



By Nicholas Gazzard and Thom Armstrong

At last year's CHF Canada annual meeting, and at an education conference put on last fall by the Co-operative Housing Federation of BC, Thom Armstrong and Nicholas Gazzard facilitated a session called The End of Participation. The session led to a wide-ranging discussion and participants asked for a report to be published. This article is the first section of that report.

Hands up if you think members in your co-op don't participate enough.

It's a complaint often heard in housing co-ops. But co-ops have been complaining about the same thing for almost 40 years. Why haven't we solved the problem?

Maybe it's time to evaluate whether our current model of member participation in housing co-ops is working. Maybe it's time to ask some hard questions about how much we expect from our members and whether we're getting the results we want.

What do we mean by participation?

When co-ops talk about participation, they usually aren't talking about governance role – attending meetings and making decisions. They also don't call it participation if you pay your housing charges on time, take care of your unit and are

considerate of your neighbours. In other words, being just the kind of person everyone wants to have living next door to them doesn't earn you any points.

Usually co-ops think of participation as contributing to the daily operation of the co-op by doing chores, joining a committee, or doing some or all of the co-op's management.

In most cases, co-ops call their members who participate "volunteers". But these tasks are required by the co-op, there's nothing voluntary about it. It's really a system of unpaid management.

Does member "participation" work?

Many co-ops evaluate whether they have good or bad "participation" in their co-op by how many members are on a committee or doing chores. And many people would say that getting enough members to

participate in their co-op has been a huge struggle for as long as they can remember.

What they should be asking is, “Has our model of participation led to cost-effective, well-managed, well governed housing co-ops that are also good places to live?”

Because that’s all that counts. If our approach to participation hasn’t led to that, then something is broken and needs fixing. Participation can’t be the goal. It’s not the objective we’re trying to achieve. It’s the means to an end. And that end is good, cost-effective management, sound governance, and healthy communities.

Having 90% of your members on committees isn’t a result. And when it comes to sound management, results are what count. Let’s look at the outcomes you can expect to achieve if your participation model is working...

Are your co-op’s finances in order?

Your model isn’t working, if:

- Housing charges aren’t collected from everyone, every month
- Bills aren’t paid on time
- Arrears aren’t followed up on
- Some directors are in arrears
- The co-op has vacancy losses because the membership committee is not able to fill the units quickly.
- The co-op’s investments are poorly handled so that the co-op doesn’t have the money it needs for the long term.

Are your buildings well maintained?

You can’t maintain a multi-million dollar housing development with an annual clean-up day.

Your model isn’t working if you don’t have:

- a regular system of routine, preventive maintenance,
- a quick response to repair needs,
- reliable emergency response capability, and
- a capital plan, with funded reserves and a schedule to make it happen.

It’s a rare co-op that has all of these. As a result, the co-op housing sector has a huge problem of deferred maintenance. Many buildings need a massive re-investment from replacement reserve funds that, in many cases, don’t exist.

Co-op housing was not meant to be disposable housing. We made promises to the government—and to our members—that we would provide affordable housing for the long term.

Are your members involved in the right way?

We’re not advocating that co-op members just go home and close the door. We’re saying that participation and meaningful member involvement aren’t the same thing. The role of members should be active and voluntary involvement in the governance of the co-op.

Rather than doing everyday chores and taking on work that should be done by paid professionals, member involvement in governance means:

- making sure that the co-op runs according to the co-op principles
- meeting all the responsibilities of membership – the “ethical contract” with the co-op
- supporting good governance, principled leadership and sound management
- attending and participating in membership meetings >[10]



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- seeking out opportunities for education and training
- sharing leadership duties
- contributing to a rich community life in the co-op through welcoming and orienting new members, and planning social events.

Do you have a sense of community?

Forced member “participation” never built a community. Think about what motivates you. When was the last time you did something because someone told you you had to? If you put people in a situation where they are having fun, making friends and learning

something new, it will do more to build a co-op community than all the “participation” policies in the world.

It’s time to rethink some of our attitudes and challenge some of our oldest ideas. The 2020 Vision project calls on us to build a strong future for co-op housing. Let’s stop making life harder for our members than it already is. Let’s make sound management and good governance a reality. Let’s replace the participation principle with the co-op principles—they’ve worked for more than 150 years.

In our next instalment, in a future issue of Newsbriefs, we’ll look at the

seven myths of participation—why we make members participate and how that can lead to just the opposite of what we’re hoping to achieve. ☺

Tell us what you think. Join the discussion in Co-op Talk at www.chfcanada.coop.

Labourview court victory stands

In February, **Labourview Housing Co-operative** in Ontario got the news it has been waiting for since early last fall. It won in court – again.

Last August, the co-op won a landmark legal victory when the courts quashed the receivership imposed by Chatham – Kent, the municipality that administers their funding program. But the municipality applied to the courts for the right to appeal

the decision. On February 25 the Court of Appeal for Ontario dismissed the application. This means that the August court decision stands.

This is one of the first times that the courts have interpreted Ontario’s *Social Housing Reform Act* and offered guidance on how the rules should be applied. The August decision sets an important legal precedent that should serve SHRA co-ops well

in the future. “There are some important legal lessons to be learned from this case,” says Dale Reagan, Managing Director of CHF Canada’s Ontario Region. “Service managers no doubt will be examining the decision closely and we think it will have a significant impact on how receiverships are approached in the future.”



