



# Public Policy Profile

## **POLICY: Solidarity Co-operatives Enabling Legislation**

**DATE INTRODUCED:** Not yet introduced

**JURISDICTION:** Manitoba

**INTENDED OUTCOME:** Solidarity co-operatives are a unique form of co-operative organisation that allows for several different classes of membership, usually made up of consumer, worker and supporting or investor membership classes. Supporting or investor members can be local organisations (such as community development organisations), businesses or individuals with an interest in supporting the co-operative. Currently Québec is the only province in Canada that has the legal framework to allow for the creation of solidarity or multi-stakeholder co-operatives; however, the Manitoba Co-operative Association (MCA) and other local activists are working to change this. The Association has been gathering research and has submitted a petition to the provincial government calling for change to the Manitoba Co-operative Act that would allow for the creation of multi-stakeholder co-operatives.

Solidarity co-operatives represent an important advancement of the co-operative movement in Manitoba because they can help encourage investment in the sector. This is done by creating an investment class of membership, with a defined set of rights associated with membership. While current legislation allows for outside parties to financially invest in co-operatives, it does not grant any membership rights to investors. This creates a disincentive for investment in co-operatives and is a particularly

pronounced issue for new and developing co-operatives. It is hoped that this enabling legislation would support innovation and the development of new co-operatives.

This legislation would expand on provisions in the existing legislation that allow for the existence of multi-stakeholder co-operatives on a not-for-profit basis only. For example, Collaboration Co-op Development Co-op, operating in Manitoba, exists to provide technical services to member co-operatives. The membership of the co-operative is made up of both technical experts or practitioners, and the members who purchase services from the member practitioners. However, this has only been possible because the co-operative does not distribute its surplus.

Solidarity co-operatives are also important to the co-operative movement as they advance the principle of cooperation by creating a unique form of enterprise where different classes of members work together to negotiate a common set of values and goals. Solidarity co-operatives force members to put aside their own interests and work together in the best interest of the co-operative as a whole.

## **WHY IT IS IMPORTANT TO A PEOPLE- CENTRED ECONOMY**

Solidarity co-operatives represent an important contribution to sustainable social and economic development in Canada because they take the principles of shared ownership already embedded in the co-operative model one step further by building an enterprise on blended values, collaboration and common ground.

## **NEXT STEPS**

The goal for the MCA is to seek the necessary changes to the Act over the next two-years. The MCA will be submitting a proposal to government on the need for enabling legislation in the near future. Practitioners in Saskatchewan and British Columbia are also considering work on similar legislation in their respective jurisdictions.

## **INTERVIEWS**

Vera Goussaert, Executive Director, Manitoba Co-operative Association.

## **FOR MORE INFORMATION**

[www.manitoba.coop](http://www.manitoba.coop)

**THE MANITOBA CO-OPERATIVE ASSOCIATION:** The Manitoba Co-operative Association (MCA) Inc. is a provincial association of co-operative organizations, created by its members to enhance and support the development of a united, growing and influential co-operative movement in Manitoba. MCA is made up of 11 member organisations representing 125 to 150 co-operatives in the province. Despite the strong co-operative sector in Manitoba, many co-operatives in the province are unaffiliated to any co-operative association or federation. The MCA is working to strengthen involvement of small-scale and/or unaffiliated co-operatives in the Association.

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