



Innovation, Science and
Economic Development Canada

Innovation, Sciences et
Développement économique Canada



WHAT WE HEARD: MOTION-100 CONSULTATIONS

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C.D. Howe Building
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Canada

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MOTION-100 CONSULTATIONS

The private member's motion (M-100: Role of Co-operatives) tabled by Liberal M.P. Alexandra Mendès (Brossard–St-Lambert) received unanimous support in the House of Commons on April 5, 2017. Motion-100 called on the Government of Canada to recognize the important role co-operatives play in the economy and to take concrete steps to ensure that they continue to thrive. The Motion also called on the Government of Canada to develop, in consultation with provincial and territorial governments, Indigenous communities, and the co-operatives sector, a federal co-operative strategy to promote and support Canada's co-operative sector.

Innovation, Science and Economic Development Canada, which holds the federal policy responsibility for non-financial co-operatives, including the federal *Canada Cooperatives Act*, launched a focused consultation process in April 2018 and has worked closely with the national co-operative association, Co-operatives and Mutuels Canada, to consult the co-operative business sector across Canada. This consultation process was completed on November 16, 2018, and received a total of 57 submissions from co-operative stakeholders; business associations; federal, provincial and territorial government departments and agencies; and Indigenous organizations.

The consultations focused on three key areas:

- **Accessing federal programs and services**, including highlighting relevant ones for co-operatives and ensuring that they are accessible
- **Raising awareness of the co-operative business model** among Canadians and relevant federal departments to ensure that co-operatives are considered in relevant strategies and initiatives
- **Modernizing co-operative sector data** to ensure that the co-operative sector and Canadians have access to the latest and most relevant data on the co-operative business model

At the same time, the consultations engaged with the co-operative sector; federal, provincial and territorial colleagues; and Indigenous organizations to identify additional steps to support innovation within the sector. This included new and emerging opportunities in Indigenous economic development, women and youth entrepreneurship, clean technology and renewable energy, and community-based innovation, such as programs addressing youth unemployment and food accessibility.

We consulted...



20 Business Associations



15 Co-operatives



15 Government Departments



6 Individuals



1 Academic Institution

What We Heard

Many stakeholders came forward from across Canada to provide both their time and input into this consultation process. They represented large and small-scale co-operative businesses, intermediary groups, such as national and provincial co-operative associations and federations, federal and provincial government departments, and Indigenous organizations. Although there was great variance in the size and scope of the stakeholders who made submissions, there were common themes that quickly emerged from this process.

For instance, almost all the stakeholders confirmed that Canada is home to one of the most innovative and growth-oriented co-operative sectors in the world and that this business model harbours great potential for the Canadian economy.¹ This point was solidified by the many examples of how communities and entrepreneurs are innovating and scaling their local economies by using the co-operative model.

However, stakeholders also echoed a concern that there are a number of barriers inhibiting future growth and innovation in the co-operative business sector in Canada. Moreover, there are additional steps that need to be taken by government, the private sector and co-operatives to ensure this business model is readily available and supported. The key barriers that stakeholders felt were the most pressing included:

- **Accessing federal programs and services:** Stakeholders raised concerns about real and perceived barriers for co-operatives to access a range of federal programs and services, including eligibility restrictions for key federal business supports that focus on traditional businesses and single entrepreneurs; a gap in business development program officers' awareness of co-operatives and capacity to support them; and a lack of a clear focal point within the federal government to provide information on programs and facilitate access to them.
- **Raising awareness of the co-operative model:** The loudest message raised in all submissions was a concern that there is a significant gap in the awareness of the co-operative model at all levels, from the general public to the federal government. Stakeholders felt that government officials have limited awareness of the model and that new and prospective entrepreneurs are not exposed to the model in their interactions with the federal government. They also felt the general public, including Canadian consumers, producers and communities, have limited knowledge of the contributions and potential of co-operatives.

What is a co-operative?

A co-operative is a legally incorporated business that is owned by an association of persons seeking to satisfy common needs such as access to products or services, sale of their products or services, or employment. While co-operatives serve a wide variety of functions, they generally fit one of the following four types:

- A **consumer co-op** provides products or services to its members (such as a retail co-op, housing, financial, health-care or child-care co-op).
- A **producer co-op** processes and markets the goods or services produced by its members, and/or supplies products or services necessary to the members' professional activities (such as independent entrepreneurs, artisans, or farmers).
- A **worker co-op** provides employment for its members. In this type of co-op, the employees are the members and the owners of the enterprise.
- A **multi-stakeholder** co-op serves the needs of different stakeholder groups—such as employees, clients, and other interested individuals and organizations. This type of co-op is usually found in health, home care and other social enterprises.

In Canada, a co-operative must incorporate under a specific co-operative Act at the provincial, territorial or federal level. These Acts govern all types of co-operatives, with the exception of financial co-operatives which are governed by separate legislation. The nature of the co-operative business model and how they operate is largely defined by these Acts. Whatever the governing Act may be, co-operatives share three common characteristics in areas of ownership, governance and distribution of profits.

Visit the [Information Guide on Co-operatives](#) for more information on the co-operative business model.

