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2026

Co-operative Internationalization in Canada: A Scoping Paper on Programs, Gaps, and Pathways

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May 2026



Innovation, Science and
Economic Development Canada

Innovation, Sciences et
Développement économique Canada

Co-operatives and Mutuals Canada (CMC) acknowledges the support of Innovation, Science and Economic Development Canada.

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About Co-operatives and Mutuals Canada

Co-operatives and Mutuals Canada (CMC) is the national, bilingual association representing co-operatives and mutuals of all types, sizes, and sectors across the country. Member-driven and mission-led, CMC brings together large co-operative enterprises, provincial associations, sector federations, and front-line co-ops to advance a unified vision: a strong, inclusive, and sustainable co-operative economy. We work to strengthen the sector by:

- Working with the federal government to create a more enabling environment for co-operatives and mutuals;
- Promoting and protecting the co-operative identity;
- Fostering connection and collaboration through engagement and awareness activities.



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Overview

Canada's most significant trade policy reorientation since the original free trade agreement with the United States is underway. The 2025 tariff crisis, Budget 2025's historic \$115 million expansion of SME export support, and Prime Minister Carney's mandate to diversify beyond the United States have created both urgency and a convergence of policy conditions without recent precedent. Budget 2025 allocates historic resources to SME export support; the declared diversification mandate provides political backing; and the separation between ISED (SME policy) and Global Affairs Canada (trade promotion and international development) means that effective coordination requires precisely the kind of intermediation this paper proposes. The AgriMarketing Market Diversification Program, launched in February 2026 with \$75 million, is the first federal program to explicitly name co-operatives in its eligibility criteria. The money is allocated; the question is whether it will reach the full range of economic actors whose international activity serves the diversification objective.

Canadian co-operatives are more innovative than conventional SMEs (39.3% versus 28.3%), better financed (95.7% approval rate versus 90.8%), more digitally present (72.9% versus 58.5%), and vastly more resilient (66.6% five-year survival in British Columbia versus 39–43% for conventional firms). They are 4.5 times more likely to be majority Indigenous-owned. Yet they export at just above half the rate: 7.4% versus 12.1%. This paper asks why federal programs do not reach a sector that outperforms on every indicator the government itself tracks—and that is already engaged in international activity that current measurement frameworks cannot capture.

The 7.4% figure is partly a measurement artefact and partly a reflection of the co-operative sector's demographic and sectoral composition. The federal survey that produces it asks a single question—whether the enterprise exports goods or services—and does not inquire about imports, cross-border supply chains, international network participation, solidarity investment, or knowledge transfer. The activities that current instruments leave invisible are not alternatives to trade but, according to three decades of international business research, components of it: precursors, enablers, and often simultaneous dimensions of the same internationalization process. Section 2 documents cases spanning from a six-person worker co-operative managing fair-trade supply chains across 14 countries to Canada's largest agricultural co-operative running commercial missions across Asia—all invisible to current metrics. ISED operates with incomplete information about the capacity its diversification mandate asks it to activate.

The gap between mandates and programs operates through interlocking mechanisms. Formal eligibility collapses into accessibility failure: co-operatives have been eligible for CanExport SME since May 2021, yet the study documents no co-operative-to-program interaction in the interview sample. Program criteria progressively filter out what mandates celebrate: the cascade from ministerial rhetoric ("resilience," "civil society as partner") to program metrics ("export volume," "new markets entered") discards the relational, territorial, and governance dimensions of co-operative international activity at each step. The co-operative ecosystem itself reproduces its domestic orientation through a multi-level mechanism—individual co-operatives focused on local survival, federations concentrated on domestic priorities, the federal apex body reflecting what its members send up—each level rationally reinforcing the perception that internationalization is "not for us." The intermediation function that would bridge these gaps does not emerge endogenously. A further upstream barrier configures all of the above: co-operatives are largely absent from MBA curricula and from the professional training of public servants, producing a

cognitive frame in which the co-operative form does not appear as a relevant category in program design—not from hostility, but from formative silence.

This paper does not ask for new programs or preferential treatment. It asks the federal government to align what it already has with what it already wants to achieve, through interventions that would benefit not only co-operatives but any SME whose international activity does not fit the conventional export model—Indigenous-owned businesses, platform enterprises, social enterprises.

Three Adjustments No new budget architecture		Three Pathways Sequenced infrastructure	
a	Accessibility audit of CanExport SME and associated programs	1	Pan-Canadian Co-operative Knowledge Hub (Foundational)
b	Data disaggregated by legal form	2	Co-operative Internationalization Service (Quick impact)
c	CMC as sector-side intermediary	3	Relational Infrastructure for International Engagement (Amplifier)

Notes: The table presents three operational adjustments that do not require new funding architecture, alongside three sequenced pathways that build the infrastructure for co-operative internationalization. Each pathway aligns with the corresponding adjustment, supporting the shift from foundational audits and data transparency to structured services and international engagement.

Three operational adjustments require no new budget architecture. First, an effective accessibility audit of CanExport SME and associated programs—examining communication channels, application language, evaluation criteria, and intermediation structures—would identify correctable points of failure. Such an audit would serve as a pilot methodology applicable to any non-conventional SME program. Second, publishing Survey on Financing and Growth of Small and Medium Enterprises (SFGSME) results disaggregated by legal form and requiring program registries to record legal form would create the feedback loop on which every other recommendation depends: the data is already collected; what is missing is the instruction to publish it. Third, recognizing CMC as a sector-side intermediary—translating between co-operative realities and program language, connecting co-operatives to Trade Commissioners who understand co-operative governance—would provide the function that every jurisdiction achieving measurable results in co-operative internationalization has established. Section 3 documents seven international benchmarks; in every case, the intermediation function is the decisive variable.

A conceptual shift—broadening the working definition of internationalization beyond export to include alliances, knowledge transfer, co-operative investment, network participation, governance exchange, and imports—costs nothing and gains the federal government an analytical tool applicable across its entire SME framework. The shift is not a concession to a particular sector; it is an adaptation to the geoeconomic reality of 2026. Nearshoring and friend-shoring are reorganizing global supply chains around trust, shared values, and relationship durability rather than unit cost—precisely the logic on which co-operatives already operate. Climate imperatives are shifting the calculus of what crosses borders and why, favouring knowledge-intensive, low-material flows over tonnage—precisely the type of internationalization co-operatives conduct. Canada's own diversification agreements with "reliable partners and allies" require an analytical framework capable of measuring relational depth, not only transaction volume. The broadened definition provides that framework. And co-operatives—organizations

structurally designed for long-term relationships, democratic governance, bidirectional exchange, and territorial anchoring—are not merely beneficiaries of this shift; they are its most natural operators.

Three implementation pathways translate these recommendations into sequenced infrastructure. The first builds the knowledge layer: a pan-Canadian co-operative knowledge hub providing data, intelligence, matching, and institutional legitimacy. The second builds the service layer: a co-operative internationalization service offering readiness assessment, subsidized consulting, and a graduation model that prepares co-operatives for mainstream programs. The third builds the relational infrastructure layer: strategic international engagement that bridges the fragmented forums (International Cooperative Alliance, Global Social Economy Forum, Social Enterprise World Forum, sectoral federations, etc.) through which co-operative international activity currently falls between the cracks.

No G7 country currently has an integrated co-operative internationalization strategy—but several have developed strong individual elements from which Canada can learn. The seven benchmarks examined in Section 3 demonstrate that the building blocks exist across jurisdictions; what no country has yet assembled is the coherent, sequenced whole. Canada has the opportunity to learn from these international practices and lessons to build the first integrated approach—adapted and improved, not invented from scratch. Besides, Canada has the ingredients: a \$52.8 billion co-operative ecosystem, a declared diversification mandate backed by historic budget allocations, the first federal program to explicitly name co-operatives, and a sector apex body positioned to serve as intermediary. The three operational adjustments require instructions, not legislation. The three pathways require investment, but the conceptual shift that underpins them transforms the political economy of that investment. The Scottish experience documented in Section 3 demonstrates the risk: internationalization initiatives perceived as directing scarce resources outward—away from domestic communities under pressure—lose internal legitimacy. The broadened definition resolves this tension. When internationalization includes inward knowledge flows, community-anchored supply chains, governance exchange, and the relational infrastructure that sustains territorial resilience, the investment is not "looking outward" at the expense of communities—it is building the international connections through which communities become more resilient. Each pathway is designed to make this visible: documenting community-level impact, broadening participation beyond the export-ready, and generating inward flows that benefit communities directly. Together, they offer federal officials a concrete, operational path to deliver on a signal the government has already sent—and to discover, in the process, an international economic asset that current instruments cannot see.

1. The Context and the Federal Government's Problem

1.1 Diversification as a Declared National Priority

Canada's trade architecture is undergoing its most significant structural adjustment since the negotiation of the original free trade agreement with the United States. Since August 2025, the United States has imposed tariffs of 35% on Canadian goods, with additional Section 232 measures targeting steel, aluminium, and automobiles—sectors where the bilateral relationship had been assumed stable for a generation. The country's longstanding dependence on a single dominant trading partner, historically absorbing over 75% of Canadian exports, has moved from a background vulnerability to an active policy crisis. Prime Minister Carney has described the current moment as the most significant transformation in commercial relations since the fall of the Berlin Wall. The pressure is not uniquely Canadian: Co-operatives of the Americas President José Alves de Souza Neto confirmed in early 2026 that co-operatives across Latin America with previously stable export channels now face disruption and are seeking alternative markets—not as a growth strategy, but as a survival imperative. The demand for diversified commercial relationships is a continent-wide structural response to a shifting geopolitical order.

The federal government's response has been swift, explicit, and architecturally significant. In a departure from the previous practice of issuing individual mandate letters to each minister—a format that had produced 35 letters tracking some 800 commitments under the preceding administration—Prime Minister Carney issued a single mandate letter for the entire cabinet, organized around seven strategic missions. Among them: building a new economic and security relationship with the United States, strengthening collaboration with "reliable trading partners and allies," creating "one Canadian economy" by eliminating interprovincial trade barriers, and "bringing together labour, business, and civil society" to focus on "using scarce tax dollars to catalyze multiples of private investment." The language is significant. Where previous mandate letters spoke of specific sectoral targets and departmental deliverables, Carney's framework speaks of resilience, civil society as a partner, and leveraging public investment to generate private-sector multiples—vocabulary that describes the co-operative model with considerable precision, even though the mandate letter does not name it.

The ministerial architecture creates both a challenge and an opportunity. ISED, the funder of this paper, holds SME policy under the Honourable Mélanie Joly. Global Affairs Canada (GAC) holds the trade promotion mandate under the Honourable Anita Anand, with the Honourable Maninder Sidhu as Minister of International Trade and the Honourable Randeep Sarai as Secretary of State for International Development. The structural separation between SME development and trade promotion means that co-operative internationalization falls between two ministerial mandates—neither fully owns it, and neither has the intermediation infrastructure to bridge the gap. This is not a design flaw; it is the institutional context within which the incoherence this paper documents operates—and the reason a sector-side intermediary is needed. Diversification, moreover, is not rhetoric alone. In early 2026, Canada signed commercial agreements with China and Qatar targeting agribusiness, cleantech, professional services, manufacturing, and tourism—sectors where Canadian co-operatives have significant presence. A Trade Diversification Strategy commits \$5 billion over seven years, with the declared objective of doubling non-U.S.

exports within a decade, and an expansion of Export Development Canada's capacity to facilitate \$25 billion in additional export financing by 2030. The government is diversifying by executive action, treaty negotiation, and budgetary commitment—not by aspiration.

1.2 New Budget Allocations Seeking Recipients

Budget 2025 translates the diversification mandate into concrete fiscal allocations. Two measures, totalling \$115 million, directly expand the federal export support infrastructure for small and medium enterprises.

The **SME Export Readiness Initiative** receives \$46.5 million to build pre-export capacity—training, advisory services, and structured support for businesses preparing to enter international markets for the first time or expand into new ones. This is a new program, meaning its design parameters, eligibility criteria, delivery channels, and performance metrics are still being defined. The advocacy window is open: influencing the design of a new program is substantively easier than reforming an established one, and the Initiative's pre-export orientation—building capacity before the first shipment, not financing activity already underway—makes it a natural fit for organizations whose international engagement may not yet take the form of conventional exports. The **CanExport** program, Canada's primary direct grant instrument for SME internationalization, receives \$68.5 million in additional funding. These allocations sit alongside the \$5 billion Trade Diversification Corridors Fund and a Regional Tariff Response Initiative of \$1 billion over three years. Taken together, Budget 2025 represents the largest single expansion of the federal export support infrastructure in recent memory. The money is allocated; the question is whether it will reach the full range of economic actors whose international activity serves the diversification objective.

One new program merits particular attention. The **AgriMarketing Market Diversification Program**, launched on 13 February 2026 with \$75 million over five years, is the first federal internationalization program to explicitly name co-operatives in its eligibility criteria. The program text lists "co-operative (for-profit)" as a selectable organizational form in its application—not as an afterthought or a clarification obtained through advocacy, but as a design feature present from launch. AgriMarketing is also more generous than CanExport SME in its cost-sharing terms: the government covers up to 70% of eligible costs (compared to 50% under CanExport), with maximum contributions approaching \$100,000 (compared to \$50,000), and no minimum revenue threshold (compared to CanExport's \$300,000 floor). Its declared priorities—sectors hit by tariff disruptions, non-traditional high-growth markets in Africa, the Middle East, and the Indo-Pacific—align precisely with the diversification corridors the government is actively negotiating. Whether the program's formal inclusion of co-operatives will translate into effective access—whether co-operatives will know about it, apply to it, and find its requirements navigable—is a question the paper addresses in Section 3. AgriMarketing is, for now, both a signal and a test case.

1.3 A Sector Exporting at Just Above Half the Rate

Given what the data reveal about Canadian co-operatives, conventional theory would predict them to be among the most internationally active segments of the economy. They are not.

The Survey on Financing and Growth of Small and Medium Enterprises (SFGSME) 2020—the only federal survey to segment results by legal form, with a deliberate oversampling of 391 co-operatives alongside 9,957 SMEs—reports that 7.4% of Canadian co-operatives export, compared to 12.1% of SMEs. Co-operatives export at roughly half the rate.

The paradox lies in what the same survey reveals about the sector's competencies. Canadian co-operatives are more innovative than conventional SMEs: 39.3% introduced at least one innovation in the 2018–2020 period, compared to 28.3% of SMEs, with co-operatives leading in every category—product innovation (23.4% versus 16.4%), organizational innovation (15.9% versus 8.6%, nearly double), marketing innovation (15.4% versus 9.2%), and process innovation (11.0% versus 8.3%). They are more technologically advanced: 17.4% adopted at least one advanced technology (compared to 13.7% of SMEs), with particular strength in supply chain and logistics technologies (11.1% versus 7.9%)—precisely the capability most relevant to managing international operations. They are more digitally present: 72.9% have an online presence versus 58.5% of SMEs, with notably higher e-commerce adoption—20.5% with their own payment systems, compared to 14.6%—and stronger social media engagement (86.0% versus 66.2%).

The structural conditions are equally favourable. Co-operatives' debt financing approval rate stands at 95.7%, against 90.8% for SMEs, with co-operatives outperforming across every instrument type. Their rejection rate is one-tenth that of SMEs: 0.8% versus 8.3%. They are more diverse in ownership: co-operatives are 4.5 times more likely than SMEs to be majority Indigenous-owned (5.0% versus 1.1%), a datum directly relevant to federal reconciliation commitments, and show higher rates of equal gender co-ownership (20.6% versus 14.3%). And, notably, co-operatives use debt financing for new-market entry at three times the rate of SMEs: 15.4% versus 4.9%—a behavioural signal that at least some are actively seeking to internationalize through the financial instruments available to them.

The paradox deepens further when cross-referenced with resilience data. Canadian co-operatives survive at substantially higher rates than conventional businesses: 66.6% at five years in British Columbia compared to 39–43% for conventional firms; 81.5% at three years in Alberta versus 48%. The pattern is not marginal; 72.2% of Canadian co-operatives are over 20 years old, compared to 33.7% of SMEs. During the COVID-19 pandemic, their temporary closure rate was half that of SMEs: 15.8% compared to 33.4%. Data from a different institutional context corroborates the pattern: Spain's National Statistics Institute (INE), in its Satellite Account of the Social Economy covering 2019–2023, reports that social economy entities were 2.6 to 5.7 times more resilient than the conventional economy during the 2020 shock, with co-operative production falling by just 0.2%. Crucially, the Spanish data reveals that this is not simply counter-cyclical: the social economy is structurally less volatile in both directions—it absorbs shocks without the precarization that typically drives rapid conventional rebounds (temporary contracts, wage compression, asset liquidation).

This convergence of indicators—higher innovation, superior financing access, greater digital maturity, structural resilience—suggests a sector operating in a lower-volatility regime that may sustain the exploratory activity that internationalization requires: entering new markets, building new alliances, developing new products over the longer time horizons such experimentation demands. The correlation between resilience, innovation capacity, and the financing patterns documented above merits further investigation; if confirmed, it would mean that the organizations best equipped to absorb the uncertainty of experimental internationalization strategies are precisely those the current programs do not reach. Research on Canadian co-operatives also documents measurable

competitive benefits that extend beyond the organizations themselves: the presence of co-operatives in a market has been shown to generate a disciplining effect on pricing that benefits all producers in the sector, including non-members—a positive externality whose loss, when co-operatives exit, reduces welfare for the sector as a whole. This is not an argument about the co-operative sector's wellbeing; it is an argument about the economy's.

The question, then, is not why co-operatives do not export. It is why federal programs do not reach a sector that is more innovative, better financed, more resilient, more digitally present, and more diverse than the average SME—and that, as the following section will document, is already engaged in international activity that the current measurement framework does not capture.