Part 2: The six myths of participation

By Thom Armstrong and Nicholas Gazzard

In the last issue of Newsbriefs we published the first part of a report from sessions on “The End of Participation” held at CHF Canada and CHF BC education conferences. Part 2 looks at why we make members participate and how that can lead to just the opposite of what we’re hoping to achieve.

Why do co-ops make members participate? When we ask co-ops to explain why members should have to “participate” in their co-op, there are plenty of answers. But do those answers stand up under closer examination? Let’s look at some of the most common:

1. It’s a co-op, and co-ops depend on member participation.

But do they? When was the last time you went to your local credit union and were expected to take a shift as a teller? Or asked to stock shelves at Mountain

Equipment Co-op? Or worked the cash register at your local retail co-operative? These are co-ops too, but they hire staff to take care of the management and other tasks. We need members to get involved in the governance of the co-op—by voting for the board of directors, attending general meetings, and making good use of the co-op’s services.

It’s a co-op because the members own it and make decisions together about how it should be governed and managed, not because they do everything themselves. A co-op is also a co-op because people support each other and care about making their community work.

2. We do it, why shouldn’t they? Besides, we all signed an agreement when we moved in, and in that agreement we promised to participate.

How many people get involved in their co-ops because they *have* to? Think about why you do the things you do in your co-op—or anywhere else, for that matter. Is it because you have to?

Or is it because you enjoy huge rewards from being active in your co-op or any other organization you belong to: influence, learning new skills, personal growth, networking and more.

Do we need to *force* other members to do the same things? Or does that just make them resentful and less willing to help? Imagine a member whose only contribution to the co-op is paying her housing charges on time every month, coming to meetings and social events, helping her neighbours, keeping her unit in mint condition and never disturbing other members? Sound perfect? We think so. Now ask yourself if it makes any sense to fine this model housing co-op member for not joining a committee?

3. Because without it, we won’t have enough people to run our committees

There are exceptions, of course, but most co-ops don’t need committees to manage their business well. There are housing co-ops with no committees that run just as well or better than co-ops with committees.

Co-ops may have committees because they think they're supposed to have them or because it's a way to get members to participate. The question they should really be asking themselves is: what's the best way to get the job done? If the answer really is a committee, fine, but if you're not getting the results you need, it's time to look at other approaches.

Some kinds of committees can support good governance and help build community. These include the nominating committee, education committee, policy review committee, social or welcome committee. Other committees add little or no value because they get in the way of the co-op's management or are make-work bodies that feed the participation myth.

4. Because if we don't make them, they won't.

This just proves that we don't understand what makes people tick. Try this quick survey in any roomful of people: "Hands up if the best way to get you to do something is to tell you that you have to do it." If you see more than one hand in the air, you're in a room full of people we've never met.

Requiring "participation" means that people get involved in their co-ops for all the wrong reasons. Why not try to motivate people to get involved for the right reasons?

5. We make people participate because that's how you build a community.

In fact it's a community wrecker. The issue of participation is the single most divisive issue we've seen in our years of living and working in co-ops. It pits member against member, neighbour against neighbour. Instead of bringing people together, it can drive them apart and create a bitter, "us against them" atmosphere. It's bad enough that our model of participation isn't achieving the management results we're looking for; it's even worse that it has made some co-ops a miserable place for people to live.

6. Co-op housing is affordable housing, and member participation is the best way to keep costs down.

This may be the biggest myth of all. It's hardly ever true.

A co-op may think that it can't afford a professional bookkeeper. But often they end up paying much higher audit fees when the financial records kept by volunteers aren't up to professional standards. Hiring a professional bookkeeper or accountant could actually save the co-op money.

If you have units that sit vacant for a month or more while volunteer committees try to find the time to paint, clean carpets, and interview prospective new members, the co-op is actually losing more money than it would cost to hire someone to do this work.

Some co-ops are proud of the money they save because they spend so little on maintenance budgets and instead rely on the unskilled free labour of the members. This is a false economy. The result is usually deferred maintenance

that will leave the co-op in poor condition and end up costing a lot more money down the road.

Housing co-ops are designed to provide affordable housing for their members by operating at cost. But "at cost" doesn't mean "as cheap as you can possibly make it." Operating at "break even" or "at cost" means spending what it takes to take care of a valuable housing development – now and over the life of our co-ops.

Participation and member involvement are different

Member involvement means the active and voluntary involvement of the membership in the governance of the co-op and in the co-op as a community. And, as co-ops are about mutual self-help, your basic obligation as a co-op member is to make a contribution to making the community work.

How does participation affect member involvement? It works against it by focusing the members' role in the co-op away from governance and community and towards a preoccupation with jobs in the co-op.

Good governance and strong communities are important and challenging goals. Our traditional preoccupation has gotten in the way of these goals. It's time to rethink what we ask from members.

We're not advocating that members just go home and close their doors on the co-op. The role of members should be active and voluntary involvement in their co-op's governance. Let's replace the participation principles with the co-op principles – they've worked for more than 150 years. Together they provide us with the values we need to create strong, inclusive communities that are well governed and managed, without forcing the members into roles they shouldn't be asked to play.

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