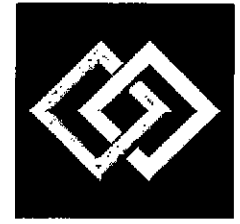


# CO-OPS



# AT WORK

Vol. 5, No. 1

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***Newsletter of the Canadian Worker Co-operative Federation (CWCF)***

Hazel Corcoran, editor

## NATIONAL NEWS

### **-- FINALLY THERE WILL BE A CWCF JOB CREATION FUND!**

After TWO AND ONE-HALF YEARS of research, drafting and lobbying of Human Resources Development Canada, the CWCF's capital fund is on the verge of becoming a reality as an HRDC pilot project. After an initial disappointment that the proposed \$16.5 million Fund was not part of the February, 1999 federal budget, we were pleased and optimistic to learn last summer that HRDC officials were interested in offering us a \$1.5 million grant for a CWCF pilot project, plus additional monies to administer the Fund. Negotiations through last fall progressed slowly but well as HRDC had us draft three different versions of the pilot proposal, and in the normal course of events it appears that we would have likely signed an agreement with HRDC at the end of last year.

As it turned out, it was only late in spring 2000 that we learned that HRDC had made a firm decision to support our pilot project. On June 24th, at the Annual General Meeting of the Canadian Co-operative Association in Honey Harbour, Ontario, a news release was issued and the Fund was formally announced by Andy Mitchell, Secretary of State (Rural Development, and Co-operatives).

As this is written (mid-August, 2000), we have completed negotiations on a contract with HRDC, having been through four drafts of the contract. The CWCF has signed off on it, HRDC has agreed to all terms and the final step required before we can begin work on the Fund is to await the signature of the responsible Assistant Deputy Minister, **expected within days.**

The Fund will be administered by the CWCF; the Executive Director will have overall responsibility, working with a Fund Manager and an Investment Committee, as well as one regional coordinator in each region of the country. The Fund Manager is Peter Hough, who has recently moved back to Nova Scotia. Peter will be providing part-time management services to just us! Co-op, and working part-time for the CWCF. In total, there will be just over two staffmembers at full-time equivalency for the Fund.

***This year's CWCF AGM and Conference will be held November 3-5 in Regina. Mark your calendars!***

## HOW THE FUND WILL WORK

The Fund will be used for **both capital investments, and some assistance with pre-feasibility studies, business plans and mentoring/training**. Some of this assistance will be by way of grant and some will be part of the capital package.

Funds will be used by CWCF to invest in worker co-ops with an important constraint; worker co-ops have to meet one of the following three criteria:

- (1) Conversion of businesses threatened by possible closure, to worker co-ops;
- (2) New worker co-ops where about half of the initial members are people currently receiving Employment Insurance or who have done so in the past three years; or
- (3) Existing worker co-ops which expand to add new jobs that meet the EI criteria, i.e. one-half of the new jobs go to current or recent EI recipients.

The project would be carefully monitored to measure our results. Barring any unforeseen delays, the Fund should be operational by approximately 3 months after the contract is signed with HRDC.

## ROLE OF THE DEVELOPERS' NETWORK

The Fund will work through the Network of Worker Co-op Developers which the CWCF is launching in September, 2000. The initial Developers' Toolkit has been assembled, and before sending out the letters of invitation, we are simply awaiting the signature on the contract with HRDC. We expect to work in conjunction with existing co-op development agencies as part of the Network, including the Regional Development Co-operatives in Quebec, the provincial co-op councils involved in development, and others.

**Co-ops and prospective co-ops will be able to apply for financial assistance to contract with members of the Developers' Network for technical services** such as pre-feasibility studies, etc., as well as for capital investments. The Fund will be very flexible in terms of the types of investments it makes; however, it will be used primarily to leverage other capital and will normally invest no more than 30% of the total capital package, with a minimum of equity required to come from the worker-owners in aggregate of 15% of all-capital, or \$1,000 per member (whichever is less).

