons there are seven types of co-operatives based on their area of activity (Richards, 2012).

The different types of co-operatives are:

- *Agricultural Co-operatives,*
- *Housing Co-operatives,*
- *Retail Co-operatives,*
- *Credit Unions and Caisses Populaires,*
- *Worker Co-operatives,*
- *Health Care Co-operatives, and*
- *Co-operatives offering childcare or early childhood education.*

CED and the co-operative model follow a set of principles to guide their activities.

The Rochdale Principles, established in 1844, contains ten key points and is widely accepted by co-operatives worldwide. The International Co-operative Alliance summarized the

principles to six key points in 1966. In 1995 and 1996, an additional principle regarding the co-operative's concern for the community was added, bringing the total to seven ("Rochdale Principles", 2016).

The following are the Seven Rochdale Co-operative Principles (Agriculture and Agri-foods Canada, n.d. & National Cooperative Business Association, 2014):

1. *Voluntary and open membership:*

This principle attempts to remove discrimination in the co-operative. Co-operatives should accept anybody wishing to become a member regardless social status, wealth, gender, age, education, political affiliation, religion and ethnicity

2. *Democratic member control:*

Under this principle, members can actively participate in the governance of the co-operative under a one-person-one-vote rule. Unlike conventional businesses, members' investment shares cannot influence the decisions of a co-operative.

3. *Financial or economic participation by members:*

Members can participate in managing profits, and how they are used or distributed. Members could vote to share profits with members or reinvest on the co-operative. Members may also decide to invest on the community and social programs.

4. *Autonomy and independence:*

Co-operatives welcome partnerships with private institutions, government agencies, and other CED enterprises. However, the co-operative must remain autonomous and member-controlled.

5. *Education, training, information for members:*

Members are provided training and educational opportunities so that they can contribute to the co-operative and the community. Through training, valuable knowledge and skills are acquired, which may be used in other ventures other than the co-operative

6. *Co-operation with other co-operatives:*

CED and co-operatives are never isolated. They are part of an organizational network whose activities are intertwined locally, and internationally. CED organizations work with one another to support common goals.

7. *Concern for the community:*

The triple bottom line is a key aspect in the operation of co-operatives. The environment, society, and economy are always considered when co-operatives engage in business and community development.

In Manitoba, the Canadian Community Economic Development Network (CCEDNet) and Government of Manitoba use the CED Principles or Neechi Principles. This set of guiding principles contains eleven key points. The Neechi Principles is very similar to the Rochdale Principles except for its greater emphasis on the local.

The Eleven Neechi Principles are ("Neechi principles | The Canadian CED Network", 2016):

1. Use of locally produced goods and services
2. Production of goods and services for local use
3. Local re-investment of profits
4. Long term employment of local residents
5. Local skills development
6. Local decision-making
7. Public health
8. Physical environment
9. Neighbourhood stability
10. Human dignity
11. Support for other CED initiatives

Historically, the first known formal co-operative was the *Philadelphia Contributionship for the Insurance of Houses from Loss by Fire*, which was established by Benjamin Franklin in 1752 (Majee, 2011). In England, co-operatives formed because of the Industrial Revolution and the inequalities that existed between business owners and workers. People formed co-operative business to help alleviate depressed economic conditions and to satisfy needs (Vuotto, 2012). Twenty-eight workers established the Rochdale Society of Equitable Pioneers in 1844. This co-operative operated a store, which sold necessities such as sugar and flour to its members. It was also responsible for drafting the early principles of co-operatives to govern its organization and operations (Oleson,

1999). Today, there are numerous types of co-operatives, which provide different kinds of service to its members and the community (ibid).

Because of the business mindset of their operation combined with social aspects, the co-operatives became known as an effective tool for alleviating poverty and other social problems, as well as for creating an equitable society. Levi (2008) described co-operatives as an *enfant terribles*. Co-operatives are perceived as a successful and brilliant child while being unorthodox, striking, and rebellious. Because a co-operative is an enterprise, which aims at benefiting the economy and society through its operation, it challenges the conventional understanding of a for-profit institution by operating as a hybrid. It is neither a for-profit nor a not-for-profit enterprise, co-ops sit in the middle. It allows the redistributing of surplus to their members as part of a patronage refund, which violates the economic theory of a not-for-profit enterprise, which is bound by the “*surplus non-distribution constraint*” (Levi, 2008). Vilsack (2010) also argues that societies must be able to create wealth, become self-sustaining, and retain their citizens to be able to create significant opportunities to alleviate poverty. In this respect, co-operatives are able to meet all these requirements because of their democratic control and co-ownership of the business (Majee, 2011).

Because of the two-fold character of co-operatives, concerning economic gains and social interests, they are able to help create an equitable society. Co-operative ventures

consolidate the strengths and assets of local people – empowering the people and creating opportunities to influence market forces. Guided by their underlying principles, it promotes community control, local control of capital, local ownership, local hiring, business and community leadership development, and the building of trusting relationships (Majee, 2011).

In a more radical approach associated with communism, co-operatives are seen as a path towards the dissolution of capitalist exploitation, and the proper allocation of surpluses. It is argued that co-operatives operate within the paradigms of communism, through their principles of appropriation of surplus. The surplus appropriation is contrary to the conventional capitalist business enterprise, also known as investor-oriented firms (IOF), where a single owner or group of shareholders controls the majority of profits (Vargas-Cetina, 2011). The singular control of surpluses often leads to the conspicuous consumption of commodities, and luxury lifestyle services, which benefits only a few. Moreover, the act of democratically controlling business decisions, which include surplus distribution and directions of co-operative investment, adhere to communist paradigms of citizen control (Vargas-Cetina, 2011). The co-operative is also more likely to restrict the flow of capital outside the community; their investments are mostly local and promote *Community Economic Development* (Zeuli, Freshwater, Markley, and Barkley, 2003 &

Nembhard, 2014). Communism is achieved when the workers gain the power to elect its board of directors and influence surplus appropriation (Ruccio, 2011).

Vargas-Cetina (2011, p. 8) further argues that corporations lack a moral conscience to care for the community, which has turned them into “social dangers.” The lack of concern as a detrimental attribute of corporations was observed in nineteenth century American and English firms, which had limited-liability tradable shareholding. These firms often operated outside the control of shareholders in developing countries. The firms inflicted dangers to the environment, imposed self-interested goals on society, and advocated the ideology of profit above everything else (Vargas-Cetina, 2011).

Co-operatives play a vital role in the appropriation of benefits to the community when the private sector is uninterested because the venture will yield little to no profit. This case was observed in the electrification of rural communities in Bangladesh and Nepal (Yadoo, 2010). Privatization and liberalization caused tremendous amounts of reform in the electricity sector in developing countries in the 1980s and the 1990s. The policy was enacted with the hopes that the profit-driven private sector would deliver services more efficiently than the public sector could. However, rural communities were neglected because they offered little incentive and profit for the private developers. To help alleviate this situation, electricity-providing co-operatives needed to be established in rural villages

in Nepal and Bangladesh. Co-operatives purchased bulk electricity from the grid, which was then resold to the consumers (Yadoo, 2010).

In Ethiopia, co-operatives proved to be essential in bringing innovative practices to illiterate farmers. Because of the high rate of illiteracy in Ethiopia, most farmers are unaware of modern farming methods and rely on traditional forms with little yield. Co-operatives were instrumental in informing illiterate farmers of modern agricultural practices to increase yield and profit (Abebaw, 2013).

Moreover, co-operative members share a sense of responsibility for the organizations, members are more willing to take business losses individually. Members are generally more willing to receive pay cuts in times of poor business, which reduces the impact of loss on the co-operative and helps ensure that it has the capacity bounce back (Dworkin and Young, 2013). Bardia, Italy is a prime example where the members of the dairy co-operatives are expected to shoulder losses if the price of cheese, meat, and live lambs falls (Vargas-Cetina, 2011).

H. Government and charitable organization support

Legislation and government support play a vital role in the creation and maintenance of co-operatives. These enterprises are vulnerable to social and economic forces, and may not be able to overcome all adversities even when united. They are also

subject to market forces and operate like ordinary for-profit business, which need enabling legislations to operate sustainably (Majee, 2011). In Italy, the Shepard's co-operative in Bardia was able to survive and grow because of the subsidies, non-repayable loans, and low-interest loans provided by the Italian government and the European Union. Support was granted in the form of information-sharing and technological innovations, which increased production efficiency. By building business relationships with the private sector, the co-operative was also able to create linkages, secure supplies, and find ready buyers (Vargas-Cetina, 2011).

In 2002, Ethiopia's Federal Cooperative Commission wanted to establish a co-operative in every kebele or village. The Government of Ethiopia wanted to slowly relax its control over agricultural affairs and delegate it to co-operatives. Today, co-operatives manage and provide services such as education to farmers, dissemination of fertilizers, improved seeds, pesticides, provisions of loans, and marketing of produce (Abebaw, 2013).

I. The Manitoba Co-operatives and Co-operatives Act of 1998

Co-operatives have been operating in Manitoba since the late nineteenth century, mostly in the form of consumer and agricultural co-operatives. In the 1930's, credit unions were established and further co-operative expansion happened in the fields of health, childcare, and housing. Other forms of co-operatives exist today providing more services

to members and the community. In the present, there are wide ranges of co-operatives that meet a community's social and economic needs in the form of financial, producer, worker, and multi-stakeholder co-operatives (One World Inc., 2008).

Given the numerous economic and social benefits co-operatives bring communities, the federal and provincial governments passed legislation to provide a legal framework that helps create, operate, and expand co-operatives, as well as regulate activities. However, many co-operatives and departments within the government believe that certain aspects of the legislation are too restrictive and hamper the creation and growth of co-operatives. In June 1998, The Legislative Assembly of Manitoba's Standing Committee on Law Amendments, together with representatives from the Manitoba Cooperative Council, and Manitoba Pool Elevators, discussed amending the 1976 Cooperative Act. With Bill 51, The Cooperatives and Consequential Amendments Act, the repulsion of the old 1976 Act, and the creation of a new and more progressive Cooperative Act opened for discussion (Bill 51: The Cooperatives and Consequential Amendments Act, 1998).

The nature of the 1976 Cooperative Act and the prevailing business competition during that time caused difficulties to co-operatives. There were two arguments raised by the representative of the Manitoba Cooperative Council regarding the inefficiencies and hindrances of the 1976 Cooperative Act to the growth and operation of co-operatives. First,

the old Act maintained an outdated notion that the government must provide a close direction to the activities of co-operatives. Second, the old Act was too restrictive to emerging and struggling co-operatives because of its complex, time-consuming, and costly procedures. Moreover, co-operatives were facing new and intense competitions against conventional businesses locally and internationally. Because of these reasons, Bill 51 became necessary to safeguard the interest of co-operatives and its principles (Bill 51: The Cooperatives and Consequential Amendments Act, 1998).

Bill 51 had several key features, which would help co-operatives and their objectives. First, the legislation should ensure that co-operatives follow the eight principles in their business operations. Second, the legislation should protect the member's right and ability to control business decisions. Third, there should be greater freedom and flexibility on the members' method of financing the co-operative, and issuing equity. Fourth, modern corporate tools should be present to help co-operatives in amalgamation, reorganizations, and arrangements, which can help in conducting an efficient and effective business. Fifth, directors fiduciary and care duties should be modernized, clarified, and limited. Sixth, at least two-thirds of the co-operative's directors should be members and only one-third of the director positions are open to non-members. Seventh, the co-operative's members should have the right to authorize non-member shareholders to elect no more than 20

percent of the shareholders (Bill 51: The Cooperatives and Consequential Amendments Act, 1998).

The eighth and ninth features of Bill 51 presented pressing issues because of its effects on a co-operative's business and principles. The eighth feature disallows proxy voting among members. Regular businesses allow shareholders to delegate a proxy to vote for the shareholder in his or her absence. However, the method of proxy voting does not comply with the principles of co-operatives where the approach is suppose to be collaborative, and encourages members to consider other peoples' thoughts and opinions. A member who is absent during voting, and uses a proxy to vote, cannot participate in discussions and vote on the merits of the debate. On the other hand, members present at the meetings would have the opportunity to be better informed, listen to other perspectives, participate in debates, and hopefully make informed decisions (Bill 51: The Cooperatives and Consequential Amendments Act, 1998).

Finally, the ninth feature deals with co-operative's amalgamations. Under this feature, co-operatives from different jurisdictions should be able to easily amalgamate. The old Cooperative Act is limiting because it does not allow Manitoba co-operatives to amalgamate with another co-operative that Manitoba legislations do not govern. This amendment would ease the amalgamation by transferring the coverage of the law to federal legislations encompassing co-operatives (Bill 51: The Cooperatives and Consequential

Amendments Act, 1998). In effect, this amendment would foster greater cooperation among co-operatives in a federal level and provide greater economic longevity as well as competitiveness to their operations.

Today, several legislations govern the activities of co-operatives in Manitoba. The Cooperatives Act is the main legislation, which regulates all co-operative operations. It provides the general guidelines for co-operatives such as capacity and powers, by-laws, members and shareholders, financial disclosures, liquidation, dissolution and revival, and offenses and penalties (Manitoba Laws, 2012c). Alongside The Cooperatives Act are two other legislations meant to support co-operatives. One of these legislations is The 1987 Cooperative Associations Loans and Loans Guarantee Act. Under this legislation, 'The Co-operative Loans and Loans Guarantee Board' is created with the task of creating loans and approving co-operatives qualified for such funding. This act also provides partial or full conditional repayment of a co-operative's loans if it uses the money for productive purposes and the execution of its objectives (Manitoba Laws, 2012a). Another accompanying legislation is the Cooperative Promotion Trust Act of 2010, and updated in 2012. The act created "The Cooperative Promotions Board" with the mandate to provide assistance for the development of co-operatives and encouraging co-operation among co-operative organizations. It also performs advisory duties to the minister on the status of co-operatives and the legislations governing (Manitoba Laws, 2012b).