1.4 The Current Federal Toolbox

Canada maintains a program ecosystem covering most stages of the SME internationalization cycle—from pre-export capacity building through market intelligence, direct grants, export financing, and trade facilitation services. The following table summarizes the principal instruments and their accessibility to co-operatives:

Program	What it offers	Co-operative eligibility
Trade Commissioner Service (TCS)	Advisory services, market intelligence, 160+ offices in international markets	Open to all Canadian businesses
CanExport SME	Grants up to \$50,000 (50% cost-sharing) for market development activities	Eligible since May 2021; minimum revenue \$300,000
Export Development Canada (EDC)	Export credit insurance, financing solutions, guarantees	Open to all exporters
Business Development Bank of Canada (BDC)	Export guarantees, advisory services	Open to all Canadian businesses
AgriMarketing Market Diversification	\$75M over 5 years for agribusiness internationalization	First program to explicitly include co-operatives
SME Export Readiness Initiative	Pre-export training and capacity building (\$46.5M)	Eligibility unconfirmed
Industrial Research Assistance Program (IRAP)	R&D support, innovation advisory, technology commercialization	Excludes co-operatives by design

The picture is one of formal accessibility with uneven specificity. Most programs do not exclude co-operatives; most do not mention them either. Co-operatives qualify under generic "Canadian business" or "SME" definitions, but no communication, form, or intermediation structure acknowledges their existence as a distinct organizational form. CanExport SME illustrates the pattern: co-operatives became eligible in May 2021, following a multi-year process that began when an agrifood co-operative in Québec discovered it could not access the program. Yet four years later, no data on co-operative applications or success rates has been published. IRAP stands apart as an explicit exclusion: co-operatives are ineligible by program design criteria, not by oversight.

At the provincial level, a complementary pattern holds. A systematic review of provincial export support programs reveals that no province explicitly excludes co-operatives, but only Québec explicitly names them in eligibility criteria. Québec's exception is consistent with its broader distinction as the province with the most articulated co-operative ecosystem—approximately 45% of Canadian co-operatives are located there—and its institutional infrastructure (the *Programme de soutien aux coopératives et à l'économie sociale* (PSCE) program, with up to \$250,000 per co-operative for market entry, is the most substantial provincial instrument). In every other province, co-operatives must navigate generic language that may implicitly include them but does not acknowledge their existence. CMC reports no documented cases of co-operatives accessing provincial export programs outside Québec. The practical effect of non-mention is a compounding ambiguity: program officers default to caution when an unfamiliar legal form applies, co-operatives default to self-exclusion when they do not see themselves reflected in program materials, and neither party generates the data that would resolve the uncertainty.

The photograph is now clear—and so is the dissonance. A sector contributing \$52.8 billion to GDP, outperforming the average Canadian SME on every indicator the government itself tracks, exports at half the rate. The program table above measures eligibility, grant amounts, and revenue thresholds. The mandate letter speaks of resilience, cohesion, and catalyzing investment. The gap between these two vocabularies—the vocabulary of mandates and the vocabulary of programs—is the subject of this paper.

The following sections will demonstrate that the gap has identifiable, operational causes: measurement instruments that capture only one dimension of international activity (Section 2); program design, institutional architecture, and cognitive frames that formally include co-operatives but practically exclude them (Section 3); and an ecosystem that reproduces its own domestic orientation through structural mechanisms no single actor controls (Section 3). These causes are correctable—not ideological resistance and not exclusion by design, but misalignments between the instruments the government has built and the organizations those instruments were intended to serve.

2. What the Instruments Fail to Capture

The preceding section established that Canada has programs, budget, and declared political will directed at trade diversification, and that most federal export support instruments are formally accessible to co-operatives. It also documented a paradox: a sector that is more innovative, better financed, more resilient, and more digitally present than the average Canadian SME exports at half the rate. This section asks what would happen if the lens were widened—if international activity were measured not only by what the current instruments capture, but by what they do not.

The argument is not that export measurement is wrong; export promotion is a valid and important policy objective, and the instruments that measure it serve a legitimate function. The argument is that export measurement is incomplete—and that the activities it leaves invisible are not alternatives to trade but, according to three decades of international business research, components of it. Cross-border alliances, knowledge transfer, co-operative investment, network participation, supply chain articulation, and imports are directly related to trade in both theory and practice: they constitute preconditions, enablers, and often simultaneous dimensions of the same internationalization process. The flows, moreover, are rarely compartmentalized or unidirectional. A co-operative

that imports fair-trade cocoa simultaneously exports organizational knowledge to producer partners; a development program that sends technical assistance generates commercial contacts that enable future export; a cross-border purchasing alliance builds the relational infrastructure on which outbound trade depends. If this activity exists at significant scale, the implication is not that ISED should stop measuring exports but that it should expand what it measures to discover the full scope of the asset it has available.

2.1 The 7.4% as a Measurement Artefact

The 7.4% co-operative export rate is the product of a specific instrument: the SFGSME 2020. The survey asks whether the enterprise exports goods or services. It does not ask whether it imports, maintains cross-border supply chain relationships, participates in international co-operative networks, receives or sends international delegations, exchanges governance practices with counterparts in other countries, engages in solidarity investment across borders, or transfers knowledge bidirectionally with international partners. A co-operative that manages supply relationships spanning 14 countries and hedges commodity futures in US dollars would answer "no" to the export question if its commercial activity is structured as importing and domestic distribution rather than outbound sales. In the SFGSME framework, this co-operative is classified alongside a neighbourhood service co-operative with no international contact whatsoever.

The 90.4% of co-operatives that cite the "local nature of the business" as their reason for not exporting are responding to a question that defines what counts. The metric does not merely fail to capture existing international activity; by defining what counts as "international," it shapes what co-operatives themselves believe they do. The metric produces the reality it purports to describe.

The omissions documented in the following pages are not random. They have a structure: each follows from the same definitional premise—that "international" means "exporting goods or services." The government's objective—growing exports—is not in question. What this paper proposes is a more sophisticated understanding of the enabling precursors that produce export growth: international networks, cross-border knowledge transfer, governance capacity, and relational capital are not alternatives to exporting but conditions for it. The evidence assembled in the following pages suggests that investing in these precursors for co-operatives would accelerate, not delay, the export outcomes the government seeks. Moreover, the cases illustrate what becomes visible when that premise is relaxed. The measurement artefact is larger than the export figure alone suggests: consumer co-operatives—70% of the Canadian co-operative sector—are significant importers and participants in cross-border networks whose international activity generates neither export revenue nor visibility in trade metrics (Section 2.3 develops this point).

The implication is pragmatic, not epistemological. No evidence assembled in this study confirms that any federal or provincial actor currently captures and promotes non-export internationalization. Development co-operation programs fund some of the activity but classify it as aid, not economic capacity. Provincial social economy programs operate domestically. No actor has the mandate, the data infrastructure, or the analytical framework to see the full picture of co-operative international activity and act on it as an economic asset. The following cases illustrate what that invisible capacity looks like in practice. The OECD's 2023 analysis of SSE internationalisation across 30+

countries confirms that specialised support services for SSE internationalisation exist in only four countries — none of them Canada (OECD 2023, pp.35-38).

2.2 Invisible International Activity: Concrete Cases

The register shifts here from aggregate survey data to verifiable cases. Each is presented first with data a program evaluator would recognize—revenue, employees, countries of operation—and then with the dimension that does not appear in current program metrics. The cases span the full range of co-operative forms: a small worker co-operative, large agricultural co-operatives, a development intermediary, and a platform co-operative. Together, they demonstrate that the invisibility is not confined to a niche but runs through the entire co-operative ecosystem.

A small worker co-operative with global reach. A worker co-operative based in Ottawa, with six employees, manages a fair-trade supply chain spanning approximately 25 producer co-operatives across 14 countries. It operates in one of the world's most complex commodity markets—cocoa—managing USD futures hedging, foreign exchange risk across multiple currencies, and multi-country regulatory compliance, all from a single warehouse. The flow of money transiting through this six-person operation substantially exceeds what the organization retains; it functions as a node of systemic economic impact in a transnational network, not as a conventional micro-enterprise selling a product. Its general manager describes how 20 years of direct relationships with the same producers generate more commercial leverage than much larger companies purchasing through commodity brokers.

In January 2026, this co-operative completed a cross-border merger with a US-based worker co-operative—a transaction that constitutes, in substance, co-operative foreign direct investment: solidarity-based acquisition of productive capacity across a national border. Had a conventional business valuation been conducted, the co-operative's intangible assets—brand reputation in ethical sourcing, 20-year producer relationships, governance compatibility, supply chain knowledge—would have appeared as goodwill, the same category that ISED's analytical architecture uses to assess firm value in conventional mergers. But the merger was executed through democratic governance rather than asset pricing: the two co-operatives' workers decided to combine operations based on mission alignment and supply chain complementarity. The result is a structural paradox. The activity is functionally equivalent to what trade programs recognize as FDI (Foreign Direct Investment)—cross-border investment that creates permanent economic linkage—but because it was conducted without conventional valuation, it generates no metric. Lenders and program evaluators see a micro-enterprise with few tangible assets; a proper accounting of relational capital would produce a radically different picture. This is not an anomaly of co-operative accounting; it is a manifestation of a broader analytical limitation. Conventional metrics measure enterprises as discrete units. Co-operatives that operate through networks—shared supply chains, solidarity financing, federated governance—generate economic value that resides in the relationships between entities, not in any single balance sheet. The accounting framework treats each co-operative as an isolated unit; even Mondragón, the world's largest industrial co-operative group, does not consolidate individual co-operative revenues into a single entity for reporting purposes. The consequence extends beyond program eligibility thresholds: size, growth, export capacity, and scaling potential are all systematically understated when the unit of analysis is the individual firm and the actual unit of economic operation is the network.

Large agricultural co-operatives: evidence against the "local nature" premise. At the opposite end of the scale, Canada's largest agricultural co-operative ran commercial missions to Japan, South Korea, and Taiwan in early 2026—diversifying into precisely the Asian markets that federal policy identifies as strategic priorities. A subsidiary of the same co-operative group has established its own commercial offices in countries such as China—not productive investment but export-oriented FDI: permanent commercial presence abroad to sustain and expand outbound trade flows. Federal SME programs are too small and too bureaucratic for co-operatives of this scale; a \$50,000 CanExport grant and its attendant reporting obligations are not proportionate to an organization whose operations span multiple continents.

Two dimensions of this case deserve emphasis beyond the program-scale mismatch. First, the existence of large exporting co-operatives directly contradicts the premise—embedded in the 90.4% "local nature" response—that co-operatives are inherently local organizations. They are not. Some of Canada's most internationally active enterprises are co-operatives; their international activity simply occurs through conventional commercial channels rather than through the co-operative ecosystem. Second, and more significant: these co-operatives could, by the co-operative principle of inter-co-operation, function as anchor enterprises for the broader ecosystem—sharing market intelligence, opening doors for smaller co-operatives in destination markets, providing the scale that enables collective participation in international programs. This tractora function does not occur. The co-operative's business development division has no relationship with CMC, the sector's federal apex body; CMC, in turn, cannot connect the co-operative with relevant peer co-operatives in the destination countries. The market intelligence, commercial relationships, and institutional learning generated by these operations remain confined to the business development division that produced them—unavailable to the co-operative ecosystem that could, under different institutional conditions, leverage them as a shared resource.

At the far periphery, a Newfoundland fishing co-operative exports sea cucumber to Asian markets—a niche product in a high-value trade that is subdocumented, dispersed, and invisible to federal tracking. A senior CMC official, when asked to identify co-operatives that export, noted that the sector lacks even a basic inventory: no listing of co-operatives that import or export, no aggregated data on products, destinations, or volumes. The absence of data is not evidence of absence; it is evidence of a data infrastructure that does not ask the question.

A development intermediary generating trade flows—and the blocked reverse channel. A major Canadian co-operative development organization has operated in over 30 countries for four decades. In Honduras, its programs supported the creation of a social enterprise that united local coffee co-operatives, with financing from a Canadian impact investment fund totalling \$25 million. That entity is now the fifth-largest coffee exporter in Honduras. The trade flows are real, substantial, and documented. Yet the organization that created them is institutionally categorized as "development co-operation," not as internationalization infrastructure.

The classification produces a systematic blindspot that the international business literature helps to diagnose. Inward and outward internationalization are not separate activities but interconnected processes (Fletcher, 2001; Welch & Luostarinen, 1993): the same organizations that export technical assistance simultaneously import market knowledge; the supplier relationships built through development co-operation become the commercial contacts on which future trade depends; the capacity built in producer countries generates demand for Canadian intermediate goods and services. The flows are bidirectional both synchronously (assistance flows south while knowledge and commercial intelligence flow north in the same program) and diachronically (today's development program prepares tomorrow's trade relationship). A senior executive at the organization describes the blockage directly:

Canadian co-operatives are deployed to developing countries for technical assistance, but the learning, commercial contacts, and market intelligence they acquire are not systematically channelled back into the Canadian co-operative ecosystem. The Canadian government—specifically the Ministry of Agriculture, which engages the organization—thinks exclusively in north-to-south terms. Innovation transfer between program countries (south-south) works well; innovation transfer from program countries to Canada (south-north) does not happen. The institutional architecture has no mechanism to convert the organization's 30-country network into a resource for Canadian co-operative internationalization. The executive's assessment is candid: for too many years, Northern co-operatives assumed they had nothing to learn from the South. The reality is the opposite: Development co-operation generates trade; but the programs that measure trade and those that fund development do not communicate.

A platform co-operative in the zone between trade and co-operation. A Québec-based delivery platform co-operative participates in CoopCycle, a federation of bicycle delivery co-operatives operating across cities in multiple countries. The model is distinctive: CoopCycle develops software and a shared brand, then licenses both exclusively to co-operatives—not through generic open-source distribution but through a co-operative-specific licence that ensures only democratically governed organizations can use the platform. Each city has its own co-operative, with its own members and governance; the brand and technology cross borders while value creation, employment, and democratic control remain locally rooted.

What this co-operative transmits across borders is not a product or a service in the conventional trade sense but a bundle of intangible assets: software, an organizational model, governance protocols, and the capacity for collective organising across jurisdictions. These assets are inherently shareable at near-zero marginal cost—a form of internationalization that requires neither geographic expansion nor the market entry costs that CanExport or TCS are designed to support. The activity falls in a zone between development co-operation and commercial exchange that no existing analytical framework captures well. It is not trade in the SFGSME sense; it is not aid in the Global Affairs sense; it is a form of cross-border value creation that generates real economic effects—employment, platform revenue, supply chain organization—through relational mechanisms rather than transactional ones. The government's own mandate language celebrates precisely this kind of innovation diffusion and distributed economic development, yet the activity remains uncategorized and therefore invisible to policy.

Missions, delegations, and events as invisible international activity. The cases above document invisible activity at the level of individual co-operatives. But there is a further layer: the Canadian co-operative ecosystem itself conducts significant international engagement through missions, delegations, and events that no program measures as internationalization. A senior CMC official informally hosts two to three international delegations per year—from Ghana, from the United Kingdom—connecting visiting co-operators with relevant local organizations through personal networks. No protocol governs these encounters; no budget supports them; no report captures their value. A university-based co-operative research and education centre coordinates study tours for co-operative professionals to Emilia-Romagna, Mondragon, Costa Rica, and other destinations. The CMC Congress (~250 participants) includes international streams that generate lateral encounters. Montreal sent a delegation to the Global Social Economy Forum in Dakar (2024). Canada participates in International Cooperative Alliance and Co-operatives of the Americas through events and governance activities, building relationships. Some Canadians typically also attend the conferences of the US co-op apex organization, NCBA CLUSA. The *Sommets internationaux des coopératives* (2012, 2014, 2016) attracted 3,000 participants from over 90 countries and generated concrete

commercial partnerships—and were discontinued. Between 2016 and 2020, C.I.T.I.E.S. (*Centre International de Transfert d'Innovations en Économie Sociale*), born from the 2016 Global Social Economy Forum in Montreal, organized thematic missions between Montreal, Barcelona, Bilbao, and Seoul—including direct enterprise accompaniment for at least one platform co-operative seeking to establish in New York City. C.I.T.I.E.S. ceased activities in 2020. Each of these constitutes international economic activity—knowledge transfer, network-building, commercial exploration, governance exchange—that neither the SFGSME nor any federal program captures. The activity occurs across at least seven distinguishable layers, from informal delegation hosting to structured study tours to lateral activity around major events, and none is measured, coordinated, or recognized as part of Canada's international economic engagement.

The bidirectional flow of intangible assets generates value—often substantial value—that current frameworks do not see. Across all five case categories, a common pattern emerges: the international activity of Canadian co-operatives involves not merely the movement of goods, services, or capital across borders but the bidirectional flow of intangible assets—relational capital, governance knowledge, organizational models, reputation, territorial intelligence, accumulated trust. These flows generate economic value through mechanisms that conventional trade metrics are not designed to capture: a 20-year supply chain relationship reduces transaction costs below what spot-market purchasing can achieve; a governance exchange program builds organizational capacity that increases productivity and resilience; a cross-border purchasing alliance captures economies of scale unavailable to any individual member; a solidarity investment creates permanent economic linkage that generates returns over decades. The value is real and often substantial—the \$25 million impact investment in Honduras, the commercial leverage of two decades of direct producer relationships, the platform revenue generated across a dozen cities through shared co-operative software—but it does not appear as export revenue and therefore does not appear at all.

A pattern, not a Canadian peculiarity. These five categories of Canadian cases span the full range of co-operative internationalization. The pattern of invisible international activity is not uniquely Canadian. The hemispheric co-operative movement documents concrete instances of co-operative-to-co-operative trade operating outside conventional commercial channels: South American berry co-operatives supplying Italian counterparts during winter production gaps through solidarity-based relationships rather than spot-market purchasing; cross-border labour mobility through co-operative networks during the COVID-19 pandemic; and consumer co-operative supply chain articulation across neighbouring countries, where co-operatives exchange products and organizational knowledge about logistics, digital platforms, and governance. Brazil's experience is particularly instructive: the tripartite model (APEX-Brasil, OCB, state-level federations like OCEPAR) has produced co-operative export volumes exceeding US\$7.9 billion to approximately 150 countries—and has generated innovation flows from South to North that Northern co-operatives have been slow to recognize. The potential for south-north learning is systematically underestimated and will be examined further in Section 4.

The invisibility extends beyond national program frameworks. The international forums that might be expected to make co-operative international activity visible are themselves fragmented. The Social Enterprise World Forum circulates through predominantly Commonwealth and anglophone networks with limited participation from the institutional co-operative movement; the International Co-operative Alliance, in turn, occupies a political governance space without operational trade mediation capacity; the Global Social Economy Forum connects municipal and national governments but with limited enterprise-level follow-through. A Canadian co-operative

seeking international partners finds no integrated forum where national programs, practitioner networks, and institutional governance intersect. The fragmentation is structural: each forum serves a legitimate function, but the spaces between them are where co-operative international activity falls—visible to none, legible to none, supported by none.