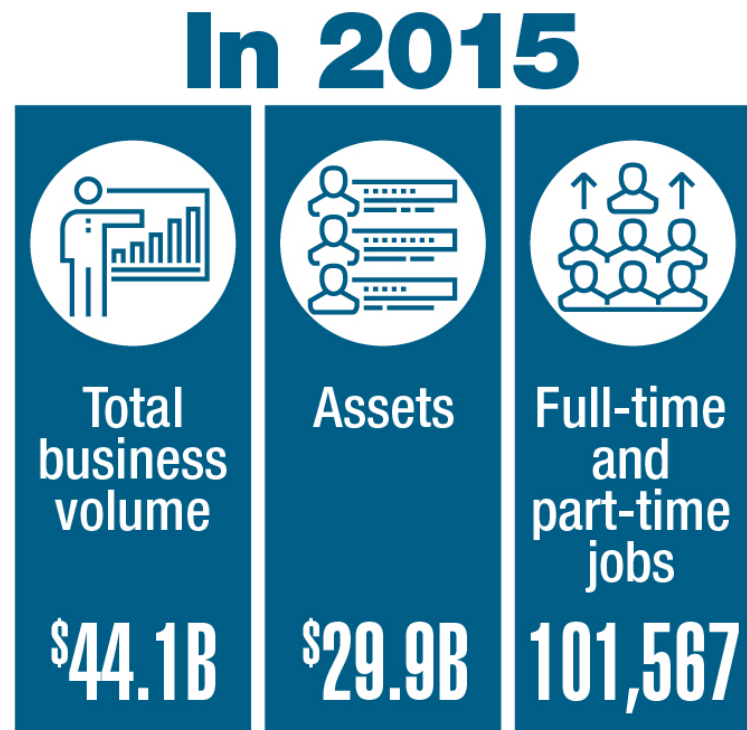
¹ For more information on the size and scope of the co-operative sector in Canadian economy, see Annex A.

- **Modernizing co-operative sector data:** Stakeholders were appreciative that Canada has national-level data on co-operatives. Yet they felt the Government should explore how to modernize and standardize its co-operative business data so it is more timely and provides more data points to measure and report on the social and environmental impact of the co-operative sector in Canada.

Stakeholders also responded favourably to questions about emerging opportunities and provided many examples² of how co-operatives are at the front lines of responding to the needs of Canadian communities by solving complex socio-economic and environmental issues. The submissions demonstrated there are many new and emerging co-operatives driving Indigenous economic development, cleantech and renewable energy, women and youth entrepreneurship, and community-level innovations. They also provided many other emerging areas such as platform co-operatives, immigrant and refugee co-operatives, co-housing, agriculture co-operatives, and healthcare and social services co-operatives.

Despite this growth of co-operatives in emerging areas, stakeholders were concerned that targeted support is required to realistically scale and innovate these models, including investment in the sector (e.g. long-term debt), technical business development services, and mentorship.

The barriers and recommended solutions from the consultations are presented in the following report. The Government of Canada is appreciative of all the submissions, which have provided detailed information to help inform the steps needed to further support co-operatives.



² For a non-exhaustive list of examples, see Annex B.

ACCESSING FEDERAL PROGRAMS AND SERVICES

The federal government provides a range of business-facing programs and services designed to support Canadian entrepreneurs through start-up, growth, and expansion. While the majority of those programs and services are available to co-operatives, we heard from stakeholders about both real and perceived barriers that exist.

In many instances, the submissions revealed that co-operatives may not be fully aware of the program options that are available and that there is limited online information or services to help entrepreneurs locate relevant supports. There were also concerns raised that the communications material surrounding federal support for entrepreneurship provides minimal information on the co-operative business option.

Co-operatives indicated that the limited awareness of the co-operative business sector within federal programs and services also affects the overall accessibility of such programs and services. They noted multiple times that front-line federal business development officers have limited knowledge of the co-operative business sector and are generally not equipped to provide technical advice. Even within programs that are technically open, there was concern that misconceptions³ about co-operatives by those administering programs is introducing additional accessibility issues.

A five-year Memorandum of Understanding between the Newfoundland and Labrador provincial government and Newfoundland and Labrador Federation of Co-operatives was used as an example of a best practice in providing training and awareness directly to community economic development officers.

Futurpreneur Canada requires eligible applicants to have a minimum of 51% controlling ownership of their business, which excludes co-operatives. There were also concerns that co-operatives experience taxation barriers. For example, one submission raised concerns that forestry co-operatives in Quebec were not qualifying for the small business deduction tax relief rules recently implemented for agricultural and fishery cooperatives.



The following programs were identified as being difficult to access by co-operative businesses:

Business Development Bank of Canada
Canada Media Fund
Canada Summer Jobs
Canadian Immigrant Integration Program
Canada Mortgage and Housing Corporation
Futurpreneur Canada
Industrial Research Assistance Program
Scientific Research and Experimental Development (SR&ED) Tax Incentive Program
Temporary Foreign Worker Program

Also brought forward were examples of co-operatives experiencing structural program barriers, either because the program parameters only target single entrepreneurs with majority ownership or because they adopt traditional definitions of a business entity, or even not-for-profits, without further consideration of a co-operative corporation. For example, stakeholders raised concerns that

³ Various submissions made reference to limited awareness of the co-operative model by program officers, including confusion that co-operatives are only non-profits and not commercial businesses.

Stakeholders also identified as an underlying barrier the fact that there is no clear single window within the federal government for co-operatives. They felt that without a dedicated single window that facilitates program information, co-operatives are left on their own to navigate a vast suite of federal programs and may not be aware of new calls for proposals.