The amalgamation of the old Cooperative Act and the creation the Cooperative Act of 1998 brought both positive and negative consequences to co-operatives in Manitoba. One of the positive effects of the new legislation is it helped in the creation and operation of co-operatives as it enabled activities (personal communication with a government official, November 15, 2012). A key accompanying legislations was the Cooperative Loans and Loans Guarantee Act, which legislated financing for co-operatives. Along with these legislations are programs offered by different government departments. Some of these programs, like the Community Enterprise Tax Credit and Cooperative Tax Credit, provide tax incentives to co-operative investors. Other smaller programs like the Community and Business Development Initiative (REDI) and Canadian Agriculture Loans provide direct funding or shoulders a percentage of the cost to the co-operative (Manitoba Housing and Community Development, 2012).

Because of the financing mechanisms and co-operative development programs, the community gained social spillover benefits as observed in the People's Cooperative (Mochoruk, 2000 & Simms, 2010). Co-operatives provided a means of livelihood for underserved people composed of women, aboriginal, and new Canadians. The co-operatives also provided training and education to its members, which the people used to make a living whether they worked for the co-operative or other places. The equal status of managers and workers as well as their co-membership to the co-operative created better

working conditions. This removed people from abusive working relations in some cases into a more equitable working atmosphere (personal communication with a government official, November 15, 2012).

J. The People's Co-op in the North End

One of the historical co-operatives that provided a bottom-up development to the community is the People's Cooperative. This co-op was originally intended to be the third case study in this research, but was removed due to limited time and resources. The co-operative, however, still paints a vivid picture of the life in North End and it people uniting against all odds. The People's Co-op's 60-year existence left an indelible mark on the history of Winnipeg's North End. Unfortunately, there is limited information on the People's Co-operative aside from a book written by Mochoruk. Nevertheless, I try to focus the succeeding summary of the co-operative's history on the basic non-opinionated details to reduce bias.

The enterprise started from simple beginnings, then grew in prosperity along with its members. Through the contributions of its workers, the co-operative became so successful that it was able to serve as an alternative to banks in providing loans for its member-workers, it redistributed surplus income, and advocated socialism throughout its existence (Mochoruk, 2000 & Simms, 2010). The Workers and Farmers Co-operative

Association (WFCA), later known as the People's Co-operative, started in 1928 with a small coal and fuel yard at the corner of Pritchard and Battery. The co-operative began when the Ukrainian Labour Temple Association (ULTA) and the Worker's Benevolent Association (WBA) wanted to create a co-operative that would serve the Ukrainian-Canadian population and bring together left-wing supporters. In July 1928, one of the leaders presented a proposal for the creation of a co-operative coal and wood yard, which would eventually expand to operate a grocery store, butcher shop, bookstore, and information bureau. In August of the same year, the draft constitution was approved and \$10 shares were sold to members (Mochoruk, 2000 & Simms, 2010).

The co-operative experienced several challenges during its conception, which were mended through member dedication and help from institutions with similar ideologies. Critics expected the venture to fail because of the leaders' lack of experience in operating a fuel yard. However, the co-operative surpassed expectations when they sold over \$20,000 of fuel in the first year with only a \$4,000-capital from its members. Its executive members were known to work many hours without pay and long hours with minimum pay. At the beginning the Ukrainian Labour Temple-Farmer Association (ULFTA), a sub-organization of the ULTA, helped the co-operative with a cheap office rent of just \$10 a month. The WBA at the same time provided the co-operative with a \$1,000 loan to help when their bank overdraft rose. The WBA also loaned the co-operative \$2,000 dollars so

that it could purchase the yard they were operating in. However, much of the \$12,000-fund needed to purchase the yard still came from the members through member loans and shared capital. The members contributed \$4,550 of shared capital and \$8,000 of loans made to the co-operative from the members. The co-operative, in return, was able to give its members a 5% interest return on their loan, which is 2 percent more than what a bank would have given (Mochoruk, 2000).

The great depression hit the North End hard, but the co-operative continued to thrive. Unemployment was high, wages were low, and working hours were short, but the peoples' living requirements remained the same during the recession. Many Ukrainian migrants, out of the fear of deportation, rarely availed of any relief from the government. Some of them came to the co-operative to perform whatever work they can, because the co-op was one of the only sources of employment during the recession (Mochoruk, 2000).

The co-operative was also instrumental in breaking the oligarchy and monopsony in the Winnipeg dairy industry. By 1930, the co-operative was ready to expand into the dairy industry with a milk and butter plant. Winnipeggers, in the early 1900, had the choice of having either unpasteurized milk from individual peddlers or pasteurized milk from only two creameries in the city. Crescent Creamery and City Dairy controlled Winnipeg's dairy industry through an oligarchy. Both corporations gained huge profits by not competing and setting prices high. Crescent Creamery was also known for using ethnic

divisions, propaganda, red-baiting, and restrictive contracts to curtail its workers from unionizing. The large creameries had a monopsony and underpaid the farmers who supplied them with unpasteurized milk (Mochoruk, 2000).

The co-operative met with potential dairy farmers willing to purchase shares or make loans to the co-op. The co-operative would exclusively purchase unpasteurized milk from these farmers at fair market rate and a new location on Dufferin and McGregor was opened to house the creamery. The funding came from the members' as well as their family's contributions, some of the money even came from people's life savings (Mochoruk, 2000). Client recruitment soon started through handbills, which was distributed to the working class-districts. Prices were highly competitive, which the co-operative claims to have been achieved through "careful management and increased distribution not through wage cuts or underpaying producers" (Mochoruk, 2000 p. 31). The co-operative gained a client base of more than 220 customers in just two weeks (ibid).

Other milk producers were impressed with the growth the co-operative that the co-operative was invited to meetings discussing base prices and dairy marketing. During this time, a price war ensued between the different local producers and the American based company Piggly Wiggly. The provincial government had to intervene with pieces of legislation to stabilize the prices and protect the interest of the people by bringing the milk industry under partial control of the Municipal and Utilities Board. Even with the proposed

higher prices, which would maintain the profitability of every creamery, the co-operative wanted slightly higher prices for the pasteurized milk delivered to consumers so that it can pay its suppliers better wages (Mochoruk, 2000).

The co-op did not just produced pasteurized milk and delivered them to the consumers, they also tried to enact social change. The co-operative became the people's preferred bank because it offered members a 2% higher interest rate it never missed a payment. The co-operative also played a role in supporting socialist activities either through direct cash contributions or commodities produced. Community organizations, including non-Jewish or Ukrainian and various religious groups, also approached the co-operative for support, which it readily helped. When legislations required corner-stores to refrigerate dairy products, the co-operative provided loans or lent storeowners refrigerators (Mochoruk, 2000).

World War II created troubled times for the co-operative as it affected the economy and new competition in the industry emerged. The biggest hurdle happened during fall of 1939 when milk prices had to be increased by 1 cent as mandated by the Milk Control Board (MCB) to pay dairy farmers \$2.10 per hundredweight of cream from the usual \$1.10. Modern Dairies however kept their prices low, arguing that increasing prices will create greater difficulty for the consumers. The MCB ruled in favor of not increasing retail prices while requiring producers to be paid the increased cost at \$2.10. As a result, the profit

margin for the co-operative decreased and several productions had to be cut. Several routes were transferred to other dairy producers, horses were sold, and managers took pay cuts (Mochoruk, 2000).

The co-operative experienced more challenges as the world continued to change. Automobile use was becoming rampant and the era of dairy home delivery was becoming obsolete. As long as the price difference between home delivery and store-bought dairy did not exceed 1 cent per litre, consumers would continue to patronize the home-delivered dairy. However, competition from chain retail stores, and deregulation of the dairy industry allowed stores to drop the price of dairy to 3 cents less than that sold by the co-operative (Mochoruk, 2000).

At the onset of the Great Depression and the Cold War, the co-operative was associated with communism because of their socialist ideologies. As a result, the Manitoba Federation of Agriculture and Co-operation expelled the People's Co-op as the organization tried to clean itself of the "red taint" (Mochoruk, 2000).

In the 1980s, the Manitoba housing market was declining and home construction was at a standstill, except on First Nation reserves. In order to generate business for the lumberyard, the co-operative entered a partnership, and extended their credit, with the intermediary supply company Norseman Enterprise. None of the co-operative managers knew that Norseman was experiencing financial difficulties, which later caused it to file for

bankruptcy and default on their loans. Eventually, the enterprise closed business and the co-operative was left to settle disputed loans causing a massive loss (Mochoruk, 2000).

Massive losses and the continuing price war led the co-operative to consider selling its assets and ceasing operation. The decision did not come easy for the management, but their priority was to protect the investments of their shareholders, many of whom gave their lifesavings and retirement funds. Two offers were received to purchase the operation. The first offer was for \$845,000 from the co-op workers, who formed the Dufferin Employment Cooperative Limited (DECL). DECL would continue operation and save approximately sixty-five to seventy jobs. The second offer came from Beatrice, a privately run enterprise, with a \$2,250,000-offer to purchase the equipment and close the operation. On October 20, 1992, the co-operative, with the interested buyers, met at the Ukrainian Labour Temple to discuss and vote on the offers. Beatrice increased their offer to \$3 million, while DECL offered \$1 million as a final bid. Beatrice's offer made the most financial sense but the co-operative is not all about money. In an outstanding vote, the People's Co-operative voted to sell their assets and operation to DECL. The same building that stood witness to the creation of the People's Co-operative was also the place where the organization formally decided to close its operation (Mochoruk, 2000).

K. Summary

North End Winnipeg has always been described as a tough neighbourhood that catered to immigrant families (Mochoruk, 2000), including Indigenous people from First Nation rural communities (Silver, 2010 & Carter, 2010). Overcrowding, poverty, discrimination, and other social ills were rampant in the area. While living conditions were adverse, peoples' spirits were high and the area became a nexus of activism (Mochoruk, 2000). After World War II, the difficult living conditions exacerbated as deindustrialization and suburbanization took place. High paying labour jobs were replaced with low-wage service sector jobs, and people left the North End for the suburbs if they can (Silver, 2010).

Neighbourhood deterioration or urban decay is a problem in many North American cities (Yeates, 1998 and Wrigth, 2010), including Winnipeg (Silver, 2010). There are different ways to reverse the deterioration – all of which need external intervention (Rosenthal, 2008), and must be sensitive to issues associated with gentrification (Vigdor, 2010).

As a result, CED became a popular means of revitalizing neighbourhoods, which also has the potential to alleviate poverty, and reduce dependence on government aid (Cummings, 2001). Embedded within the CED concept is the co-operative model, which is like a conventional business, but with a social conscience (Levi, 2008) that helps create an equitable society (Majee, 2011).

The co-operative movement follows principles, which help guide their actions and activities. Traditionally, there are seven principles derived from *the Rochdale Society for Equity Pioneers* ("Rochdale Principles", 2016). In Manitoba, the provincial government and CCEDNet follows the eleven *Neechi Principles*, which have strong emphasis on supporting the local industry and people ("Neechi principles | The Canadian CED Network", 2016).

According to “extremist” points of view, the co-operative is associated with communist ideas of socialism where people take operational control from capitalist-moguls (Vargas-Cetina, 2011 and Ruccio, 2011). Co-operatives also take the initiative in providing peoples’ needs (Yadoo, 2010), and educating underprivileged communities, when the private sector is slow or uninterested in investing (Abebaw, 2013). However, co-operatives are not ‘magic bullets’ that can solve multiple social and economic problems. Establishing a co-operative often needs financial and technical support from the government, other CED organizations, private sector, and the community-at-large (Majee, 2011).

In Manitoba, the Co-operative Act of 1998 is the primary legislation that regulate as well as support the development of co-operatives (Bill 51: The Cooperatives and Consequential Amendments Act, 1998). North End’s the People’s Co-op is one of the most notable historic co-operatives. The co-operative started as a small provider of wood for fuel, which later on included other products and services including dairy products.

Through its existence, the member-workers exhibited tremendous co-operation especially in trying times. The co-operative became one of the biggest enterprises in Winnipeg as it employed numerous Winnipeggers and contributed to both the economy and society (Mochoruk, 2000).

IV. Case studies

This research investigates the effects of two co-operatives in the North End on the residents, and neighbourhood. There are numerous types of co-operatives in Winnipeg, which differ in function, services provided, management structure, and profit distribution. For the purpose of this research, the focus will only be on co-operatives, which are primarily characterized by the employees' co-ownership of the business (Agriculture and Agri-foods Canada, 2013). The in-depth case studies in this research are: Urban Eatin' Co-op, Neechi Foods Co-op, and Pollock's Hardware Co-op.

