Building a Better Future through Co-operation:

A Guidebook
This guidebook is a product of the Building Community Assets – The Co-op Advantage Project.

Other materials developed for this project are:
- Building Assets in Low Income Communities: Policy Research on the Co-operative Model
- Building Assets in Low Income Communities through Co-operatives: A Policy Framework
- It’s Time to Share

Written by:
Shannon Rohan

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For more copies contact:
Canadian Co-operative Association
(613) 238-6711 or toll free 1-866-266-7677
info@coopscanada.coop
www.coopscanada.coop

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Building a Better Future through Co-operation

Do you dream about making changes in your life and your community? Do you dream of a brighter future for your kids, of a decent house, a good job and more money?

Co-operatives can Help
This booklet contains some stories about people who wanted to build better futures and who started co-operatives as a way to realize their dreams.

A Long and Prosperous History
Historically, co-operatives have been cornerstones of local Canadian communities. In the late 1800s, Moses Coady introduced the co-op model to fisherman and fish-plant workers in Nova Scotia. In 1900, the credit union movement—led by Alfonse Desjardins—took root in Quebec. The prairie wheat pools and co-op stores are signs of a thriving co-operative movement throughout rural Canada.

Today, co-operatives provide Canadians with the opportunity to work together to meet their needs and realize their dreams. Across the country, people like you find that they can accomplish more together than they can individually. Indeed, one in three Canadians is a member of a co-operative or credit union.

Take Charge of your Future
Co-ops empower people like you to take charge of your future. We’ve put this booklet together to tell you more about how co-ops can achieve this. Here’s what you will find:

- details about what co-operatives are,
- examples of how co-operatives are being used successfully across the country,
- answers to some common questions about co-operatives,
- an outline of some of the important steps to starting a co-operative, and
- a list of resources where you can find more information.

We hope it will inspire you and help you imagine the possibilities that co-operation can bring – to you and your community.

Neechi Foods, Winnipeg, MB
Across the country and for more than 100 years, people have come together to overcome common problems and meet common needs through co-operatives. Here are just a few of their stories.

**Real Job Satisfaction**

“No one ever thought four handicapped people could do what we’re doing, but we’re proving everyday that it is possible.” A group of people with developmental disabilities in Burnaby, British Columbia shared similar frustrations: they were tired of being employed in sheltered workshops where they had no say over their jobs. They were irritated that such workshops were one of the only employment options available to them. They decided to take matters into their own hands, change their futures and create Expressway Printing Co-operative. Expressway, which provides printing services to local businesses, is one of a growing number of co-operatives in Canada run by people with disabilities, and has enabled these four people to achieve their goal of independence.

**A Place Called Home**

“I don’t believe that I would have had the job opportunities I’ve had if I didn’t live in a stable home environment. The housing co-operative has provided that for me and my children.” Before joining a housing co-operative, this single parent was living with her children in subsidized housing in Saskatoon. She wanted to raise her children in a stable home environment, but couldn’t get a mortgage or afford higher rent, while still in school. By joining a housing co-op she was able to fulfill her dream of secure and affordable housing. After being a co-op member for almost three years, she finished school and found a secure job. She has also been an active member of the co-op—serving as both Secretary and President of the Board—something that has helped her develop valuable management and leadership skills, and self-confidence.

**More than Just Health**

“...our work is really more than health education, it is also about helping immigrant families become less isolated in their new communities.” It’s always difficult to relocate to a new community. Such a move is especially hard when immigrants enter a culture where they are unfamiliar with customs, languages and services. Thanks to a group of 12 health-care workers, the situation for immigrant and refugee families in Edmonton is changing for the better. The Multicultural Health Brokers Co-op was formed in 1992 to act as a “broker” for new immigrants to help them access health services. While the co-op’s primary focus is health, the organization also helps families to access many of the different services they need including education, counseling and housing while at the same time providing valuable employment for 30 people.
Understanding Co-operatives

A co-operative is a democratic organization owned and controlled by its members. All co-op members have an equal say in how the organization is run, based on the principle of one member, one vote.

Co-ops are formed to meet people’s common needs for goods, services or jobs. Co-ops are based on the idea that people know what is best for them—and that they can work together to achieve their goals.

Co-operatives provide many different types of products and services, including grocery stores, health clinics, energy suppliers, fish plants, forestry processing, craft shops and car shares. Today, there are more than 10,000 co-operatives in Canada.

The Co-operative Difference

A Different Purpose
Co-ops care about members’ needs—not just economic, but also social, cultural and community needs. Investor-owned businesses, however, are created to generate profits for shareholders.