When stakeholders were asked what could be done to address these program and service barriers, they recommended:

- **Building awareness** within federal programs and services by providing front-line program officers with training and information on the co-operative business model and its unique contributions, with a focus on the regional development agencies, including Community Futures Organizations, and the Business Development Bank of Canada.
- Establishing a **pathfinder service** or single window as a solution to help co-operative entrepreneurs navigate the suite of federal business development and innovation programs and to demystify any perceived program eligibility issues. The Accelerated Growth Service was cited as an example that could be replicated.
- Opening **Futurpreneur Canada** and other federal supports that currently focus on a single entrepreneur with majority ownership to co-operatives.
- **Reviewing federal export, innovation and R&D programs** for accessibility to co-operatives, with an emphasis on the Industrial Research Assistance Program (IRAP) and Scientific Research and Experimental Development (SR&ED) Tax Incentive Program.
- Supporting **co-operative investment funds**, with an emphasis on creating a pipeline of investment-ready co-operatives that can further leverage subordinate debt and equity financing, including support for the Canadian Co-operative Investment Fund.
- Establishing **industry-specific strategies** in collaboration with the co-operative sector and exploring **incubator/accelerator** models for co-op development.
- Including co-operatives in **foreign trade agreements**, alongside traditional SMEs.





RAISING AWARENESS OF THE CO-OPERATIVE MODEL

Despite the co-operative model's proven track record of economic success and its potential to address a range of government priorities, the consultations revealed that awareness and understanding of the model remains low across Canada.

In fact, stakeholders felt strongly that this limited awareness is the one of the largest barriers for the sector and is present at all levels, including federal, provincial and territorial business-facing government programs and services and the general public. They also felt the lack of knowledge of the co-operative model can result in missed opportunities and disrupt the development and growth of co-operatives.

Another side of the awareness issue that was expressed is that entrepreneurs who pursue the co-operative model are not aware of the existing opportunities within federal programs and services, and there is no clear point of entry to facilitate further information at the federal level. Furthermore, entrepreneurs such as youth, immigrants or Indigenous communities, who may face limited capacity and skills, have an even greater challenge in starting and growing a co-operative.

Stakeholders noted that the complexity of the co-operative business model further complicates awareness of the model and its adoption by prospective entrepreneurs and government program officers. Specifically, the stakeholders noted that the uniqueness of the co-operative model further complicates capitalization, governance and other important business development elements.

When stakeholders were asked what could be done to address these barriers, they recommended:

- Supporting **awareness campaigns** to build collective knowledge of the co-operative sector and its contributions through success stories, educational initiatives and training modules; and establishing regional relationships with federal business-facing programs and services.
- Participating in key **activities and events**, such as national Co-operatives Week and the International Day of Co-operatives, in collaboration with the co-operative sector.
- Identifying a **federal minister** who champions the co-operative sector.
- Enhancing the **federal government's Interdepartmental Committee on Co-operatives** by expanding the membership to more relevant departments and agencies.
- Reconvening a **provincial and territorial table** of officials responsible for co-operatives to collaborate and share information bi-laterally.
- Exploring an **external advisory body** composed of co-operative stakeholders.
- Implementing the **Social Innovation** and **Social Finance Strategy** awareness recommendations.⁴

⁴ In August 2018, the Social Innovation and Social Finance Co-Creation Steering Group released a [final report](#) that included 12 broad-reaching recommendations, including proposals for raising awareness.

MODERNIZING CO-OPERATIVE SECTOR DATA

Although Canada is one of the only nations to have disaggregated, national-level data on co-operatives, which is made available through the *Annual Survey of Canadian Co-operatives*, stakeholders felt that the dissemination of this data in a timely manner is a challenge and that there is a need to modernize and standardize the survey to ensure it continues to be relevant.



The consultations also raised concerns that the survey itself is fairly limited in the type of financial data it collects, leaving some gaps in the overall understanding of the financial, business growth as well as social and environmental characteristics of the co-operative sector.

The consultations uncovered that many co-operatives, associations and other stakeholders were not aware there is national-level data on co-operatives, including detailed financing, growth and innovation data. The consultations also indicated that usage of the current data is limited.

When stakeholders were asked what could be done to modernize co-operative sector data, they recommended:

- **Modernizing** the collection and dissemination of co-operative data and statistics, with a focus on making the data timelier.
- **Standardizing** the data collection process with other national surveys, including the use of tax administrative data and the inclusion of co-operatives in other national surveys administered by Statistics Canada, such as the *Farm Financing Survey* and the *Census of Agriculture*, and incorporating the International Labour Organization's *Guidelines Concerning Statistics of Cooperatives*.
- Establishing a method to collect **social and environmental indicators** to better measure and report on the impact of co-operatives, such as the ability to report on the United Nations Sustainable Development Goals.
- Supporting **national impact studies** that are performed every three years to demonstrate the impact of the co-operative business sector in Canada.
- **Building awareness** of existing data and statistics currently provided by the Government of Canada, including financing and growth data on co-operatives collected by the *Survey on Financing and Growth of Small and Medium-Sized Enterprises*.
- Exploring **partnerships** with sector associations, academics or third parties on research, data and knowledge initiatives.

EMERGING OPPORTUNITIES

As part of the second portion of the consultations, stakeholders were asked to provide examples of how co-operatives are contributing to emerging opportunities in Indigenous economic development, women and youth entrepreneurship, cleantech and renewable energy, and community innovation. Stakeholders were also asked to provide ideas on how the co-operative sector and government could support co-operatives in these areas.

A long list of examples⁵ of new and emerging co-operatives was provided, along with the key barriers faced and proposed solutions to support growth and innovation. These findings are presented below.