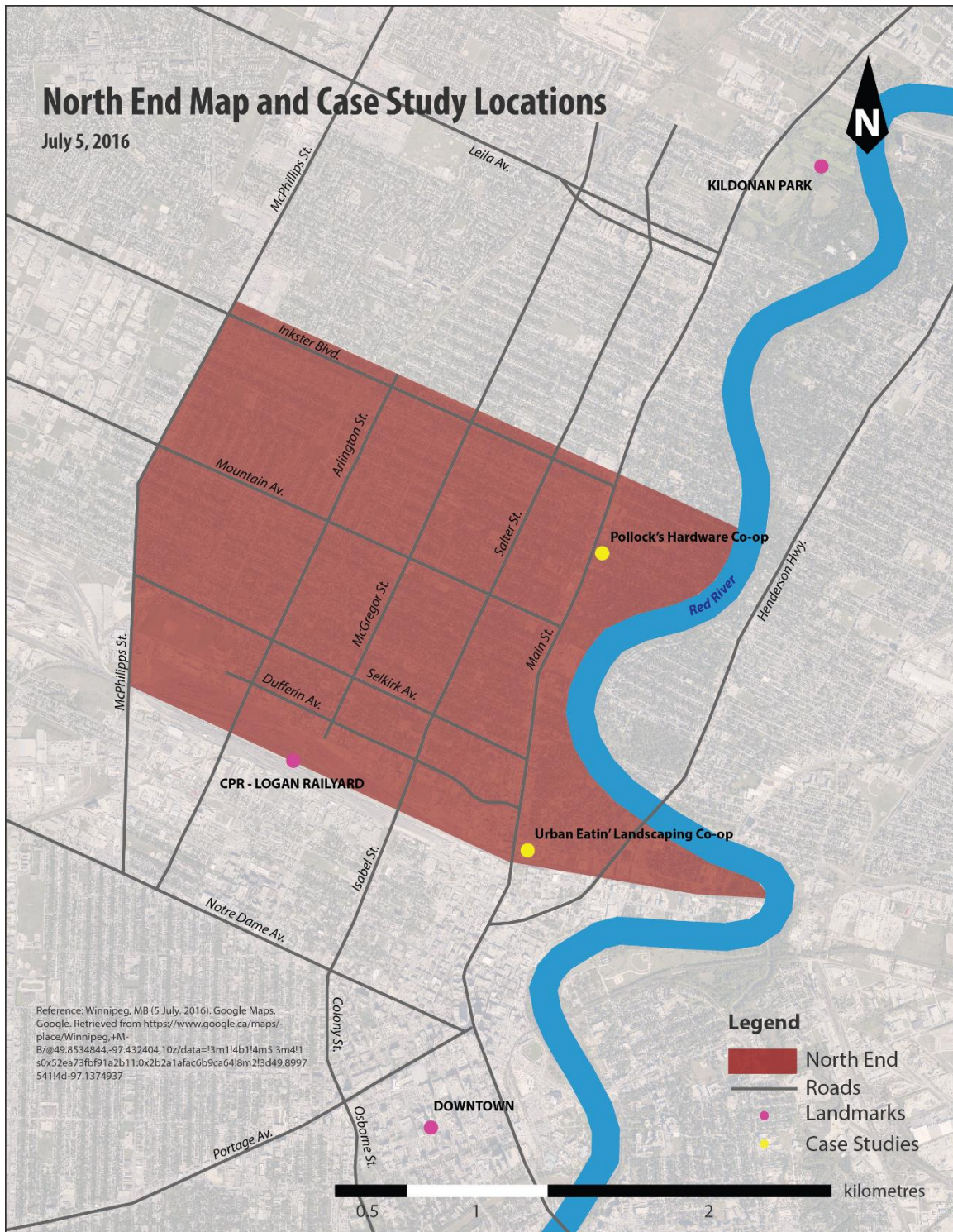
Three key informants from each co-operative were interviewed to help inform the case studies. Researched information from websites, newspapers, magazines, and social media complimented the interviews. The interview questionnaire focused on two aspects – the effects of the co-operative on the community, and the effects of the co-operative on the worker. Using open-ended questions, a conversation was started between the interviewee and myself regarding their experiences while working at the co-operative. The following are the questions I asked during the interview and information I was seeking.

The first question asks how the co-operative selects its location. My case studies are all located in the North End with the exception of Pollock's Hardware, which has other satellite branches in other neighbourhoods in Winnipeg. Understanding how the co-operative selects its location can shed light on the values and principles the workers abide

by. Knowing why they selected the North End as their area of operation could tell us what drives them to operate in the area, and potentially impact the neighbourhood.

Following this question, I asked the question “does the co-operative influence the neighbourhood they are in?” By asking this question, I am able to directly explore the possible effects the co-operatives have in the community based on the perspective of the worker. I am also able to explore non-profitting community service activities the co-operative organizes. .

Map 2



A. Pollock's Hardware Co-op Ltd. case study

1. Introduction

Pollock's Hardware Co-operative Limited is the first case study. This co-operative is a great example of how the community's unification and co-operation can affect urban revitalization. The community prevented the closure of a North End icon and the North End further succumbing to urban decline. They stimulated community economic development and prevented *economic leakages*. After the community saved Pollock's Hardware and turned into a co-operative, it started to conform to the seven Co-op Principles making it adapt the values of social and environmental responsibility in its operations. While profitability is still a key goal, the co-operative tries to contribute to the community through programs they host, and collaborations with other community oriented organizations. Pollock's exemplifies how a co-operative could build relationships with the community and other institutions with similar goals to enhance both business and societal conditions. Lastly, the challenges Pollock's faced during its conception, its operation as co-operative, expansion to other underserved places, as well as how unintended consequences arising from changing government support, show some of the limitations of the co-op model. Today, Pollock's Hardware Co-op has an estimated following of more than 3,000 members strong.

2. Background and history

Pollock's Hardware Store started as a private conventional business on 1407 Main Street in the North End neighbourhood of Luxton. It was opened in 1922 and run for 85 years. In 1994, the original owners sold the business to Wayne and Lois Cash who managed the hardware store until they wanted to retire. A common theme in deteriorating areas is infrastructure disinvestment leading to adverse impacts on businesses (Reimer, 2012). Pollock's is one of the North End businesses that were affected by neighbourhood decline. The Cashes placed the business for sale but failed to interest buyers because of the lack of interest. The store was expected to close but the area residents did not like the idea and felt that the store was an important North End icon. The people perceived Pollock's planned closure a sign of neighbourhood decline, and that the lack of service would lead to great inconveniences to the poor and seniors (Loxley, 2015).

Before any CED initiative can happen, the community must first be united, empowered and mobilized towards a common goal (Loxley, 2010). Fortunately, Luxton had exactly that. The group that mobilized included community members, some notable University of Manitoba scholars, and famous personalities. They banded together to find a way to reopen the business. The small group of activists planned to convert the hardware store from a private business to a co-operative. They approached the Cashes with a proposal to purchase the business in late 2007 (Loxley, 2015).

The community activists faced several hurdles in the acquisition of the hardware store and its development into a co-operative. The owners considered the store as a retirement fund and priced the business higher, which resulted in disagreement with the community activists. Inventory records were also inadequate due to the lack of computerization, which made it difficult to accurately estimate the total value of the inventory. The group presented the Cashes a five-year lease-to-buy in March 2008, but their best offer to buy the building was declined. (Loxley, 2015). Before the group can assess the support they can get from the community, the couple liquidated most of the store's inventory and closed the operation in December 2007. Because of the hindrances, the community considered a new location for a community run or co-operative hardware store with a new name after the Cashes rejected the offer (Loxley, 2015).

The community activists put a business plan based on the Pollock's financial statements after a failed attempt to get another private business interested in purchasing Pollock's. They knew that a different business model would need to be developed, which would result in the creation of a co-operative. The property was then examined and the store, along with its remaining inventory, was given a monetary value. Then the group organized a community meeting, which was attended by seventy people, to sell membership shares at \$25 each (Loxley, 2015).

Different organizations came to the forefront and became essential in the development of Pollock's Hardware Co-operative. The community activists consulted regularly with the Manitoba Housing and Community Development's *Cooperative Development Services* to learn how co-operatives work, membership shares and by-laws. The Assiniboine Credit Union and Jubilee Fund provided financial support. The CED Tax Credit was used to encourage people to purchase Pollock's investment shares with a 30% tax credit incentive (Loxley, 2015).

Finally, a deal to a five-year lease-to-buy agreement was struck on mid-April 2008 (Loxley, 2015). Pollock's Hardware reopened on June 21st, 2008 as a co-operative through the organization of its employees, and with the help of local residents, and various institutions. Since reopening as a co-operative, sales increased by 22%, which was above the business plan predictions. In 2011, the co-operative fully purchased the 1407 Main Street store and opened a new warehouse on 785 Main Street (Pollock's Hardware Co-op, 2013). On November 1st, 2013, Pollock's Hardware Co-op opened its third store in Osborne Village. Located on 550 Osborne Street, the store sells bare necessities and offers some essential services not available in the community (Loxley, 2015).

3. Pollock's mission to the community

Like most CED initiatives, some of the people working at Pollock's are very idealistic. They hope to create social change in the neighbourhoods they live in, while making a living doing it. The co-operative organizes a number of initiatives and activities that benefit the community. The community activists who initiated the idea of converting Pollock's Hardware to a co-operative and the current workers are intent at preserving their neighbourhood, and preventing urban decline.

One of the reasons the community activists created Pollock's is the need for a community hardware store. The North End is underserved with stores supplying building materials, tools, and other household necessities. There are no other hardware stores within the North End, and within walking or "bussing" distance, other than Pollock's. The closest hardware stores are outside the North End, which are Richelieu Winnipeg on Mountain Avenue in the Inkster Industrial Park, and the Garden City Shopping Centre agglomeration on Leila Avenue and McPhillips Street, which houses a Canadian Tire, Home Depot and Tool Town. From the geographic centre of the North End, Richelieu Winnipeg is approximately three kilometers away or a six-minute drive, while Garden City Shopping Centre is farther, at approximately five kilometers away. The population of the North End, however, relies more on public transit than other neighbourhood clusters in the city (City of Winnipeg, 2011). Approximately 22.5 percent of the population of the

North End relies on public transit – twice as much as the city’s 14.6 percent average. Among which, the most central neighbourhoods and poorest, Dufferin and Lord Selkirk Park, have the highest public transit ridership at 44.6 and 36.4 percent (ibid). Accessing hardware stores becomes more difficult when the North End’s aging population is considered. As result, it was essential for the community to keep Pollock’s running.

4. Pollock’s in the Social Enterprise Centre (SEC)

In addition to serving the community through hardware retail service and supplies, Pollock’s partners with other CED organizations that promote social welfare in the North End through the Social Enterprise Centre (SEC). The centre is a venture between Pollock’s, Building Local Industries for Local Development (BUILD), and Manitoba Green Retrofit (MGR) (Loxley, 2015). The location of the Social Enterprise Centre benefits the community and neighbourhood through the programs they offer and physical revitalization.

Opened on May 1st, 2012, the SEC works as a hub for CED initiatives. The centre provides training, employment, and other forms of support for disadvantaged community members, who mostly resided in the North End. There were eight CED organizations working in the building including Pollock’s Hardware Co-op and Urban Eatin Co-op. Six of the organizations were social enterprises by definition, which adhered to the Co-op Principles while remaining not-for-profit (Social Enterprise Centre of Canada, n.d.). I

make that distinction here, as we shall later explore how the for-profit and not-for-profit models were affected by changes in government funding priorities.

Pollock's created a synergistic relationship with MGR and BUILD, as well as being co-property owners of the Social Enterprise Centre building. MGR is a not-for-profit organization that aims in creating meaningful employment and skills training for marginalized people. The organization provides property maintenance, residential insulation, high efficiency gas furnace upgrades, and a bedbug removal service (Slessor, 2012 & Manitoba Green Retrofit, 2016). BUILD promotes sustainability by providing employment opportunities to marginalized people. People with limited experience are trained to work on insulation upgrades and installation of water saving features (Slessor, 2012a; BUILD, 2016 & Hildebrand, 2012). Pollock's provides MGR and BUILD with building materials and other supplies needed through their warehouse at a discounted price. Pollock's has also built a relationship with Assiniboine Credit Union, which was instrumental in the financing of the co-op in the beginning. Pollock's contributed in the purchasing of the building by securing the loan from Assiniboine Credit Union (Loxley, 2015).

The SEC is located in one of the most dilapidated areas of the North End. Housed in 765 Main Street, a restored and repurposed warehouse, the space was the Canadian Pacific Railway Post Office Building (Postal Station "A") (Peterson, 2011). The now

dissolved contracting firm, Carter-Halls-Aldinger, constructed the building in 1924 for Canadian Pacific Railway (CPR) to organize the mail arriving and departing from Winnipeg. After World War II, dependence on mail delivery began to shift from rail to airmail with the construction of highways and airports although the bulk is still carried by trains. By 1971, the mail and transportation demand completely shifted away from rail to other forms (ibid). The decline in the importance of the railways, coupled with other factors, caused the area around the CPR-Logan railway to quickly dilapidate. Prestigious places, like the Royal Alexandra Hotel and Canadian Pacific Railway (CPR) Station, became obsolete indicating symptoms of urban decay. The Royal Alexandra Hotel was demolished in 1971 (Goldsborough, 2015), and the CPR Station closed in 1988 after passenger traffic ceased a decade earlier, the station is now the Aboriginal Centre of Winnipeg (Historicplaces.ca, n.d.). The area continues to experience the ills of urban decay, which is offset by a handful of government, CED, and private investment projects in the area. One of these investments is the purchasing of CPR Post Office building to be repurposed as the Social Enterprise Centre.