A possible objection deserves direct address: that the activities documented above—importing, network participation, knowledge exchange, supply chain management—are interesting but fall outside the mandate of export promotion programs. The international business literature has answered this objection empirically. Three decades of research document that inward activities are not alternative to export but precursors of it: importing builds the supplier relationships and market intelligence on which export capacity depends (Welch & Luostarinen, 1993); inward, outward, and co-operative activities are interconnected rather than separable, with each creating conditions for the others (Fletcher, 2001); and what prevents internationalization is not foreignness but outsidership—being outside the relevant networks—which inward activities directly remedy (Johanson & Vahlne, 2009). The cases above illustrate the mechanism concretely. Canada's largest agricultural co-operative did not arrive at export-oriented offices in China and trade missions across Asia *despite* decades of supply chain relationships; it arrived *through* them—but the export capacity those relationships produced remains locked inside a single business division, invisible to the co-operative ecosystem and unavailable as a shared resource. The Ottawa worker co-operative's 14-country sourcing network is not a substitute for export capacity; it is the relational infrastructure on which any future outward expansion would depend. What the current instruments classify as "non-export" activity is, in significant part, the substrate from which export emerges—and supporting it is not a departure from export promotion but an investment in its preconditions.

The scale of invisible activity documented in this section ranges from six people (the Ottawa worker co-operative) to Canada's largest co-operative (export-oriented offices and trade missions across Asian countries), and extends to the ecosystem level (missions, delegations, and events involving dozens of organizations across multiple layers). The invisibility operates at two levels. At the first level, international activity that does not take the form of export—importing, network participation, knowledge exchange, supply chain management—is invisible to instruments that only measure outbound flows. At the second level, even where orthodox export does occur, the activity generates no ecosystem effect: the market intelligence, commercial relationships, and institutional learning remain confined to the exporting organization, unavailable to the co-operative sector as a shared resource. Both levels represent value left on the table—the first because it is not measured, the second because the institutional conditions for converting individual export experience into collective capability do not exist.

2.3 The Missing Middle as a Structural Explanation

The co-operative export gap is not only a program-access problem. It is partly demographic. The segment where conventional SMEs are most likely to export—firms with 50 to 500 employees, large enough to absorb the fixed costs of internationalization but agile enough to respond to market opportunities—is structurally thinner among co-operatives. A co-operative technology founder describes it starkly: successful co-operatives in Canada tend to be either very old and very large (established half a century or more ago) or young and struggling. The medium segment—where internationalization happens in the conventional SME sector—is largely absent. Three

independent lines of evidence confirm the observation, meaning the finding does not depend on any single source's perception.

First, the SFGSME data on co-operative exporters reveals a distinctive demographic profile: they are 2.4 times older than the co-operative average (44 years versus 18) and 3.6 times more likely to be medium-sized (43% with 20–499 employees, versus 12% for all co-operatives). The medium segment that exports exist, but it is thin and aging—a shrinking base, not a growing one. The standard international business literature predicts that age and size correlate positively with export propensity; among Canadian co-operatives, they do—but the pool of organizations with those characteristics is structurally smaller than among conventional SMEs.

Second, 95% of co-operative revenue concentrates in three sectors: finance and insurance (\$53.2 billion, 49% of total), wholesale and retail (\$40.4 billion, 37%), and construction and manufacturing (\$9.7 billion, 9%). Financial co-operatives—credit unions, *caisses*, mutual insurers—are substantively non-tradable in the conventional export sense. Their international activity (correspondent banking relationships, regulatory co-operation, cross-border investment partnerships) does not register in trade metrics and is not what export programs are designed to support. Finance alone accounts for nearly half of the co-operative economy by revenue; this is not a marginal qualification but a fundamental structural feature that any comparison between co-operative and SME export rates must acknowledge.

Third, 70% of Canadian co-operatives are consumer-type: credit unions, housing co-operatives, retail co-operatives, consumer services. This datum requires careful interpretation, because the shorthand "70% consumer = non-tradable" that appears in some analyses conflates two distinct propositions. Consumer co-operatives are not structurally non-tradable. They are, in fact, massive importers—stocking shelves from global supply chains, sourcing products from dozens of countries, and managing procurement logistics of considerable complexity. They are central actors in fair-trade networks: among the world's largest fair-trade retailers are consumer co-operatives. They participate in cross-border purchasing alliances, knowledge exchange on logistics and digital platforms, and governance learning with international counterparts. Beyond sourcing, consumer co-operatives capture brand value, reputation, and distribution margins on internationally sourced products—economic functions of real significance that generate returns on intangible assets without producing a single dollar of export revenue. What consumer co-operatives mostly are not is *exporters*—and the SFGSME only asks about exports. The distinction matters: the "missing middle" is more precisely located than the 70% figure implies. The structural ceiling on export potential is clearest in finance and insurance (genuinely non-tradable by conventional metrics, approximately 49% of co-operative revenue), while consumer co-operatives occupy an intermediate position—domestically oriented in their sales but internationally active in their sourcing, alliances, knowledge networks, and value capture.

The implication is that the 7.4% versus 12.1% gap reflects, in part, a demographic structure that no single intervention can alter. This does not diminish the case for program reform—the barriers documented in Section 3 are real and correctable—but it calibrates expectations. The missing middle has causes that Section 3 will examine in detail: program exclusion, the differential cost of the co-operative form, the absence of inter-co-operation as a scaling mechanism, and forced exit. Understanding *why* the middle is missing matters because the causes determine what kind of intervention can address the gap.

2.4 Born-Global Co-operatives and Local/Global Simultaneity

The standard model of firm internationalization—the Uppsala sequence, in which enterprises consolidate domestic markets before expanding progressively to psychically proximate and then geographically distant markets—does not describe co-operatives like the Ottawa worker co-operative documented above. Founded as a global entity from its first day of operation, its tangible infrastructure is local (a warehouse in Ottawa, employees based in the same city, distribution across the Canadian domestic market) while its relational infrastructure is global (25 producer co-operatives across 14 countries, solidarity financiers in the United Kingdom, a merged US counterpart). Its general manager describes the experience directly: the co-operative has always had a global presence, even though the market is local—because it has partner co-operatives around the world. The two dimensions coexist simultaneously, not sequentially. The co-operative did not "internationalise" by first consolidating locally and then expanding abroad; it was born international, because cocoa does not grow in Ottawa and a commitment to direct producer relationships required a global supply chain from the outset.

This is not an isolated anomaly. The co-operative's US merger partner was founded in 1986 with an even more explicitly international genesis: its first product was Nicaraguan coffee imported during the Reagan embargo, brokered through a Dutch alternative trade organization because direct US-Nicaragua commerce was legally impossible. The founding act combined political solidarity, international sourcing, and multinational networking as an inseparable whole. Internationalization was the reason for the co-operative's existence, not a phase achieved after domestic consolidation. The pattern—co-operative as born-global entity, international by mission rather than by market ambition—challenges the sequential assumptions embedded in program design. CanExport finances the opening of new markets: trade fairs, commercial missions, product adaptation for foreign consumers. A co-operative whose international activity consists of maintaining 20-year supply chain relationships under changing conditions—exchange rate fluctuations, political instability in producer countries, shifting commodity prices, evolving regulatory requirements—does not need a new market. It needs support for the relationships it already has. The Trade Commissioner Service operates through delegations in destination countries; a model designed for firms establishing commercial presence in a new market. For a co-operative operating through already-established networks, the TCS infrastructure is largely beside the point.

The Ottawa co-operative simultaneously inhabits two worlds that federal programs treat as separate. From one perspective, it is co-operation for development: its relationships with 25 producer communities constitute a web of long-term commitments that includes capacity building, fair pricing, and governance support. From another, it operates daily in a sophisticated commodity market, managing cocoa hedging, futures contracts, and multi-currency operations with a team smaller than many corner shops. This simultaneity is precisely what current program categories make invisible. Neither the "trade" circuits (CanExport, TCS, EDC) nor the "development co-operation" circuits (Global Affairs, institutional mandates) fully see this co-operative, because it operates in the overlap that both circuits assume does not exist. A program designed for export promotion sees an Ottawa micro-SME that does not export. A program designed for development co-operation sees a commercial operation buying cacao. The co-operative is both, and current policy and program architecture has no category for both.

The simultaneity of local rootedness and global reach points to a form of competitive advantage that standard analytical frameworks do not capture well. The OLI paradigm (Ownership-Location-Internalization) analyzes advantages held by individual firms: proprietary technology, location-specific assets, internalization efficiencies. Co-operative networks generate a different type of advantage—relational advantages, or R-advantages (Barco Serrano and García Serrano, mimeo)—that reside not in any single organization but in the network itself. Unlike conventional firm-specific advantages, R-advantages are emergent properties of relationships: their value increases with shared use under appropriate governance, inverting the appropriability logic that underpins the OLI framework. The concept draws on and extends Novkovic's (2007) demonstration that co-operative networking functions as a survival strategy—co-operatives can compensate for innovation disadvantages through sufficient network density, meaning the network itself is a strategic asset, not merely a conduit for information. Growth occurs through relational density, not sales volume: a co-operative adds a producer partner in Ecuador, and what increases is not revenue but supply resilience, risk distribution, knowledge exchange, and governance learning. Networks substitute for scale as an impact mechanism. The multiplier effect is real—the economic flow transiting through the six-person Ottawa co-operative is substantially greater than what it retains—but it is invisible to metrics that measure retention rather than transit. This has implications beyond co-operatives: any SME operating through long-term supplier networks, alliance structures, or value chain partnerships—including much of the agribusiness sector—generates economic value through relational density that conventional metrics do not capture. Co-operatives are not the only organizations for whom this matters; they are the ones where the gap between activity and measurement is most visible. The METACINES research program (produced with the support of the Spanish Ministry of Employment and Social Economy; Barco Serrano and García Serrano, 2025, mimeo) develops the analytical framework for identifying, measuring, and activating these relational advantages in co-operative internationalization contexts—a framework directly relevant to the measurement and policy challenges this paper documents.

2.5 Interprovincial Expansion as Quasi-Internationalization

A final dimension of invisible international capacity deserves brief mention. The International Monetary Fund estimated in 2026 that interprovincial trade barriers in Canada are equivalent to a tariff of approximately 9%—higher than the 5.9% average US tariff on Canadian goods prior to the 2025 escalation. For services, the barriers are substantially greater: the IMF characterizes them as "prohibitive in most international trade agreements," with estimated equivalents exceeding 40% in sectors such as education, health, and professional services. The SFGSME reports that 30.4% of co-operatives intend to expand to other provinces, compared to 5.5% intending international expansion—a ratio of roughly six to one. The pool of co-operatives with internationalizing frictions that do not involve crossing a national border is thus substantially larger than the pool conventionally classified as "internationally oriented."

If the definition of internationalization readiness included interprovincial expansion—a reasonable inclusion given that the economic barriers are comparable to, and in services exceed, international ones—the potential beneficiary base for internationalization support would expand significantly. The international business literature itself supports this broadening: the Uppsala model's 2009 revision (Johanson & Vahlne) replaced the *liability of

foreignness* with the *liability of outsidership*, arguing that what makes internationalization difficult is not being foreign but being outside relevant networks. For a Québec co-operative expanding to Alberta, the liability of outsidership—unfamiliar business networks, different regulatory frameworks, cultural distance—is functionally comparable to that of entering certain international markets. This is particularly relevant in the context of Prime Minister Carney's "one Canadian economy" mandate, which frames the elimination of interprovincial barriers as a national priority and has produced a commitment—announced in the May 2025 Throne Speech—to legislate the elimination of federal barriers before Canada Day. The political momentum on interprovincial trade, accelerated by the tariff crisis, creates a window of opportunity for CMC to connect the co-operative agenda to a national priority already commanding executive attention. Co-operative interprovincial expansion is a precursor to, and in some cases a functional equivalent of, internationalization—and the 30.4% figure suggests a latent demand for support that current program categories do not recognize.

3. The Gap Between Mandates and Programs

The preceding section documented international co-operative activity that current instruments do not capture. This section asks why. The answer is not a single cause but a set of interlocking mechanisms—each illuminating a different facet of the gap between what federal mandates call for and what federal programs deliver. Some operate at the level of program design (eligibility criteria that formally include co-operatives but practically exclude them). Others operate at the level of institutional architecture (a system whose agencies simultaneously support and reject the same co-operative). Still others operate at the level of cognition (assumptions embedded so deeply in program logic that they function as invisible filters). And one operates at the level of the co-operative ecosystem itself, which reproduces its own domestic orientation through path dependencies that no single actor controls—a mechanism that Biggeri et al. (2018) document as the shaping of organizational preferences by the socio-institutional context in which social economy actors are embedded. These mechanisms are complementary, not competing; together they explain why the May 2021 inclusion of co-operatives in CanExport SME—a genuine policy achievement—produced no observable change in co-operative participation.

3.1 Eligibility Does Not Equal Accessibility, and Accessibility Does Not Equal Adequacy

The distinction matters because policy discourse tends to collapse it. When a program officer says "co-operatives are eligible," the implication is that the problem is solved. The evidence assembled in this study suggests otherwise. Three levels must be distinguished: formal eligibility (the legal criterion that permits application), effective accessibility (the communication, forms, intermediaries, and evaluation processes that determine whether eligible organizations actually apply and succeed), and programmatic adequacy (whether the program measures, supports, and rewards the type of international activity the organization actually conducts).

The AgriMarketing Market Diversification Program illustrates the triple distinction. The program explicitly lists "co-operative (for-profit)" among eligible organizational forms—the first federal internationalization program to do so.

However, the application form contains no co-operative-specific questions or guidance. The cost-sharing requirement (70/30 in cash only) excludes organizations whose strengths lie in relational assets and volunteer governance. The \$20,000 minimum project cost disadvantages smaller co-operatives. Supported activities are outward-only—trade missions, fairs, market research—with no provision for inbound visits, network exchange, or the bidirectional relationship-building characteristic of co-operative internationalization. The program's performance indicators measure new markets accessed and export volume only. A co-operative that strengthens a long-term supply chain relationship, builds governance capacity with a producer partner, or develops a cross-border purchasing alliance would register no measurable outcome—even though such activities directly serve the federal government's diversification mandate.

CanExport SME provides the critical test. Co-operatives became formally eligible in May 2021, following a two-year advocacy process led by CMC. The process revealed the institutional dynamics at stake. CoopAgrobio, a Québec-based agrifood co-operative, could not access the program and alerted CMC. Advocacy ensued, including exchanges with Global Affairs Canada in which a government lawyer characterized co-operatives as "loose affiliations, not incorporated entities." This statement was factually incorrect. When CMC obtained it in writing and escalated to the Small Business Branch Director, the position reversed within thirty minutes. The May 2021 policy change resulted from sustained pressure. It was a real achievement.

Four years later, La Siembra—the most internationalized co-operative in the interview sample, a worker co-operative managing fair-trade supply chains across 14 countries—has never accessed CanExport SME. La Siembra does not export goods. CanExport is an export program. The non-use is coherent, not a failure. The real problem is different: La Siembra's actual international activity—co-operative foreign direct investment, supply chain management across 14 countries, solidarity investment—has no corresponding program. The case illustrates not communication failure but program-type absence. A secondary complication emerged in 2026: the agrifood sector shifted from CanExport SME to AgriMarketing, fragmenting the policy landscape and requiring co-operatives in this sector to navigate new rules.

The pattern extends beyond CanExport. When CMC organized Trade Commissioner Service webinars specifically for co-operatives in 2022, attendance was minimal. When ALADI—a regional co-operative development alliance covering 14 Latin American countries—offered its trading platform to the hemispheric co-operative movement, the response was zero. At the international level, as at the Canadian level, institutional supply exists; articulated demand does not. The problem is not the absence of programs but the absence of intermediation that converts latent need into effective demand. Programs broadcast; co-operatives do not receive.

3.2 Systemic Incoherence, Not Exclusion

The eligibility-accessibility gap is not an isolated design flaw. It is one manifestation of a broader pattern: the Canadian system is not hostile to co-operatives; it is incoherent. Different agencies of the same government support and reject the same co-operative simultaneously—not out of malice, but because each agency operates within its own eligibility logic and the system lacks a mechanism for cross-referral or reconciliation.

The case of a Québec-based platform co-operative makes this visible. In February 2026—hours before an interview for this study—the co-operative received a rejection from CanExport SME for a document formatting issue on a

\$30,000 grant application. No opportunity to contact the program, appeal, or correct the format was available. The co-operative's founder is a member of CMC's board and has personally established a precedent for co-operative access to Scientific Research & Experimental Development (SR&ED) tax credits. For the same NYC expansion, the co-operative receives support from ISED, Global Affairs Canada, and Investissement Québec. One arm of government finances the co-operative's international expansion while another rejects a modest grant application for a document-related technicality. The system is not saying "no"; it is saying "yes" and "no" simultaneously, to the same organization, for related activities.

The SR&ED precedent deepens the picture. The same founder was the first to obtain the Scientific Research and Experimental Development tax credit for a Canadian co-operative. This required him to personally read the Income Tax Act, the Federal Co-operatives Act, provincial co-operatives legislation, and the Securities Act, identify the co-operative's eligibility, and cite the relevant articles to a CRA officer who did not know co-operatives could qualify. He obtained the credit. The precedent did not propagate. Other co-operatives do not know about it. CRA has not internalized it into its guidance. No co-operative intermediary has diffused it. The trail was opened; the vegetation closed behind the pioneer. Without a mechanism for precedent propagation, each co-operative must reproduce the same effort from scratch—reading the same legislation, making the same arguments—as if no one had ever done it before.

The Industrial Research Assistance Program (IRAP) occupies a distinct position. Unlike CanExport (where eligibility exists but access does not), the IRAP explicitly excludes co-operatives by design. This is not an implementation failure; it is a criterion decision. The exclusion creates a self-reinforcing cycle that operates upstream of internationalization: without IRAP, co-operatives cannot access R&D support that builds the innovation base for export-ready products; without that innovation base, co-operatives do not appear in program categories that would justify their inclusion; the absence of co-operative applicants confirms, to program designers, that co-operatives are not innovation-oriented. Technology entrepreneurs choosing a legal form will select one where IRAP is accessible, reinforcing the cognitive association between co-operatives and traditional sectors. IRAP is the only federal program documented in this study where the exclusion is explicit and intentional. Research on Canadian agricultural co-operatives documents that co-operative presence generates measurable competitive benefits for entire markets—a yardstick effect with an estimated elasticity of 3.38—benefits that disappear when co-operatives exit or convert (Zhang, 2007). Treating legal form as irrelevant to program design has a cost that extends beyond the co-operative sector itself.