Indigenous Economic Development



Opportunity: Groups involved in Indigenous co-operative development stressed that the business model represents a key consideration for economic development in both rural and remote Indigenous communities. These stakeholders noted that co-operatives have the flexibility to focus on Indigenous community members as potential owners, employees, and customers and also facilitate equity ownership, participation, and control over the economic development occurring in Indigenous communities. Stakeholders also felt the democratic governance structure of a co-operative resonates with Indigenous culture, and the focus on the

needs of members allows co-operatives to remain in rural and remote communities far longer than traditional businesses.

An example provided was River Select, which is an Indigenous-owned co-operative that started in 2007 in British Columbia to support several Indigenous communities in the sustainable stewardship of an inland fishery and a commercially viable business that pools resources to harvest, process and sell wild inland salmon from the Fraser and Skeena watersheds.

Barriers: Stakeholders noted that Indigenous communities, community economic development officers and Indigenous business development organizations have limited awareness of the co-operative business model and that there are few tailored financial and technical advisory supports.

Recommendations:

- Raise the awareness of co-operatives in Aboriginal Financial Institutions and other business-focused Indigenous organizations.
- Invest in Indigenous-owned or sector-focused investment funds (e.g., the Canadian Co-operative Investment Fund, Arctic Co-operative Development Fund and Nunavik Co-operative Development Fund).

⁵ See Annex B for a non-exhaustive list of examples that were provided through the consultations.

Women and Youth Entrepreneurship



Opportunity: Many stakeholders stated that co-operatives represent an alternative business model with the potential to provide a path to entrepreneurship for women and youth who might not otherwise have the opportunity to start a business. They felt co-operatives can enable greater participation by women and youth by providing a model for self-employment opportunities (e.g., worker-owned co-operatives), which also facilitates a collective enterprise model that pools resources and expertise while sharing risks. Stakeholders emphasized that there is a lower financial threshold to be a member-owner of a business through co-operatives than other traditional models, such as sole proprietorship.

Furthermore, the submissions made a clear link between community-owned co-operatives and the provision of critical training and skills development for at-risk groups such as newcomers, refugees, youth and women.

The International Women's Catering Co-operative was provided as an example. This co-operative in Victoria, British Columbia, provides culturally diverse catering to clients, while employing and providing training and skills to immigrant and refugee women.

Barriers: Stakeholders noted that co-operatives are often not in the toolkit for prospective youth and women entrepreneurs and that groups who pursue the co-operative model often experience structural program barriers, such as ineligibility, or limited awareness of the model within existing supports. It was also emphasized that key intermediary organizations and supports focusing on women and youth entrepreneurs have limited knowledge of the co-operative model and its benefits.

Recommendations:

- Opening key federal business advisory and mentorship programs, such as Futurpreneur Canada and the Community Futures Organizations, to young co-operative entrepreneurs and raising awareness of the programs.
- Providing targeted funding for youth and women-led co-operatives, with a focus on supporting worker-owned co-operatives. There was a submission recommending investment in the Tenacity Works Fund that provides financial support to worker co-operatives.
- Facilitating mentorship and support from established co-operatives to new and emerging co-operatives (e.g., larger federations supporting new women, youth and immigrant co-op entrepreneurs).

Cleantech and Renewable Energy



Opportunity: Stakeholders emphasized that the co-operative business model represents a unique way for communities to tap into the potential of cleantech and renewable energy by facilitating shared ownership and collective decision making. Those who provided input emphasized that renewable energy co-operatives are being used by entrepreneurs and communities across Canada, including Indigenous communities, to establish collective ownership of energy projects, worker or community-owned energy retro-fit companies; enable community and/or municipality bulk purchasing of renewable energy equipment; and facilitate local

investment as well as sustainable community electrification and biomass production and heating. Stakeholders also provided perspectives on the role that cleantech agricultural farmer-owned co-operatives are playing in the innovation of biomass and ethanol processing and production.

Examples of co-operatives in renewable energy and cleantech that were provided, included the Antigonish Community Energy Cooperative, which organizes bulk purchases of solar panels for residents, businesses and community organizations in the Antigonish area and across Cape Breton, Nova Scotia. The Vancouver Renewable Energy Co-operative was also highlighted as an example of how co-operative businesses are being used to sell, install and provide consulting services on renewable energy systems. There were also examples of how co-operatives are facilitating local investment in renewable energy co-operatives, such as the Beauséjour Renewable Energy Co-operative located in Sackville, New Brunswick, which pools local investment and places renewable energy systems (solar, wind, etc.) on commercial and institutional buildings.

Barriers: Stakeholders felt that entrepreneurs and communities have limited awareness of the application of the co-operative model in renewable energy and cleantech projects. In addition, it was noted that replicating successful models inter-provincially is difficult, especially in light of limited support for start-up.

Recommendations:

- Supporting the development of a national renewable energy co-operative federation to accelerate the growth of renewable energy co-operatives.
- Introducing policies for federal government facilities to procure electricity from renewable energy co-operatives.

Community Innovation



Opportunity: Stakeholders responded very positively to this section and pointed to new and emerging social enterprise co-operatives that are leaders in the field of social innovation and social finance. They felt the model can achieve significant impact due to the fact that they are scalable businesses that facilitate community ownership, governance and redistribution of profits. In addition, stakeholders stressed that new and emerging community investment co-operatives are reshaping how communities tackle social and economic issues by facilitating a type of social finance to retain businesses and

revive local communities by directing local capital into community economic development opportunities. This included examples of community economic development investment co-operatives in Atlantic Canada and other community investment co-operatives across Canada.

Examples include the Open Sky Co-operative in Sackville, New Brunswick, which is a leader in working with adults with mental health and social development challenges to help them move toward self-sufficiency in independent living and develop their own worker co-operatives.