5. Engaging the community

Pollock's organizes and hosts events for the community as a form of service and organizational marketing. One of their most popular events is the annual "Anything Grows

Perennial Swap & Community Market.” The event is held in summer around May at the 1407 Main Street location. Pollock's invites community members to bring their perennial plants and seeds, and trade with other people. The event also serves as a garage sale for the community, where people can bring their unwanted items to be given away, traded, or sold. During the Winnipeg Folk Fest, Pollock's operates a makeshift repair shop eloquently called the “Fix-It-Shop.” Run by Pollock's employees who volunteer their time, the shop provides free use of tools, and do-it-yourself mentoring, and expert advice. Some hardware necessities are for sale for people attending the event. By conducting such events, Pollock's is able to reach out to the community, they also view the events as an opportunity to increase awareness of their co-operative's mission, and opportunity to advertise their business. Mike Wolchuck sees it as a venue where they can meet the next generation of Pollock's Supporters with the same mind-set.

6. Supporting community initiatives and other organizations

The Co-op Principles have a strong emphasis on the “locale.” The co-operative's activities primarily aim to benefit and support the local or immediate community in order to restore economic, social and environmental balance (Canadian CED Network, 2016). As a result of this principle, Pollock's tries to support and promote initiatives from other community groups, school board, and other social organizations. The range of assistance

or support Pollock's allocates to community organizations varies from simple advertising, to volunteering, and being directly involved in the initiatives. Over the years, the Pollock's website and social media accounts have served as a hub for community activities that include community gathering to discuss safety, neighbourhood spring cleanup, and the promotion of Neechi Co-op. Pollock's has also been a supporter of NECRC's Picnic at the Park, which a community event celebrating the culture and diversity of the North End (North End Community Renewal Corporation 2013-2014 Annual Report, 2014). Lastly, chocolates are often seen in the store during the school board's fund raising season.

Pollock's works with other organizations for business and societal reasons. The co-operative is one of the organizations involved in the redevelopment of the Merchant's Corner Project, as a materials supplier and stakeholder (NECRC Update, 2013). The Merchant's Hotel was built during the North End's more prosperous times in 1914 on 541 to 543 Selkirk Avenue (Cassidy, 2014). Selkirk Avenue used to be a bustling commercial street, but from the 1970s to 1990s violence and crime escalated and premium shops and entertainment places closed and the street became a "social services agency alley" (Cassidy, 2014). In April 2012, the Province purchased the hotel and adjacent properties, then transferred ownership to a coalition of twenty Selkirk Avenue social services agencies that will work towards its redevelopment. Lead by the North End Community Renewal

Corporation (NECRC), the project will see the redevelopment of the hotel into the Merchants Corner.

Camaraderie is enhanced and community ties are strengthened as Pollock's support other organizations' initiatives. Common goals have higher propensity of being met when organizations operate efficiently through consolidated efforts resources. Through the simple act of promoting community events, more people are informed and enticed to participate. In return, organizational marketing is benefited as Pollock's rapport with the community is enhanced and potential new co-op supporters are discovered.

7. Environmental sustainability

Protecting and enhancing the environment is another co-op principle Pollock's adheres to and emanate through the products it sells, and the way they operate. From the beginning, Pollock's board of governors decided that the store is to function sustainably. One of the ways Pollock's promotes sustainability is by selling items that have low carbon footprint such as certified eco-friendly paint and compostable garbage bags (Lange, 2008). The store sells items that allow consumers to decrease their carbon footprint. Better mousetraps, drying racks, rain barrels, and compost bins are prime examples of products Pollock's encourages people to buy (Lange, 2008). By not using poisons to control pests, users decrease the risk of harmful chemicals leaching into the food chain. Pollock's is also

continuously trying to search for alternative products that do not contain toxic substances to replace some items in the store that are toxic. People also become less reliant on electricity when a simpler method of drying clothes using drying racks and the sun is used. By using rain barrels, people can collect rainwater and use it to irrigate their lawn, instead of using water from the tap. Pollock's also advocates composting as a great way to reduce household biodegradable waste, as well as create organic fertilizer. The store also tries to promote quality products that are built better and last longer than others (Lange, 2008). Pollock's considers product lifecycle and its long-term use a waste reduction strategy. Some examples of these high-quality long-term use products are iron skillet, steel garbage cans, and other household items.

In June 2012, Pollock's started to serve as a community waste depot for Compact Fluorescent Lamps (CFL) and tubes, as well as residential use paint for free (Slessor, 2012b). The initiative was in response to the Household Hazardous Material and Prescribed Material Stewardship Regulation under the Waste Prevention and Reduction Act that prevents disposed hazardous materials from leaching into the environment (Kurschner, 2010). Unfortunately, because of the lack of adequate safe storage spaces, Pollock's no longer accepts CFL and used paint for disposal. The store however continues to educate the public of the necessity of properly disposing such materials and alternative collection sites.

In addition to the products they sell, Pollock's activities and operation also reflect their commitment to sustainability. Waste reduction is one of the areas they focus on, namely on the amount of packaging they discard. By reducing the size of their garbage bin, Pollock's workers became more cognizant of the amount of waste they produce (Lange, 2008). The employees try to source suppliers that deliver products with less packaging as possible. Sourcing locally, or the nearest best value product available, is also one of the ways Pollock's reduces its carbon footprint and aligns its practices with the co-op principle of using locally produced goods and services (The Canadian CED Network, 2016). Shipping products is one of the contributors of Greenhouse Gas emissions. By sourcing locally, Pollock's does not only support the economy but also promotes sustainability (Lange, 2008).

8. Expanding to a new neighbourhood

Pollock's impetus for expansion is both to increase their business and contribute to the community they are in. Their first expansion remained in the North End at the SEC, however their third store ventured farther in an area experiencing some of the issues the North End is facing. Located in a 1,100 square foot store on 550 Osborne Street, the third branch opened on November 1st, 2013. The original Main Street Store and the South Osborne location share similar reasons for its creations. Most of the driving factors to open

the third Pollock's branch were predicated around the co-op being able to bring positive impacts to the community, and the financial profitability of the venture.

One of the impetuses for locating in South Osborne is the neighbourhood's need for a hardware store. Pollock's studied potential places and found that the South Osborne location, is underserved by a lack of accessible hardware and supply stores. The closest store the area has is a building and supply store on Pembina, located at the other side of the railroad tracks making it difficult to access. Some residents would drive to Linden Woods to go to Rona or Home Depot for a few hardware items (Cash, 2013). Because there were no other hardware stores serving the community, Pollock's is both able to service the community and ensure profitability.

South Osborne area is one of the twenty-one 'Rehabilitation Areas' according to the City of Winnipeg's Housing Policy – Neighbourhood Designation Report. Under the policy, 'Rehabilitation Areas' is defined as neighbourhoods starting to experience decline and requires some intervention to encourage private investments and infrastructure renewal (The City of Winnipeg Community Services Department, 2000). The current condition of River Osborne, which is just one category better than the North End's, was another impetus for Pollock's to build a branch in the area.

Before establishing a store in South Osborne, Pollock's management conducted community engagements through open houses in the Riverview Community Centre to

gauge the interest of the residents. The South Osborne Business Improvement Zone was on board with the idea and believed that the community would support such venture (Cash, 2013). The South Osborne residents showed a strong interest in having a handy hardware store within the neighbourhood where they can acquire a few necessities for their homes. Pollock's also found this important, not only for ensuring that the people would patronize the co-op and purchase their products, but also to ensure that partnerships and collaborations with local organization would be more probable. Pollock's management felt that the community shared their ideologies and values embedded in the Co-op Principles. The management saw Osborne residents as socially responsible and environmentally conscious people with strong organizational capacity. There are a variety of organizations in the neighbourhood, which Pollock's could readily work with as part of their business and mission. Because of the strong support from the community, Pollock's management felt that locating a store in South Osborne would be a good investment, while allowing them to meet their social objectives.

9. Pollock's effects on its member-workers

Programs that improve the social and economic conditions of individuals can impact the community as a whole. This correlation is a base premise of social enterprises aiming to develop the local economy through bottom-up approaches (Borzaga & Tortia,

2009). Henderson (2014 p. 2) argues that “increasing the equality of capability for the least advantaged” is a socially just form of economic development. To simply put it, “it is the economic development of people, not of place, or even a nation, that should concern us” (Hayes & Nembhard, 1999 p. 56). “The first line of basic capital formation is the people themselves” (Williams, 1993 p. 15).

Aside from influencing the community and physical neighbourhood, Pollock’s impacts its employees through the provision of income and skills development. Pollock’s aims at helping the individual, as they are smallest component of society. One of the ways Pollock’s is able to positively influence its workers is by being inclusive in its employee recruitment. The co-operative does not discriminate prospective employees based on their ethnicity, gender, age, social status, or other factors outside the control of the individual. One group of employees working at Pollock’s is students, who commonly work part-time in the store during fall and winter, and full-time during summer. Working at the Pollock’s allows the students to generate some income, develop skills in retail, and the fundamental of a co-operative as an organization.

Working at the co-operative has helped its member-workers develop and enhance certain skills, which range from learning how to manage and market a business to learning how to improve public relations. One interviewee reported learning carpentry skills as a result of working in the co-op, while another learned how to design the webpage, manage

the social media accounts, and write copy for Pollock's communications. All of the research participants indicated gaining some form of new skills and learning as a result of working at the co-op.

As a perk of working at a hardware store, employees benefit from purchasing items at discounted or wholesale price at Pollock's. The increased affordability allows member-workers to undertake renovation in their homes. The co-operative employees interviewed at Pollock's either owned their home or was staying at a relative's house in exchange for managing and maintaining the property.

Pollock's creates a 'family effect' in a professional working environment, according to one of the research participants. The staff described the environment as one big family whereby relationships were built over time. Some of the members are related to each other and have been active as volunteers before formally working as a co-op employee. Because of the staff's close professional working relationships, the co-operative is able to operate smoothly, for the most part, as one unit.

10. Challenges encountered

From the time Pollock's was created, initially as a privately-owned enterprise, then as a co-operative, there have been a set of challenges that group of activists had to mitigate in order to survive. These challenges represent some of the difficulties that plague, not just

co-operatives, but also other businesses in the North End. Understanding how Pollock's is able to mitigate and find solutions to these challenges may give us a better understanding on how co-operatives, and private businesses alike, may thrive in a rather economically inhospitable area.

While the co-operative has been thriving, it is not without difficulty. The co-op has several limitations, and cannot fully address all the needs of its worker-members. Although workers earn income by working at the co-operative, the compensation is only enough for its employees to live a very modest lifestyle. At a certain point, the compensation is unable to satisfy some of the workers' aspirations. As a result, workers sometimes seek additional employment, or other sources of income in other places, in addition to working at the co-operative. The co-operative is also sometimes limited by the level of employment advancements it can offer employees, because of the scale of its operation. Small-scale operating institutions meant to service the immediate locale, simply have limited hierarchies and pay grades. Because of this, some of its members feel that the co-operative may be a stepping-stone towards better employment precipitated from the skills the hone at the co-operative. Notably, some of the younger workers feel that the co-operative may not meet all their long-term aspirations.

Competition is one of the greatest challenges Pollock's encountered as a conventional business, and then as a co-operative. Because Canada adheres to a Market

Economic System with a free-market approach, albeit being regulated, capitalism and competition is a major component of economic activities. Competition is a driving force of development and progress in technology, health, and finance, to name a few (Hamzaee & Baber, 2014). Individuals get equal opportunities to invest and accumulate wealth and power. However, once wealth is accumulated, an imbalance in power ensues and the free-market competition becomes a monopoly. In the case of a monopoly, there is only one producer and multiple consumers allowing the producer to dictate prices. The producer's impetus to develop strategies and products that are more enticing to consumers, thus more competitive, is virtually absent (ibid). As a result, in monopoly, development and progress stop and plateau. The irony of capitalism is that everybody is trying to out compete everybody else to gain a monopoly.

Chain retail stores, more popularly known as big box stores, in North America have been known to aim at out-competing local businesses through the immense scale of their operations giving them the ability to use predatory pricing, and other tactics that undercut smaller businesses' profits. Typically described as the pricing of goods below market value to undercut competition, predatory pricing have been well documented in several lawsuits filed against Wal-Mart for example (White 1993 & Mitchell, 2000) and accounts documented by Mochuruk (2000) as the private chain retailer Piggly Wiggly attempted to sell milk below their competitions' prices regardless of the product's market value.

For Pollock's, the competition against chain retail store is an unavoidable challenge they must endure. Although Pollock's is located in an area underserved by hardware stores, the popularity, bargain deals, and advertising prowess of chain retail stores have made them the popular choice for most consumers. Big chain retail stores' scale of operation and relatively low overhead cost also allowed them to reduce their products' prices to ensure better business competitiveness. Pollock's and other small local retail businesses, on the other hand, operate in a smaller scale and have higher overhead costs. Store programs such as price-matching and no-interest financing have helped increase the popularity of chain retail stores. Coupled with expensive but aggressive and effective marketing, many people have favoured procuring from chain retail stores over local stores, or have simply become unaware of their options.

Interestingly, co-operatives and other small local stores also compete with other co-operatives. However, the competition is arguably fairer and less aggressive than competition against chain retail stores. A case-in-point is Red River Co-op Food Store, which opened a grocery store at 1441 Main Street, a block away from Pollock's. The store focuses on selling groceries but like other retail stores, have expanded to include other items, such as some hardware tools and supplies. Another smaller convenience store across the street also started to offer a similar key cutting service to Pollock's.