A Different Set of Values
Unlike other types of organizations, all co-operative enterprises around the world are based on a single set of values: self-help, self-responsibility, democracy, equality, equity and solidarity. Co-operative members believe in honesty, openness, social responsibility and caring for others.

A Different Control Structure
Co-ops are democratic member-owned organizations that give each member an equal voice in the operation of the enterprise. Regardless of number of shares held, every member has only one vote. Traditional businesses give more power—and more votes—to those individuals who own the most shares. A non-profit organization does not have owners and may not give clients or users much say in how the organization is run.

A Different Allocation of Profit
Co-ops can be either for-profit or not-for-profit. A for-profit co-op distributes any surplus generated by the organization among members, based on a method and calculation determined by the members themselves. In investor-owned businesses, however, profits are distributed based on how many shares you own. Non-profit organizations use any surplus earnings or profits to increase or improve services to clients.

The Co-op Advantage
✓ Co-ops put people first.
✓ Co-ops are owned and controlled by members.
✓ Co-ops are designed to meet members’ needs.
✓ Co-ops are democratic—one member, one vote.
✓ Co-ops have both economic and community goals.

Can you see where the co-operative difference might help you and your community?
Co-operatives for Employment
Worker co-operatives are often formed when people want to create jobs for themselves. When companies or industries close down, co-operatives can provide a way to keep jobs in communities. Worker co-ops can also provide employment for people who have traditionally been left out of the job market. As members-owners, workers have a real say in the work they do.

A workers’ co-operative in action
The Atikokan Fish Co-operative in northern Ontario was started in 1989 after the local mine closed. With 1,000 people unemployed, community members decided to form a co-op and turn the mining pit into a fish farm. Today, the co-op sells large quantities of rainbow trout to Winnipeg, Thunder Bay, Toronto and New York. The co-op has given community members hope, not just by creating jobs, but also by enabling residents, who had left the area to seek employment elsewhere, to return.

Co-operatives for Services
Co-ops also enable members to control social services in their communities. Control of social services by co-op members means that people using services have a say in how they are delivered. At the same time, co-operatives can cost-effectively deliver services that do not currently exist in a community, or that are too expensive for community members to afford.

A successful social co-operative
In Québec, co-operatives have been created to deliver much-needed home-care services to seniors and people with disabilities. Coopérative l’Îlot nord-sud was started in 1998 to provide extended-care facilities to a small rural community. The co-op purchased a building and converted it to a residential home where seniors can live and receive 24-hour care. Now, not only do seniors receive the care they previously had to find outside of their community, they also control the quality of the services.

Co-operatives for Housing
Housing co-ops provide accommodation to people who otherwise can not afford decent housing, and ensure that residents have control over how the organization is run. Housing co-op members often include youth, people in wheelchairs, gays and lesbians, visible minorities, young families, single parents, and people with developmental disabilities wanting to live independently.

A housing co-op that helps old and young
One successful housing co-op is in Saint-Fabien-de-Panet, Quebec, a small town with serious housing problems. Young people could not afford to buy homes, and alternative accommodation was hard to find. At the same time, many seniors in the community could no longer maintain their homes, but were unable to sell as there were few buyers. Coop Beauséjour was formed to buy the seniors’ homes and convert them into co-operative housing for young families and people with mental illnesses wanting to live independently.

Co-operatives for Financial Services
Financial co-operatives—known as credit unions and caisses populaires—provide financial services including chequing and savings accounts, personal and business loans, mortgages and insurance. Unlike traditional banks, credit unions and caisses populaires are created to serve their member-owners, and tailor services to meet members’ unique needs.

Coopérative de travail Touski, Montréal, PQ
A financial co-operative at work
CCEC Credit Union in Vancouver, British Columbia, was formed in 1976 by a group of people who could not get loans from banks for their non-profit and co-operative activities. Today, CCEC offers a variety of innovative financial accounts, loans and services to meet members' needs. The WomenFutures Loan Guarantee Fund, for example, provides loans to women who wish to start and run their own enterprises.

Co-operatives for Community Action
Co-ops that serve a broad range of needs within a community are often referred to as community co-ops. These co-ops work to organize community services and activities to improve local economies. Community co-ops act as a “hub” for a variety of community initiatives.

A co-op that contributes to inner-city community
The Core Neighbourhood Youth Co-op in Saskatoon was started in 1996 to provide inner-city youth with job opportunities—and to protect the environment. The co-operative has helped youth to learn many different skills, including how to run a co-operative business. The neighbourhood’s young people also contribute to the community through environmental projects such as compost-bin construction, recycling and bicycle repair.