By the end of the two-year pilot project, CWCF is required to have created or maintained 128 jobs. If this goes well as a pilot, we will seek a larger Fund, as in our original proposal, to grow the worker co-op sector in the long term.

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## CWCF AGM 2000

The dates and place for this year's AGM / Conference have been set. The AGM / Conference will take place **November 3-5, 2000** at the John Paul II Centre in **Regina, Saskatchewan**. One component will be the roll-out of the CWCF's Fund, primarily aimed at the Developers' Network and those worker co-ops with plans to expand and add jobs. Watch for details in September.

**Worker Co-op Merit Award:** The CWCF is actively seeking nominees for the **YEAR 2000 WORKER CO-OP MERIT AWARD**. Please forward your nomination to the CWCF head office indicating the person's name and coordinates, your name and coordinates and a brief explanation of why you are nominating him or her. **Please forward us your nomination by Friday, September 29.**

## LAST CWCF AGM

Last year's AGM was held in Montreal, Quebec with the theme of "Co-operation without Borders." The focus was both on building the relationship between the worker co-op sector in Quebec and the rest of Canada, and on the international worker co-op movement

under CICOPA, a specialized body of the International Co-op Alliance. The keynote speaker was Walter Tesch of the Brazilian worker co-op movement and President of the new CICOPA-Americas region. (Please see note under "CICOPA," below.)

Other than the problem that we placed too many speakers on the two panels, last year's meeting was well received by delegates. Participants were pleased to learn of the dynamic state of the Quebec worker co-op sector, with workshops presented on the forestry worker co-ops, and new co-operative models: solidarity co-ops and worker-shareholder co-ops, among other topics as outlined below by Gilles Tardif. A panel discussion on meeting capital requirements in worker co-ops covered many different available funds, though in most parts of the country availability of small amounts of capital is lacking. A grant for simultaneous interpretation of the Conference, from Heritage Canada, was vital to the dialogue at the Conference and was greatly appreciated.

At the business meeting, a discussion was held on the idea of using the term "employee-owned co-operative," as opposed to "worker co-operative." Although it was generally agreed that it may be advisable to use the term "employee" instead of "worker" in some contexts, the vast majority of delegates were strongly opposed to such a change of a formal basis, such as in the name of the Federation.

--Commentary by Gilles Tardif, president of the Quebec W.C. Federation:

"Co-operation without Borders" was the theme of the AGM of the CWCF, held in Montreal on November 12th - 14th. It was a meeting which was very much appreciated by the participants for the shared warmth, numerous exchanges and news on worker co-op development activities.

To begin, there was a **"relaxed" encounter at Chaos Café** on St. Denis Street, where new and old worker co-ops from the Montreal region discussed daily life at their co-ops with conference delegates. These presentations let us sense the solidarity needed in a worker co-op, and also to hear about the different ways to be involved in worker co-operation. Thereafter, there was a panel on the state of worker co-op development activities in Europe and in the Americas, pointing to common problems and original solutions relevant to each region. The importance of unifying our forces to grow the movement came through clearly. The workshops permitted an exchange among the co-op members on particular initiatives; the Youth Service Worker Co-ops presented by the RQCCT (Regroupement québécois des coopératrices et coopérateurs du travail) sparked a lot of interest and enthusiasm. Participants also turned their attention with interest to the research on the special conditions of worker co-op development in urban settings, and showed much enthusiasm for the social audit approach in co-ops. A gala banquet was the forum to celebrate the Worker Co-op Merit Award given to Peter Hough, for his long-time volunteer involvement since stepping down as Executive Director, and to be amazed by the talents of musician Jean Verville, President of the Worker-Shareholder Co-op Federation of Quebec, who played for us on his harmonica the "reel de la coopération."

