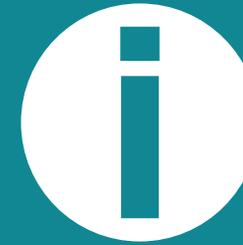


Partnering with Government



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.¹ 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.
- In 2012 alone, 73 new co-ops incorporated in Ontario.
- 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).

1. Mountain Equipment Co-op is the fourth largest democratic organization in Canada, with 3.3 million members.

Partnering with Government

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FACT SHEET

Co-ops Work: A Rural and Urban Portrait

Even in times of economic growth, rural communities often struggle. Without the prospect of long term economic viability, farmers and other rural landowners are under pressure to sell their land to investors. Financial institutions are deserting some of these communities, essentially leaving them without access to essential business services.

The **River Village Co-operative Market** is a prime example of how a rural community came together to fill an important need. When the only grocery store in town was on the brink of closing in 2006, residents began exploring the idea of a co-operative. Replacing the grocery store was necessary for the community's survival. After extensive

research and an overwhelming positive response from the community, the co-op was incorporated in January 2007. With the help of many volunteers and local contractors in the community, the store was refurbished and opened its doors in April 2007. It currently has 300 members, 15 employees and occupies 5,000 square feet of retail space. With its inception, the co-op has helped to keep Teeswater on the map as a viable community.

Co-op Cabs is a very good example of how a co-op can address the common urban need of affordable and accessible transportation, while also providing a benefit through helping integrate new Canadians into the Ontario workforce. Formed in 1956, in the

midst of competitive pressures, a group of independent taxicab owners decided to join forces to leverage their spending power. Today, more than 400 red and yellow Co-op Cabs roam the streets of Toronto, chauffeured by 700 drivers, many of whom are member-owners. Co-op Cabs is one of Toronto's largest multi-cultural employers and has received the City of Toronto's tender for accessible transportation.

These are just two successful examples from more than 1,300 co-ops, credit unions and *caisse populaires* operating in Ontario. To learn about these and other co-operatives, visit the *Find A Co-op* directory at ontario.coop.

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.²

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.

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

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ontario.coop

More resources are available at:
CoopZone Network
coopzone.coop

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

Get the full list of FACTSheets online at ontario.coop/documents_downloads

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.