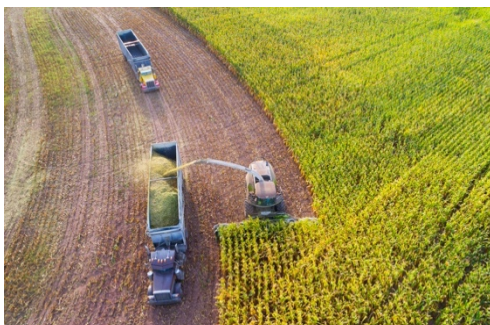
Barriers: Stakeholders felt there is limited awareness of how co-operatives can facilitate local investment opportunities for economic development. They also stressed that there is no targeted development support for this new and emerging area.

Recommendations:

- Building awareness of the opportunities that co-operatives, such as community investment co-operatives, provide for communities, local businesses and government.
- Opening access to capital and technical business expertise.
- Ensuring that for-profit and non-profit co-operatives are included in and eligible for Canada's Social Innovation and Social Finance Strategy initiatives.

Other Emerging Opportunities

Stakeholders came forward with a broad range of other emerging areas in which they felt co-operatives are providing a unique contribution to Canadian communities:



- **Canadian platform co-operatives** are developing solutions for digital workers and the sharing economy by enabling more inclusive control and equitable distribution of the benefits through online platform business models, including member-owned ride-sharing applications.
- **Co-housing co-operatives** are leveraging community investment in the housing market to provide alternative housing solutions for seniors to age in their communities as well as multi-generational co-housing for families and children in need.

- **Transportation co-operatives**, including new and innovative car-sharing co-operatives, are providing rural and urban communities with alternative transportation solutions that are lower cost and more sustainable.
- **New Canadian co-operatives** are enabling immigrant entrepreneurs to pool their resources to start a business together to integrate into their community while developing skills and training in running a business of which they are both owners and employees.
- **Agriculture co-operatives** are being used by farmers to pool their resources and become member-owners of production and manufacturing facilities as well as distribution and marketing networks to add value to their commodities. These types of co-operatives are also providing greater economic returns to farms and rural communities through activities such as biomass and bioenergy production.
- **Healthcare and social service co-operatives** are innovating to fill gaps in the public system by providing homecare, eldercare, childcare and other services.
- **Telecommunications, publishing and news media co-operatives** are enabling communities to address connectivity, including broadband infrastructure, and community-owned radio, newspapers and other communication media.

The submissions provided various suggestions of how to support these new and emerging innovations; these suggestions are connected to and reinforced by the recommendations to advance the other four emerging areas presented above.

The recommendations that stakeholders felt most strongly about included:

- Facilitating government and sector investment in the **Canadian Co-operative Investment Fund, Arctic Co-operative Development Fund, Nunavik Co-operative Development Fund** and the **Tenacity Works Fund**.
- Supporting sector-led **co-operative business advisory services**, such as business development organizations and provincial co-operative associations.
- **Expanding Canada Mortgage and Housing Corporation's support** for equity-based co-housing co-operatives.
- Including co-operatives as a business option in pre-arrival programs, such as Colleges and Institutes Canada's **Canadian Immigrant Integration Program**, or offer targeted co-operative entrepreneur programs to new arrivals.
- Increasing **tax credit incentives** for members to invest in their own co-operatives, similar to the support found in Quebec.
- Building **awareness of healthcare co-operatives** within federal health policies and programs.
- Providing support for **communications and news media co-operatives**.



ANNEX A: CO-OPERATIVES IN CANADA

FINANCIAL PERFORMANCE



Non-financial co-operatives reported a total business volume of \$44.1B and held \$29.9B in assets in 2015.⁶

Three sectors generated 94% of total business volume: wholesale and retail (\$24.7B); agriculture, forestry, fishing and hunting (\$7.9B); and construction and manufacturing (\$8.9B).

In 2015, reporting co-operatives paid out \$765M in patronage dividends to their members and communities.

From 2004 to 2015, there has been a 60% increase in the total business volume of the co-operative sector in Canada (from \$27.5B to \$44.1B). In the same timeframe, co-operatives have generated a 71% increase in their total assets (\$17.5B to \$29.9B).

EMPLOYMENT



Reporting co-operatives in 2015 contributed over 101,567 full-time and part-time jobs to the Canadian labour market.

In 2015, almost 75% of co-operative jobs were held within three sectors: wholesale and retail trade (39%); agriculture, forestry, fishing and hunting (20%); and construction and manufacturing (16 %).

DISTRIBUTION



In 2015, there were a total of 7,887 incorporated non-financial co-operatives in Canada. Quebec had the highest share of incorporated co-operatives (36%), followed by Ontario (23%) and Saskatchewan (11%).

In 2015, 44% (2,180) of all reporting co-operatives were classified under the real estate sector, primarily consisting of housing co-operatives, while retail trade accounted for 11% (536) of all reporting co-operatives. This was followed by agriculture, forestry, fishing and hunting, at 8% (385), and the health care and social assistance sectors, which was 7.3% (363) of the total.

In 2015, 27% (678) of reporting co-operatives were established over 40 or more years ago; 53% (1,320) were established between 21 and 40 years ago.

MEMBERSHIPS



In 2015, reporting co-operatives had a total of 9.1M memberships. Most, or 87% (7.9M), of these memberships were within the wholesale and retail sector.

⁶ Innovation, Science and Economic Development Canada, [Survey of Canadian Co-operatives](#).

