

Cooperative Decision Making: Project Summary



CONESTOGA

SOCIAL INNOVATION LAB

Cooperative Decision Making

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EXECUTIVE SUMMARY

This study examines how Canadian cooperative and mutual boards make decisions under regulatory constraint, institutional complexity, and democratic expectations, based on 30 interviews across board and executive roles.

Main findings:

- **Democracy vs professional governance:** Decision-making is shaped by tension between democratic ideals and professional, system-focused priorities, with boards emphasising survival, competitiveness, and stability over member authority.
- **Rise of technical authority:** Governance legitimacy increasingly rests on legal, financial, and regulatory expertise, reframing political choices as technical or compliance issues.
- **Reduced participation:** Member influence is often limited in practice, with participation becoming more passive and board consensus used to manage (and sometimes soften) disagreement.
- **Principles ambiguity:** Unclear interpretation of cooperative principles leads to competing priorities and greater reliance on external expertise and procedure.

Overall, cooperative governance operates as a continual balancing act between democratic purpose and professional, regulatory, and institutional constraints.

INTRODUCTION

This research project investigates how governance, strategy, and organizational purpose are understood and enacted within cooperative and mutual sector boards in Canada. It draws on a qualitative dataset of 30 semi-structured interviews conducted with board chairs, executive directors, corporate secretaries, regulators, consultants, and committee chairs (including governance, finance, audit, risk, and HR roles). Participants were recruited in collaboration with key sector organizations, including Cooperatives and Mutuals Canada, the Ontario Cooperative Association, the Directors' Forum Cooperative, and the Ontario Mutuals Association. The sample spans a diverse set of organizational forms, including mutuals, credit unions, cooperative associations, and cooperatives, with further variation across worker, investment, consulting, and pension cooperative models.

ANALYSIS APPROACH

The interviews were coded using QualCoder and analysed through a grounded theory approach, with the aim of developing a conceptual account of how cooperative and mutual boards make decisions under conditions of institutional complexity, regulatory constraint, and democratic aspiration. Across the dataset, governance is consistently revealed as a site of tension between formal democratic commitments and increasingly professionalized, system-oriented decision environments.

EMPIRICAL FINDINGS

A central finding of the research is a systematic *reframing of community and democratic boundaries*. Whereas cooperative governance is formally grounded in member ownership and democratic control, interviewees frequently describe a shift in which “community” is no longer primarily understood as a site of democratic authority, but rather as an object of service delivery, reputational concern, or system coordination. This reframing signals a broader transformation in how legitimacy is constructed within cooperative governance.

Closely linked to this is the emergence of *system survival as a dominant governance logic*. Decision-making is increasingly oriented toward organizational competitiveness, sectoral stability, and risk management at scale. In this context, cooperative boards often operate less as democratic fora and more as stewards of institutional survival within competitive financial and regulatory ecosystems. This shift reframes governance from member-driven democracy toward system-level preservation and adaptation.

A further major theme is the *professionalization and reconstitution of authority*. Governance practices are increasingly structured around technical expertise, particularly in finance, law, risk, and regulation. This produces a shift in legitimacy from representation toward professional competence. While cooperative identity remains formally intact, it is increasingly conditional on the ability of actors to demonstrate technical expertise, with cooperative knowledge systems often positioned as secondary or “trainable.” The result is a hybrid governance model in which democratic representation persists formally but is mediated through expert-driven decision logics.

The data also highlights a strong pattern of *depoliticisation through law, expertise, and procedure*. Many decisions that are inherently political in nature—such as trade-offs between growth and member value, or between financial resilience and democratic participation—are reframed as technical necessities. Fiduciary duty is narrowly interpreted in terms of financial viability and risk management, while legal and regulatory frameworks reinforce compliance-oriented governance. This produces a form of governance that is not less active, but less visibly political, as conflict is displaced into procedural and technical domains.

Another key finding is *democratic hollowing and the transformation of participation*. While formal democratic structures remain intact, substantive participation by members is often reduced. Members increasingly function as consumers rather than active owners, with participation concentrated in informational or consultative roles rather than decision-making authority. This creates a growing gap between formal democratic rights and actual influence over strategic direction.

Within this broader governance transformation, *consensus emerges as a technology of internal governance*. Rather than reflecting shared agreement, consensus operates as a structured mechanism for managing disagreement. Dissent is typically bounded, time-limited, and expected to resolve into unity. Voting is often avoided to preserve cohesion, and conflict is reframed as misalignment or informational deficit. While consensus stabilizes decision-making and maintains relational cohesion, it also reduces visible contestation and contributes to internal depoliticisation within boards.