As part of their business strategy, Pollock's partners with different CED organizations as their project supplier. The list of partners ranges from the North End Community Renewal Corporation (NECRC) to BUILD and MGR. These partnerships proved to be very successful resulting in increased business for Pollock's, and reduced project costs for their partners, while achieving their collective social goals. The sales to BUILD alone reached over 900,000 CAD (Loxley, 2015). However, their partners are not-for-profit or social services. This means that a large part of their finance mechanism relies entirely on government funding. As a result, Pollock's gets higher returns if the government favours allocating adequate funds for their partners' projects. In 2013, the government reduced funding, which limited BUILD's activities. As a result the organization had to change their business model and find other sources of income. Purchases from Pollock's dropped dramatically and losses ensued, although the co-op was breaking even by mid-2015 (Loxley, 2015). In 2015, due to increasing rent at the SEC, and reduced business from their partners, Pollock's closed their warehouse at the Social Enterprise Centre. One Pollock's staff, under mutual agreement with co-op management, was laid off and availed of Employment Insurance benefits to acquire more education and training in a different field.

Co-operatives follow the principle of democratic control, whereby all its members are accorded the right to voice their ideas and opinions under a one-person-one-vote rule

(Agriculture and Agri-foods Canada, n.d. & National Cooperative Business Association, 2014). For larger co-operatives like Pollock's, decision-making may be centralized through a board composed of co-op members representing different units within the organization. The board oversees operations and provides general business directions. The system works so that decision making can be more efficient while maintaining democratic control. For the most part, Pollock's benefits from the system with sound decisions.

However, there are also instances when opinions are divided and people have different ideas on the direction the co-operative should go. The workers and the board may have different perspectives and priorities, which causes tension. Another reason for the tension is when the board becomes critical of the work the worker-members produce. The research participants interviewed were very passionate and take pride for the work they do. So when the board decides to delegate the responsibilities of one worker to a person, who is considered an "outsider" but has better expertise, disagreements arise and people feel excluded. The workers also suggest various ideas to further integrate Pollock's with the community, such as a program to help women learn basic carpentry skills. However, the board needs to ensure that the programs do not risk the financial sustainability of the co-op. Some of the sentiments from the interviews note their desire to have better constructive communications with the board, which includes improved participatory management.

At this point, it is important to note that only workers were interviewed. Interviews with members of the board were not part of the research design. The interviews were undertaken at the time when Pollock's was closing their warehouse at the Social Enterprise Building, which may have stimulated some disagreements as the co-operative tried to reconfigure their business model.

11. Coping with challenges

Amidst the challenges, Pollock's remains steadfast and creative in finding solutions. Competition against chain retail stores is a reality and will always be present, so Pollock's have been using several strategies that allow them to fight fire with fire. One of the basic strategies Pollock's uses is price matching. Pollock's offers customers to reduce the price of an item to a competitor's advertised price. Although Pollock's may lose profit from price matching, they allow it to retain their patron's business, which is more ideal in the long run.

Pollock's have also partnered with product makers to be one of a few exclusive product retailers. Paderno Cookware is a line of quality cookware proudly Canadian. There are only four places Paderno can be purchased from in-store in Winnipeg and Pollock's is one of them. Being one of a few retailers, instead of being the only retailer, grants Pollock's the entirety of the market in the North End area, while still maintaining competition.

Unfortunately, it seems that chain retail stores like Wal-Mart, Costco, and even BestBuy have included Paderno Cookware in their online inventory. Paderno is still unavailable in-store at these chain retail stores, but because of the growing popularity of online shopping, there may be adverse impact on Pollock's sales.

Pollock's has been using their network with other CED organizations. As discussed earlier in this case study, Pollock's partners with various not-for-profit organizations and community renewal corporations to strengthen ties and achieve common community goals. For Pollock's the partnerships are smart business ventures, which increase the probability of being awarded the role of building materials supplier. Partnerships ensure that Pollock's can be profitable and competitive against privately operated hardware stores.

To compete or not to compete

In addition to the chain retail stores, smaller businesses and, on occasion, other co-operatives compete with Pollock's. However, this type of competition is not as severe as competition against chain retail stores. The products sold by competing co-operatives are not comparable with quality, variety, and standards of the products from Pollock's. Because of this, Pollock's is not as affected and is open to sharing some of the market, especially with other co-operatives.

Spasmodic government ideologies

Partnerships with other CED organizations, as with democracy, is a double edge sword. When democracy elects leaders who favour socialist ideologies and are willing to support social programs, CED organizations and other social enterprises are relatively well funded. In turn, social enterprise partners, like Pollock's, reap the benefits with business contracts. But in cases when the government changes ideological sides and adheres to more conservative policies, funding for social programs is reduced. In order for Pollock's to counteract reduced funding and business with their partners, the SEC warehouse had to be closed and its inventory liquidated. Pollock's also reduced their line of credit to \$90,000. However, Pollock's continues to services MGR and BUILD through the original Main Street store (Loxley, 2015).

Democracy in Pollock's

As with any organization that advocates open-decision making, competing ideas will always create tension. But it is through opposition that ideas are challenged towards the discovery of the truth, or in this case, what is best for the co-op. For Pollock's this will always be the case and every discussion is new and unique. Unlike other co-operatives, Pollock's have been blessed with a selection of incredibly knowledgeable people in various

fields. These people ensure that the co-operative does not only serve its social purpose but also ensure that it remains financially sustainable.

12. Summary

Pollock's Hardware is an example of a co-operative born in the North End, as a result of the need to maintain a service in the community. As a symptom of urban decline, many stores in the North End have been closing as their owners retire, or as a result of bankruptcy. By banding together, the community was able to save an icon and prevent the area from further declining. But the story does not end there, as Pollock's reopens as a co-operative it now emanates socialist ideologies embedded in the Co-op Principles. Pollock's, as a co-operative, now impacts the community, the neighbourhood and its members in unconventional ways. The co-operative improves social cohesion by hosting programs and activities for the community that bring people together. They advocate environmental protection through the products they sell and the kind of lifestyle they promote. The local economy is strengthened through their operation as the store features unique items made in Winnipeg, and quality Canadian-made brands. Perhaps most importantly is the partnerships Pollock's has with MGR, SEED and NECRC. The co-operation between these organizations helped in creating the SEC and is helping in the redevelopment of the Merchants Corner, which contributes to North End revitalization.

On an individual level, the co-operative has impacted its employees through inclusive hiring, skills training, and procurement of building materials. In the end, challenges do occur and seem to slightly stagger the co-operative. Competition against chain retail stores, even against other co-operatives and other small North End businesses, is always difficult due to economies of scale. Strategic marketing through various activities that bring the community together help Pollock's win patrons. Business strategies such as price matching and partnerships with organizations help Pollock's secure relatively large supplier contracts. Internal conflicts do arise due to competing ideas, while they try to achieve a similar goal. This is not a major problem and actually works to the advantage of the co-operative. Motions are questioned, challenged and scrutinized when competing ideas arise. Prevailing plans are tested, reworked and remodeled to one that hopefully works and ensures longer longevity and more success for Pollock's.

B. Urban Eatin' Landscapes Co-op Ltd. case study

1. Introduction

Urban Eatin' Landscapes Co-operative is the second case study. The co-operative is a slightly younger organization than Pollock's. It was founded five years ago in 2009 with four pioneering members, in a makeshift workshop under the roof of a rented garage. With a desire to occupy a unique niche in Winnipeg's landscaping arena, the pioneering members envisioned a co-operative that offered homeowners the option to landscape their front lawns and backyards to an "edible" garden. Urban Eatin' is a great example of how a start-up co-operative can contribute to sustainability, urban revitalization and community building. The story of the co-operative's member-workers illustrates the different kinds of opportunities that exist in providing an unconventional service to create employment and advocate social and environmental sustainability. Like all start-ups, the co-operative faced many difficulties at the beginning, which were surpassed with the assistance of a handful of people and organizations, such as The Manitoba Government and other CED institutions. These organizations became essential in the creation of the co-operative as the co-op members work to learn the business, survive challenges, and grow. The story extends to the individual member-workers who all made sacrifices and contributed to the growth of the co-operative. Each member-worker had to go above and beyond in order to realize their vision of operating their own landscaping co-op. As a result, one of the newest co-

operatives in Winnipeg has also become one of the most recognized. Urban Eatin' continues to attract more attention as they "break new ground" with community organizations and private homeowners.

2. Background and history

Urban Eatin' is a small start-up business born out of a rented garage. The organization incorporated as a co-operative in October 2009 ("Greening Winnipeg's Urban Spaces: Urban Eatin' Gardeners Co-op – SEED Winnipeg", 2016). Urban Eatin' started with four pioneering members, each investing money, skills, and knowledge to the organization. Each member-worker has a specialization or knowledge the co-operative capitalizes on. One of the members was an expert on herbs, while another knew gardening and landscaping, a member built trellises and cob ovens, while another did the administrative work.

The purpose and mission of the co-operative is to encourage the utilization of existing green spaces for growing edible plants, in an environmentally sensitive manner, meant to be consumed by the property owners. The co-op provides clients instructional workshops and mentoring to a wide range of people from school children to retirees in senior homes. Through gardening, the co-operative wishes to impart food security to Winnipeggers especially those living in declining neighborhoods, or are experiencing

poverty. Conservation and environmental protection is also advocated by the co-operative through their gardening practices.

The reason Urban Eatin' is located in North End is the product of the availability of space, their network connections, and an opportunity to be closer to their target demographic. Through various grants from not-for-profit organizations and their robust co-operative business structure, Urban Eatin' Landscapes was able to relocate from its makeshift shop to a proper workshop and warehouse in the Social Enterprise Centre (SEC) on 765 Main Street. During the time of the interview in fall of 2015, the co-op sub-leased space from Pollock's Hardware Co-op's surplus warehouse in the SEC. Their affiliations with other CED organizations, not-for-profit and community organization allowed them to expand and provide their services to community organizations that operate with a relatively constrained budget. While their membership continuously shifts as existing worker-members resign and are replaced by new recruits, the co-operative is slowly growing and reported generating increased profits over the years albeit the seasonality of their work. At the time of the interview, the co-operative was composed of four members, three of which were interviewed for this thesis. Two of the members were full-time workers, while the other two were attending university.

It was not easy starting a co-operative and the young organization had to tackle several challenges using innovative ideas. In the beginning, the founding members did not

understand business and accounting and miscalculated or underestimated the number of hours they spent working on a particular project. They were inefficient and took longer to complete certain tasks. As a result, projects were underpriced and did not cover the capital cost, which led to lost profits and unpaid wages. SEED Winnipeg advised them to list their “sweat equity,” which is the amount of service they rendered for the co-operative but have not gotten paid for. The founding members also had some difficulty in understanding the process of incorporating into a co-operative. The workers found that the technicalities and pieces of legislation governing co-ops were cumbersome and complicated. However, the greatest challenge the co-operative had to face was the seasonality of work. Planting only happens during spring although preparation may start close to the end of winter. Work continues through the summer and ends in mid to late fall. During winter, the co-operative is inactive and the workers need to find alternate sources of income. The co-operative’s lease also continues during winter months even if the organization is inactive.

3. Urban Eatin’s mission to the community

The North End, in many different ways, is one of the most underserved areas in the city. For example, there are no City operated gardens available for rent to the general public in the North End. Only the electoral wards of Transcona, Elmwood-East Kildonan, River Heights-Fort Garry, St. Vital, and St. Charles electoral wards have City operated gardens

("Electoral Wards - City of Winnipeg", 2016). However, the North End is in no way void of community gardens. Different North End community groups have established several community gardens in their neighbourhoods. As a result, all neighbourhoods in the North End, except for Luxton and St. John's Park have existing community gardens (Malabar, 2010). A map available in the Urban Eatin' website illustrates the number of gardens operated by the city or on city owned land, gardens on Manitoba Hydro transmission lines, school yard gardens, community supported gardens, and privately operated community gardens. Although the map's administrator claims that the map may be incomplete and unverified, the map still shows that the North End has the highest concentration of community gardens in all of Winnipeg with sixteen in total (Clouston, 2016). Most of the documented gardens are centered in the North End's south-east quadrant where Urban Eatin' is located. Because of the abundance of community gardens operated by other social enterprise, community organizations, and other groups that support CED in the North End, there is plenty of business and social service opportunities for the co-op.

Like most co-operatives, Urban Eatin' operates within a set of principles, which guide its activities and allow it to contribute to community building and neighbourhood revitalization. One of the ways it contributes to the community is by providing a service that no other company is providing. "Need is the mother of all inventions" and co-operatives are not alien to this saying. Co-operatives often provide essential services that

are too expensive for the public sector or are not profitable enough for the private sector (Chan, 2015). There are numerous traditional landscaping companies in Winnipeg, many of which provides a range of services from simple lawn care to the maintenance of elaborate gardens. However, only Urban Eatin' will craft a garden to grow plants that bear food for private owners or an entire community organization.

The Co-op movement, inspired by the seven principles, advocates concern for the community and the environment (Agriculture and Agri-foods Canada, n.d. & National Cooperative Business Association, 2014). In keeping with this co-op principle and contributing to urban revitalization, is the Urban Eatin's goal of creating food security. Mark Klassen, a member of the co-op was quoted in an interview saying that their "mission is food security", and that "it's the kind of work that if we did perfectly, we would put ourselves out of business" (Green, 2016). Community gardens in general are widely accepted as a contributor to community economic revitalization (Brown 2000, Bellows et al. 2004). Community and private gardens play a pivotal role in community development and neighbourhood revitalization (Gray et al, 2013; Brown, 2000 & Bellows et al., 2004). Gray (2013) argues that community gardens are areas where social interaction happens building solidarity between the residents in the neighbourhoods. It is a place where social capital may be strengthened through sharing and bartering of produce and gardening knowledge (ibid).

