



Public Policy Profile

POLICY: Co-operative Development Initiative

DATE INTRODUCED: The CDI was first announced in 2003 and subsequently renewed for the period 2009-2013.

JURISDICTION: Federal

INTENDED OUTCOME: The CDI was developed recognizing the patchwork of provincial support to co-operatives across the country and the corresponding need for national leadership and coordination of co-operative development.

BRIEF DESCRIPTION

The Co-operative Development Initiative (CDI) is a federal initiative, delivered in a partnership between two practitioner organizations: the Canadian Co-operative Association and Conseil canadien de la coopération et de la mutualité; and one government partner, the Cooperatives Secretariat. The program has three components: Advisory Services, Innovative Co-operative Projects and Research and Knowledge Development. The first two are managed by the practitioner partners, while the latter is run by the Co-operatives Secretariat. The Advisory Services component conducts public education work and provides technical advice to those interested in developing a co-operative. Its goal is both to strengthen the capacity of provincial and sectoral co-operative organisations, and to directly provide advice to those developing co-operatives.

The Innovative Co-operative Projects component provides grant funding up to \$75 000 for co-operative development in four priority areas: agriculture, including farmer-driven projects for value-added agriculture and bio-fuels; rural/northern community development; innovative goods and services, including innovative uses of technology; and projects that contribute to capacity building and sustainability of the co-operative sector as a whole in Canada. Close to two hundred applications were received in 2009. The Research and Knowledge Development (\$200 000/yr) is meant to support policy and applied research to support co-operative development.

WHY IT IS IMPORTANT TO A PEOPLE- CENTRED ECONOMY

According to John Anderson of the Canadian Cooperative Association, co-operative development is a fundamental element of a people-centred economy because co-operatives are a model of business development built on principles of “participation, economic democracy and community control”—values that have, in recent years, proven fundamentally important to the smooth and continued functioning of the economy. This is reflected by Alain Roy of the Co-operatives Secretariat who notes,

“Co-ops are, by definition, a means of assembling resources to meet needs and produce goods and services. They contribute to the economy in a number of ways: by creating employment, generating wealth, and providing services that in some areas would not be provided by anyone else”... All [of these things] contribute to

increasing the prosperity and quality of life of Canadians and to a better, strong society and economy.”

Of equal importance in the current recessionary climate is support to co-operative development as a tool to create decent, well-paying jobs that will stay in the communities in which they are created. In fact, recent experience suggests that as a business model co-operatives are more sustainable and have a longer lifespan than traditional businesses; this is largely because of the involvement of a broader group of people in their governance. In short, co-operatives are important to a people-centred economy because they are owned by the communities that support them and not by profit, driven foreign interests. According to Anderson, the CDI then “is particularly important as we come out of recession because this fund allows people in community to have choices about how to develop jobs and economic activity in their community and to be in control of those activities”. This is also reflected by Roy who notes that a strength of co-operatives is their ability to use “mutual wealth to address, on a sustainable and long term basis, needs that have been identified locally.”

SIGNIFICANCE

The CDI recognises that co-operatives provide good jobs and meaningful goods to citizens without ongoing annual support from government and while significantly contributing to the tax base. According to Roy,

“there is a responsibility to ensure that Canadians see the full benefit of all of its components and in terms of co-ops there was a recognized need to reconnect co-ops with communities, re-offer them the opportunity to engage with meeting local needs, often from a different perspective... the co-op model is one that is connected to local needs and engaged with local people.”

According to John Anderson, “CDI has helped entrench co-operative development as part of the work of the federal government, just as they have funded traditional business development”, he goes on to say, “our experience proves that there is a real need for this program... and it demonstrates that with a bit of government support, the co-operative sector can play an important role in supporting economic development.” Further for

Anderson, the CDI represents a recognition that some of the money that co-operatives pay in taxes should come back to support the development of the sector. This idea is gaining prominence in other jurisdictions as well, for example, practitioners in Manitoba are lobbying for the creation of a Co-operative Tax Credit that would be used to support the development of the sector in that province.

Some elements of the CDI have been altered in its second iteration (2009-2013). Notably for Anderson the CCA and CCM have been given more responsibility for the operational aspects of the initiative. Practitioners also saw an increase in the CDI budget from \$3 Million to over \$4 Million/year. According to practitioners, these changes are significant in a context where many organisations and NGOs have seen their funding cut, not only has the CDI has survived but is also in control of a pool of money to support further development. The success of the lobbying campaign mounted by practitioner organisations and allies is just one indication of the strength of the co-operative movement in the Canada.

BARRIERS AND NEXT STEPS

Despite the success of the co-operative movement in lobbying for the renewal and expansion of the CDI, there are still significant gaps in support for co-op development in Canada. Practitioner organizations continue to actively lobby for the development of a \$70 million patient capital Co-operative Development Fund, for example. Anderson also notes that there needs to be more education and knowledge about the co-operative model in government, especially at the provincial level where primary responsibility for economic development issues often lies. Canada's three most populous provinces, for example, continue to lack any type of government structure to support the co-operative sectors, let alone funded initiatives similar to the CDI. The long-term capacity of the co-operative sector to be self-sustaining in the absence of government support is also raised by Roy, who notes that the CDI alone cannot address these issues.

REPLICABILITY

This model is very replicable at the provincial level. Several provinces have co-operative development structures in place, with Québec supporting the most extensive program. The Québec program works in tandem with the federal program.

INTERVIEWS

John Anderson, Director of Government Affairs and Public Policy, Canadian Co-operative Association; and Alain Roy, Manager, Partnerships, Co-operatives Secretariat, Government of Canada.

FOR MORE INFORMATION

Canadian Co-operative Association: www.coopscanada.coop

Conseil canadien de la coopération et de la mutualité: www.cccm.coop

Co-operatives Secretariat: www.coop.gc.ca

Profile created by Sarah Amyot, Research Coordinator, Canadian Social Economy Hub
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