The IRAP exclusion is the most visible barrier, but three structural mechanisms compound the incoherence. First, the cost of maintaining co-operative legal form creates a differential burden that programs designed for conventional SMEs do not recognize mandatory annual auditing (approximately \$10,000 for small co-operatives), quasi-public reporting requirements, the impossibility of raising equity from capital markets, and the legal costs of navigating provincial legislation. These are costs of democratic governance, not inefficiency. A co-operative and a conventional SME competing for the same CanExport grant face the same application requirements with structurally different resource bases. Second, the absence of inter-co-operation as a mechanism of scale means that individual co-operatives must achieve program thresholds alone. In the orthodox analytical framework, accounting treats each co-operative as a discrete entity. Even Mondragón does not consolidate individual co-operative revenues for measurement purposes. Inter-co-operative networks do not generate accounting consolidation that would allow surpassing thresholds. This is not merely a program barrier—it is a manifestation of

how conventional metrics measure enterprises as isolated units, blind to networks as an organizational form. This distortion affects size assessment, growth potential, export capacity, and scaling potential. The issue is structural: the framework that measures co-operatives as isolated units systematically understates the size, capacity, and potential of co-operative networks. This is a limitation of the orthodox analytical frame, not of co-operatives. Third, the cumulative effect of these barriers produces forced desertion: co-operatives that successfully internationalize face pressure to convert to investor-owned form in order to access capital, programs, and institutional recognition. The Saskatchewan Wheat Pool is emblematic: the country's largest agricultural co-operative listed on the stock exchange in 1996, underwent progressive denaturalization, and converted to an investor-owned firm (Viterra) in 2007. The conversion did not occur because the co-operative model failed; it occurred because the institutional environment made growth-within-co-operative-form progressively more costly than growth-through-conversion. When the system rewards firms that resemble investor-owned enterprises and penalizes those that do not, conversion is not a market outcome—it is a systemic selection effect.

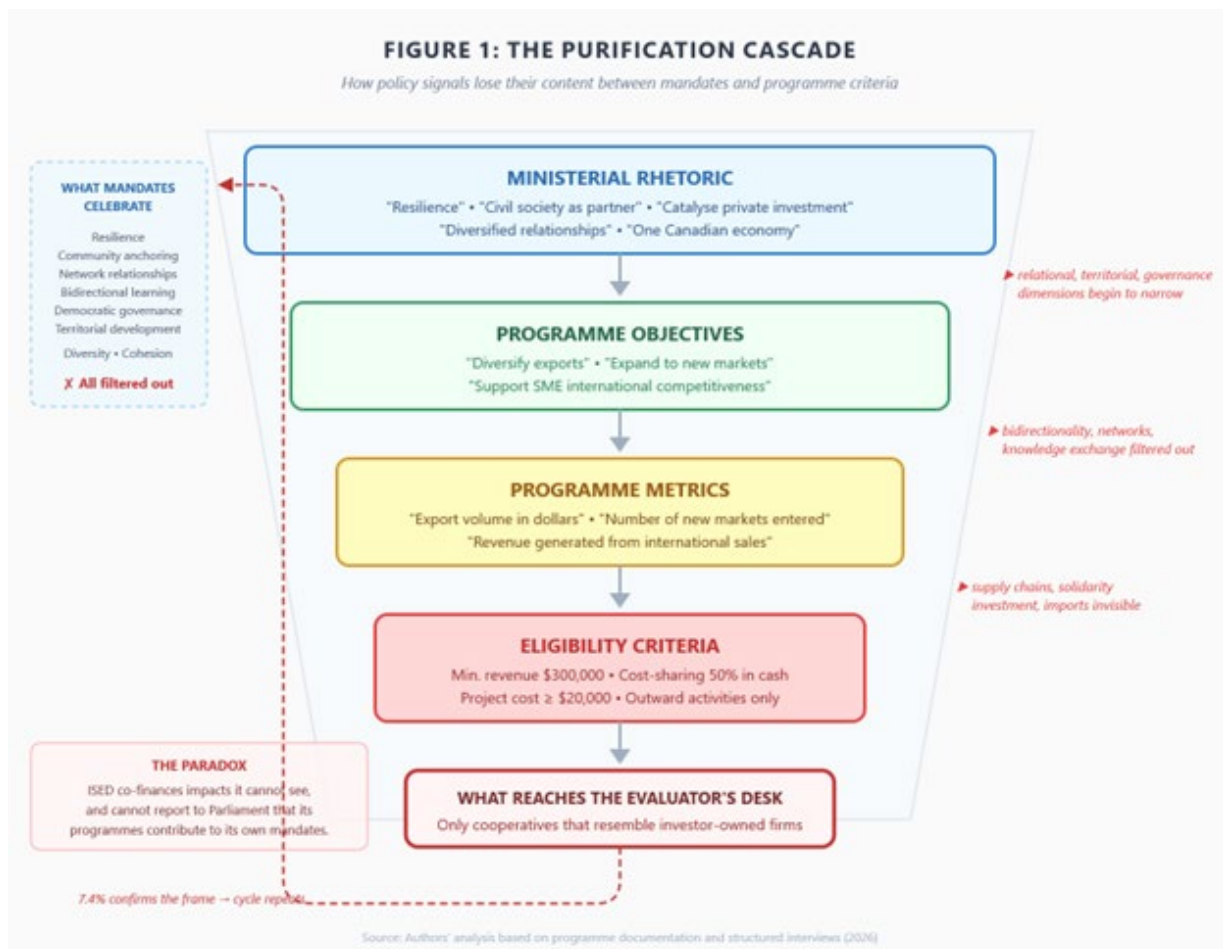
The composite picture is of a system whose individual components each follow their own logic—and whose collective effect is incoherence. CanExport SME includes co-operatives but does not tell them. Webinars organized by CMC for TCS garner little attendance. CRA grants a precedent that no one propagates. IRAP excludes by design what the rest of the system claims to include. Global Affairs finances an international expansion that CanExport rejects. The cost of co-operative governance is unrecognized, the mechanism of inter-co-operation unsupported, and the path to conversion unobstructed. No actor is at fault; the system has no feedback loop. For federal government officials, the appropriate formulation is not "the programs are failing" but "the programs have correctable blind spots that a coordination mechanism would address."

3.3 The Distillation Cascade: How Policy Signals Lose Their Content

Incoherence is the visible surface. Beneath it operates a more fundamental mechanism—one that explains why specific programs fail to reach co-operatives and why the pattern is consistent across programs, agencies, and jurisdictions.

Between government declarations and program implementation, a progressive filtration occurs. At each step, the content of the original signal narrows. Government rhetoric speaks of "resilience," "cohesion," "civil society as partner," "catalyzing private investment." Program objectives translate this into "diversify exports," "expand to new markets." Program metrics operationalize this as "export volume in dollars," "number of new markets entered." Eligibility criteria set thresholds: minimum turnover of \$300,000, cost-sharing in cash, project costs of \$20,000 or more. By the time the signal reaches the program evaluator's desk, what the rhetoric celebrated—resilience, community anchoring, network-based relationships, bidirectional learning—has been filtered out. The evaluator is not ignoring the minister's priorities; the evaluator is applying the criteria faithfully. But the criteria themselves have evacuated the content the priorities contained. The pattern is consistent across programs and jurisdictions—not because the same error is repeated, but because the same assumption is shared: that international economic activity takes the form of outbound goods and services sold for revenue. Where this assumption operates, the cascade follows.

The result is that only co-operatives resembling investor-owned firms gain effective access. A co-operative exporting a product, generating measurable export revenue, and co-financing at 50% in cash will navigate the application successfully—because its international activity matches the distilled criteria. A co-operative whose international activity consists of managing a 14-country supply chain through relationships, receiving and hosting international delegations, importing fair-trade products, or participating in cross-border co-operative governance will not recognize itself in the program and will not apply. The selection is not random. Research documents that the cost of maintaining democratic governance—mandatory auditing, quasi-public reporting, the impossibility of raising equity from markets—creates a structural disadvantage that compounds at every stage of the cascade (Hailu, 2007, estimates a 16–28% cost inefficiency attributable to co-operative capital constraints). The co-operatives most faithful to their distinctive governance are those least likely to navigate the program requirements. The distillation is structural, not deliberate.



This cascade also renders invisible a connection that federal mandates require. Government programs co-finance international activity carrying dimensions of value—territorial anchoring, democratic governance, community resilience, bidirectional knowledge transfer—that the mandates celebrate but the metrics cannot attribute. A

co-operative export flow does not only generate revenue; it sustains a governance model, anchors economic activity in a community, and maintains relational networks that contribute to the resilience and cohesion objectives that ministers articulate. Because the metrics measure only one dimension (volume exported, markets entered), the programs cannot demonstrate the return on their own investment in terms their mandates define. Individual government programs co-finance impacts they cannot see, and therefore cannot report to Parliament that export support programs contribute to resilience, rural development, or social cohesion—even when they do. This is an efficiency argument: the current metrics understate the return on public investment.

The 7.4% export rate documented in the SFGSME is both a product and a perpetuator of this cascade. It confirms, to program designers, that co-operatives are domestic organizations—which justifies not adapting programs—which ensures that co-operative international activity remains unmeasured in program terms—which reproduces the 7.4%. The equilibrium is stable because it is internally coherent: the data produced by the distilled instruments validates the assumptions that designed the instruments. Breaking the cycle requires acting on the instruments themselves—not because the data is false, but because it is incomplete in ways that the government's own mandates would recognize as a problem.

The intermediation function is also subject to distillation. The dominant model of trade promotion intermediation in Canada—exemplified by the World Trade Centre model—is designed for linear, unidirectional flows: a firm has a product, the intermediary connects it to a market, the firm exports, success is measured in sales. A co-operative intermediary would need to operate with composite flows: translating co-operative international activity that includes inter-co-operation, bidirectional learning, supply chain solidarity, and intangible knowledge flows into CanExport or AgriMarketing application language—without evacuating the content that makes the activity co-operative. This requires a double translation: from co-operative reality to program language (La Siembra imports cacao from 25 co-operatives in 14 countries → "sourcing diversification project with export potential"), and from program language to co-operative reality (CanExport finances commercial missions → "financing to visit producer co-operatives and strengthen your supply chain"). This double translation function does not currently exist. CMC has advocacy capacity but not commercial facilitation. Sectoral federations know their members but not the trade programs. TCS staff know the programs but not the co-operatives. Nobody occupies the intersection—and the intersection is precisely where the value lies.

The distillation does not operate only on government programs. It operates within the co-operative ecosystem itself. C.I.T.I.E.S. (Centre International de Transfert d'Innovations en Économie Sociale), created in Montreal after the 2016 Global Social Economy Forum to facilitate international knowledge transfer in the social economy, reproduced the distillation cascade in three dimensions. First, by flow type: C.I.T.I.E.S. classified its activity primarily as "knowledge transfer" rather than "enterprise internationalization," even though oral testimony from its director confirms it accompanied at least one platform co-operative in establishing relationships in New York City—a function indistinguishable from the intermediation this paper proposes. Second, by flow direction: missions were evaluated for what the visitor learned, not for what hosting built in the receiving ecosystem—readiness, relational capital, international confidence. Third, by vocabulary: C.I.T.I.E.S.' published study on international co-operative growth examined enterprises operating across borders (Equal Exchange, Tènk) but classified the activity as "*changement d'échelle*" rather than "internationalization." This terminological choice is significant. SOCODEVI (*Société de coopération pour le développement international*) classifies as "development co-operation" what is in practice international intermediation. CQCM (*Conseil québécois de la coopération et de la mutualité*) spoke of

"*rayonnement*" and "*développement d'affaires*," not "internationalization." The convergence suggests a hypothesis: in a culture where internationalization is cognitively associated with market expansion as the ultimate purpose—whereas the social economy defines itself against market expansion as an end in itself, understanding it instead as an instrument at the service of members—actors who are de facto internationalizing require a different vocabulary. If confirmed, this constitutes the distillation mechanism operating from inside the sector: the orthodox frame that equates internationalization with export produces a double effect—programs cannot see what co-operatives do, and co-operatives themselves do not name what they do as internationalization. The 7.4% figure is stable because neither side generates the vocabulary or data that would disrupt it.

3.4 The Ecosystem Reproduces Its Own Domestic Orientation

The distillation cascade explains why programs fail to reach co-operatives. A deeper question remains: why has the co-operative ecosystem itself not produced the intermediation function that would bridge the gap? The answer lies in the institutional architecture of the ecosystem, which reproduces domestic orientation at every level—rationally, in legitimacy, and with a multi-level reinforcement mechanism that no single actor controls.

At the individual co-operative level, priority is local survival. At the federation level (CQCM in Québec), local priorities are aggregated into provincial demands: business succession, regulatory adaptation, domestic market access. The perception that internationalization competes with urgent domestic demands reflects the orthodox frame rather than the relationship between the two. At the federal apex level, CMC—with six staff—reflects what its members send up from below. Without an internationalization mandate, without data on co-operative international activity, and without demand from federations, CMC has no institutional basis to build the function. The cognitive frame that internationalization is "not for us" operates transversally, reinforcing at each level the perception that domestic orientation is correct. No level decides to avoid internationalization; the system simply does not produce the capability to pursue it. Formal evidence supports this dynamic: simulation models demonstrate that co-operative networking functions as a survival strategy (Novkovic, 2007). Co-operatives operating in competitive sectors can compensate for individual disadvantages through network density, but only if the network exists. In the Canadian case, the co-operative sector's internationalization network does not exist; the question is whether it can emerge without external catalysis. The confirmation from hemispheric co-operative leadership is striking: 130 years of co-operative movement have produced "strong representation but no effective inter-operation¹." Co-operatives seeking to internationalize go to their national Chamber of Commerce, not to the co-operative network—the network is not even the first reflex. This multi-level structure—co-operatives reinforcing federations' domestic focus, federations reinforcing CMC's modest scope, CMC reinforcing the perception that internationalization is peripheral—operates not through deliberate choice but through structural rationality. Each level's behavior is coherent given its constraints; the system's collective output is domestic orientation. This is the systemic reproduction of domestic orientation: no level decides to avoid internationalization; the system simply does not produce the capability to pursue it.

The pattern has a global dimension that compounds the Canadian challenge. The Social Enterprise World Forum—a pioneering initiative in hybrid internationalization events, closely linked to Scotland's internationalization strategy—

circulates through cultural and institutional proximities (predominantly Commonwealth and anglophone networks) that do not intersect with the institutional co-operative movement (ICA/CICOPA). ICA (International Cooperative Alliance) occupies a political space without operational trade mediation capacity; SEWF (Social Enterprise World Forum) builds practitioner networks without fully engaging co-operative institutional bodies. The two ecosystems coexist without connecting—not through ideological disagreement, but because each circulates through its own institutional and cultural proximities. The implication for Canada is direct: even if the domestic ecosystem overcame its own reproduction of domestic orientation, there is no integrated international infrastructure to plug into. The intermediation gap at the Canadian level—nobody occupies the intersection between co-operative reality and program language—has a global counterpart: nobody occupies the intersection between SEWF's practitioner networks and ICA's institutional governance. The signal must come from outside both systems.

Québec provides the most instructive case precisely because it has the most advanced co-operative ecosystem in Canada and arguably globally. SOCODEVI has operated in over 30 countries for four decades, with an annual budget of \$41 million. Desjardins International Development (DID) has a 50-year track record across 700 projects, with a dedicated investment fund (Fonds Aequitas, \$50 million). The *Institut international des coopératives Alphonse-et-Dorimène-Desjardins* (IICADD) has half a century of research and leadership formation. The Québec government funds international engagement through PAGES (\$1.5 million for "*rayonnement international*") and the PSCE (see above) Volet 3 (up to \$250,000 per co-operative for market entry). A France-Québec bilateral co-operation agreement, signed in 2013 and renewed in 2020, provides official channels for co-operative exchange. The trajectory of Québec's dedicated international infrastructure is diagnostic. RELIESS—the international social economy policy observatory launched in 2012 after the FIESS—ceased producing new content by approximately 2015. Out of the 2016 Global Social Economy Forum in Montreal emerged C.I.T.I.E.S., which took over the international knowledge-transfer function with a focus on inter-city learning. C.I.T.I.E.S. itself ceased activities in 2020. The pattern is serial: RELIESS (2012–~2015), C.I.T.I.E.S. (2016–2020), and now a vacuum. Each initiative was born from a major international event, operated as a project with finite funding, produced valuable activity for three to four years, and dissolved without leaving permanent infrastructure. The *Chantier de l'économie sociale* did not fail in these initiatives; it completed them. But the project-funding model cannot produce what the ecosystem needs: a permanent function. The closure of C.I.T.I.E.S. illustrates how multiple forces converge: without enterprise-level impact methodology, the value these programs generated did not emerge as codified evidence. This made evaluation difficult and obscured the function these programs served in internationalization. (The EVA Co-op accompaniment confirms that C.I.T.I.E.S. did seek to generate impact, as the data available suggest.) Parallel networks (GSEF, ICA, SEWF) appeared to cover the same function—though none performed the enterprise-level accompaniment that C.I.T.I.E.S. did; and in an ecosystem structurally oriented toward the domestic, the internationalization function was a foreign body that no actor had mandate to defend when funding eroded. The closure was less a discrete decision than an emergent property of a system where the function was perceived as peripheral. Without insertion into the strategic management tools of co-operatives and into policy program frameworks, these initiatives remain discretionary activities—valuable but expendable. A further disconnection illustrates the pattern. Desjardins—itsself a co-operative financial institution and the largest federation of credit unions in Canada—has recently expanded its SME internationalization advisory services. Yet the segment of the Desjardins network that understands co-operatives—the *Caisse d'économie solidaire*, widely recognized as the only caisse that effectively serves co-operative clients—has no documented connection to this internationalization offering. The financial infrastructure for co-operative export support exists within the same institution that already

serves co-operatives; the two capabilities have not been connected. The components exist; what is missing is the coordination function that would activate them for internationalization—and a framework that treats that function as infrastructure rather than as a succession of time-limited projects.