ANNEX B: EXAMPLES OF EMERGING OPPORTUNITIES⁷

INDIGENOUS ECONOMIC DEVELOPMENT

La Fédération des coopératives du Nouveau Québec (FCNQ) represents 14 member co-ops in the Inuit communities of the Hudson and Ungava coasts of Northern Quebec, or Nunavik. FCNQ provides transportation infrastructure, telephone and cable services, banking, hotels, bulk storage, and marketing of Inuit art around the world, among other services, to Indigenous communities.

Arctic Co-operatives Limited (ACL) is a federation owned and controlled by 32 community-based co-operatives located in Nunavut, Northwest Territories and Yukon. The network of co-operatives are owned and operated exclusively by Inuit and Dene and represent the largest non-government employer in the region, providing telecommunications, distribution, marketing, storage and co-op business development services.

River Select is an Indigenous-owned commercial co-operative in British Columbia that is supporting the sustainable stewardship of the inland wild salmon fishery and also provides a business that produces, distributes and sells the salmon to create more wealth for Indigenous fishers.

Saskatchewan First Nations Technical Services Co-operative (SFNTSC) was started in 2015 by a group of Saskatchewan First Nations came together. It was created to address technical service needs, and it currently focuses on coordinating housing inspections on reserve in accordance with Canadian Mortgage and Housing Corporation (CMHC) requirements. As a co-operative, the business is owned and controlled by the First Nations who use its services, and it is therefore responsive to the specific needs of those communities.

Apaqtauksaq Fisheries Co-operative is an Indigenous-owned fishery co-operative that purchases and markets oysters, sea urchins and other aquatic species on behalf of the Indigenous communities in Nova Scotia.

WOMEN AND YOUTH ENTREPRENEURSHIP

The Malalay Afghan Women's Sewing Co-operative in Burnaby, British Columbia, was created to give Afghan women, mostly refugees and widows, a chance to learn some skills while earning a bit of income by running the member-owned co-operative social business. It makes clothes and crafts and provides social services such as classes to help newcomers adjust to life in Canada and manage depression and other health needs.

International Women's Catering Co-operative provides culturally diverse catering to clients, while employing and providing training and skills to immigrant and refugee women in Victoria, British Columbia.

Shift Delivery is a successful worker co-op employing mainly youth to deliver goods to local businesses. They are a zero-emissions delivery company, based in Vancouver, that uses pedal powered tricycles and electric cargo vehicles to make their local deliveries.

Multicultural Health Care Brokers Co-operative supports newcomers to Edmonton, Alberta—with a focus on women and youth who face social, economic and language barriers—through various supports, such as peri-natal health and youth initiatives.

Alte Coop is owned by young engineering graduates who provide engineering support services to individuals, organizations and small and medium-sized businesses to implement sustainable technological solutions in the fields of construction, agriculture and energy in Quebec.

Wood Shop Co-operative is a youth-owned worker co-operative that builds and sells custom furniture from reclaimed wood in Vancouver, British Columbia.

⁷ This is a non-exhaustive list of examples of co-operatives in emerging opportunities that were shared during the consultation process.



CLEANTECH AND RENEWABLE ENERGY

The SES Solar Co-operative Ltd. is a consumer co-operative in Saskatchewan that is developing and facilitating investment in a number of solar projects, allowing each member to own a portion of the entire operation rather than one (or more) specific panel(s).

The Ottawa Renewable Energy Co-operative (OREC), established in 2010, is a for-profit co-operative that develops renewable energy systems within the City of Ottawa. OREC is committed to community-based power generation by providing residents of Ottawa the opportunity to invest equity in solar rooftop projects within their community. The co-operative is 100% equity financed by the local community.

Antigonish Community Energy Co-operative is a volunteer-run not-for-profit organization that organizes bulk purchases of solar panels for residents, businesses and community organizations in the Antigonish area and in Cape Breton, Nova Scotia. Partnerships with solar panel producers and installers allow for special rates and discounts with bulk purchases.

Vancouver Renewable Energy Co-operative is a community-owned co-operative that provides consulting services and installs renewable energy systems in Vancouver, British Columbia.

Viridian Energy Co-operatives is a worker-owned co-operative that provides renewable energy installations and consulting services on Vancouver Island.

Salish Sea Renewable Energy Co-op is a worker-owned co-operative based in the Cowichan Valley on Vancouver Island that provides solar panel bulk purchasing and installation for communities.

Coop Carbone is a business co-operative created in 2011 by Coop fédérée, Desjardins Group, Fondation CSN, AQME and C3E in Quebec to help its members and partners take advantage of the opportunities offered by the carbon market and to reduce their greenhouse gas (GHG) emissions in Quebec. Coop Carbone works with the best technology carriers to maximize GHG reductions in Quebec and thus contribute to the growth of the green economy in the province.

Alberta Solar Co-op is currently creating the working model for future community-owned solar farms in Alberta by facilitating local investment in community-owned renewable energy projects, which will allow any Albertan to invest in a range of projects and be part of a member-owned co-operative.

COMMUNITY INNOVATION

Open Sky Co-operative, of Sackville, New Brunswick, is a leader in working with adults with mental health and social development challenges to provide self-sufficiency in independent living and in developing their own worker co-operatives.

Ability Wood Products Co-operative is owned by seven community agencies that employ persons with disabilities. It creates wood products such as lawn furniture for large corporations, including Kent Building Supplies and Sobeys in Nova Scotia.

Colchester Transportation Co-operative is a community-owned transportation system for low-income families, seniors and persons with disabilities in Nova Scotia.