There are **three significant outcomes** which should be remembered from this event. Firstly, the Quebec caucus agreed to accept a limited form of membership in the CWCF for the first time ever, and negotiations are continuing through *CoopérAction* (the network of all Quebec-based worker co-op federations). Secondly, the new Federation of Regional Development Co-ops of Quebec expressed its interest in joining forces with the worker co-op movement. [See below, "Good News on the Membership Front", for an update on these first two points.] Finally, the informal North American sub-committee of CICOPA-Americas was created, under the leadership of Walter Tesch; members of the sub-committee are Hazel Corcoran representing the CWCF; Frank Lindenfeld (of GEO, *Grassroots Economic Organizing*, newsletter, based in Stillwater, Pennsylvania), and Gilles Tardif as President of *CoopérAction*.

At the business meeting, the delegates declared that they had greatly enjoyed their stay

in Montreal, and were returning home re-charged in their worker co-op activity.”

Two Directors left the Board at the 1999 AGM: **Jeff Moore** and **April Bourgeois**, and the CWCF would like to acknowledge the significant contribution to our organization made by both of them. Jeff Moore of just us! coffee roasters' co-op in Wolfville, N.S. decided to leave the Board one year early in order to devote more time and attention to his co-op, which is growing very quickly. (For more information on just us! and their *fairly traded*, organic coffees and teas, see [www.justuscoffee.com](http://www.justuscoffee.com).) April Bourgeois of the prairie dog alternative newspaper in Regina, Saskatchewan left the Board in November after deciding not to seek re-election. April left the Board after several years' dedicated service as Prairies Director, due in part to growth at the prairie dog but, more significantly, due to the birth of her twin baby girls last fall. (*Congratulations, April and Mitch!*) The new Atlantic Director is **Maureen MacLean** of Rising Tide Co-operative in Moncton, N.B.; the new Prairies Director is **Lynn Hannley** of the Communitas Group in Edmonton.

Many, many **thanks to our Conference Sponsors**: Desjardins-Laurentian Life Insurance; la Caisse d'économie des travailleurs et travailleuses de Québec et Montréal; CCA International Affairs, Canadian Travel Co-op, Federal Co-operatives Secretariat, Co-op Atlantic, Co-operators Insurance, CUC PEI, Credit Unions of New Brunswick, Le Fond d'action (CSN), Government of Saskatchewan (Saskatchewan Economic and Co-operative Development), Government of British Columbia (Ministry of Community Development, Co-operatives and Volunteers), and Heritage Canada / Le Ministère du Patrimoine canadien. And **thanks to all volunteers** who helped with the conference, without whom the Conference would have not run nearly as smoothly.

### **ICA CONGRESS / CICOPA: CWCF and the International Co-op Movement**

The International Co-op Alliance's 1999 Congress and General Assembly, hosted by le Mouvement Desjardins, le Conseil canadien de la coopération and the Canadian Co-operative Association, was held in Québec City from August 30 to September 1, 1999. CICOPA (the international Worker Co-op Federation) held a General Assembly in Québec City on September 3, 1999. Canada was represented at the CICOPA meeting by Hazel Corcoran, Gilles Tardif and Alain Bridault of the Coopérative Orion of Sillery, Quebec. Both Hazel and Gilles had the opportunity to make presentations on the worker co-op movement here.

The ICA Congress in Quebec City was a very exciting experience; there were 1200 people in attendance from 80 countries. In general, the events of the week were of high calibre, with presentations by co-operators from around the world, and good opportunity for questions and input from participants. Some of the highlights included the sessions on Marketing our Co-operative Advantage, adding value to membership, and of course, the contact with CICOPA. All of the papers presented at the conference are available on ICA's web site, at [www.coop.org](http://www.coop.org). Of course, much of the really important work of such meetings happens in the hallways, and this was definitely no exception. We had the opportunity to get to know leaders of the worker co-op movement from around the world, including Marian Rybár, of Bratislava, President of CICOPA international.

What was perhaps most exciting for CWCF was that, in part through an agreement with *CoopérAction* in Quebec, **the CWCF joined CICOPA and CICOPA-Americas** in fall, 1999.

