



Innovation, Science and  
Economic Development Canada

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Développement économique Canada

Canada

# Responding to M-100

## The Role of Co-operatives in Canada



# Background

- M-100 called on the Government to acknowledge the important role co-ops play in the Canadian economy and to take additional steps to ensure they continue to thrive.
- On April 5, 2018 the Government announced its intention to focus efforts on three areas:
  - Accessing Federal Programs and Services;
  - Raising Awareness of the Co-op Model; and
  - Modernizing Co-op Sector Data
- The Government also announced a commitment to continued engagement with the sector focused on how co-ops can support government priorities including Indigenous economic development, women and youth entrepreneurship, renewable energy and community-based innovation.

# Outlining the Engagement Process

## Preliminary Engagement

Discuss pillars and emerging opportunities with key stakeholders and networks.

## Summary Report

Based on preliminary feedback develop a “what we heard” report and share for direct feedback.

## Policy Forum

Host sessions focused on concepts outlined in preliminary engagement and focus on linking the co-op sector with emerging opportunities.

## Growth & Innovation Report

Summarize engagement process, outline specific initiatives and launch next steps.

# Proposed Areas of Action



# Accessing Federal Programs & Services

## Objective

Highlight relevant federal business development programs, services and financing, while exploring ways to promote the co-op model to aspiring entrepreneurs.

## Background

-The federal government provides a range of programs and services designed to support Canadian businesses through start-up, growth, and expansion. The majority of these offerings are available to co-operatives yet real and perceived barriers exist.

-Co-operatives may not be aware of the options available or front-line business development officers may lack awareness and understanding of the co-operative model

## Discussion Questions

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

# Raising Awareness of the Co-op Model

## Objective

Proactively increase awareness of the co-operative model and ensure that it is considered as a solution in appropriate initiatives and strategies.

## Background

- Despite a track record of economic success and its potential to address a range of government priorities, awareness and understanding of the model remains low.
- New incorporations of co-operatives are limited and the overall number of incorporated co-operatives has decreased for three consecutive years.
- There is a low level of awareness of the model among the Canadian public and across federal departments which can lead to the model being overlooked in relation to emerging opportunities.

## Discussion Questions

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

# Modernizing Co-op Sector Data

## Objective

Improve enterprise-level data and business information on Canada's co-operative sector with an efficient and open manner of dissemination.

## Background

-Canada has access to national-level data on co-operatives that is made available through the *Annual Survey of Canadian Co-operatives*, yet there is a perception that the dissemination of this data could be more timely and open.

-The survey is limited in the type of financial data it collects, leaving some remaining gaps in the overall understanding of the financial, business growth and innovation of the co-operative sector.

## Discussion Questions

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

# Emerging Opportunities

**Co-operatives and Inclusive Growth & Innovation**



# Emerging Opportunities

- There are a number of current government priorities that potentially represent an opportunity to highlight the co-operative business model.
- This includes existing strategies and initiatives (ex. National Housing Strategy, Social Innovation and Social Finance Strategy) as well as emerging Government priorities (ex. Indigenous economic development, Women and Youth Entrepreneurship)
- This section will explore those emerging opportunities and seek to identify ways that the co-operative model can play a role.

# Emerging Opportunities

- ❖ **Indigenous Economic Development-** Indigenous Peoples represent one of the fastest-growing segments of the Canadian population. First Nations, Inuit and Métis continue to make important and diverse contributions within Canada, and will play a vital role in the future of the Canadian economy.
  - ✓ Arctic Co-operatives Limited and the Fédération des coopératives du Nouveau-Québec (FCNQ) demonstrate the importance of the model in Indigenous communities.
  - ✓ Given their common interests in autonomy, democratic decision-making, and concern for the community, co-operatives represent a tool for economic development in both rural and urban Indigenous communities.
- ❖ **Women Entrepreneurship-** Women and youth represent a significant source of untapped talent and potential in Canada. Only 15.7% of Canadian SMEs are majority-owned by women. Meanwhile, only 14.6% were owned by entrepreneurs under 40.
  - ✓ Co-operatives allow youth and women to take advantage of the knowledge and experience of members to obtain funding they may not otherwise have access to and their democratic structure ensures that the voices of youth, women, and other underrepresented groups can be heard.

# Emerging Opportunities

- ❖ **Clean-tech and Renewable Energy-** Canada has access to substantial renewable resources such as solar, wind, biomass, geothermal and hydroelectricity. The Government of Canada is committed to innovation and clean growth across all business sectors of the economy through increased development, commercialization and adoption of clean technology solutions.
  - ✓ The co-operatives business model represents an opportunity for communities to produce and transmit electricity, allowing them to reduce their dependence on outside energy sources and sell surplus electricity to the grid.
- ❖ **Community-based Innovation-** Canada's rural, remote and urban communities face a number of emerging challenges including aging populations, significant out-migration, and a wave of business succession impacting both jobs and the basic provision of goods and services.
  - ✓ Co-operatives have enabled communities to take control of their economic development by finding tangible solutions that meet their unique needs

# Discussion Questions

- Are there specific best practices/examples that you are aware of in each of these emerging areas?
- What more could the co-operative sector do to support these emerging areas?
- What more could the government do to support co-operatives in these areas?

# Next Steps



# Next Steps

- Feedback from this session will be incorporated in the Summary Report, which will be distributed electronically.
- Stakeholders will have an opportunity to comment on that Report before the final version is published.