In addition to providing a unique service that conventional businesses do not or cannot provide, the co-operative aims in serving marginalized groups of people. Urban Eatin' targets a demographic mostly composed of inner city and North End households and organizations. Often dictated by how far they can bike to reach a location, the sites they work in are mostly around their Main Street warehouse. On occasions the co-operative needs to venture out to distant place, two small pick-up trucks are available. According to one of the interviewees, the co-operative commonly selects the people and type of work they accept. In the past, they had declined projects if the scope or work only involves conventional gardening and does not incorporate edible landscaping. Alternately, Urban Eatin' is very interested in working with community organizations even if the project has restrained funding and offers little profit for the co-op. In fact, one of the impetus for their interest in joining the National Co-operative Challenge is so that they can commit to providing their service to people and groups who cannot afford their services. In a past interview with Winnipeg Free Press, Tommy Allen, one of the members of Urban Eatin' was quoted saying that "part of the their mission is to help people who need help," he later added "the price money will help us reach people who can't necessarily afford our services but who are just as deserving of our help" (Story, 2014).

After the crew has landscaped edible gardens in a homeowner's lawn or community group's space, the co-operative furthers their work by educating people. The lessons

include the types of plant species available in the garden, which plants are edible and which are not, as well as which plants are invasive weeds. On occasion, the ever-vigilant workers provide lessons about the environment and conservation as they reprimand and remind the young students they work with to conserve the limited water they have in the rain barrels. Paraphrasing the words of Klassen, if the co-operative does their job right and establish self-reliance in the community, they might not have a job in the future (Green, 2016). Although the co-operative may reduce their influence or participation in the community by educating them and as the community becomes more self-reliant, it is not a concern for the co-operative. What the co-operative builds through education is social capital and rapport with community, which often translates to expansion of their social network through peer recommendations.

In collaboration with their community partners and clients, the co-operative works to improve access to green spaces in the North End. One of the benefits of gardening in urban areas is the creation of an “urban oasis” to improve the aesthetics of urban environments (Poulsen, 2014; Brown and Jameton 2000; Lovell 2010; McCullum et al. 2005; Okvat and Zautra 2011). The North End is often described as one of the areas in the city in need of major infrastructure improvements from poor housing conditions (Brown et al, 2004) to the status of the bridges and blight conditions brought by the CPR-Logan yard (Welch, 2012). By helping create and maintain edible gardens in the North End, the

co-operative does not just improve the food security in the area but also add to the aesthetics of the environment. As Poulsen (2014) would argue, Building community gardens can revitalize degraded or underutilized lots in neighbourhoods.

Promoting environmental sustainability and reducing the co-operatives carbon footprint is another goal Urban Eatin' tries to achieve, which is also embedded in the Co-op Principles. One of the ways the co-operative does this is by locating in the area where their target clients are. By being in close proximity to their clients, the co-operative is able to reduce their transportation footprint. The co-operative purchased an Igo Italian Electric bike with the \$25,000 money they got from the National Co-operative challenge (Story, 2014). They use bike-carting to reach some of their clients in the North End. In addition to using pedal-power, the co-operative only uses simple hand tools to landscape, further decreasing their dependence on fuel. Urban Eatin's building materials are also sourced sustainably; the co-operative will use any material if they can repurpose or recycle it. Old pallets are used as building materials for the construction of compost bins; likewise, reclaimed woods are used to create planters. Old large plastic bottles and tires are also turned into makeshift planters. The co-operative uses old windowpanes and steel mesh in various applications. Using recycled materials not only reduces environmental impact but also reduces costs allowing the co-operative to stay within the budget – which for some

clients can be very limited. Finally, their wood scraps are sent to the North Point Douglas Women's Community Centre Cob Oven to be used as fuel for their outdoor cob oven.

Sustainability is extended to the co-operative's clients through the products they build. The edible garden may arguably be Urban Eatin's greatest contribution to sustainability as it gives the garden's stewards access to food. The use of rain barrels to collect rainwater for irrigation is another way the co-operative promotes sustainability. The co-operative will build compost bins and teach their clients how to compost their biodegradable waste so that they can make their own potting soil instead of buying from the store. Lastly, Urban Eatin' only uses all natural fertilizer and pesticide control method, which involves the use of compost, as well as manual removal of weeds and wood chips to curtail weed growth.

4. Urban Eatin's effects on its member-workers

Urban Eatin' Landscaping has no dramatic effect on the financial wealth of its member-workers mainly because of its "starter" status although the co-operative has become more profitable over the years. The workers are paid above minimum wage, which is enough to sustain a comfortable lifestyle without unnecessary luxuries. However, the wages paid are still below typical wages paid by private landscaping companies according to one of the interviewees.

The co-operative organization is an ideological movement bound by principles, which private sector businesses may not readily embrace due to the risk of decreasing competitiveness and it may curtail profitability. Co-operatives allow people to create a source of living for themselves that better reflects their personal values and interests, when there are no jobs available. Because of this, Urban Eatin' Landscapes provides its workers with not just a job, but also a place of work where they can practice their ideologies and principles. Research participants noted during the interview that one of the great benefits of the co-operative for the workers is that there is a job for them, and that working at the co-op allows them to perform tasks that are in line with their personalities.

Having ownership and some degree of control in the co-operative also had some psychological benefits to the workers. One of the research participants mentioned the feeling of pride for the co-operative's accomplishments and growth, which started in a rented garage and is now in the warehouse at the Social Enterprise Centre. The feeling that each one of them is an expert with specific skills important to the success of the co-op also adds to the worker's psychological benefits, as they take pride in their abilities, knowledge, and wisdom they can share with each other and community.

Work at the co-operative is seasonal, which means that they are only producing work and wages during snow-free months. As a result, the co-operative workers need to find alternative employment during off-season. This situation works very well for some of

the members who are also students or choose to live a lifestyle that allows travel, but the situation is challenging for other members. Because of the challenges of working at the co-op as a result of seasonal work and relatively lower wage, some of its workers have sought other employment opportunities. At the time of the interview there was only one original founding member left working at the co-operative, three of the founding members have already left to explore other ventures.

However, the co-operative does benefit the workers as well, in addition to providing a job. One of the contributions of the co-operative is the expansion of knowledge. Each member in the co-operative has a specialization, which ranges from knowledge of plants and planting techniques, to building gardening and administration. Because of the co-operative is small, interaction and transfer of knowledge between members is high. One member has capitalized in the knowledge that he has brought to the co-operative, and refined through his work by exploring the co-op's network to conduct some personal business on the side. The worker privately builds cob ovens for individuals after work hours as a means to produce additional income.

No home improvement or incumbent upgrading can be directly linked to the co-operative. Two of the three research participants rented their homes, which limited the impetus for the workers to undertake any home improvements, as property upkeep is the landlord's responsibility. One member rents in Winnipeg and travels to Montreal, Quebec

during off-season to visit a partner. One worker owns a property, which is rented out, while that worker shares a home with a partner. The only indication of incumbent upgrading as a result of working at the co-op was when that worker used the services of the co-op to undertake some garden work. Occasionally, workers borrow tools and equipment from the co-op for minor housework.

5. Challenges encountered

In its day-to-day operation and long-term existence, the Urban Eatin' faces several challenges. Some of these challenges seem to be reflective of a young start-up, while other challenges are generally inherent in the co-operative structure. Although the co-operative deals with numerous challenges, like Pollock's, they have strived and developed ways to overcome adversity. Because of the challenges of working in the co-operative, there is a high degree of employee turnover. The last remaining founding member of the co-operative expressed interest in leaving the co-operative and the landscaping business to gain more education in a health related field. In a revisit in early April 2016, I learned that the member who wanted to gain more education has left, and that another member is also leaving the co-operative. Urban Eatin' at that time had job postings for two positions. The last two remaining members were university students in their last year of study, making it

uncertain if they would stay with the co-operative after completing their degrees and are able to seek employment in their chosen careers.

Because the co-operative workers are still learning how to run a business, they have encountered many costly mistakes. In the beginning, they were inefficient and did not properly estimate the amount of time required to complete projects, hence they underpriced their services. The co-operative has also made minor, but costly, mistake in not providing clients with the proper quote for their services leading the client to believe that the service is cheaper than the real price.

As a lesson in the need for a community engagement, the co-operative found their work destroyed days after it was constructed because the community had a different vision for the space they landscaped. The co-operative was hired to build a community garden in a low-income neighbourhood outside the North End. With the help of volunteers, Urban Eatin' completed the work on a garden, only to find the garden completely destroyed by vandals a day after. One of the research participants mentioned that they heard remarks from the community wishing for a fence to be built instead of a community garden. The co-operative identified that the problem was the result of the lack of community consultation prior to initiating the landscaping project. The co-op workers later learned that the community preferred having an open green space than a garden.

The democratic control attributed to co-operative and CED organizations is both an opportunity for each member to be heard, and a hindrance to quick execution of operational changes that may benefit the co-op. The small size of the co-operative often means that every member can get the opportunity to comment on plans that affect the co-operative. Proponents of such plans often need to pitch the idea to her or his colleagues and get their support. One of the research participants commented that this makes the process really slow. Sometimes there are disagreements as criticisms and recommendations to changes other people's way of performing their work arise.

6. Coping with challenges

Perhaps one of the biggest problems of the co-operative is the high degree of employee turnover. Staff changes often involve retraining and building new working relationships with new co-op workers. During staff changes, honed skills are lost with the outgoing member, and there is a risk of personality incompatibility between new and existing workers. One of the ways the co-operative manages this is by ensuring that the remaining members can work well with prospective members through the hiring process. Outgoing members ensure that there is adequate transfer of responsibilities and, as much as possible, knowledge to the remaining members. However, the relatively lower wages and

tempting future opportunities for members attending university may be a more serious problem, as these conditions can cause workers to eventually and inevitably resign.

Although the co-operative has had several management issues in the past with quoting prices and paying workers' wages, these were isolated and did not happen repeatedly. The co-operative is quick to learn from mistakes. The workers, through their mistakes, are now better able to gauge their project timelines and avoid underpricing the price of their work. The co-operative has also learned to conduct better consultations with their clients and to consider all community members as stakeholders when designing and building an edible garden. By consulting with all stakeholders, they are able to paint a better picture of what the community wants and envisions for the space the co-op is landscaping, thus reducing the risk of negative reactions from people. Just like Pollock's experience, democratic control may be both a nuisance for members with an idea, and an opportunity to test ideas before implementation. The democratic control is a safety net for the co-operative, which prevents it from making rush decisions that may put the existence of the co-operative at risk.

7. Summary

Urban Eatin' Landscapes is a great example of a start-up co-operative, which has contributed to sustainability, the revitalization of the North End and other mature

neighbourhoods, as well as the building of a more cohesive community. Their mission, which is highly influenced by their ideology and Co-op Principles, contributes to food security in the places they have worked. Their work has also helped improve the physical aesthetics of the environment, which in some cases have been deteriorating. The co-operative expands their mission to educating the public on the values of food security, how to achieve it through gardening, and how to decrease their impact on the environment. Members in the co-operative also benefit from working at Urban Eatin' through the existence of a paying job that allows them to practice their ideologies. Although the workers experienced a steep management learning curve, the co-operative quickly learned from their mistakes and now have a better understanding of the industry, including the need for public consultation. The CED movement's democratic control helps the co-operative ensure that ideas are well tested, and that decisions are sound. The workers take pride in their work and accomplishments as they see the co-operative grow out of a garage into a proper warehouse. However, the employees sometimes grow faster than the co-operative and it is not able to satisfy all their aspirations causing them to seek other careers and opportunities.

C. Case studies summary

Case Studies are a great research method for in depth investigations on a particular subject. Characteristics and attributes of the case studies are explored and peculiarities and trends are made more noticeable, which would have been otherwise obscured. A holistic investigation is undertaken with case studies as it attempts to analyze all aspects of the subject to the extent possible. As a result, a wide array of information was gathered from both Pollock's and Urban Eatin' that depict their history, struggles, activities that affect neighbourhoods and communities, and their limitations as an organization. In the following chapter, this information will be distilled and presented with an urban planning focus.

V. Analysis

A. Introduction: Revisiting explored concepts and theories

What is Urban Planning? To simply put it, it is one of the greatest and diverse professions that allows highly enthusiastic people to flourish while catalyzing change in the in the places they live in. Planners worry about two main things – the built environment and the people living in them. As a result, planners often find themselves transcending the realms of economics, sociology, history, geography, and design, in an effort to build a city that inclusive and equitable to all members of society. On the one hand, planners are concerned about neighbourhoods, or the physical aspect of the city where people live. The neighbourhood is composed of houses, commercial establishments, streets, and other types of infrastructure. Organic elements also compose the physical aspects of the neighbourhood, such as plants in parks, boulevards, and open spaces, as well as rivers, lakes and other water bodies. On the other hand, planners are also concerned with the community as a construct composed of the people living within a place. Planners are interested in creating a cohesive community, through programs and activities that meld people together embellished by the design of spaces.

In cities experiencing urban decline, the both the neighbourhood and community are crucial elements, which are adversely affected and requires intervention to revitalize. As a result, economics becomes a very important school of thought, tangent to the world

of urban planning. An area of a city in decline cannot be successfully revitalized if the people living in it are experiencing poverty. In fact, urban renewal without consideration to the repercussions and unintended negative consequences to society is an injustice (Lees, 2013).