Co-operatives for Small Businesses
Co-operatives enable people to pool resources to produce and market goods together instead of individually. These co-ops are often referred to as producer co-ops and include fishery, forestry, agricultural and arts and crafts activities.

A small-business co-operative that works
Formed in 1997, the Mitigaawaaki Forestry Marketing Co-operative in Blind River, Ontario is made up of Aboriginal members from the Robinson-Huron Treaty Area. The co-op was started to enable small-scale loggers, contractors, artisans and traditional harvesters to work together to process and market their forestry products collectively. The co-operative produces and markets timber and non-timber forest products, including maple syrup, berries, herbs and essential oils.

Co-operatives for Affordable Goods
Consumer co-operatives are formed by people who want affordable products or services available in their communities. Products provided by consumer co-ops include food, clothing, petroleum, cable services and hardware. A consumer co-operative’s primary purpose is to provide needed products at fair prices. Of crucial importance in northern Canada, consumer co-operatives provide affordable goods to remote communities where traditional businesses do not believe they can make enough profit.

A consumer co-operative that provides affordable goods—and more
The Akochikan Co-operative was set up in 1997 in an isolated northern Manitoba Cree community to provide basic goods. The co-op has since expanded to include a restaurant. The Akochikan Co-operative is particularly valuable because it is a business owned and operated by community members for their own benefit, rather than by an outside company for the benefit of shareholders who may not even know where Akochikan is located.

What kinds of co-operatives are needed in your community?
Secure fulfilling jobs
Starting a worker co-operative is a great way to generate community employment. Jobs in co-ops are usually higher quality, more secure and more fulfilling than those in other organizations.

Control over community services
Co-ops give members a voice in how non-profit community services such as housing, health, home care and child care are delivered. Co-ops allow members to be in control of—as well as to receive—services, and to have a real say in the quality and type of services delivered.

Start or expand small businesses
Co-ops enable people to pool energy and ideas to start or expand small businesses. People can increase revenues by sharing the costs of space and buying equipment, and by bidding collectively on large contracts. Co-op members committed to working together, allow small entrepreneurs to share the risks—and the benefits—of running businesses.

Access affordable goods and services
Consumer co-operatives meet the needs of their members by providing goods and services. These co-ops can provide affordable basic goods, including groceries and clothing, as well as services such as child and home care.

Improve income
Co-ops help people earn more money by generating jobs, providing access to loans, and making basic goods and services more affordable.

Make new connections
Co-operatives bring people together, offer support and reduce the isolation many people experience. Co-ops help members build connections and make new friendships through participation in co-operative activities.

Learn new skills
Participating in a co-op can help to build confidence and valuable leadership and management skills through participation on co-operative boards and committees.

Can you see a better future for yourself, your family and your community in a co-op?

Northern Star Worker Co-op, Winnipeg, MB
How do I know if a co-operative is the right choice?
A co-operative is the right choice if you have:

• A core group of people who are willing to work together and are committed to a common business idea.
• Leaders who can chair meetings and keep the group together.
• An understanding of the principles of co-operation.
• People who are willing to share control of—and responsibility for—the project.
• People in the community who are willing to assist the group.
• A way to raise sufficient start-up funding.

How much money will we need?
Each member is expected to make a financial commitment to the enterprise. Other investors, such as credit unions, foundations or government agencies, who might provide financial help will want to see that members have also contributed money. You might open a savings account with your group and each contribute $5 or $10 a month; it's amazing how quickly even such small monthly contributions can add up. You might also organize fundraisers such as garage sales, bake sales and auctions, or host a community event such as a film night.

Where can we find other sources of start-up financing?
It's possible to access small grants from foundations, business development banks, social-investment groups, your municipal, provincial or federal governments, or from your local credit union. You can also borrow money and pay it back from business revenues.

Are there any drawbacks to starting a co-operative?
Being a co-op member takes commitment, money and time. Co-op members also have to be able to work together, and prepared to accept decision making by majority vote. The start-up planning process for a co-operative can be more complex than that of traditional businesses because it requires many people to come together to create business plan. However, the advantages of working with a group of dynamic and committed people, who bring a variety of skills to the table, frequently outweigh any drawbacks.

Isn't there a lot of risk to starting a co-operative?
As with any other business and organization, there are risks to starting a co-op. However, co-operatives remain in business for longer than traditional organizations. A study conducted in Quebec shows that 64 percent of co-operatives exist after five years, as opposed to only 36 percent of traditional companies.

“Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.”

– Margaret Mead
Eight Steps to Start a Co-operative*

* Adapted from guidelines developed by the Ontario Co-operative Association

1. **Group Development: I have a great idea for a co-op, what do I do now?**
   Find other people in your community with similar needs. Who do you know? More importantly, who can you work with? To start a co-op you need at least five members (three, if you’re planning a workers’ co-operative). Begin by talking to other interested people. Try to come to an agreement about the nature of the enterprise and the way the group will work together.