Three dynamics explain why this opportunity has not been seized—and each is attributable to structural forces, not to any actor's failure. First, the *Centre Coopératif International* initiative, conceived around 2016, secured committed financing from Montreal, Québec, and the federal government to establish a B2B hub for co-operative trade, training, and research. The project did not proceed due to global co-operative governance dynamics at the ICA Board level—a decision external to the Canadian ecosystem. The consequence was a significant withdrawal of institutional energy from international co-operative engagement. Second, SOCODEVI—the most internationally experienced organization in the ecosystem—is institutionally categorized as a "development co-operation tool," not as internationalization infrastructure. The organization exercises de facto representation functions and is the primary interface between Québec co-operatives and the Global South. But its institutional mandate confines it to a compartment that other actors do not read as "international trade." This is distillation applied to institutional design: the separation between "co-operation" and "commerce" is maintained even when the same organization's activities span both. Third, the framing of **repreneuriat collectif**—converting businesses without successors into co-operatives—as a domestic priority that competes with internationalization is itself a product of the orthodox frame this paper critiques. Under the complex approach to co-operative internationalization developed throughout this study—one that does not separate flows by direction and that connects local resilience with international reach—*repreneuriat* and internationalization are not competing agendas but complementary ones. TIESS demonstrated this before its scope contracted: it analyzed international experiences—Scotland's **immobilier collectif** model, among others—to address local innovation needs, including community ownership and business succession. *Repreneuriat* benefits from systematic access to international co-operative models of enterprise conversion, governance transfer, and community succession planning. Conversely, the expertise Québec is developing in co-operative succession is itself an exportable knowledge asset. The separation between "domestic priority" and "international engagement" is not a description of reality but a consequence of the distillation mechanism operating at the institutional level: because internationalization is cognitively coded as export-of-goods, it appears to have nothing to offer a program focused on local enterprise succession—when in fact the two share a common logic of territorial resilience.

The implication for federal policy is direct. If the co-operative ecosystem cannot self-correct—if the intermediation function that would connect co-operative activity to its international dimensions does not emerge endogenously because the orthodox frame renders those dimensions invisible—then the signal must come from outside the system. This is the structural justification for federal engagement: not to override the ecosystem's priorities, but to make visible the international dimension of what the ecosystem is already doing—and to provide the coordination function that would allow existing capacity to activate for internationalization.

Additionally, a co-operative technology founder who has fought the system for eight years illustrates the systemic effect of sustained accessibility failure. After being rejected by CanExport on a documentary technicality while simultaneously receiving support from ISED, GAC, and Investissement Québec, after personally pioneering the SR&ED precedent that no one propagated, after navigating legislation that CRA officers did not know applied to co-operatives—the cumulative effect is not frustration but selective blindness. The founder does not seek programs that exist (such as Québec's PSCE) and does not access data that would support his case (such as the SME Profile).

Accessibility is not only about criteria and forms; it includes the cognitive capacity of operators who have been ground down by the system. An operator exhausted by eight years of institutional resistance stops searching—even when the program exists. This is the systemic product of sustained friction, not individual psychology.

Professional training constitutes an upstream barrier. Co-operatives are not taught in MBA programs, are absent from the professional training of public servants, and do not appear in the curriculum that forms the policy designers who create program criteria. The consequence is not hostility but ignorance: a program officer who has never encountered co-operatives in their formation will not think to include co-operative-specific provisions, not because they oppose co-operatives but because the co-operative form simply does not exist in their cognitive repertoire. A federal formal training module exists (administered by Co-operatives First, approximately three hours), but uptake is minimal and not mandatory. The barrier is at the educational level—and it configures the cognitive frame from which all programs are designed.

3.5 International Benchmarks as a Mirror

Other countries have confronted the same gap between co-operative economic weight and programmatic visibility. Their experiences illuminate different facets of the Canadian situation—not necessarily as models to replicate, but as evidence that the gap is correctable when specific conditions are met.

Lesson 1: Proactive intermediation works, and scale is achievable. Catalonia operates the only fully subsidized internationalization service for social economy entities in Europe. Launched in 2016 through ACCIÓ (the Catalan trade and investment agency), the service provides 120 hours of consulting per project at €80 per hour, fully subsidized. Between 2016 and 2021, 86 internationalization projects were executed, serving 57 enterprises (44% co-operatives, 31% foundations), with satisfaction ratings of 8.7 out of 10 and an average cost of €9,600 per project. ACCIÓ's 2025 social economy missions—Brussels (24 participants) and Washington (6 participants)—show sustained performance: service ratings of 9.4–9.5 out of 10, Net Promoter Scores of +83 to +94, and—most significantly—over 80% of participants reporting they would not have achieved the same result without ACCIÓ support (data provided by ACCIÓ, March 2026). This counterfactual measure is the closest evidence of intermediation additionality available in any benchmark examined: the intermediation function is decisive for a substantial majority of participants. The program leverages ACCIÓ's existing trade infrastructure (40 offices in 110 countries) for logistical support, while the sector-specific content is delivered through the dedicated social economy service. Even so, a limitation should be noted: ACCIÓ's own surveys measure satisfaction, not longitudinal impact on trade, sustained collaborations, or commercial outcomes. The satisfaction-impact gap is not unique to Catalonia; no benchmark examined in this paper has produced enterprise-level, longitudinal impact data for social economy international missions. What is missing is measurement of impact on and in intangible assets—relational capital, knowledge, reputation, organizational capacity—and their relationship with tangible outputs (contracts, participation in tenders, export volumes). The gap is not only longitudinal but conceptual. Two features are particularly instructive. First, the peer effect: participants report that the group format—specific to social economy entities—creates a safe space for organizations that would otherwise self-exclude from generic programs. "If they go, I'll sign up too" captures the dynamic; isolation as a minority within generic cohorts produces withdrawal. Second, the graduation model: the ACCIÓ service is designed as a sector-specific entry ramp, not a permanent program. Co-operatives enter through ACCIÓ's adapted service, build capacity and confidence, and transition into

mainstream programs alongside conventional firms. The specificity is instrumental, not ideological. The mainstream programs into which co-operatives would graduate already measure the relevant indicators: CanExport SME tracks export volume and new markets entered. If program registries record legal form as recommended in Section 4.1(b), the graduation rate of co-operatives into mainstream programs — and their performance within them — becomes a directly measurable return on the adapted program's investment, requiring no new evaluation infrastructure.

Scale is achievable when the intermediation infrastructure exists. Brazil's APEX-Brasil "Cooperar para Exportar" program serves 450 agricultural co-operatives, combining a three-to-six-month qualification program (PEIEX, adapted for co-operatives since 2020) with participation in international fairs and trade missions. The institutional architecture is tripartite: federal intermediation (APEX-Brasil), sectoral organization (OCB, the national co-operative confederation: 1,185 agricultural co-operatives, over one million members, R\$430 billion in revenue), and state-level execution (OCEPAR in Paraná alone accounts for 11 co-operatives among the world's largest, with US\$7.9 billion in exports to approximately 150 countries). The partnership model—not single-agency execution—is the transferable lesson. The gap between Brazil's co-operative export performance and Canada's is not one of agricultural endowment or co-operative tradition; it is one of intermediation infrastructure.

Lesson 2: Institutional architecture matters, and sectoral federations can serve as the bridge. Italy's co-operative federations—Legacoop, Confcooperative, AGCI, covering 90% of Italian co-operatives with 1.1 million jobs and €150 billion in revenue—perform a function with no Canadian equivalent: they operate as second-tier service delivery organizations, separating representation (advocacy, policy) from operations (consulting, matching, trade facilitation). Legacoop's partnership with SIMEST (the state development finance institution, now part of CDP Group) offers co-operatives soft loans, equity co-investment, and export guarantees through a single intermediary that speaks co-operative language. WelcomeCoop, based in Emilia-Romagna, operates a bidirectional internationalization model, receiving delegations from Canada, the United States, Brazil, South Korea, and Japan, and facilitating study visits and business-to-business matching. The functional separation—representation in the federation, service delivery in the co-operative enterprise—embodies a governance principle: the entity designing strategy should not also be delivering services, as this creates structural conflict of interest and suppresses private co-operative service providers. Any intermediation model must build in this separation to stimulate competitive service provision rather than crowding out private sector alternatives.

Lesson 3: How a pioneer adapts to changing conditions. Scotland's experience offers the most carefully documented case of sustained commitment to social enterprise internationalization. The Internationalizing Social Enterprise strategy (2016) was the first government-specific ten-year strategy of its kind. The strategy was co-produced with the sector; the International Social Enterprise Observatory (ISEO) was established subsequently as part of the implementation architecture. An ambitious launch phase (2016–2018) saw £30 million invested, 300+ new social enterprises launched, and the Social Enterprise World Forum hosted in Edinburgh (2018, 47 countries represented). Brexit and austerity then imposed significant constraints, redirecting institutional energy and compressing resources across the public sector—pressures affecting all Scottish Enterprise functions. The ecosystem's response was adaptive rather than retreating: the Ventures Lab concept emerged, pairing incoming delegations with local social enterprises for structured exchange and creating a university-to-social-enterprise-to-internationalization pipeline serving approximately 100 organizations. The internationalization function has since

been integrated into a broader national strategy—a more modest institutional footprint, but one reflecting continued engagement rather than abandonment.

The critical lesson is twofold. First, internal sector tensions require proactive management: when the internationalization strategy launched, some social enterprises perceived it as directing scarce resources toward already-commercial organizations. In a context of domestic austerity and post-Brexit uncertainty, an initiative perceived as serving only the export-ready risks losing internal legitimacy. The Scottish ecosystem found ways to partially address this directly: the Ventures Lab model, by creating a pipeline that generates new internationalized enterprises from universities rather than serving only established ones, broadens the constituency for internationalization. Second, the graduation architecture matters: rather than a single program vulnerable to budget cycles, the Scottish model evolved toward distributed mechanisms that can absorb institutional shocks. The lesson for Canada, operating in a context of U.S. tariffs and domestic economic anxiety, is that any co-operative internationalization initiative must communicate its benefits broadly—including to co-operatives that will not directly participate—and that graduation models like Ventures Lab offer a proven mechanism for doing so.

Lesson 4: Ecosystem sophistication does not automatically produce internationalization capacity. The UK experience provides the negative case: institutional vacuum rather than institutional architecture. The British Council's Global Social Enterprise program, which trained 27,900 entrepreneurs across its lifetime and provided bursaries for participation in global forums, closed in 2022. No replacement has emerged. UK Export Finance has no differentiated provisions for co-operatives. The generic "Exporting is GREAT" campaign (2015–2022) included social enterprises (14% of which exported, slightly above the 11% SME average) but without adapted intermediation. The lesson is that even a country with strong co-operative and social enterprise traditions, an active international engagement history, and government willingness cannot sustain co-operative internationalization without dedicated institutional infrastructure. The dependence on a single program can be catastrophic when it closes abruptly. Distributed models (Catalonia, Brazil, Italy) avoid this vulnerability.

France illustrates a different dimension: advanced legal framework, but limited operational programs. The 2014 Loi ESS provides formal recognition, and France's social economy accounts for approximately 10% of national employment. Co-operatives access generic instruments only (Team France Export, BPI, Business France). Coop FR sat on the ICA board often; the Agence Française de Développement promotes French co-operative models internationally. The SCOPs (*Sociétés Coopératives et Participatives*) have developed multi-sectoral export consortia—a mechanism demonstrating the potential for co-operative aggregation beyond the agrifood sector dominating other benchmarks. However, the full potential of France's legal recognition has not been exploited for co-operative internationalization through operational programs at the federal level.

Québec, discussed at length in §3.4, completes the picture: the most advanced ecosystem in the country produces a level of co-operative internationalization that other world-class jurisdictions—with far less sophisticated ecosystems—have surpassed. The ACCIÓ service in Catalonia, serving a smaller economy, has produced more documented internationalization projects than Québec's entire co-operative ecosystem. Brazil's APEX-OCB partnership serves 450 co-operatives; Québec's programs serve individual actors but do not coordinate among them. Ecosystem capability does not automatically translate into ecosystem capacity for internationalization. The coordination function is the missing variable, not actor capability.

The benchmark synthesis table below organizes the lessons by what each jurisdiction illuminates and the implication for Canada:

Benchmark	What it illuminates	Lesson for Canada
Catalonia (ACCIÓ)	Proactive intermediation + graduation ladder + counterfactual evidence (>80% additionality)	Referral model: sector-specific entry ramp → mainstream programs; intermediation is decisive, not optional
Brazil (APEX + OCB)	Scale through tripartite intermediation	Federal + sectoral + provincial execution; partnership model
Italy (Legacoop/SIMEST)	Second-tier co-operatives as service delivery; functional separation as governance principle	Functional separation: representation in CMC, service in co-operative enterprise
Scotland (ISEO + Ventures Lab)	Sustained adaptation under pressure; internal sector tensions; graduation model	Communicate benefits broadly; graduation model; distributed mechanisms; crowding-out safeguards
UK (British Council / GREAT)	Institutional vacuum after program closure	Do not depend on single program; build distributed infrastructure
France (Loi ESS + SCOPs consortia)	Legal framework without operational programs; non-agricultural aggregation	Recognition without programs produces prestige, not outcomes; consortia model for non-agrifood sectors
Québec (PSCE + SOCODEVI + CQCM)	Ecosystem sophistication ≠ internationalization	Coordination function is the missing variable, not actor capability

One cross-cutting pattern deserves attention. Agriculture is the sector where the virtuous loop—need for aggregation → co-operative form → eligibility to programs → program support → data → more programs—has activated first and most visibly. Brazil shows this loop at maturity: OCB serves as co-executor of the national export program, generating data that justifies continued investment. Canada has the ingredients for non-agricultural sectors: Budget 2025 funding, the Trade Commissioner Service, CMC's institutional position. But the loop has not activated. The question is not whether to replicate the agricultural model—agriculture has structural characteristics (commodity aggregation, tangible products, established trade routes) that do not transfer directly—but how to trigger the same self-reinforcing cycle in other sectors. ALADI's offer of a regional trading platform with technical assistance, and the SCOPs' multi-sectoral consortia, suggest that the intermediation function—not the agricultural characteristics—is what makes the loop turn. Every benchmark examined points to the same answer: intermediation. The benchmarks documented above are consistent with the broader pattern identified by the OECD across 10 case studies spanning four continents: in every jurisdiction achieving measurable results, the intermediation function is the decisive variable (OECD 2023, Chapter 3).

3.6 Consolidated Evidence From Interviews

The analysis in this section draws on structured interviews conducted between January and March 2026 with co-operative practitioners, federation leaders, academic researchers, and international counterparts across six

countries. Government trade perspectives were sought through CMC but were not available within the scoping timeline. Rather than a methodological gap, the institutional distance this reveals is itself consistent with the paper's findings. If the sector's federal apex body cannot readily identify and access the appropriate interlocutor within the trade policy apparatus, the same distance likely operates—at greater intensity—for individual co-operatives attempting to navigate program entry points. Four patterns emerged with sufficient convergence across multiple independent sources to constitute robust findings.

Pattern 1: Inclusion without accompaniment. Multiple interviewees—spanning a CMC senior official, a co-operative technology founder, a fair-trade co-operative director, and an academic researcher—converge on the finding that formal inclusion in federal programs does not translate into effective access. The mechanisms vary (communication failure, cultural mismatch, rational self-exclusion, process rigidity), but the diagnosis is consistent. The appropriate formulation for program-level communication is:

> "Co-operatives interviewed, including the most internationalized, face barriers to accessing federal export support programs despite being formally eligible since 2021. For some, the barrier is awareness. For others—particularly the most technically sophisticated—the problem is different: rejection by one agency (CanExport) on a documentary technicality—precisely the kind of procedural barrier that an adapted intermediary would have prevented—while simultaneously receiving support from others (ISED, GAC, *Investissement Québec*) for the same activity. The problem is not one of exclusion but of systemic incoherence: the programs do not speak the language of co-operatives, do not measure what co-operatives do, and there are no intermediaries to translate between both worlds."

Pattern 4: Systemic incoherence. The system is not hostile to co-operatives; it is incoherent. Ambiguity in eligibility criteria, ignorance of co-operative legal forms among program administrators, and inconsistencies between agencies produce a pattern where formal eligibility does not translate into effective access. The appropriate formulation for program-level communication is:

> "The system is not hostile to co-operatives; it is incoherent. Different agencies of the same government support and reject the same co-operative simultaneously. Individual successes are not institutionalized. The recommendation is not to create new programs but to coordinate what already exists."

Patterns 2 and 3 (invisible international activity and the missing middle) were documented in Section 2. All four patterns point in the same direction: the gap between mandates and programs is real, measurable, and correctable. It does not require new budget architecture or ideological conversion. It requires operational adjustments—to communication, data, intermediation, and program criteria—that are within existing federal departmental authorities and would benefit not only co-operatives but any non-conventional SME encountering similar friction.

The co-operative sector already generates economic value—domestic and international—that current metrics cannot attribute to the programs that co-finance it. But the gap is not only one of measurement. Co-operatives access existing programs in patchwork fashion, without the intermediation that would translate between co-operative realities and program requirements. The result is a double loss: programs cannot see the returns their investment produces, and co-operatives cannot access the support their performance would justify. The question for Section 4 is not whether to invest in co-operative internationalization, but how build the intermediation infrastructure that the existing investment, brings more co-operatives into programs with effective

accompaniment, and allows the system's own mandates to be fulfilled — without reducing co-operative international activity to the single metric that the preceding sections have shown to be insufficient.

4. Recommendations

The gap documented in the preceding sections is operational. The recommendations that follow are structured at two levels: three operational adjustments to existing programs, requiring no new budget architecture, and one conceptual shift that would benefit not only co-operatives but any SME whose international activity does not fit the conventional export model. A set of three implementation pathways translates these into sequenced, actionable initiatives with integrated safeguards against the risks that international experience identifies.

4.1 Operational Level: Three Adjustments to Existing Programs

(a) Effective accessibility audit of CanExport SME and associated programs

CanExport SME has been formally open to co-operatives since May 2021. Yet four years of formal eligibility have not produced a single documented co-operative-to-program interaction in our interview sample—including from the most internationalized co-operative documented in Section 2, headquartered in the same city as the program's administering agency.

Three readings are possible, and they are not mutually exclusive: communication failure (co-operatives do not know the program exists—CMC's 2022 TCS webinars had minimal attendance; ALADI's offer of a hemispheric trading platform produced zero co-operative response); perceived irrelevance (the program speaks a language co-operatives managing long-term supply chain relationships do not hear); and rational self-exclusion (CanExport's terms became less favourable since 2021, with the maximum grant reduced from \$75,000 to \$50,000, cost-sharing shifted from 75/25 to 50/50, and the revenue threshold tripled from \$100,000 to \$300,000). A further complication: as of 2026 the agrifood sector transferred to AgriMarketing, fragmenting the program landscape rather than consolidating it.