### **NEWS FROM CCA/CCC**

CCA recently held its Annual Meeting in Honey Harbour, Ontario. Bill Turner stepped down as CCA President after four years, and Jim Barr of the CUMIS Group was elected President. Carol Hunter has recently been promoted to the position of Director of Member

Services.

The CCC held its AGM in conjunction with the 100th anniversary of the Mouvement Desjardins, this past May in Lévis, Quebec. The President / Executive Director of CCC's largest provincial council in Quebec, Majella St.-Pierre has retired and was replaced by Luc Labelle.

The CCA/ CCC co-op development proposal submitted to Agriculture Canada, for improved development capacity, is still being considered by the federal government. At the CCA Annual Meeting, Andy Mitchell announced a \$500,00 project from the Canadian Adaptation and Rural Development (CARD) fund for a project intended to stimulate the growth of new agricultural co-operatives and increase the productivity of existing ones. The project is sponsored by the CCA and le CCC. Under this initiative, the co-operative sector will conduct research to better understand the role of co-operatives within the agricultural sector and determine what policy and program changes are needed to encourage co-operative growth. As part of the CARD project, regional forums will be held across the country in coming months; interested people should contact CCA.

### **CEDTAP PROGRAM**

Through this program sponsored by the McConnell Foundation and Carleton University, worker co-ops (and others) can access up to \$25,000 of financial assistance for services through CEDTAP's approved assistance providers. **The CWCF was admitted as an Associate Provider of CEDTAP** this year. Detailed information on CEDTAP, which stands for "Community Economic Development - Technical Assistance Providers" is available at [www.carleton.ca/cedtap/](http://www.carleton.ca/cedtap/).

### **SAVINGS AVAILABLE TO CWCF MEMBERS ON TELECOMMUNICATIONS**

Through an agreement spearheaded by the CCA's CEO Council, CWCF members are now eligible for a group procurement plan through Sprint Canada. Through any business line of a CWCF member, discounts are available on long distance, conference calling, internet use, etc. For example, the rate available for **long distance is 6.5 cents/ minute, anywhere, anytime** in Canada. CWCF members should contact the Executive Director or the Fund Manager to learn how to take advantage of this plan.

On a group **health insurance plan**, CWCF had hoped to announce by now a plan for our members. Unfortunately, the plan we hoped to partner with, while extremely comprehensive, has turned out to be very expensive and we are attempting to negotiate a better plan for our members.

### **STUDY ON CWCF RELATIONS WITH THE FRANCOPHONE WORKER CO-OPS**

Last winter, the CWCF carried out a study on our relations with the francophone worker co-ops and development agencies across Canada. Due to the fact that approximately 2/3rds of the worker co-ops in Canada are primarily French-speaking, our relationship with the francophone sector has always been important to the CWCF. We were very pleased to have the support of the Co-operatives Secretariat in carrying out this study. As a result of interviewing a series of francophone worker co-op leaders, a series of 25 recommendations were made. These include the need for:

#### **1. MORE BILINGUAL SERVICES**

A 4-year Heritage Canada "Bilingualization" program into which the CWCF was accepted last year will, obviously, help tremendously in this regard. This past year, the funding was used to provide interpretation at the Conference and to translate the Developers' Toolkit into French (in progress).

## 2. MORE CWCF PARTICIPATION IN FRANCOPHONE WORKER CO-OP MEETINGS

To raise its profile and to reach out to more francophone worker co-ops, the CWCF should, if resources permit, participate in more conferences of the Quebec sector (FQCT, CCFQ, FCTAQ, Federation of CDRs) and also of the CCC provincial councils outside Quebec, where there are worker co-op members or a significant level of interest.