Breton Forest Innovation Co-operative is a member co-op formed in March 2018 around the concept of adding value to forest products as a tool to improve forest management and the economic health of Cape Breton communities. Projects include the conversion of a forming flooring factory into an innovation hub for value adding, forest education, and sustainable forest management.

The Thingery is a community-owned co-operative “thing lending library” that has set up a number of shipping containers throughout the Vancouver region that are self-service, so members can check things in and out at their convenience. It also works closely with local community groups to establish a local branch (a non-profit co-operative), get site approval from local municipalities, and get the inventory up and running.

The Vancouver Island Community Investment Cooperative is a member-driven cooperative that works to create opportunities for residents of Vancouver Island and the Gulf Islands to invest in sustainable social, economic and environmental projects, while generating a private financial return to members. They do this by creating funds that members can contribute to that help finance local projects that benefit communities.



Crowsnest Pass Opportunity Development Co-operative was formed in 2013 as a pilot initiative developed with two rural communities to give local investors an opportunity to stimulate economic growth through investment in businesses and community projects.

OTHER EMERGING OPPORTUNITIES

Eva Co-operative is a co-operative ride-sharing application that is owned by drivers and riders and uses blockchain technology to redistribute profits to those using the service in Montréal, Quebec.

Stocksy is an artist-owned stock photography platform co-operative based in Vancouver selling quality images at a fair price and offering competitive commission to contributors. The contributing artists are also co-owners and have influence over business decisions. Stocksy uses a curated editing approach to selecting images to include in the collection.

Lawrencetown Internet Co-operative is a community-owned co-operative and community-led effort to provide broadband Internet services to members in Lawrencetown, Nova Scotia.

Cellulosic Sugar Producers Co-op was incorporated in Sarnia, Ontario, in 2014 as an innovative co-operative model that will enable participating farmers to participate in, and profit from, the transformation of corn stover into cellulosic glucose (sugar) and other co-products. The co-operative has partnered with private industry to begin construction this year on the first commercial-scale facility in the world to convert agricultural residues into sugars that can be used as building blocks in a variety of industrial and food applications.

Saskatoon CarShare Co-operative (SCC) is a member-owned car sharing co-operative in Saskatoon that is the first public CarShare in Canada with electric vehicles that are 100% solar-powered.

Bleu Ouvert is a Quebec-based cooperative that reduces the cost for non-profits and small to medium-sized enterprises to purchase or use plastic recycling machines, including artisanal moulding and 3D printing.

Battle River Railway Co-operative is a new-generation cooperative that was formed by the local communities to purchase the short-line railway, along with its locomotives, when it was about to shut down. In this way, the co-operative can continue to serve its agricultural producers and residents and ensure the economic vitality of the region in Alberta by staying connected to markets.



ANNEX C: BARRIERS & RECOMMENDATIONS

ACCESSING FEDERAL PROGRAMS AND SERVICES

Barriers:

- General lack of knowledge and understanding of available federal programs and services
- Lack of awareness of the co-op business model across the federal government and by front-line program officers
- No clear single window within the federal government
- Most entrepreneurship initiatives, services and information do not include and/or consider the co-operative business model
- Ineligibility for Futurpreneur Canada program
- Perceived barriers to business-facing program barriers in the regional development agencies, the Business Development Bank of Canada, the Industrial Research Assistance Program, the Canada Mortgage and Housing Corporation, the Temporary Foreign Worker Program, the Scientific Research and Experimental Development (SR&ED) Program and the small business deduction, among others

Recommendations:

- Train federal government business development officers, specifically within the regional development agencies and the Business Development Bank of Canada.
- Establish a pathfinder service or single window for co-operatives.
- Perform a program review to determine any eligibility issues and open and/or promote key federal business development and innovation programs.
- Provide a targeted co-op business development program and financing support.
- Provide up-to-date online program and service information and consider co-op clients in a new approach to innovation programming.
- Include co-operatives in international trade and export initiatives (e.g., business export strategies, SME chapters in free trade agreements).
- Review the small business deduction in relation to co-operative business development.

RAISING AWARENESS OF THE CO-OPERATIVE MODEL

Barriers:

- Limited awareness of the co-op business model in the federal government (e.g., front-line program officers)
- Low public awareness of the co-op model at all levels (e.g., education system, business professionals)
- General lack of awareness of existing federal support and opportunities on the part of co-operatives
- General lack of knowledge and understanding of the uniqueness of the co-op business model and development needs in most entrepreneurship and business supports
- No ongoing relationship with regional federal government representatives
- No clear single window in the federal government and no ministerial champion
- A complex co-op model (e.g., legal structure, various incorporation types) that requires additional effort to understand and deploy

Recommendations:

- Support awareness campaigns targeted for the general public and government and include co-ops in education curriculum.
- Provide training for public servants, with priority given to frontline program officers.
- Re-establish a formal single window in federal government (e.g., Co-operatives Secretariat).
- Support closer relationship between the co-op sector, the regional development agencies and the Business Development Bank of Canada.
- Bolster federal interdepartmental coordination/awareness and provincial and territorial collaboration.
- Explore the creation of an external advisory group.
- Include co-op information alongside other entrepreneurship material and supports.
- Encourage government participation in and promotion of Co-op Week and other sector events.
- Adopt Social Innovation and Social Finance Strategy recommendations.



