



There are more than 1,300 co-ops, credit unions and caisses populaires in Ontario alone, with over \$30 billion in assets and serving 1.4 million members.

With their unique socio-economic and democratic foundation, co-ops are strategically positioned to partner with government to deliver on shared priorities in an efficient, affordable and accountable manner.

Our Proposal

A co-operative is a unique form of business enterprise, different from both not-for-profit and private businesses. As member-owned businesses organized to meet a common need, co-ops are inherently **people and community-focused**. Revenues are reinvested in the business, put back in the community, or shared among members. In this way, wealth stays local rather than going global.

Co-operatives are located in a variety of sectors across both rural and urban Ontario: housing, child care, agriculture, finance and insurance, renewable energy, natural resources, transportation, retail, tourism, arts and culture, social and funeral services and many others. This diversity has driven the co-op sector to great success and gained for the sector a depth of experience in offering a wide variety of products and services throughout the province. With their unique democratic structure and triple bottom line – economic, social and environmental – co-ops are ideally suited to assist government in setting priorities and meeting goals.

Currently, however, Ontario co-operatives lack the necessary government support to maximize their potential and contribute fully to the social economy. We therefore ask you to strongly consider our recommendation to move forward on Minister Ted McMeekin's Resolution #33, which was passed in the Ontario Legislature on December 14, 2006:

That, in the opinion of this House, the Government of Ontario should commit to the promotion, development and support of the co-operative model of business as one that should be replicated to provide stronger communities, increased social responsibility and continued economic growth. That the Ministry of Economic Development and Trade commit to investigating the establishment of a Co-operatives Secretariat to support the co-operative model of business.

Why should government invest in the co-operative model?

Ontario is facing severe policy challenges in many key areas over the next few years. Co-operatives have a proven track record of realizing efficient, innovative and sustainable solutions to these challenges, particularly in the housing, child care and agricultural sectors. In addition, co-ops have:

- contributed to job creation and growth;
- enhanced rural and northern development;
- engaged communities in democratic renewal;
- addressed issues dealing with renewable energy and special-purpose agricultural co-ops;
- provided services that support new Canadians, the disadvantaged, and the development of aboriginal communities; and
- helped alleviate poverty.

Furthermore, if the Ontario economy is to remain vibrant and continue to be competitive in the global marketplace, we must continue to **invest** and **re-invest** in the driving forces behind a strong and sustainable economy – **people and communities**.

Investment in the Ontario co-operative sector is an investment in Ontario's economy and the well-being of its people and the communities where they live.

Ontario co-operatives are an important part of the social economy. As such, they deserve to have equal consideration with respect to investment, regulation and education funding.

- (Co-operative enterprise, where ownership is vested in the community, creates an economic environment that is conducive to stability and sustainability."
 - Bill Turner, past President of the CCA,
 Co-Chair of Advisory Committee on Co-ops

What are the benefits to Ontario's communities?

Co-operatives are community- versus profitcentric. Their primary objective is to maintain access to the product or service they supply to their members, and not solely to increase the rate of return on their investment. Mandated to operate as closely as possible to at-cost, they provide significant value-driven service to communities:

- They create jobs, and help integrate new Canadians into the community;
- They build and enhance local prosperity and foster economic development, thereby mitigating the risks of globalization;
- They support the triple bottom line of doing business;
- They often fill a need in a particular community not met by a traditional form of business;
- They empower people in a democratic way and allow them to participate in businesses in a variety of sectors in a community;
- They are highly sustainable and stay in communities long after other businesses have left for more profitable locales; and
- They address key policy issues touching communities such as health care, education and employment.

Main goals and objectives of a Co-operatives Secretariat

The Canadian federal government and the provinces of Québec, Saskatchewan, Manitoba, Newfoundland and Nova Scotia have recognized the innovation and potential that the co-operative sector brings to the policy table by creating a unique partnership with their provincial governments, dedicated to the development, public education, support and promotion of co-operatives.

The Co-operatives Secretariat for Ontario would be modeled after the federal version, and would be set up to accomplish these and other goals within the province. As such, it would complement and enhance, *not* duplicate, the role of other existing government bodies or agencies.

The Secretariat should be housed within the Ministry of Economic Development and Trade, in order to properly represent and meet the diverse needs of the entire co-operative sector. Its main goals would be to enhance economic growth and social development, and to help build stronger, more sustainable communities through co-operative enterprise. To achieve these goals, the Secretariat would provide research and expertise to other co-operatives, government and the rest of the public sector, through education and policy development. The objective of a Co-operatives Secretariat in Ontario would be to create a vital partnership between the public and co-operative sectors, as a means to deliver on shared priorities and goals in an efficient, affordable and accountable manner.

As a provincially-funded body, the Co-op Secretariat would work solely, productively and actively with the Ontario government to provide alternative solutions for helping reduce costs across key economic sectors. The provincially-based associations currently representing the co-operative sector in Ontario – the Ontario Co-operative Association (On Co-op) and the Conseil de la cooperation de l'Ontario (CCO) – would continue to act as a common voice for the province's co-operatives and credit unions, as well as an intermediary between the public and co-operative sector.