Whichever reading predominates, the implication is the same: formal eligibility has not translated into effective access. An accessibility audit examining communication channels, application language, evaluation criteria, and intermediation structures would identify the specific points of failure. This is not a co-operative-specific recommendation; it is good program design practice applicable to any non-conventional SME—Indigenous-owned, social enterprise, platform-based, network-operating—that likely encounters similar friction. The Catalan experience (Section 3, §3.5) confirms that program accessibility is not only a matter of criteria and forms; it is a matter of how the program signals who it is for: co-operatives in sector-specific groups feel legitimised and motivated; the same co-operatives as minorities within generic programs withdraw and self-exclude.

(b) Data disaggregated by legal form

The SFGSME already collects data on legal form—its co-operative oversample of 391 co-operatives was a deliberate design choice, with a higher response rate from co-operatives (70.2%) than from conventional SMEs (55.5%), suggesting greater willingness to participate in collective information exercises. Yet the published results do not routinely disaggregate by legal form across all indicators, and program registries—CanExport, TCS, EDC—do not track whether applicants or beneficiaries are co-operatives. The result is a measurement vacuum: we know that 7.4% of co-operatives export (versus 12.1% of SMEs), but we do not know how many co-operatives have applied to CanExport since May 2021, how many were approved, how their projects performed, or what their experience of the application process was. Without this data, the gap between formal eligibility and effective access cannot be measured, monitored, or closed.

The recommendation is straightforward: publish SFGSME results disaggregated by legal form as a standard practice, and require program administrators to record and report legal form in their registries. This creates the feedback loop that currently does not exist: programs generate data, data reveals patterns, patterns inform adjustments, adjustments generate new data. The cost is negligible—the data is already collected; what is missing is the instruction to publish it. The return is substantial: disaggregated data is the foundation on which every other recommendation in this paper depends. Without it, interventions cannot be evaluated, successes cannot be documented, and the recurring claim that co-operatives "do not export" cannot be tested against the more precise question of whether co-operatives export differently and through channels that current instruments do not measure.

(c) CMC as adapted intermediary

The absence of effective intermediation is not a Canadian peculiarity. Every jurisdiction examined in this paper that has achieved measurable results in co-operative or social economy internationalization has done so through a specialized intermediation function—an entity that translates between the co-operative sector and mainstream export support infrastructure. The institutional form varies; the function is constant. Three international models illuminate what this function looks like in practice, and each offers a different transferable element.

Catalonia's ACCIÓ service, documented in Section 3 (§3.5), provides the *functional* reference for CMC's intermediation model. Two design features are directly transferable: the graduation ladder (sector-specific entry ramp that transitions co-operatives into mainstream programs) and the peer effect (group formats that break the self-exclusion dynamic generic programs produce). The counterfactual evidence—over 80% of participants reporting they would not have achieved the same result without ACCIÓ support—is the strongest available in any benchmark examined. Notably, even ACCIÓ's professionally staffed Washington office could not connect with the US co-operative movement's apex body (NCBA CLUSA) for a 2025 mission—underscoring the need for co-operative-specific relational capital alongside professional trade infrastructure.

Scotland's ISEO model (Section 3, §3.5) provides the *institutional* reference—how governance should be structured. ISEO is sector-led, publicly funded, and co-produced with government; it connects social enterprises to Scottish Enterprise's generic infrastructure while maintaining sector-specific language and trust. CMC is

institutionally closer to ISEO (a sector body with public funding for intermediation) than to ACCIÓ (a public agency executing directly).

Brazil's tripartite model (Section 3, §3.5)—federal intermediation (APEX-Brasil), sectoral organization (OCB), state-level execution (OCEPAR)—provides the *scale* reference. The partnership architecture is the transferable lesson, demonstrating that co-operative export is not inherently limited; it is a function of intermediation infrastructure. Brazil's experience also demonstrates underestimated south-to-north innovation potential: co-operative governance innovations developed in Brazilian co-operatives represent knowledge assets that Northern co-operatives have been slow to recognize, reinforcing the bidirectionality argument foundational to these recommendations.

The recommendation is for CMC to be recognized as the sector-side partner in a co-produced intermediation model. This does not mean CMC executes what private co-operatives or consulting firms could do; it means CMC builds the bridge between the co-operative sector and the existing government export support infrastructure—translating program requirements into co-operative language, connecting co-operatives to Trade Commissioners who understand co-operative governance, and ensuring that information flows bidirectionally between programs and the sector. The intermediation must itself be bidirectional: not "helping Canadian co-operatives export" but connecting Canadian co-operatives to global co-operative networks for mutual benefit. International experience is unequivocal on this point: one-sided matching—matching from the interests of one party only—generates resistance. A senior leader of the hemispheric co-operative movement describes the pattern directly: the European Union's Global Gateway initiative is perceived in Latin America as self-interested, facilitating European business rather than enabling mutual exchange. The co-operative model's structural advantage is precisely its bidirectionality—peer-to-peer relationships built on reciprocity rather than on one party's commercial objectives. The CMC intermediation model must embody this advantage, not replicate the unidirectional logic it aims to correct.

4.2 Conceptual Level: A Broadening That Benefits All SMEs

The three operational adjustments address correctable blind spots within the current programmatic framework. A fourth recommendation operates at a different level: broadening the working definition of "internationalization" beyond the export of goods and services.

This is not a concession to a particular sector's self-image. It is an analytical correction that better captures the real international activity of any SME with a non-conventional profile. When a worker co-operative manages solidarity investment with a US counterpart, when a development intermediary's programs in Honduras generate \$25 million in coffee exports, when a platform co-operative participates in a cross-border federation spanning cities in multiple countries, when Canada's largest agricultural co-operative sends commercial missions to Japan, South Korea, and Taiwan without any contact with its own sector's federal apex body—none of this registers as "internationalization" in current program metrics. Yet all of it serves the diversification and resilience objectives that ISED's mandate prioritizes.

A formal broadened definition of internationalization as the composite of cross-border activities—alliances, knowledge transfer, co-operative investment, network participation, governance exchange, supply chain articulation, and imports alongside exports—through which organizations create, capture, and distribute value across national boundaries, generating economic effects that include but are not limited to trade flows, emerges from the METACINES research program (Barco Serrano and García Serrano, mimeo) and the analysis of relational advantages (R-advantages) in co-operative internationalization contexts. This definition is grounded in the examination of how co-operatives actually generate international economic value, revealing dimensions of activity that standard export-centric metrics systematically obscure. Adopting this definition would allow Canadian export support programs to see activity it currently cannot see—to measure and support internationalization as the sector performs it rather than as the measurement framework assumes it occurs.

The broadening also responds to a need that originates within the co-operative sector itself, not only within federal government measurement frameworks. The evidence assembled in this paper suggests that co-operative actors systematically avoid the term "internationalization"—describing as "development co-operation," "*rayonnement*," "*développement d'affaires*," or "change of scale" what are in practice cross-border activities with economic dimensions. If the orthodox frame that equates internationalization with export produces a double invisibility—programs cannot see what co-operatives do, and co-operatives do not name what they do as internationalization—then the broadened definition is a condition for the sector's own self-recognition, not only for ISED's measurement improvement.

The broadened definition positions co-operatives not as a special case requiring accommodation but as the leading edge of an approach useful for the entire SME policy framework. Indigenous-owned businesses trading through community networks, platform-based enterprises with distributed international operations, social enterprises participating in cross-border knowledge exchange—all share the same measurement invisibility. CMC, in this framing, is not a sectoral lobby seeking preferential treatment; it is a strategic partner offering the Government of Canada a lens through which to see international economic activity that its current instruments miss. The four-step logic is: federal programs are valuable; co-operatives are under-using them for identifiable reasons; specific adaptations would increase program impact without changing program structure; those same adaptations would benefit any SME with a similar non-conventional profile. The co-operative sector reveals a systematic limitation important for the government's own objectives. The OECD analysis identifies the same outward bias in internationalisation policies across its membership: an overinvestment in export measures relative to inward-oriented activities that evidence shows are equally important for building international capability (OECD 2023, p.52). The broadening proposed here is not yet the mainstream consensus, but it is a position with growing institutional support.

The METACINES framework (Barco Serrano and García Serrano, 2025, mimeo) provides the analytical architecture for the readiness assessment and impact methodology this paper recommends.

4.3 Three Implementation Pathways

The operational adjustments and conceptual shift described above require institutional infrastructure to be sustained beyond the life of any single funding cycle. The following three pathways are not routes for co-operatives

to access what already exists; they are infrastructure enabling the federal government to close the gap, building successive layers of systemic capability with CMC as operational partner. They are sequenced by priority, with the first providing the foundation on which the others build. Safeguards against dispersal of co-operative capacity—the principle of subsidiarity, the separation of representation from service delivery, and periodic review of intervention effects—are integrated as design principles within each pathway.

Pathway 1: Pan-Canadian Co-operative Knowledge Hub (Foundational)

The first priority builds the knowledge and institutional legitimacy layer. Without data, knowledge, and sector-wide recognition of internationalization as a legitimate function, other interventions operate in a vacuum. The Knowledge Hub would comprise four components: a digital platform aggregating program information, co-operative internationalization cases, market intelligence, and international opportunity matching; a leadership training program building the human capital for internationalization within the co-operative sector, with a mandatory international component; a matching service connecting Canadian co-operatives with international counterparts by sector and competency; and a recursive monitoring function feeding program data and ecosystem learning back into policy.

This pathway builds **systemic capability**—the legitimacy and knowledge infrastructure to speak credibly about internationalization—not only individual **capacity**. CMC needs to be recognized by ISED, by Global Affairs Canada, and by the co-operative sector itself as a legitimate interlocutor on internationalization before it can execute the intermediation function recommended above. The function already exists in embryonic form: the informal delegation hosting, study tours, and undocumented lateral encounters described in Section 2 demonstrate distributed capacity without coordination. Pathway 1 formalises and scales what already happens informally, creating the documentation and value-capture infrastructure that transforms ad hoc encounters into institutional learning. The distinction between ecosystem capabilities and individual actor capabilities—drawn from the social enterprise ecosystem literature—is operative here: Québec has competent individual actors (a development intermediary operating in 30+ countries, large co-operatives with international operations, research centres with global networks), but the interactions between them do not generate the emergent capabilities that internationalization requires. The Hub's coordination function addresses this specific gap. No single jurisdiction has built this integrated function; the Hub's design draws on what the benchmarks show works — Brazil's federal-sectoral coordination architecture, Italy's federated service delivery model, Catalonia's graduation ladder — and on what they show fails, specifically Québec's serial project-funded initiatives that dissolved when funding ended.

The Hub operates through subsidiarity: it facilitates, connects, and builds capacity rather than executing what private co-operatives or specialized firms could do. Any knowledge service functions developed beyond the referral and coordination role should follow the Italian model, where service delivery operates through federated co-operative structures with accountability to member co-operatives, rather than through the apex body directly. This separation of representation from service delivery prevents the structural conflict of interest that arises when the entity designing strategy also delivers services under that strategy. A periodic review mechanism assesses whether the Hub is stimulating or suppressing the emergence of private co-operative knowledge and service providers; if the infrastructure becomes the dominant provider rather than a catalyst for distributed ecosystem capacity, the design requires recalibration.

Critically, the Hub must be designed as permanent infrastructure, not as a time-limited project. Québec's serial pattern—RELISS (2012–~2015), C.I.T.I.E.S. (2016–2020), current vacuum—demonstrates the consequence of project-funded international functions in a domestically oriented ecosystem (Section 3, §3.4). The Hub avoids this vulnerability through three design features that directly address what destroyed its predecessors: embedding the coordination function within an institutional home (CMC) with an ongoing mandate rather than as a project; integrating international learning into the strategic management tools of co-operatives and the program frameworks of public policy; and crucially, equipping the Hub with a recursive monitoring function that includes longitudinal tracking of mission and event impact on participating enterprises—the methodology whose absence left RELISS and C.I.T.I.E.S. unable to justify their own continuation.

The gap this Hub is designed to address is beginning to register in other well-resourced ecosystems. ASETT (Arizmendiarieta Social Economy Think Tank), launched in January 2025 in the Basque Country with backing from the Spanish Government and MONDRAGON Corporation, is positioning itself as an international social economy hub. Its activities to date focus on research, convening, and co-operative case documentation rather than operational internationalization support, and it has yet to develop a methodology for assessing co-operative intangible assets and relational readiness at the enterprise level. But its institutional anchoring and international network make it a potential partner for the Hub's relational infrastructure — and a signal that the infrastructure gap this paper describes is attracting serious institutional responses elsewhere.

Timeline: two to three years to establish. This is foundational: without it, the other pathways lack the knowledge base and relational infrastructure to operate effectively.

Pathway 2: Co-operative Internationalization Service (Quick impact)

The second priority builds the direct service and capacity-building layer. It delivers support to co-operatives ready to internationalise, modelled on the functional elements of Catalonia's ACCIÓ service and Brazil's APEX-Brasil qualification programs—adapted to Canadian institutional realities and scale. This pathway would offer subsidized consulting (graduated by co-operative size and sector), a mission fund for participation in international events and exploratory visits, cross-residency placements of three to six months enabling co-operative staff to work within partner co-operatives abroad, and a lightweight internationalization readiness assessment diagnostic enabling co-operatives to evaluate their international engagement potential.

The readiness assessment addresses a critical gap in current infrastructure: the space between "not ready at all" and "ready to export" where most co-operatives actually sit. Drawing on the METACINES Annex_Readiness_Lens framework—which assesses seven capability areas across three diagnostic dimensions, generating three internationalization profiles—the assessment provides a methodological resource for co-operatives and program advisors to understand not just capacity constraints but the specific relational and governance assets available within a co-operative system and how these assets activate or constrain international engagement. This framework operationalizes the R-advantages analysis at the enterprise level, connecting strategic diagnosis directly to the service design decisions that follow.

The event and mission component operates on a specific hypothesis that the evidence assembled in this paper supports but that program data would need to confirm: that structured international participation—combining

market exposure, knowledge exchange, and network-building in a single hybrid format—generates spillover effects beyond direct market entry. The Global Social Economy Forum (GSEF) illustrates this format at the municipal-government-sector scale, bringing together practitioners, policymakers, and social enterprises across multiple countries; the SEWF hub in Alberta (2025) provides a more recent and Canadian example. CMC's own Congress in June offers a potential vehicle to host international co-operative missions and promote inward visits, extending the hybrid engagement model into a domestic-international format. The *Sommets internationaux des coopératives* (when they existed) provide historical precedent for the Canadian co-operative movement hosting large-scale international engagement. If confirmed through program data, these spillover effects would strengthen the economic rationale for public investment in co-operative internationalization beyond the direct benefits to participating co-operatives—a finding relevant to all SME internationalization support, not only to co-operatives.

The design follows the graduation model documented in Catalonia: co-operatives enter through a sector-specific service that understands their governance, motivations, and constraints, then transition into mainstream programs (CanExport, TCS, EDC) as their capacity develops. The referral architecture is critical: the service connects and builds capacity; it does not replace what private consulting co-operatives or specialized firms could provide. Service delivery follows the subsidiarity principle: CMC arranges, coordinates, and refers co-operatives to qualified service providers rather than executing consulting directly. Where operational capacity is built beyond the referral function, it operates through a second-tier co-operative with open governance and accountability to member co-operatives, preventing CMC from becoming the dominant provider rather than a catalyst for distributed ecosystem capacity.

A pilot in two to three provinces with dense co-operative ecosystems—Québec, Saskatchewan, Nova Scotia—would test the model before national scaling, generating the evidence base that cautious program expansion requires. The pilot design includes periodic review mechanisms to assess whether the intervention is stimulating or suppressing the emergence of private co-operative service providers; success is measured not by the number of co-operatives served directly but by the distributed ecosystem capacity the program activates.

Timeline: one to two years for pilot deployment. This pathway generates visible results quickly, building the political and evidentiary case for sustained investment. The OECD's inventory of SSE internationalisation support services identifies only four countries with dedicated programmes — Korea, the Netherlands, Spain, and the United Kingdom. Canada's absence from this list is notable given the size of its co-operative sector and its participation in the OECD Global Action on SSE Ecosystems.

Pathway 3: Relational Infrastructure for International Engagement (Amplifier)

The third priority builds the international institutional connectivity layer. International co-operative forums operate through fragmented institutional and cultural proximities that do not intersect: SEWF through predominantly Commonwealth and anglophone practitioner networks, ICA through institutional co-operative governance, sectoral federations through industry-specific channels, GSEF through municipal and regional government networks. This fragmentation means that Canadian co-operatives encounter different institutional entry points without any mechanism connecting these circuits. This pathway creates relational infrastructure—the connective tissue through which international engagement becomes ecosystemic rather than episodic.

The pathway would support strategic engagement with international co-operative bodies, coordinated Canadian delegations to key events (replacing the current pattern of fragmented, uncoordinated provincial and sectoral participation), an anchor event hosted in Canada every three to four years, and structured South-South-North inter-co-operation initiatives extending beyond Québec—where the development intermediary function is concentrated—to anglophone and western Canada. This pathway amplifies what Pathways 1 and 2 build. It positions Canada internationally, generates inward investment and knowledge flows, and creates the relational infrastructure through which bilateral and multilateral co-operative partnerships develop.

Canada has a distinctive institutional position to bridge the circuits that current international architecture keeps separate: it is Commonwealth (within SEWF's natural radius), francophone (within Québec/France/FIESS networks), and has CMC in a federal position that can coordinate across linguistic and institutional boundaries. The Relational Infrastructure is not merely about "being present" internationally; it is about bridging proximities that fragmentation currently prevents, generating demand for Pathways 1 and 2 while diversifying the sources of inward knowledge and investment.

The pathway addresses the inter-ministerial space between ISED and Global Affairs Canada (Section 1, §1.1): relational infrastructure for international engagement sits at the intersection of trade promotion and international development, precisely the space where co-operative international activity currently falls between the cracks. The development intermediary documented in Section 2 already performs a de facto diplomatic function categorized as "development co-operation." This pathway connects it to the trade support ecosystem that currently operates in parallel. CMC's role is intermediation and coordination for internationalization, while existing development co-operation mandates continue; the connection is that development co-operation generates relational capital that—if the coordination function existed—could be channelled into the broader co-operative ecosystem's internationalization capacity.