MODERNIZING CO-OPERATIVE SECTOR DATA

Barriers:

- National co-op data is often not timely
- Need for modernized and standardized approach
- General lack of awareness of existing national-level co-op data and processes by many stakeholders and limited uptake
- Need for more national impact studies
- Limited social and environmental indicators on co-ops
- Provincial/territorial registry data is often inconsistent

Recommendations:

- Modernize and standardize co-op sector survey.
- Promote and build the awareness of existing national-level data on co-ops (e.g., have co-op sector organizations promote survey).
- Align co-op data with other federal, provincial and territorial government data collection and dissemination processes.
- Explore open data initiatives and review confidentiality.
- Explore new and emerging data guidelines and indicators (e.g., *Guidelines Concerning Statistics of Co-ops*, Sustainable Development Goals, social economy initiatives, satellite accounts).
- Provide support for co-op sector and/or academic-based knowledge and research initiatives.

EMERGING OPPORTUNITIES

Recommendations:

- Facilitate government and sector investment in the Canadian Co-operative Investment Fund, Arctic Co-operative Development Fund, the Nunavik Co-operative Development Fund and Tenacity Works Fund.
- Open key federal business development programs, such as Futurpreneur and Community Futures, to young co-operative entrepreneurs and raise awareness of the programs. The same is true of Aboriginal finance institutions and Indigenous co-operatives.
- Support sector-led co-operative business advisory services, such as Indigenous co-operative business development organizations and provincial co-operative associations.
- Facilitate mentorship and support from established co-operatives to new and emerging co-operatives (e.g., larger federations supporting new women, youth and immigrant co-op entrepreneurs).
- Support the development of a national renewable energy co-operative federation to accelerate the growth of renewable energy co-operatives.
- Introduce policies for federal government facilities to procure electricity from renewable energy co-operatives.
- Expand Canada Mortgage and Housing Corporation's support for equity-based co-housing co-operatives.
- Include co-operatives as a business option in pre-arrival programs, such as Colleges and Institutes Canada's Canadian Immigrant Integration Program, or offer targeted co-operative entrepreneur programs to new arrivals.
- Build the awareness of health care co-operatives within federal health policies and programs.
- Ensure for-profit and non-profit co-operatives are included in and are eligible for Canada's Social Innovation and Social Finance Strategy Social Finance Fund and Investment and Readiness Stream.
- Provide support for communications and news media co-operatives.
- Increase tax credit incentives for members to invest in their own co-operatives, similar to the support found in Quebec.

ANNEX D: SUBMISSIONS⁸

FEDERAL

Agriculture and Agri-Food Canada
Atlantic Canada Opportunities Agency
Business Development Bank of Canada
Canada Economic Development for Quebec Regions
Employment and Social Development Canada
Federal Economic Development Initiative for Northern Ontario
Federal Economic Development Agency for Southern Ontario
Global Affairs Canada
Statistics Canada

PROVINCIAL

Government of Alberta
Government of New Brunswick
Government of Newfoundland and Labrador
Government of Nova Scotia
Government of Ontario
Government of Quebec

INDEPENDENT

Six individuals provided independent submissions

ASSOCIATIONS

Alberta Community and Co-operative Association
Canadian Association of Mutual Insurance Companies
Canadian Association for Studies in Co-operation
Canadian Credit Union Association
Canadian Worker Co-operative Federation
CDR-Acadie
Conseil de la coopération de l'Ontario
Conseil québécois de la coopération et de la mutualité
Co-operative Housing Federation of Canada
Co-operatives First

Co-operatives and Mutuals Canada
CoopZone
Fédération québécoise des coopératives forestières
Health Care Co-operatives Federation of Canada
Le Chantier de l'économie sociale
Manitoba Cooperative Association
Newfoundland-Labrador Federation of Co-operatives
Nova Scotia Co-operative Council
Saskatchewan Co-operative Association
Unité de travail pour l'implantation de logement étudiant (UTILE)

CO-OPERATIVES

Microbrasserie À la Fût
Arctic Co-operatives Limited
Convivium Cohousing Co-operative
Co-opérative régionale de Nipissing Sudbury Limited
Coop Web TV
Federated Co-operatives Limited
Fédération des coopératives du Nouveau-Québec
Fundmore Merchant Bank
Gay Lea Foods Co-operative Ltd.
Hullabaloo Publishing Co-operative
O.U.R. Ecovillage Cooperative
Shift Delivery
The Co-operators
Upper Columbia Co-op Council
United Farmers of Alberta Co-operative Limited
Vancity

ACADEMIC INSTITUTION

Sobey School of Business, Saint Mary's University

⁸ The total number of stakeholders does not equal the total number of submissions due to joint submissions.

ANNEX E: QUESTIONNAIRE

1.0 Accessing Federal Programs and Services

- 1.1 Are there specific barriers you have encountered that are preventing co-operatives from accessing specific programs and services?
- 1.2 What would be required to better tailor certain programs and services to co-operative entrepreneurs?
- 1.3 Can you suggest other specific actions that could be taken under this pillar?

2.0 Raising Awareness of the Co-operative Model

- 2.1 Do you have suggestions on how the co-operative model could be highlighted?
- 2.2 What features of the co-operative model are particularly complex?
- 2.3 Do you have suggestions on the role government can play in raising awareness of the model?

3.0 Modernizing Co-op Sector Data

- 3.1 Are there specific gaps in the current data available on the co-operative sector?
- 3.2 Are there best practices in data collection that could be considered in relation to the co-operative sector?
- 3.3 Do you have suggestions on other ways this data could be collected and disseminated?

4.0 Emerging Opportunities

- 4.1 Are there specific best practices/examples that you are aware of in each of these emerging areas (Indigenous economic development, women/youth entrepreneurship, renewable energy, and community innovation)?
- 4.2 What more could the co-operative sector do to support these emerging areas?
- 4.3 What more could the government do to support co-operatives in these areas?