Key roles of the Co-operatives Secretariat

- Foster and facilitate interaction between co-operatives and the provincial government;
- Educate and inform government and the public on the benefits, potential and role of co-operatives in the economic and social development of Ontario;
- Become a centre of "expertise" and research on co-operatives, by developing and disseminating new information, knowledge and tools that will help co-operatives and government make informed and cost-saving decisions:



Seventy percent of the province's co-ops and credit unions are located in urban and 30 percent in rural Ontario... Of the 16,500 people currently employed by a co-op or credit union, 58 percent are employed by the non-financial sector and 42 percent by the financial sector.

Source: 2007 Co-op and Credit Union Census results communities
depend on all
Ontarians being
actively engaged
in the democratic
institutions of our
province."

The Democratic Renewal Secretariat, Ontario

- Ensure that the provincial government is addressing the needs of both the urban and rural co-operative sector, particularly in the development of policies and programs; and
- Provide support for existing as well as new and emerging co-ops.

The Secretariat would also work with the provincial government to address **three key challenges** currently facing the co-operative sector:

- the lack of access to capital and investment for co-ops, due to the nature of current legislation, the products offered, and the common mind set, which largely supports profit-driven business enterprises;
- an outdated regulatory framework that co-ops are bound by; and
- the lack of "co-operative-based" information and education in publically-funded institutions, which are largely focused on providing information on corporations and not-for-profit models of business.

A win-win proposal

By joining forces with the provincial government, the Co-operatives Secretariat would assist the province in reaching its public policy objectives, while meeting the needs of both rural and urban populations throughout Ontario. By pooling their resources and funds, and by applying the co-operative model of business enterprise to specific sectors, such a partnership will help accelerate job creation and growth, while fostering the social and economic well-being of the province as a whole.

The proposed provincial Co-operatives Secretariat is a win-win proposition for the Ontario Government and the Ontario co-operative sector.

- ((It was essential that this democratic, just and caring formula, with its important benefits for the entire population, be given greater importance."
 - Pauline Marois, Quebec DM of Finance





About On Co-op and CCO

The Ontario Co-operative Association and the Conseil de la cooperation de l'Ontario, which developed this proposal, are a resource and common voice for Ontario co-operatives and credit unions, in the areas of co-operative development, government relations, membership and communications and lifelong co-operative learning. Our mission is to strengthen and promote Ontario's diverse co-operative sector.



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A Portrait of the Provincial Co-operatives Secretariat

The organizational structure

The provincial Co-operatives Secretariat would include one Director and five full-time support staff. Based on the key roles indicated, the following positions and main areas of responsibility have been identified:

Director – To oversee department; deal with funding and financing issues.

Office Manager – To perform all administrative duties of department.

Communications Officer – To perform all duties related to communications, promotions and public relations.

Policy, Research and Innovation Advisor – To perform all duties related to research, analysis and policy development.

Database Manager – To collect statistics, develop and manage database of all Ontario co-operatives, and disseminate relevant information on the co-operative sector.

Partnership and Programs Officer – To strengthen and manage the relationship between co-operatives and government.

The operational budget

Based on an analysis of the federal Co-operatives Secretariat model, as well as other provincial government departments throughout Canada, an estimated operational budget of \$700,000 per annum would be required. It is our opinion that this amount is justifiable based on the amount of money that the Secretariat will ultimately help the provincial government save in the long run.

Breakdown of the annual operational budget

Item	Budget	%
Staff Wages	\$400,000	55
Staff Benefits	\$52,000	7
CP/EI Contributions	\$24,000	6
Development & Training	\$70,000	10
Travel/Food/	\$20,000	3
Accommodation		
Promotions	\$25,000	4
Printing	\$20,000	3
Postage	\$20,000	3
Office Equipment	\$30,000	4
Office Supplies	\$5,000	1
Hardware Maintenance/	\$15,000	2
Software Upgrades		
Phone/Fax	\$15,000	2%
Total	\$696,000.00	100%

The Co-operatives Secretariat... modelled after the federal version... would complement and enhance, not duplicate, the role of other existing governement bodies or agencies.

By supporting the provincial Co-operatives Secretariat, you are helping an established business model build a better and stronger Ontario.

Survival Rates of Co-operatives	5 years	10 years	Long term
All Co-operatives	64%	46%	30%
Private Sector Companies (Statistics Canada)	36%	20%	N/A
Manufacturing Businesses (Research Institute on SME (UQTR))	47%	30%	N/A

Source: Direction des coopératives, Quebec Ministry of Industry and Commerce

Co-operatives support communities across the globe. To learn more, please visit the following web sites:

www.ontario.coop The Ontario Co-operative Association develops, unites and promotes co-operatives throughout the province.

www.cco.coop The Conseil de la cooperation de l'Ontario develops, unites and promotes francophone co-operatives throughout the province.

www.coopscanada.coop CCA provides leadership to promote, develop, and unite co-operatives and credit unions for the benefit of people in Canada and around the world.

www.ica.coop ICA is an independent, non-governmental association which unites, represents and serves co-operatives worldwide.

www.coop.gc.ca The Co-operatives Secretariat is dedicated to economic growth and social development of Canadian society through co-operative enterprise.

www.coopscanada.coop/cooplinks/ associations for a listing of provincial co-operative associations across Canada.

www.ontario.coop/Toolkit for various Fact sheets on co-operatives.

www.coopsontario.com to access a searchable database with a complete listing of Ontario co-operatives and credit unions.



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