A further structural dynamic identified across cases is the tension between *isomorphism and differentiation*. Cooperatives operate under persistent pressure to resemble corporate governance models in terms of structure, expertise, and procedural norms. At the same time, they seek to maintain distinctiveness through values, ownership models, and organizational narratives. However, this differentiation is often fragile and requires continuous institutional work, which is frequently subordinated to efficiency and legitimacy pressures.

Across all of these dynamics runs a cross-cutting condition of *institutional ambiguity*. There is persistent uncertainty about how cooperative principles should be applied in practice, particularly in strategic decision-making contexts. This ambiguity enables reliance on external expertise, reinforces procedural governance, and contributes to both isomorphic drift and depoliticisation. It also creates space for competing interpretations of cooperative purpose, but without clear institutional mechanisms for resolving these tensions democratically.

SCHOLARLY OUTPUTS AND CONTRIBUTIONS

1. ***“If Canadians ‘Own’ Grocery Stores, Why do Prices Keep Rising?”***
(Hamilton Spectator, March 27).

This piece situates governance theory in the context of food inflation, arguing that nominal ownership does not translate into meaningful control when board authority is structured around profit-maximization logics. It contrasts corporate governance with cooperative models to illustrate how institutional design shapes distributive outcomes and community alignment.

2. **“Canadian Cooperative Board Governance Scoping Review” (under review)**

Based on a review of literature on cooperative board decision making, this review identifies a fundamental tension cooperative researchers must consider: we may not know how to advise boards as of yet, but to do so, we need them to know and understand the cooperative as a unique entity.

3. **“From Participation to Administration: Depoliticising Economic Democracy in Large Cooperatives” (under review)**

This paper develops the argument that formal democratic structures in large cooperatives often mask a shift toward administrative and technocratic governance. It shows how proceduralism, expertise, and institutional complexity can concentrate authority within boards and management, limiting meaningful member influence and transforming participation into a largely formal or consultative process.

4. **“Principled Uncertainty: Cooperative Board Decision-Making in Practice” (under review)**

This article develops the concept of principled uncertainty to explain how abstract cooperative values become difficult to operationalize in strategic decision-making. It shows how regulatory and professional norms tend to dominate in contexts of ambiguity, leading to the reframing of value-based decisions as technical or economic necessities.

5. **“Dissent-Processing: The Production of Consensus in Democratic Governance” (under review)**

This paper introduces the concept of dissent-processing capacity, arguing that governance quality depends not on consensus as an outcome, but on how institutions recognize, channel, and integrate disagreement. It conceptualizes legitimacy as contingent on the structured engagement of dissent across dimensions of coherence, procedural legitimacy, and relational trust.

6. **“Consensus as Managed Disagreement in Cooperative Governance” (under review)**

This study demonstrates how consensus is produced in practice through mechanisms such as alignment-building deliberation, acceptance-based agreement, and norms of collegiality. It shows that consensus is an institutional accomplishment that both enables coordination and constrains contestation, thereby extending the theoretical model of dissent-processing into empirical governance practice.

CONFERENCE CONTRIBUTIONS

The research will also be presented in multiple academic venues, including:

Administrative Sciences Association of Canada (ASAC), Mount Royal University (May 2026)

- Roundtables: *Democracy in Motion: Confronting Oligarchy in Large Cooperatives*; *Principled Uncertainty: Cooperative Board Decision-Making in Practice*

Canadian Association for Studies in Co-operation (CASC), York University (June 2026)

- Paper presentations on *Democracy in Motion* and *Principled Uncertainty*

CONCLUSION

Collectively, the project advances a multi-level account of cooperative governance that links empirical boardroom practices to broader theoretical questions of democratic legitimacy, institutional ambiguity, and decision-making under complexity. The interview findings show how these dynamics are lived in practice through the reframing of community as an object of service rather than democratic authority, the rise of system-survival logics, the professionalization of authority, and the depoliticisation of strategic decisions through law, expertise, and procedure. These empirical patterns directly ground the project's paper outputs, which theorize and elaborate them as processes of democratic hollowing, principled uncertainty, dissent-processing, and consensus as managed disagreement—each capturing a different dimension of how governance authority is reconstituted in practice. Across both the empirical and conceptual contributions, the project demonstrates how professionalization, regulatory constraint, and democratic aspiration interact to reshape participation, authority, and consensus, revealing cooperative governance as a structured but contested process of translating democratic ideals into administratively and technically mediated forms of decision-making.