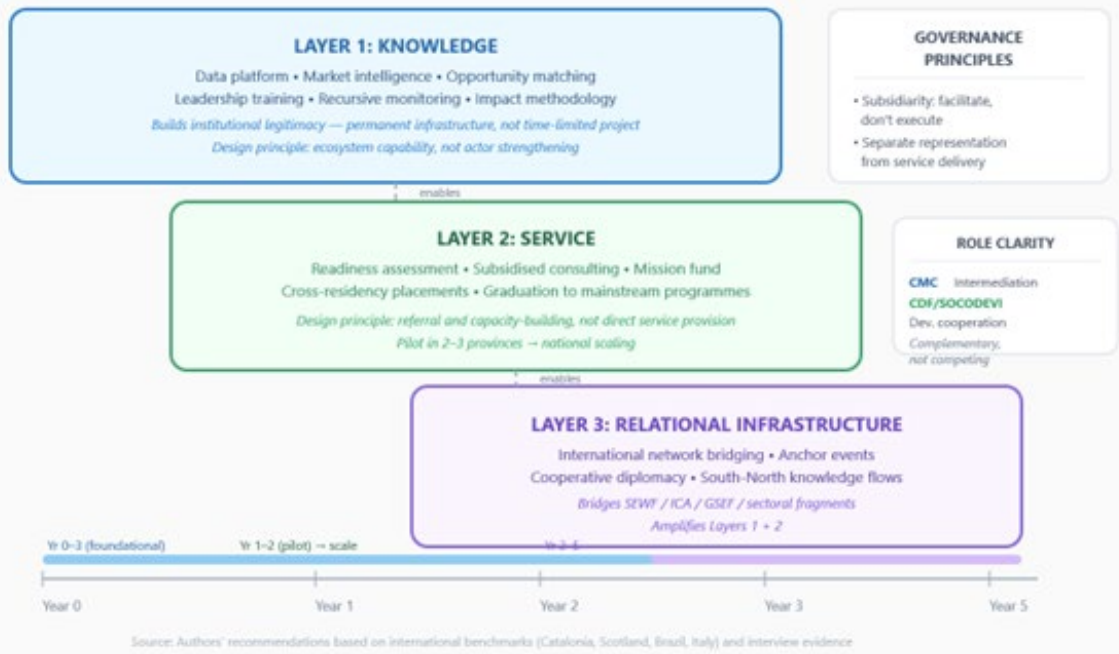
Timeline: three to five years, building on the foundation of Pathways 1 and 2. The relational infrastructure requires the credibility and knowledge that the Hub provides and the operational track record that the Internationalization Service generates.

Sequencing and prioritization

Pathway	Function	Timeline	Implementation basis	Priority
Knowledge Hub	Data, knowledge, coordination, recognition	2–3 years	Existing data infrastructure (SFGSME, StatCan)	1 — Foundational
Internationalization Service	Direct support, graduation, readiness assessment	1–2 years	Budget 2025 allocations (CanExport, Export Readiness Initiative)	2 — Quick impact
Relational Infrastructure	International positioning, anchor events, bridge circuits	3–5 years	GAC/TCS network + ICA/GSEF co-operative presence	3 — Amplifier

FIGURE 2: THREE LAYERS OF SYSTEMIC CAPABILITY

Implementation pathways sequenced by function, not by actor



Pathway 1 is sequenced first because it is foundational: it builds the knowledge, data infrastructure, and institutional legitimacy without which the other pathways operate in an information vacuum. Pathway 2 runs in parallel where possible, generating early visible results that demonstrate the value of adapted intermediation. Pathway 3 activates once the first two have established the domestic infrastructure and credibility on which international engagement depends. The synergy is deliberate: the Hub prepares co-operatives with information and training; the Service enables concrete alliances and effective program participation; the Relational Infrastructure amplifies and consolidates the resulting international presence.

4.4 Additional Recommendations Derived From The Evidence Base

The interview and policy analysis generated findings that merit specific recommendations beyond the three core pathways.

Open IRAP to co-operatives. IRAP is the only federal program documented in this study that explicitly excludes co-operatives by legal form (Section 3, §3.2). The self-reinforcing cycle this creates—no IRAP access, no innovation base, no program visibility, confirmed perception that co-operatives are not innovation-oriented—operates

upstream of internationalization and configures what seems possible for entrepreneurs choosing a legal form. Correcting this exclusion requires a criterion change, not a new program.

Institutionalize precedent propagation. The SR&ED case documented in Section 3 (§3.2) illustrates how individual victories fail to become institutional change: CRA has not internalized the precedent into its guidance, no intermediary has diffused it, and each subsequent co-operative must reproduce the same effort from scratch. A systematic mechanism for documenting, publishing, and integrating successful access cases into program guides and CRA procedures would convert individual victories into institutional change. The cost is minimal; the return compounds with each co-operative that does not have to repeat the pioneer's journey.

Proactive communication of existing programs. The Ottawa worker co-operative case is emblematic: a co-operative operating internationally in 14 countries for over 20 years, headquartered in the same city as the federal export support program that has formally included co-operatives since 2021, has never encountered that program. Whatever the explanation, the datum indicates that program visibility among co-operatives is close to zero. A targeted communication strategy delivered through co-operative federations and sector media—rather than through generic SME channels that co-operatives do not monitor—would address the most basic layer of the accessibility gap.

Address the SBD tax barrier as a prerequisite. Non-agricultural co-operatives pay a federal tax rate six percentage points higher than comparable Canadian-controlled private corporations on the first \$500,000 of active business income (15% versus 9% under the Small Business Deduction). This fiscal differential functions as an implicit tax on the co-operative form, reducing the margin available for market exploration, co-financing of program costs, and investment in international capacity. Addressing this barrier is a prerequisite for internationalization support: program interventions operate on a base that is structurally disadvantaged relative to the SMEs those programs were designed to serve. Equalising the fiscal treatment creates the conditions under which program adaptations can be effective.

Employee Ownership Trusts as an emerging internationalization pathway. The federal capital gains exemption of \$10 million for transfers to worker co-operatives or Employee Ownership Trusts creates a novel, underappreciated connection between business succession and internationalization. When an exporting firm converts to a co-operative, it inherits the firm's international markets, contacts, commercial relationships, and operational know-how—instant co-operative internationalization. When an exporting firm in a small community closes for lack of a successor, its international activity disappears entirely. The co-operative conversion pathway preserves what closure destroys. Canada faces a massive wave of baby boomer owner retirements; linking business succession programs with internationalization support for resulting co-operatives would operationalize this connection, transforming a demographic challenge into an internationalization opportunity. The converted co-operative gains not only the firm's existing international activity but access to international co-operative networks (ICA, sectoral federations) that the investor-owned predecessor could not tap. Succession is not merely business continuity; it is, potentially, an infrastructure for expanding the internationally active co-operative base.

4.5 The Economic Case For Co-operative Internationalization

The economic case for these recommendations' rests on two layers of evidence. The first uses the metrics the government already tracks. Canadian co-operatives outperform conventional SMEs on innovation (39.3% vs 28.3%), financing access (95.7% vs 90.8%), digital presence (72.9% vs 58.5%), and business survival (66.6% vs 39–43% at five years). They contribute \$52.8 billion to GDP, generate \$10.4 billion in tax revenue, and employ 194,000 Canadians directly. They closed at less than half the rate of SMEs during the pandemic. Yet they export at roughly half the SME rate. Applying the return ratios documented in comparable federal programs — CanExport's 18:1 grant-to-export ratio and the International Trade Centre's estimate of \$87 in exports and \$384 in GDP per dollar of trade promotion — a targeted investment in co-operative export readiness would generate returns that substantially exceed the cost. The recommendations in this paper do not ask for new spending; they ask for operational alignment of existing resources with a sector that already outperforms on every indicator the government itself tracks. The data infrastructure proposed in Recommendations (a) and (b) would, for the first time, make it possible to calculate the return on closing this gap — a calculation that requires baseline data the current system does not produce, which is precisely why the data recommendations are sequenced first.

The second layer concerns what these ratios understate. For example, co-operative presence in a market raises competitor prices by 10.9% (Kumse, Suzuki, Sato, & Demont, 2021), food co-operatives generate a local economic multiplier of 1.6, compared to 1.36 for conventional grocers (ICA Group), and produces spillovers documented in health (Roy et al., 2014; Roy & Farmer, 2021; Liang et al., 2022), employment stability (Pérotin, 2012), and democratic participation (Vieta et al., 2024). These impacts are not peripheral; they align directly with three of the five domains of Canada's own Quality of Life Framework — prosperity, health, and society — and both of its cross-cutting lenses. Yet no federal trade promotion program has ever been evaluated against these indicators. The OECD has acknowledged that prevailing measurement tools are poorly adapted to the social and solidarity economy (OECD 2021). The recommendation to disaggregate data by legal form (Section 4.1b) would create the foundation for a more complete assessment — one that captures not only whether co-operatives export more, but what kind of economic activity that export generates. The La Siembra case illustrates the scale of what current metrics discard: this worker co-operative would answer "no" to the SFGSME's export question — yet when it completed a cross-border merger with a US counterpart in January 2026, a transaction functionally equivalent to foreign direct investment, no conventional business valuation was conducted, because the merger was executed through democratic governance rather than asset pricing. Had it been valued conventionally, the co-operative's intangible assets would have appeared as goodwill: twenty-year producer relationships, brand reputation in ethical sourcing, governance compatibility, supply chain knowledge spanning 14 countries. The international economic exposure is substantial and would signal a deeply internationalized organization; what is absent is not the activity but the question that would make it visible. Applying even conservative multipliers from the intangible trade literature— where researchers estimate that unmeasured intangible flows can represent 30–80% of recorded international activity depending on sector composition—to co-operatives in Canada's tradable sectors would substantially revise the picture of co-operative international engagement without any behavioural change: these co-operatives are already internationally active; the instruments simply do not ask.

Estimating this invisible layer rigorously — for example through latent-variable approaches for unmeasured activity, propensity-score matching against benchmark jurisdictions for accessibility effects, and gravity models augmented with co-operative-specific variables for new infrastructure — is a calculation CMC's Council of Economic Advisors could commission once the data recommendations produce their first cycle of results.

4.6 Canada as a G7 Pioneer

No G7 country currently has an integrated co-operative internationalization strategy—but several have developed strong individual elements from which Canada can learn. Prime Minister Carney has stated the ambition of building the strongest economy in the G7; the co-operative sector—with its demonstrated outperformance on innovation, financing, resilience, and digital presence—is an underutilised asset in that ambition. The seven benchmarks examined in Section 3 demonstrate that the building blocks exist across jurisdictions; what no country has yet assembled is the coherent, sequenced whole. Canada has the opportunity to learn from these international practices and lessons to build the first integrated approach—adapted and improved, not invented from scratch and it has many ingredients—a \$52.8 billion co-operative ecosystem, a declared diversification mandate backed by historic budget allocations, the first federal program to explicitly name co-operatives, and a sector apex body positioned to serve as intermediary. The convergence of these conditions provides the policy foundation; what is missing is the inter-ministerial coordination mechanism—precisely the function that recognizing CMC as sector-side intermediary would fulfil.

Public support reinforces the political case. A November 2025 survey of 5,012 Canadian adults found that 83% believe co-operatives help communities stay stable during economic fluctuations, 81% see co-operatives as part of the solution to affordability and inequality, and 71% want to see more co-operatives operating in Canada (Abacus Data 2025). The OECD's policy framework for SSE internationalisation converges with the structure proposed here. Canada's participation in the OECD Global Action on SSE Ecosystems means the analytical foundations are already shared; what is missing is the operational infrastructure to act on them.

The three operational adjustments require instructions, not legislation. The three pathways require investment—but the conceptual shift that underpins them reframes what that investment produces. In a geoeconomic order where nearshoring and friend-shoring reorganize supply chains to give greater priority to trust rather than unit cost, where climate imperatives favour knowledge-intensive over material-intensive flows, and where Canada's own diversification strategy seeks "reliable partners and allies," the broadened definition of internationalization is not an accommodation to a particular sector—it is an alignment with the direction trade policy is already moving. Co-operatives are organizations structurally designed for the relational, trust-based, community-anchored international engagement that this new order demands, offering the kind of stability Canadians are seeking (Abacus Data 2025: 83% of Canadians agree co-operatives help communities stay stable during economic fluctuations). And critically, as the Scottish experience demonstrates, the broadened definition also resolves the political tension that has derailed internationalization initiatives elsewhere: when the framework includes inward knowledge flows, community-level impact, and territorial resilience alongside outward trade, the investment is not perceived as "looking outward" at the expense of domestic communities—it is building the international connections through which communities become more resilient.

The recommendations offer officials a concrete, operational path to deliver on a signal the government has already sent. Three hypotheses embedded in these recommendations warrant systematic evaluation as implementation proceeds. The first is whether co-operative internationalization generates measurable spillover effects for the broader SME ecosystem—through knowledge diffusion, market intelligence sharing, or the demonstration effect of co-operative success in non-traditional markets—strengthening the economic rationale for adapted public support beyond the co-operative sector alone. The second is whether structured hybrid international engagement formats—combining commercial market access, knowledge exchange, and network-building in a single event or program—produce faster and more durable capability development than conventional sequential program instruments, with implications for SME internationalization support design generally. The third is whether measuring international economic activity as a composite unit—counting alliances, knowledge flows, imports, network participation, and governance exchange alongside exports—reveals a larger and more diverse base of internationally active Canadian enterprises than current metrics suggest. The scoping evidence assembled in this paper supports all three; their confirmation through program data would provide the empirical foundation for scaling the proposed interventions from pilot to national infrastructure. Canada does not need to build from scratch. It needs to connect what it already has, measure what it already does, and recognize in its co-operative sector an international economic asset that current instruments cannot see—and that the geoeconomic moment makes more, not less, valuable.

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Structured Interview Program

This paper draws on structured interviews conducted between January and March 2026 with co-operative practitioners, federation leaders, academic researchers, and international counterparts across six countries. Interviewees are referenced by role and institutional affiliation. Government trade perspectives were sought through CMC but were not available within the scoping timeline.

Annex A — International Benchmarks: Reference Card

This annex provides a structured summary of the international benchmarks discussed in Section 3 (§3.5). Each jurisdiction was selected because it illuminates a specific dimension of the Canadian gap between co-operative economic weight and programmatic support for internationalization. The benchmarks are not models to replicate but mirrors that reveal correctable conditions.

For the full analytical treatment, including case evidence, interview triangulation, and cross-cutting patterns, see Section 3 (§3.5).

Jurisdiction	Key actor / program	Scale / budget	Co-operative focus	Core lesson for Canada	Paper ref.
Catalonia (Spain)	ACCIÓ (Catalan trade & investment agency), Social Economy Internationalization Service	86 projects (2016–2021), €9,600 avg. cost/project, 100% subsidized. 40 offices in 110 countries. 2025 missions: NPS +83 to +94, >80% additionality.	Dedicated service for SSE entities (44% co-operatives). Sector-specific entry ramp with graduation to mainstream programs.	Proactive intermediation is decisive: over 80% of participants report they would not have achieved the same result without ACCIÓ. Peer effect ("if they go, I'll sign up") breaks self-exclusion. Graduation model avoids permanent parallel track.	§3.5 ¶14
Brazil	APEX-Brasil "Cooperar para Exportar" + OCB (national confederation) + OCEPAR (Paraná state)	450 co-operatives in program. OCB: 1,185 agri-co-ops, R\$430B revenue. OCEPAR alone: 11 co-ops among world's largest, US\$7.9B exports to ~150 countries.	Tripartite architecture: federal intermediation (APEX), sectoral organization (OCB), state-level execution (OCEPAR). PEIEX qualification adapted for co-operatives since 2020.	Scale is achievable when the intermediation infrastructure exists. The gap between Brazil and Canada is not agricultural endowment—it is intermediation architecture. Partnership model, not single-agency execution, is the transferable lesson.	§3.5 ¶14b

<p>Italy</p>	<p>Legacoop / Confcooperative / AGCI (federations) + SIMEST (state development finance, CDP Group) + WelcomeCoop (Emilia-Romagna)</p>	<p>Federations cover 90% of Italian co-ops: 1.1M jobs, €150B revenue. SIMEST offers soft loans, equity co-investment, export guarantees.</p>	<p>Second-tier co-operatives as service delivery infrastructure. Functional separation between representation (advocacy) and operations (consulting, trade facilitation). WelcomeCoop: bidirectional model receiving delegations from Canada, US, Brazil, South Korea, Japan.</p>	<p>Functional separation—representation in the federation, service delivery in the co-operative enterprise—is a governance principle. The entity designing strategy should not also deliver services; separation stimulates competitive service provision.</p>	<p>§3.5 ¶15</p>
<p>Scotland</p>	<p>Scottish Government Social Enterprise Policy + ISEO (International Social Enterprise Observatory) + Ventures Lab</p>	<p>£30M invested (2016–2018), 300+ new social enterprises launched. SEWF Edinburgh 2018 (47 countries). Ventures Lab: ~100 organizations served.</p>	<p>First government-specific 10-year internationalization strategy for social enterprises (2016). Post-Brexit adaptation: from ambitious program to distributed mechanisms. Ventures Lab creates university-to-SE-to-internationalization pipeline.</p>	<p>Internal sector tensions require proactive management: initiatives perceived as serving only the export-ready risk losing legitimacy. Graduation models (Ventures Lab) broaden the constituency. Distributed mechanisms absorb institutional shocks better than single programs.</p>	<p>§3.5 ¶16</p>
<p>UK</p>	<p>British Council Global Social Enterprise Program + UK Export Finance + "Exporting is GREAT" campaign</p>	<p>British Council: 27,900 entrepreneurs trained across program lifetime. SE export rate: 14% (vs. 11% SME average).</p>	<p>Program closed in 2022 with no replacement. UK Export Finance has no co-operative provisions. Generic campaign included SEs without adapted intermediation.</p>	<p>Institutional vacuum after program closure is the negative case. Dependence on a single program is catastrophic when it closes. Distributed models (Catalonia, Brazil, Italy) avoid this vulnerability.</p>	<p>§3.5 ¶17</p>
<p>France</p>	<p>Loi ESS (2014) + Coop FR + Agence Française de</p>	<p>SSE accounts for ~10% of national employment. SCOPs have</p>	<p>Advanced legal framework but limited operational programs. Co-</p>	<p>Legal recognition without operational programs produces</p>	<p>§3.5 ¶17b</p>

	Développement + SCOPs consortia	developed multi-sectoral export consortia. Coop FR sits on ICA board.	operatives access generic instruments only (Team France Export, BPI, Business France).	prestige, not outcomes. SCOPs' multi-sectoral consortia demonstrate aggregation potential beyond agrifood—a model relevant to Canada's non-agricultural co-operative sectors.	
Québec	PSCE Volet 3 + SOCODEVI (\$41M/yr, 30+ countries) + DID/Fonds Aequitas (\$50M) + CQCM + PAGES (\$1.5M)	Most advanced co-operative ecosystem in Canada. France-Québec bilateral co-operation agreement (2013, renewed 2020). Serial international initiatives: RELIESS (2012–~2015), C.I.T.I.E.S. (2016–2020), current vacuum.	All components present; coordination function absent. Project-funding model produces serial 3–4 year initiatives that dissolve without leaving permanent infrastructure. SOCODEVI classified as "development co-operation," not internationalization.	Ecosystem sophistication does not automatically produce internationalization capacity. The coordination function—not actor capability—is the missing variable. Project-funded initiatives cannot substitute for permanent infrastructure.	§3.4, §3.5 ¶18

Cross-cutting pattern. Agriculture is the sector where the virtuous loop—need for aggregation, co-operative form, legibility to programs, program support, data, more programs—has activated first and most visibly. Brazil and Spain show this loop at maturity. Canada has the ingredients for non-agricultural sectors (Budget 2025 funding, TCS infrastructure, CMC's institutional position), but the loop has not activated. Every benchmark examined points to the same answer: intermediation is what makes the loop turn.