Winnipeg's North End is a prime example and the focus of this research. This area in Winnipeg suffered tremendous decline over the years since the onset of suburbanization and deindustrialization. According to statistics, the North End houses the greatest majority of Winnipeg's low-income households (City of Winnipeg, 2011). Being one of Winnipeg's oldest neighbourhoods, the North End has some of the dilapidated housing stock (ibid). Existing commercial establishments experience difficulties in running their business and making profit because of the limited buying capacity of residents, coupled with the stigma of criminality, and the onset of competition from chain retail stores (Reimer, 2012).

B. Co-operatives and the economy

The co-operative model is an attractive model because it operates as a for-profit entity while working to improve social conditions. As a result, co-operative organizations have grown in number as well as contribution to the economy. Various types of co-operatives meet numerous and emerging economic and social needs. In Manitoba alone, there are more than 400 co-operatives, credit unions, and *caisse populaires*. Co-operatives

are well known institutions that contribute to the economy (Loxley, 2010 & Majee et al., 2011). Co-operatives have more than 800,000 members and command \$10 billion worth of assets (One World Inc., 2008), and Manitoba is home to seven of Canada's top fifty non-financial co-operatives (Agriculture and Agri-food Canada, 2008). As part of the bigger umbrella, co-operatives and other CED institutions have contributed approximately \$25 million in wages, while saving the government \$211 to \$264 million in social expenditures due to unemployment, as a result of the CED initiatives' attempt to employ underserved or impoverished people (O'Conner et al., 2012).

Aside from contributing to the economy and peoples' income, co-operatives help in satisfying social needs in developing communities through a bottom-up approach. The Co-op Principles advocate ideologies that address inequality, oppression, and provides social, as well as economic justice (Simms, 2010). In addition to contributing to the economy through the revenue they generate, co-operatives help prevent *leakages* and increases *linkages* (Loxley, 2010). Co-operatives, in conformity to the seven principles, aim to provide goods and services for the local population, as well as work with other community organizations, some of which are social enterprises, in the locale. By doing so, capital is better circulated within a smaller region creating a multiplier effect. Practically speaking, as people purchase within in the locale such as a neighbourhood or city, local businesses profit, which in turn creates employment opportunities. As employees are paid

their wages, they gain the ability to purchase commodities from other establishments, which repeats the process and creates a healthy economy. In contrast to multi-national corporations and chain retail businesses, a portion of the profits are “leaked-out” of the local economy as part of royalties or profit sharing agreements with the parent company (Loxley, 2010).

Through the Pollock’s Hardware and Urban Eatin’ case studies, several key themes emerged in this research, which help answer the research questions. The themes centre on how the co-operative affects physical revitalization of the neighbourhood, social coherence of the community, and the nature of the co-operative that serves as its strengths as well as limitations.

C. Co-operatives benefits the community and neighbourhood

As a friendly commentary, I disagree with the assumptions made by Henderson (2014) that co-operatives, unlike social enterprises, do not actively seek to locate operations within depressed neighbourhoods. Winnipeg co-operatives, like social enterprises, do actively seek, or are created, in underserved neighbourhoods by the people living in them, who may have been experiencing adversity. The North End is a prime example where at least five co-operatives exist with two of them having multiple locations. Necessity is the mother of all inventions, and the creation of a co-operative typically happens when a

community needs a product or service, and a source of employment that is not available within the convenient and immediate vicinity (Nembhard, 2014). This is a common theme in the case studies we explored. Pollock's and Urban Eatin' both provided niche services in the North End that for-profit business did not want or cannot provide.

There are many considerations when selecting the location of a business. For for-profit businesses, the decision often centres on the marketability and profitability of a location. For co-ops, finding new location is usually based on business profitability, impact on the community, and the possibility of agglomeration through proximity to exiting and possible project partners. Both the case studies were either created or decided to relocate to the North End because their target clientele, and community partners, resided in the area. When given the opportunity to expand, Pollock's chose their second location on Main Street because the place allowed them to work closer with their partners in the Social Enterprise Centre (SEC). South Osborne's lack of a walkable neighbourhood hardware store and its mature neighbourhood status was among the impetus that led to the expansion of Pollock's in the area. For Urban Eatin', the opportunity presented itself when a portion of Pollock's warehouse at the SEC became available for sub-leasing. The location was more than ideal for Urban Eatin' as it allowed them to be centrally located, and closer to the community groups and private clients they work with.

Incumbent upgrading

Incumbent upgrading, or the renovation of a home by the current homeowner, is one of the observed effects of Pollock's Hardware but not of Urban Eatin'. Several factors influence the ability and decision of a homeowner, or tenant, to renovate their residence. I observed that these decisions include the resident's financial capacity, knowledge of undertaking renovation, aptitude to renovate, and ownership of the property. The people I interviewed at Pollock's meets all the criteria, in addition to the other benefits of working at hardware store such as access to discounted building materials, knowledgeable co-workers, and possibility of borrowing tools. These conditions allowed Pollock's workers to undertake incumbent upgrading on their residences. On the other hand, most of the Urban Eatin' workers who participated in the research rented their homes, which limited the impetus to renovate their residences as property upkeep was the responsibility of the landlord. At least for one of the research participant, the co-operative was used to upgrade the garden, thus resulting to an incumbent upgrading.

Promotion of sustainability and neighbourhood enhancements

The co-operatives in the case studies both exhibited contributions to society, either through their practices, products they sell, and the services they offer. Both co-operatives aim at reducing their carbon footprint by using discarded items to build new things. Simple

practices, such as reducing the packaging material and only using natural methods, reduce environmental impact. The products that the co-operatives sell such as clothes drying rack, compost bins, and water barrels also help the people they serve to live a more sustainable lifestyle. Coupled with education on sustainable living, namely on growing your own food, the co-operatives transcend their practices to the community.

Urban Eatin' presents a good example on how the services provided can directly benefit the physical revitalization of a neighbourhood. Their work with different community groups and private homeowners, in the North End and in other areas, create aesthetically pleasing green spaces that allow people to connect with nature. The greenery helps counteract the dilapidated spaces and infrastructure.

Community solidarity through co-operative activities

In addition to the provision of services, co-operatives also engage in activities that strengthen ties within the community. Co-operatives do not just sell products and services; they are also hosts to various activities that bring the community together. Pollock's Annual Plant Swap is an example, where area residents can trade their plants and other items with other community members. The gardens built by Urban Eatin' acts as 'third' spaces where people do not just come to plant, but also mingle and socialize with other gardeners and learn from each other.

The co-operatives also engage in activities that allow them to better integrate themselves with the people as well as other CED organizations. Pollock's volunteers at the Manitoba Folk Fest to run the Fix-it-Shop where people attending the festival can borrow tools and sequester do-it-yourself advice for quick repairs. Urban Eatin' has been very well connected with various North End organizations, as well as various gardening groups. Urban Eatin' has also competed and won in the National Co-op Challenge, which brought them further recognition and publicity. The activities that engage the co-operatives with the people and other organizations help create better social coherence between the co-operative and the community, other CED organizations, and people.

D. Effects of co-operatives on their member-workers

The co-operatives in the case studies do not just influence the neighbourhood and community they belong to, but also the people who compose and work within them. The influence of the co-operative on individuals is important because it is the individual who forms the basic unit of the community. Having a population of ill-equipped individuals incapable of living in urban settings can contribute to neighbourhood decline. Alternatively, prosperous individuals, who are well equipped for urban living, knowledgeable, and self-sustaining, are societal assets who can contribute to urban development and redevelopment. Co-operatives do not just provide a source of livelihood

for its members but also social uplift. Anti-racist and anti-sexist perspectives are spin-offs of the co-operative because of their principle on inclusivity (Mochoruk, 2000 & Simms, 2010).

Another benefit of the co-operative is the creation of meaningful employment. Because the co-operative is not just a conventional business, but one that observes social and environmental responsibility, the workers are able to associate and align their values better with the organization. The co-operative is an open organization, which does not discriminate members based on factors beyond the individual's control, which makes it an ideal place of employment for marginalized members of society. By working in the co-operative, the workers gain new knowledge and skills training. The research participants were able to expand their understanding and appreciation of the work they are doing. It is common for both Urban Eatin' and Pollock's for each member to have specific tasks and expertise, as well as share their knowledge with other members at the same time.

E. Limitations of the co-operative model

Although the co-operative is a great supplement to current and well-known urban revitalization efforts and strategies, the enterprise has its limitations. In some instances these limitations may threaten the existence of the co-op. Some of the limitations are the

result of the co-operative's design while one limitation found in this research is humanistic in nature.

The capital to build a co-operative may, in part, come from the members, which allows small contributions to be amalgamated. In comparison, conventional businesses often require one or a few partners to amass the required finances to start a venture. In theory, co-operatives are more capable of accumulating the financial resources to invest. However, to start a co-operative, the community must be mobilized and aroused towards a common goal. People must feel empowered to believe that they can execute desired changes. A fire-starter, or champion, must be present in the community, who can rally the people towards unification. If a community does not possess these preconditions, then it will be virtually impossible to start a co-operative or CED organization.

Another limitation of co-operatives is their partners' reliance on government support, which is susceptible to demand-chain disruptions due to changing government priorities. As part of their principles, co-operatives collaborate with other CED organization in various social projects. These projects often require government support for financing, which works very well if government leaders' ideology and the political climate favours supporting social projects. However, if a new political caucus is elected, or the priorities of the incumbent government changes, financial support for CED initiatives debilitates. Co-operatives that work extensively with social service organizations are at risk

of reduced business and profit. Both Urban Eatin' and Pollock's work extensively with community partners and other CED organization, but it is the later which gets adversely affected when their partners' government funding support changes.

The democratic control principle of CED organizations may also become a risk aversion tool but ultimately limits the co-operatives ability to act decisively. As a business, the co-operative sometimes need to make decisions that could make the venture profitable. Occasionally, members in the co-operative may have contrasting ideas and opinions on how they may achieve profitability, or ways to run the organization. Discourse happens when decisions need to be made and members cannot agree with each other. For larger co-operatives controlled by a board, the workers express discontent when management strategies do not adhere with their opinion. For smaller co-operatives where members can vote accordingly, debates are more open and are educational as each member tries to justify their ideas. Although disagreements happen, the resulting discourses are usually minor and do not affect the unity of the co-operative.

Co-operative may be limited by the amount of employment advancements it can provide workers. Although skills training and education is one of their principles, and workers are given the opportunity to gain more knowledge and hone their skills at work, some people outgrow the co-operative and seek alternative employment. One of the reasons for outgrowing the co-operative is its limited financial reward. In which case, the

members cannot be blamed, as their aspirations may drive them to seek more stable and more financially rewarding careers.

F. Co-operative challenges

Although scholars argue that the co-operative may have better longevity and success rates when compared to conventional for-profit businesses (Dworkin & Young, 2013 and Cetina, 2011), CED organizations still experience challenges during its conception and through its operation. One of the problems experienced by starting co-operatives is the administrative and legislative obstacle during the establishment of an enterprise. Urban Eatin' workers are skilled and have extensive knowledge on the service they want to provide. However, most of them have no background in establishing and operating a business, resulting to a steep learning curve. Due to the lack of business management experience, workers commit several management mistakes, which decrease the profitability of the enterprise. Pollock's experiences the same bureaucratic difficulties in establishing their co-operative, which was aggravated by the fact that they had to purchase an existing business to be incorporated as a co-operative. Their challenges involve the need to negotiate with the existing owners in establishing a reasonable price for the business.

Because the co-operative is also a business, it needs to generate profit and compete with other businesses. This was particularly an issue with retail co-operatives like Pollock's, which faces competition from chain retail stores. The large-scale operation of chain retail stores allow them to reduce their prices to a point where smaller businesses cannot compete. Chain retail stores are also more capable of marketing their products and attracting large markets. The imperfect competition resulting from the difference in the scales of operation adversely affects the profitability of local retailers like Pollock's.

Urban Eatin', on the other hand, experiences difficulties in their business as a result of the seasonality of their work. Manitoba gardening season is very limited and the co-operative can only work during warmer months. As a result, they are only profitable during almost half the year although expenses, such as rent and personal living needs, continue throughout. Although Urban Eatin's profitability is curtailed by the limited growing season, the service-oriented nature of their work accords them the ability to occupy a very specialized niche. The co-operative also sells products such as compost bins and rain barrels to supplement income, but their main service are building and maintenance of edible garden, and educating people. There are very few organizations in Manitoba, which provide the same landscaping service.

G. Coping with challenges

While co-operatives experience challenges, they employ various coping mechanisms that allow the organization to survive. Some of these coping mechanisms are born out of the collaborative nature of CED, while others are clever strategies crafted by the co-op members and workers.

The CED Network is not just useful in finding people or groups to collaborate with, it also helps in establishing new co-operatives and educating its workers on the intricacies of running an enterprise. The CED Network is useful for resource sharing, which may include both facility and human capital assets. A prime example is the Social Enterprise Centre, which is invaluable to Urban Eatin', as certain administrative functions are conducted centrally and shared with other CED organizations. Pollock's and Urban Eatin' also has a lessee-lessor relationship in the Social Enterprise Centre during the time of the interview.

The co-operatives also employ business strategies to help improve the competitiveness of their operation against aggressive chain retail stores. Price matching, semi-exclusive retailing, and project collaboration are among some of the strategies employed. Other methods include the use of community engagements in the form of event hosting and volunteerism. By being involved in community events, the co-operative is able

to network and market itself. The community events are an opportunity for the co-operative to educate people about CED and their social goals.

For Urban Eatin', the seasonality of their work is mitigated on an individual basis. The workers find alternative employment during off-season, or they try to engage in other activities such as working towards a university degree. In the Urban Eatin case study, it is the workers who adapted to the nature of the landscaping business in Manitoba.