2. **Needs and Opportunities: We have an interested group, now what?**
   Once you have a group of people who share a common need and are interested in creating a co-op, it’s important to find someone with co-op experience who can help you transform your idea into reality. You will find a list of resources and co-op connections at the back of this booklet.

3. **Co-op Suitability: How do we know if a co-op is the right tool to use?**
   You will have to find out if a co-operative is the right organization for your specific situation. Explore your options and try to discover how a co-op might work for you. Talk to other co-ops in your area and contact co-operative organizations to seek expert advice.

4. **Development of the Idea: How do we develop our plan further?**
   At this point, you will need to plan your enterprise in more detail. For example, if you are starting a day-care co-op, you need to learn about day cares. If you are starting a bookstore co-op, you need to learn how bookstores are run. Visit other co-operatives, talk to other co-op members and invite them to come speak to your group.

5. **Feasibility Study and Business Plan: What kind of plans do we need?**
   Once you have a clear idea of what your co-op will look like, you have to find out if it’s likely to be successful. You need to develop a business plan, which includes marketing and financial plans. Don’t let this stage intimidate you. There are many people in your community who can help your group do this.

6. **Financing: Where will we find the money to start up and run our co-op?**
   There are four ways to finance a co-op: sell shares; accept loans or collect fees from members; borrow from other sources, such as credit unions, community loan funds, family and friends; and solicit support from government. You will probably finance your co-op in a variety of ways, depending on the nature of your business.

7. **Incorporation and Legislation: We’ve made it this far, what about making it legal?**
   Before you can start your business, you need to become legally recognized as a co-op. You are not required to incorporate to run your business co-operatively; however, if you don’t incorporate, you can’t use the word co-op in your legal name. Incorporation is also good because it can limit members’ legal liability if the co-op runs into trouble. Get help from a lawyer or a co-op developer.

8. **Internal Structure and By-laws: How do co-op members and staff work together?**
   You need to develop your internal structure. Generally, co-op members get together and elect a board of directors and officers: president, treasurer and secretary. The board hires a business manager, and the manager hires staff. In a worker co-op, however, all these positions are filled by co-op members.
## Regional Co-operative Associations

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<th>Association</th>
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<td>British Columbia</td>
<td>BC Co-operative Association</td>
<td>Vancouver</td>
<td>(604) 662-3906</td>
<td><a href="mailto:general@bcca.coop">general@bcca.coop</a></td>
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<tr>
<td>Prince Edward Island</td>
<td>Regional Co-operative Development Centre</td>
<td>Charlottetown</td>
<td>(902) 894-7232</td>
<td><a href="mailto:lobie@isn.net">lobie@isn.net</a></td>
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<td>Manitoba</td>
<td>Manitoba Co-operative Council</td>
<td>Winnipeg</td>
<td>(204) 989-5930</td>
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<td>Truro</td>
<td>(902) 893-8966</td>
<td><a href="mailto:diannefk@tru.eastlink.ca">diannefk@tru.eastlink.ca</a></td>
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<td>Moncton</td>
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<td><a href="mailto:rcdc@nbnet.nb.ca">rcdc@nbnet.nb.ca</a></td>
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<tr>
<td>Alberta</td>
<td>Rural Education &amp; Development Association</td>
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<td>(780) 451-5959</td>
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<tr>
<td>New Brunswick</td>
<td>Federation of Co-operatives</td>
<td>St. John’s</td>
<td>(709) 726-9431</td>
<td><a href="mailto:dearles@nlfc.nf.ca">dearles@nlfc.nf.ca</a></td>
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<td>Ontario</td>
<td>Co-operative Association</td>
<td>Guelph</td>
<td>(519) 763-8271</td>
<td><a href="mailto:info@ontario.coop">info@ontario.coop</a></td>
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<td>Northwest Territories</td>
<td>Arctic Co-operative Development Fund</td>
<td>Yellowknife</td>
<td>(867) 837-3481</td>
<td><a href="mailto:nwtcbdf@ssimicro.com">nwtcbdf@ssimicro.com</a></td>
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## National Associations

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<tr>
<td>Le Conseil Canadien de la Coopération</td>
<td>Ottawa</td>
<td>(613) 789-5492</td>
<td><a href="mailto:info@ccc.coop">info@ccc.coop</a></td>
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Your Co-operative Ideas
Jot down your co-op thoughts and ideas on this sheet. You may be surprised at just how many ways co-ops could contribute positively to you, your family and your community.