Annex B — Co-operative Internationalization Readiness Diagnostic

A concept note for a guided digital assessment tool, grounded in the METACINES methodology (Barco-Garcia, 2025), that helps co-operatives identify their internationalization profile and generates sector intelligence for CMC and federal policymaking.

The Tool in Brief

This annex outlines a lightweight digital readiness diagnostic that CMC could offer to co-operatives exploring any form of international engagement—market expansion, international sourcing and learning, or partnership and network building. Through a guided chat-based assessment, the tool would generate an automatic readiness report identifying each co-operative’s strengths, constraints, and recommended next steps, while producing anonymized aggregate intelligence on the internationalization readiness of Canada’s co-operative sector.

The diagnostic differs from standard export readiness tools in one fundamental respect. Conventional assessments measure whether an organization can sell abroad: capacity to ship, invoice in foreign currency, comply with customs, and sustain a sales pipeline across time zones. They assume an outward, tangible, sequential model of internationalization that systematically misreads how co-operatives operate across borders (see Sections 2 and 3 of the main paper). This tool measures something broader: international engagement readiness, encompassing outward, inward, and network-based pathways, and centred on the intangible assets that co-operatives actually deploy when they operate internationally.

Who uses it. Any Canadian co-operative considering or already engaged in cross-border activity—from large agricultural exporters to small community co-operatives participating in international networks.

What it delivers to the co-operative. An automatic readiness report (2–3 pages) comprising: a primary and secondary internationalization profile; a strengths and gaps analysis across seven capability areas; recommended pathways with suggested federal and provincial programs; and concrete next steps.

What it delivers to CMC and federal departments. An anonymized aggregate dashboard showing the internationalization readiness landscape of Canada’s co-operative sector: distribution of profiles, common capability gaps, sectoral and regional patterns, and demand signals for specific programs. This directly addresses the data gap identified in Section 3 and equips CMC with evidence for advocacy and program design.

How it works. A two-tier guided assessment:

- *Rapid screening* (15–20 minutes): A chat-based questionnaire in plain language that generates a preliminary profile and an indicative readiness snapshot. Designed as a low-barrier first point of contact—the co-operative equivalent of a “find out if international engagement could work for you” entry point.

- *Deep diagnostic* (optional, 45–60 minutes): A more detailed self-assessment for co-operatives that want a comprehensive analysis. Engages the board or management team with structured reflection on each capability area. Generates the full readiness report with detailed recommendations.

This tiered design resolves a tension inherent in readiness assessment: rigour requires depth, but a low-barrier entry point requires brevity. The rapid screening provides immediate value and identifies co-operatives that would benefit from deeper analysis; the deep diagnostic delivers the analytical depth needed for actionable recommendations.

Seven Capability Areas

The diagnostic assesses seven capability areas derived from the METACINES methodology—developed by SOKIO Cooperative (Seville, Spain) for mapping intangible assets in social and solidarity economy organizations engaged in cross-border activity. The full methodology involves eleven asset categories, seven evaluative dimensions, and three levels of analysis; what follows is a simplified version calibrated for the Canadian co-operative ecosystem.

#	Capability area	Explores	What it reveals
1	Governance and operating model	Whether the co-operative’s governance and accountability practices have attracted external interest or replication attempts	A trusted operating model that can be shared without being depleted and often generates return flows of knowledge when exchanged.
2	Team capability and international experience	The team’s international experience, management bandwidth for cross-border activity, and applied operational competences	Many co-operatives fall short not on reputation or culture but on operational capacity: management time, international experience, and the ability to sustain cross-border activity alongside domestic operations. Often the binding constraint.
3	Relationships and inter-co-operation networks	The depth of active cross-border relationships and whether they involve mutual learning beyond transactions	Relational advantages—networks where knowledge, trust, and practice flow in both directions—that conventional firms typically do not possess.
4	Transferable knowledge and training systems	Whether the co-operative has developed or adopted codified methodologies, training programs, or pedagogical approaches with cross-border relevance	The co-operative’s exportable intellectual contribution: codified or semi-codified knowledge already shared within its network and capable of travelling further.
5	External credibility and trust capital	The co-operative’s recognition beyond commercial performance—governance track record, community impact, sector leadership	Reputational capital especially valuable in international co-operation, solidarity finance, and policy dialogue—domains where credibility must be earned over time.

6	Linguistic and intercultural capacity	Multilingual operations, intercultural competences, and cross-cultural depth—including Indigenous governance, Francophone-Anglophone bridging, or immigrant-origin perspectives	Canada’s bilingual and multicultural context gives many co-operatives a latent advantage directly relevant to internationalization.
7	Digital infrastructure and knowledge platforms	Use of or contribution to digital tools, platforms, or data systems that could be shared, adapted, or federated internationally	Platform co-operatives, shared digital infrastructure, or open-source contributions that already have—or could have—cross-border users. Among the most readily internationalizable assets.

Three Diagnostic Dimensions

For each capability area, the diagnostic evaluates three dimensions derived from the METACINES evaluative framework: **transferability** (whether the capability can create value in another context), **return value** (whether international engagement generates value back for the co-operative, not just outward flow), and **institutional support** (whether the co-operative’s ecosystem—federations, programs, provincial structures—recognizes and enables the international activation of that capability). The combination of scores across these dimensions is what generates the co-operative’s internationalization profile.

Three Internationalization Profiles

Based on the assessment, the diagnostic assigns a primary and a secondary profile. These are not mutually exclusive; most co-operatives will combine elements. Each suggests a different entry point into the pathways recommended in Section 4 of the main paper.

Profile I — Knowledge and Practice Exporter. The co-operative has developed practices, methods, or tools that international peers want to learn from or adopt. Its international activity looks like consulting, hosting, training, or licensing—not shipping goods. *Entry point:* the Knowledge Hub (Pathway 1) for codifying and disseminating knowledge, and the Internationalization Service (Pathway 2) for structured cross-border partnerships.

Profile II — International Learner and Sourcer. The co-operative benefits most from international engagement by importing ideas, models, relationships, or sourcing advantages. It may participate in international networks, host visiting delegations, send staff on learning exchanges, or source internationally through co-operative channels. *Entry point:* the Knowledge Hub (Pathway 1) for structured international learning programs, and the Relational Infrastructure (Pathway 3) for network access and representation.

Profile III — Bidirectional Network Partner. The co-operative is already internationally active in ways that current measurement frameworks do not capture. It maintains ongoing relationships with international peers, contributes to and draws from global co-operative networks, and may have cross-border operations or investments. *Entry*

point: the Internationalization Service (Pathway 2) for formalization and scaling, and the Relational Infrastructure (Pathway 3) for institutional visibility. These co-operatives are also the strongest candidates for CMC's intermediation role and for generating the case studies and data that the sector needs.

Readiness Report: What the Co-operative Receives

The automatic readiness report generated by the diagnostic would include:

- 1. Profile summary.** Primary and secondary internationalization profile, with a plain-language explanation of what each means and how they interact.
- 2. Capability map.** A visual summary of the co-operative's seven capability areas, indicating relative strengths and gaps. For the deep diagnostic, each area includes specific observations drawn from the co-operative's responses.
- 3. Strengths and constraints.** A concise analysis identifying what the co-operative can build on and what currently limits its international engagement—whether capability gaps, institutional barriers, or resource constraints.
- 4. Recommended pathways.** Tailored recommendations linking the co-operative's profile to the three pathways proposed in Section 4: Knowledge Hub, Internationalization Service, and Relational Infrastructure. Each recommendation specifies concrete actions.
- 5. Program referrals.** A curated list of federal and provincial programs relevant to the co-operative's profile, sector, and province—drawing from the inventory in Annex C. This includes programs the co-operative may not have considered because their eligibility criteria or framing did not signal relevance to co-operatives.
- 6. Next steps.** Three to five specific, actionable next steps the co-operative can take immediately, calibrated to its profile and current readiness level.

Aggregate Intelligence: What CMC and Federal Departments Receive

Beyond individual reports, the diagnostic generates an anonymized aggregate dashboard that serves CMC's intermediation function and federal policy intelligence needs:

- **Sector readiness landscape.** Distribution of profiles across Canada's co-operative sector—how many co-operatives fit each profile, by sector, size, region, and province.
- **Common capability gaps.** Identification of the most frequent constraints, revealing where sector-wide interventions would have the greatest impact.
- **Program alignment signals.** Data on which federal and provincial programs are most and least relevant to co-operatives' actual internationalization profiles—evidence that can inform program redesign or advocacy.
- **Demand mapping.** Identification of co-operative clusters with similar profiles and complementary capabilities, enabling CMC to broker connections and organize targeted support.

This aggregate function addresses one of the paper’s central findings: the absence of disaggregated data on co-operative internationalization makes evidence-based policy impossible. The diagnostic creates that evidence base as a byproduct of serving individual co-operatives.

Delivery and Institutional Architecture

CMC is well positioned to host and deploy the diagnostic as part of its intermediation mandate. The tool would sit naturally within the Internationalization Service proposed in Pathway 2, serving as the entry point through which co-operatives access the broader support ecosystem.

Methodological design, calibration, and configuration of the diagnostic—including adaptation of the METACINES framework to Canada’s co-operative ecosystem, development of the scoring logic, and validation against real co-operative profiles—can be delivered through a specialist partner with expertise in the underlying analytical architecture. This separation preserves CMC’s institutional ownership of the tool while ensuring methodological rigour grounded in an established framework already tested in cross-border co-operative contexts.

The calibration process would involve: mapping the seven capability areas to Canadian co-operative realities using CMC’s membership data and sectoral expertise; testing the diagnostic with a pilot cohort of co-operatives across profiles and sectors; and iterating the scoring and recommendation logic based on pilot feedback. The METACINES methodology provides the analytical backbone; the Canadian co-operative ecosystem provides the empirical calibration.

Annex C — Federal and Provincial Programs: Inventory and Accessibility Assessment

This annex expands the program table presented in Section 1 (§1.4) with per-program detail on eligibility criteria, financial parameters, and co-operative-specific observations. It serves a dual function: as a practical navigation tool for co-operatives and intermediaries seeking to identify relevant programs, and as evidence for the paper's argument that formal eligibility does not translate into effective accessibility without adapted intermediation.

The inventory is organized by program type and annotated with a four-level co-operative accessibility classification:

- **Explicit:** co-operatives are named in eligibility criteria or application forms
- **Implicit:** co-operatives qualify under generic "SME" or "Canadian business" definitions but are not mentioned
- **Excluded:** co-operatives are ineligible by program design
- **Unconfirmed:** eligibility status has not been verified within the scope of this study

Federal Internationalization Programs

Program	Agency	Type	Max. contribution	Cost-sharing	Co-op accessibility	Key conditions & observations
CanExport SME	Global Affairs Canada (TCS)	Grant	\$50,000 per project	50% (cash)	Implicit (eligible since May 2021)	Min. revenue \$300,000. No co-operative-specific guidance. No published data on co-operative applications or success rates since 2021. Agrifood sector migrated to AgriMarketing in 2026, fragmenting the landscape.
AgriMarketing Market Diversification Program	Agriculture and Agri-Food Canada	Grant	~\$100,000 per project	70% (cash only)	Explicit ("co-operative (for-profit)" listed in application form)	\$75M over 5 years. Min. project cost \$20,000. Agribusiness only. First federal internationalization program to explicitly name co-

						operatives. Priorities: tariff-affected sectors, non-traditional markets (Africa, Middle East, Indo-Pacific). Outward activities only (missions, fairs, market research); no provision for inbound or bidirectional engagement.
SME Export Readiness Initiative	Budget 2025 (delivery TBD)	Capacity building	\$46.5M total allocation	TBD	Unconfirmed	New program; design parameters, eligibility, delivery channels, and metrics still being defined. Pre-export orientation (training, advisory) is a natural fit for co-operatives. Advocacy window open.
CanExport Associations	Global Affairs Canada (TCS)	Grant (sector bodies)	Variable	Variable	Excluded (CMC ineligible: co-operative form vs. NFP requirement)	Designed for not-for-profit industry associations. CMC, as a co-operative rather than an NFP sectoral body, does not qualify. A structural exclusion with direct consequences for the intermediation function the paper recommends.
Trade Commissioner Service (TCS)	Global Affairs Canada	Advisory & market intelligence	Free service	N/A	Implicit	160+ offices worldwide. Open to all Canadian businesses. CMC organized TCS webinars for co-operatives in 2022;

						attendance was minimal. No co-operative-adapted outreach documented.
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Federal Financing and Risk Management Programs

Program	Agency	Type	Co-op accessibility	Key conditions & observations
Export Development Canada (EDC)	EDC	Export credit insurance, financing, guarantees	Implicit	Open to all exporters. No co-operative-specific products or guidance documented.
Business Development Bank of Canada (BDC)	BDC	Export guarantees, advisory	Implicit	Open to all Canadian businesses. Export Guarantee Program available. No co-operative-differentiated services.
Industrial Research Assistance Program (IRAP)	NRC	R&D support, innovation advisory, technology commercialization	Excluded	Co-operatives ineligible by program design criteria. Creates upstream barrier: without IRAP, co-operatives cannot access R&D support that builds the innovation base for export-ready products. The exclusion produces a self-reinforcing cycle documented in Section 3 (§3.2).

Federal Agricultural Programs with Explicit Co-operative Eligibility

Program	Agency	Type	Co-op accessibility	Relevance to internationalization
AgriStability	AAFC	Business Risk Management	Explicit (dedicated forms)	Indirect: stabilises revenue base, enabling risk-taking for market entry.
AgriInvest	AAFC	Business Risk Management	Explicit	Indirect: savings mechanism that co-operatives could direct toward internationalization costs.
AgriInnovate Program	AAFC	Innovation (\$128M/5 years)	Explicit (as for-profit entities)	Direct: innovation capacity is a precondition for competitive internationalization.
Indigenous Agriculture and Food Systems Initiative	AAFC	Development	Explicit (Indigenous co-operatives)	Relevant given that co-operatives are 4.5 times more likely than SMEs to be majority Indigenous-owned.

Provincial & Territorial Programs

No province or territory explicitly excludes co-operatives from export support programs. However, only Québec explicitly names co-operatives in eligibility criteria. CMC reports no documented cases of co-operatives accessing provincial export programs outside Québec.

Jurisdiction	Principal program	Co-op accessibility	Notes
Québec	PSCE Volet 3 (Program de soutien aux coopératives d'exportation)	Explicit	Up to \$250,000 per co-operative for market entry. The most substantial provincial instrument. Québec hosts approximately 45% of Canadian co-operatives.
Alberta	Alberta Export Expansion Program	Implicit	No mention of co-operatives.
British Columbia	BC Export Navigator	Implicit	No mention of co-operatives.
Ontario	Ontario Trade Offices	Implicit	No mention of co-operatives.
Saskatchewan	STEP (Saskatchewan Trade and Export Partnership)	Implicit	No mention of co-operatives.
Other provinces and territories	Various	Implicit	Manitoba, New Brunswick, Newfoundland, Nova Scotia, PEI, NWT, Nunavut, and Yukon each maintain export support mechanisms. All are formally accessible to co-operatives under generic SME definitions; none mentions co-operatives specifically.

Reactive/Resilience Programs

Program	Agency	Co-op accessibility	Notes
Regional Tariff Response Initiative	Regional development agencies	Unconfirmed	\$1B over 3 years. Designed for businesses affected by U.S. tariffs. Co-operative eligibility not specified.
Trade Diversification Corridors Fund	Various	Unconfirmed	\$5B over 7 years. Strategic infrastructure for

			diversification. No co-operative-specific provisions documented.
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What the Inventory Reveals

Three patterns emerge from this inventory, each reinforcing the paper's central diagnosis.

First, the accessibility gradient is steep. Of the five principal federal internationalization programs, one explicitly includes co-operatives (AgriMarketing, launched February 2026), three include them implicitly (CanExport SME, TCS, EDC/BDC), and one explicitly excludes them (CanExport Associations—the program that would fund the very intermediation function the paper recommends). IRAP's exclusion operates upstream of internationalization, limiting co-operative innovation capacity.

Second, explicit inclusion is recent and concentrated. Agriculture and Agri-Food Canada leads all federal departments in co-operative accessibility, with dedicated forms and explicit eligibility across multiple programs. This precedent demonstrates that inclusion is operationally feasible—and that the argument "co-operatives are too complex to accommodate" does not withstand examination.

Third, the provincial landscape confirms the communication gap. Every province formally allows co-operative participation; only one acknowledges it. The practical effect is a compounding ambiguity: program officers default to caution when an unfamiliar legal form applies, co-operatives default to self-exclusion when they do not see themselves reflected in program materials, and neither party generates the data that would resolve the uncertainty.

This annex is a snapshot. Several entries remain marked "unconfirmed" because program details were not verifiable within the scoping timeline. CMC, ISED, and Global Affairs Canada are well positioned to complete the inventory as a working document—and the navigation challenge documented here is itself evidence of the intermediation gap the paper diagnoses.



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