H. Summary

Urban Planning is a diverse field, which often transcends other disciplines when dealing with community and neighbourhood development and redevelopment. In the North End, urban decline has been rampant for several decades as a result of its age, reputation, and function as catch basin for marginalized people. Because of this, the co-operative movement, and its parent CED, has become a promising model that may uplift social economic conditions in derelict neighbourhoods by increasing linkages, reducing leakages, and creating a multiplier effect. There are many ways the co-operative benefits the neighbourhood and community. One way is by providing commodities that are not readily available in the locale, while exercising social and environmental responsibility. Co-operatives are created, and have been observed to expand in deprived neighbourhoods as a result of peoples' needs for their products or services. Incumbent upgrading as a result of

generated income is however inconclusive, although the co-operative creates an inclusive place of employment. While co-operatives sport numerous benefits, the model is limited by several factors. For a co-operative to be formed, the community must be empowered and a charismatic leader must champion peoples' common goals. Partnerships with other CED organizations, especially social enterprises, may be vulnerable against changing political and fiscal support from the government. The democratic control prescribed by one of the principles is a double-edged sword, which both inhibits quick decision-making, but allows it to make sound choices. The co-operative does not operate unchallenged, as it often needs to counteract business strategies employed by larger chain businesses and co-operatives alike. While the co-operative encourages professional development, its workers often outgrow the limited size and profitability of the organization. In the end, amidst all the challenges, the co-operative model continue to strive through co-operation within, and with likeminded organizations in the mission to create profit and enact social change. By doing so, the co-operative contributes to physical and community urban revitalization.

VI. Conclusion

A. Introduction

Urban decline and revitalization is one of the topics in geography and urban planning, which has intrigued me the most. Winnipeg's North End has a very fascinating story of marginalization, decay, and attempts to revive the area and mend symptomatic social ills. Co-operatives existed in the North End for many decades and provided both commodities and employment to the people. CED and co-operatives contribute to the economy and uplifts social conditions, however studies on its role in revitalizing decaying neighbourhoods are rare. Because of these reasons, undertaking a case study of two North End co-operatives to understand their role, as well as their limitations, in North End urban revitalization may shed light on the synergies between co-operatives and urban revitalization.

Pollock's Hardware and Neechi Commons were the intended case studies. Neechi Commons would have given the research an Indigenous dimension, which is ideal since the North End houses the largest population of Indigenous people. However, because of schedule conflicts with Neechi Commons workers, I was not able to complete all interviews. Urban Eatin became the second case study, which proved to be beneficial to the research as this co-operative is a relatively young organization but is already making a name. Pollock's on the other hand, represents a well-established organization, which is very

well known in the North End, and Winnipeg. The wisdom brought by experience contained in the organization has helped it collaborate with other CED organizations and expand their operation.

B. The role of co-operatives in physical neighbourhood revitalization

The greatest contribution of co-operatives to infrastructure revitalization is by locating their activities in depressed areas. Commerce is adversely affected by peoples' decreasing spending capacity and competition from chain retail stores. Local commercial establishments in impoverished areas tend to leave, or simply stop operation. Co-operatives help reduce the impact of failing local enterprises by locating in depressed areas. In some cases, existing traditional commercial establishments evolve to become co-operatives. Co-operatives create partnerships and co-locate in declining neighbourhoods with other co-operative and CED organizations to foster collaboration. Some of the collaborations involve projects that directly renovate and repurpose derelict buildings. Moreover, some of services co-operatives provide can directly improve the aesthetics in declining neighborhoods.

Theoretically, employment in a co-operative may trigger incumbent upgrading. This research, however only found that incumbent upgrading was prevalent in only one of the case studies. There are numerous *structures* that affect co-op workers *agency* to invest

on home renovations. The research cannot definitively conclude that working in co-operative leads to incumbent upgrading, but the nature of the service provided by the co-operative, such as selling hardware supplies, may increase the probability of incumbent upgrading. Factors such as non-ownership of their dwelling discourages member-workers from spending money on home maintenance or renovation. However, this research also observed that workers would take advantage of the services and products the co-operative provides at a discounted or free rate. In some cases, the service the co-op provides has a direct impact to urban revitalization, such as enhancements to neighbourhood aesthetics through the creation of a garden.

In terms of economics, the literature review and interviews reveal that co-operative support other local establishments when possible. By supporting the local economy, co-operatives decrease *leakages* that syphon capital outside the economy. *Linkages* are strengthened, which helps create profit for local businesses further preventing economic decline and urban decay.

C. The role of co-operatives in social community revitalization

The role of co-operatives in urban revitalization transcends the neighbourhood and extends to the community. Co-operatives collaborate with organizations, and host activities that bring people together. By having these activities the co-operative promotes

itself, while increasing interaction and social cohesion. Values such as environmental stewardship and social justice are propagated in these events. The spaces the co-operative creates can act as 'third' spaces where more social interactions happen. The created spaces are places of activity that allow community members to work with each other to build social capital. As community engagements happen, the co-operative also becomes a nexus of socially changing ideologies, which it disseminates to other people in the community. In turn, the potential of arousing peoples' interests towards issues plaguing the community increases and elicits participation and activism.

D. What can urban planners and government leaders learn from co-operatives?

Over the years many strategies to combat urban decay have been formulated, tried, and tested. Some strategies focus on infrastructure redevelopment to increase desirability. However, the process has led to numerous social ills and displaced marginalized residents in areas slated for urban renewal projects. The co-operative and the CED movement, offer an alternative or supplementary strategy to infrastructure reinvestment.

The co-operative is an ideal for urban revitalization because the method is relatively self-sustaining. Once the organization is established, the co-operative, through the efforts of its member-workers, becomes an independent entity that requires minimal intervention and subsidy. Because the co-operative can operate like a conventional business, which must

make some profit, its competitiveness and longevity becomes comparable to conventional businesses. Longevity is further improved by the fact that workers are willing to absorb financial woes through pay cuts or more financial contributions during poor and declining economic times. Moreover, the CED organization's willingness to aid other CED enterprises and the provincial government's support programs increases a co-operative's chances of success.

However, the co-operative is not a perfect solution. Like any urban revitalization strategy, the co-operative has its limitations. Co-operatives may be affected by changes in government funding priorities on social services as a result of collaborations and partnerships between co-ops and social enterprises. In order to minimize the impact, the co-operative can try to diversify their partnerships with other groups, as well as expand their services to new clients. By being a generalist rather than a specialist, impact of changes in government support would not be as severe.

The focus on the local limits the co-operative as well as a result of globalization and free trade brought by capitalism. Although, supporting and servicing the local economy prevents *leakages* and increases *linkages*, by not expanding into other markets, the co-operative limits its capacity to grow as the local market becomes saturated. There is potential for the co-operative to become a bigger entity that generates greater wealth if they can breach markets outside the local.

E. Direction for future research

The CED, co-operative, and urban revitalization topics are vast and countless tangent research topics may be explored. The following are two of the curious questions that came to mind while I was conducting my research:

Co-operative Longevity: At the time this research was being conducted, one notable co-operative located in another mature neighbourhood permanently closed its doors after struggling to keep afloat for several years. While some co-operatives prove to be successful and are able to survive, some fall and falter. Exploring the reasons why some co-operatives are able to succeed and expand while others fail could then be an ideal topic for future research. By studying co-op longevity and reasons for its decline, the model may be strengthened and possible improvements suggested.

The Role of Zoning in Urban Decline: An investigation on the effects of zoning and creation of unbalanced market competition may also be an interesting topic on urban revitalization. Commercial zoning regulations dictate the locations and sizes of retail business establishments. In some cases where C1 Zoning is too close to C3 and C4, competition may arise in favour of larger establishments leading to small business decline and bankruptcy, which contributes to urban decline. Additionally, road design standards and bulk regulations on commercial establishments articulated in the zoning by-laws may not be appropriate in some cases to support business.

F. Summary

The North End is one of the most reviled and adorned places in Winnipeg, not because of grandeur, but because of the issues plaguing it. Nevertheless, it is this place that many people, including myself, call home. The urban decay that has plagued the North End served as my impetus to explore what effects the co-operative movement, which has been in the area for decades, has on neighbourhood revitalization. Through the case studies with Pollock's Hardware Co-op and Urban Eatin' Landscapes Co-op, I can conclude that the co-operative model has impacts on both neighbourhood and community revitalization. Co-operatives exist to create jobs, disseminate socialist and environmentalist ideologies, and provide the community essential products and services in an area where the conventional for-profit businesses fail to do. Although the co-operative model may be vulnerable to changing government funding priorities and other challenges conventional businesses face, they continue to thrive in an inhospitable economic climate. In the end, the North End co-operative sector continues to contribute to the prevention of urban decay and works to revive the area without alienating people. Although competition may be tough in decaying neighborhoods like the North End, it is always fascinating to see how adversity forges unity and co-operation among people.

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VIII. Appendices

A. Informed consent form

Research Project Title: Role of Cooperatives in Winnipeg's North End Urban Revitalization

Principal Investigator and contact information:

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This consent form, a copy of which will be left with you for your records and reference, is only part of the process of informed consent. It should give you the basic idea of what the research is about and what your participation will involve. If you would like more detail about something mentioned here, or information not included here, you should feel free to ask. Please take the time to read this carefully and to understand any accompanying information.

1. **Brief Description:** The research investigates how co-operatives influence the social and physical conditions of declining neighbourhoods in Winnipeg. It looks at how the co-operative ideology imbedded in the CED principles influence their business decision-making and how this relates to revitalization. Two case studies will be conducted for this thesis, which include Neechi Foods Co-op and Pollock's Hardware Co-op.

This thesis/research is for the partial completion of the requirements for my degree in Master's of City Planning from the University of Manitoba.

2. **Procedures:** Your participation in the thesis entails one interview, which is approximately 30-minutes to 1 hour. You will be asked approximately eleven open-ended questions designed to encourage conversations on the topic. If additional information is needed, one follow-up interview of the same format may be requested.
3. **Recording:** The conversation may be recorded only if you will allow it.
4. **Benefits:** There are no anticipated direct benefits to you or your organization. However, a better understanding of the contributions of cooperatives to urban revitalization may encourage governments to provide more and better types of support.
5. **Potential Risks:** There are no anticipated risks to you or your organization.
6. **Personal Identifiers:** You will be given the option to include your name if you would like to be referenced as a source, or remain anonymous.
7. **Remuneration:** Because of budget constraints, participants will not be compensated for their participation. However, small tokens of appreciation such as coffee gift cards may be given.
8. **Withdrawing from Research:** Participants may cancel scheduled interview and withdraw from the research one day before the schedule. They have the right to refuse information they may have already shared from being used in the research.

9. Debriefing: After the interview, you will be given the opportunity to review your statements to ensure accuracy or allow you to clarify your points of view. Then the researcher will provide a brief verbal explanation of the next steps on coding the information, writing the thesis, and when the thesis may be completed.
10. Dissemination: The research may be presented to different organizations involved in the urban revitalization, cooperatives, planning and similar fields. The findings may also be presented in appropriate conferences. A copy of the thesis will be available for download at the University of Manitoba's MSpace once approved. A copy of the thesis can also be sent to you by email by checking the box below.
11. Brief Summary of Results: A 1-3 page brief summary of results will be emailed or mailed to you approximately 4 weeks after the interview.
12. Destruction of Data: Confidential data from interviews will be kept for approximately 2 years after the thesis is published to allow re-analysis. After this period of time, personal identifiers will be destroyed or deleted. Anonymous data may be kept indefinitely.

Recording

I allow my interviews for this research to be recorded. *Please sign initial* _____

Brief summary of results

Mail me a brief summary of the results to this address _____

E-mail me a brief summary of the results to this address _____

Final Thesis

E-mail me a copy of the thesis

Your signature on this form indicates that you have understood to your satisfaction the information regarding participation in the research project and agree to participate as a subject. In no way does this waive your legal rights nor release the researchers, sponsors, or involved institutions from their legal and professional responsibilities. You are free to withdraw from the study at any time, and /or refrain from answering any questions you prefer to omit, without prejudice or consequence. Your continued participation should be as informed as your initial consent, so you should feel free to ask for clarification or new information throughout your participation.

The University of Manitoba may look at your research records to see that the research is being done in a safe and proper way.

This research has been approved by the Joint-Faculty Research Ethics Board. If you have any concerns or complaints about this project you may contact any of the above-named persons or the Human Ethics Coordinator (HEC) at 474-7122. A copy of this consent form has been given to you to keep for your records and reference.

-----Provide for Signatures as Required-----

Participant's Signature _____ Date _____

Researcher and/or Delegate's Signature _____ Date _____

B. Sample questionnaire

Name (optional if you would like to be referenced in the thesis): _____

Cooperative: _____

Position or role at the cooperative: _____

Date: _____

Effects on the community

1. How does your cooperative choose the location of its services?
2. What are some of the challenges in establishing and expanding your cooperative?
3. What are some of the benefits of your cooperative to the community?
4. What are some of the possible negative effects of the cooperative on the community?
5. What are some of the unforeseen consequences of your cooperative to the community?
6. Are there other things you might want to add or tell me regarding the effects of the cooperative on the community?

Effects on the co-operative's member-worker

1. How has the cooperative affected your income?
2. How has the cooperative affected your housing status?
3. How has the cooperative affected you professionally?
4. What changes did you notice with your lifestyle after joining the cooperative?
5. Are there other things you might want to add or tell me on how the cooperative has affected you?

