

# Partnering with Government



## Introduction

Co-operative enterprises differ from both not-for-profit organizations and private businesses. Co-ops have a unique democratic structure and socio-economic foundation that makes them inherently people and community focused. This also makes co-operatives well-suited to assist in meeting government priorities related to enhancing economic growth, social development and building stronger, more sustainable communities.

## Co-op Basics

Co-operatives are member-owned businesses that are organized to meet a common community need. They operate on a range of scales, from small co-operatives of less than 10 members to large co-operatives operating provincially and nationally. Co-ops offer services of every type in Ontario, including: housing, child care, health care, financial services, renewable energy, natural resources, transportation, food production and sale, tourism, retail, social services and even funeral services.

A co-op operates on a “one member, one vote” system. This ensures that all members of the co-op have an equal say in how the it is run, regardless of how much money they have invested in the co-op or how much they use the services offered. Members do benefit financially from the co-op’s activities based on how much they use the service or products provided by the co-op — but this does not impact how much of a voice their vote carries within the co-op. This is a key distinguishing factor from privately-run business enterprises. (Refer the *What is a Co-operative* FACTSheet for more information.)

## Why Co-operatives?

Co-ops have multiple priorities that include social and environmental as well as economic (or financial) objectives. While the financial viability and stability of a co-op is important to its members, the primary objective is to maintain access to the product or service supplied by the co-op, not solely to increase the rate of return on their investment. Co-ops are also mandated to operate as closely as possible to at-cost, which provides value-drive service to communities.

## Benefits of Co-operatives

Co-operatives have many other benefits to the communities in which they operate. For example:

- They build and enhance local prosperity and economic development (money created by co-operative businesses is put back into the business, invested in the community, or shared among its members).
- Co-ops empower people in a democratic way and allow them to participate in businesses across a variety of sectors.
- They are sustainable and stay in communities long after other businesses have left for more profitable locales.

## Co-ops Help Social Service Delivery

The co-operative model of business enterprise is an ideal service delivery option in the social economy. Co-ops can operate in conjunction with government to provide much needed social services in a way that is very responsive to the community, because it is owned by its members who reside in the community.

- There are over 1,300 co-operatives, credit unions and caisse populaires incorporated and operating in Ontario, with 1,900 locations in 400 communities.
- Roughly 25 co-ops incorporate in Ontario each year.
- Housing is Ontario’s largest co-op sector (45%), followed by Financial Services (17%), Child care (17%) and Agriculture (6%).
- The co-operative sector in Ontario represents a very conservative \$30 billion in assets (2007).

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## FACT SHEET

Studies have repeatedly shown that co-operatives can deliver services at a lower cost than the private sector. Further, a public-co-operative approach would ultimately increase client access to core services, such as housing, health care and home care.<sup>2</sup>

### Co-ops Meet Public Policy Goals

Ontario is facing severe policy challenges in many areas over the next few years. Ontario co-operatives have a proven record of finding innovative ways of confronting such problems.

2. Studies show that co-op housing costs 71% less than public housing projects. Health care co-ops have lower per-capita health care costs than private practice models.

Co-ops can provide:

- Economic development opportunities in rural, remote or northern communities.
- Development of Aboriginal communities.
- Integration of immigrants and individuals with special needs into Ontario communities.
- Implementation of community-based solutions to address environmental challenges.

### Conclusion

Co-operatives share many values and goals with government — democratic participation, job creation and growth, fiscal accountability, social and economic development, efficient delivery of services and public-private partnerships.

This makes co-ops well suited to partner with government to serve the needs of communities throughout Ontario.

#### FOR MORE INFORMATION, CONTACT

Ontario Co-operative Association  
30 Douglas Street  
Guelph ON N1H 2S9  
Phone: 519.763.8271  
[info@ontario.coop](mailto:info@ontario.coop)  
[ontario.coop](http://ontario.coop)

**More resources are available at:**  
CoopZone Network  
[coopzone.coop](http://coopzone.coop)

This is one of a series of FACTSheets created by OCA providing general knowledge, best practices, and sector-specific information.

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