## 3. A TWO-PRONGED, SHORT-TERM / LONG-TERM APPROACH

It may be best for the CWCF to take an approach to cultivating the relationship with the Quebec organizations in two stages, with short-term and long-term goals. In the short-term, the CWCF could pursue a functional approach, while in the long-term, an "institutional" approach. The "functional" approach means seeking a good functional relationship which is not yet institutionalized through formal membership, including regular meetings between the organizations' leaders, sharing of information and tools, and carrying out common projects together. This has in effect been our approach, but we have perhaps not recognized this or given it sufficient credit. The more "institutional" approach, on the other hand, implies formal memberships, dues, etc. Whereas we have had some success with a "functional" approach to working together, we have not looked at it systematically. Instead we have focussed on the "institutional" approach and called it nearly a failure, when perhaps it is still too early for such an approach to succeed. This is the strategy being used by CoopérAction; in the short term it is focussed on an informal, functional partnership.

## GOOD NEWS ON THE MEMBERSHIP FRONT

In the past few months, the CWCF has gained an important new Associate Member and made real progress in working with *CoopérAction*. Our newest Associate Member is the Federation of Regional Development Co-ops of Quebec, and we are very pleased to have them join us. And *CoopérAction* has made a small but significant contribution to the CWCF, a goal towards which the CWCF has strived for several years.

In turn, the CWCF has joined, in the "Friend" category, the Canadian CED Network and will be attending its Annual Meeting September 29th - 30th in Calgary, Alberta.

## WORKER CO-OP SUCCESS STORIES

The Co-operatives Secretariat has just published a volume, with the collaboration of the CWCF, entitled Worker Co-operative Success Stories. It profiles 13 different worker co-ops. It is now or soon will be available on the Co-op Secretariat's web page at <http://www.agr.ca/policy/coop>. Printed below is one of the co-operative profiles in this new volume.

### *La Coopérative Travailleurs Forestiers McKendrick Ltée: You Can't Ask for Anything Better*

*by Maureen MacLean and Brenda MacKinnon*

Location: Val D'Amours, New Brunswick

Year of incorporation: 1991

Number of members: 60

Number of employees: 72 Seasonal

Activities: Silviculture

Revenues: \$1.3 million

The wind blows strongly across Sommit L'Acadie tattering the provincial flag and encouraging

people to wear hats and mittens even on this early October morning. Across the road from La Cooperative Travailleurs Forestiers McKendrick Ltée, an unoccupied glider swings back and forth rhythmically reflecting the heartbeat of this small community in northern New Brunswick.

McKendrick, population of 700, is located behind the Sugarloaf Mountain and about 15 kilometers from Campbellton, New Brunswick.

The community itself is now able to withstand the harsh winds of economic change because within it has grown a strong co-operative business, La Cooperative de Travailleurs Forestiers McKendrick. During the 1999 season it was able to provide full or part time work for more than 60 members, contracted to manage the forests in a 350-hectare area. The members generate full- and part-time employment for more than eight months each year. The significance of this on the community can be measured in financial and economic terms. An annual payroll of \$1.1 million and a yearly contribution to the local, provincial and federal tax base of more than \$480,000 is of note in a community where a few years ago the young people left and seldom returned. But there is another contribution this worker co-op and others like it all over Atlantic Canada is making, it develops and strengthens community capacity.

Yves Levesque grew up in McKendrick, son of a forestry worker. He went off to attend community college in Bathurst in 1990. He wanted to work in the woods, as was the tradition in his family for many years so he took a two-year diploma program as a forestry technician. Following graduation he worked for two years away from home until he found out about the co-op.

Yves was the first technician the co-op hired back in 1993. Today they have six, some of them young men who saw that they could find work near home and so chose forestry as their career, too.

Now as a worker-owner he has been able to be assured of a job where he can live near his parents and in-laws. He has built a small home in nearby Val D'Amours and together with his wife and three-year-old has become a part of growing the community of Maltais.

Just elected as vice-president of the co-op, Yves shares the fact that the skills he has learned as a director and the self-confidence he has gained have enabled him to take an active role in the community. It is easier, he says, because he is surrounded by people. "I have become a volunteer fire fighter just a few months ago. Without my involvement in the co-op, I could never have done that. You can do all that when you feel you have job security." Yves says that the co-op tries not to lose any jobs, but to create more. "We want to help people live better." He added that the Co-op people might be working otherwise for a private contractor. "But here at the co-op, it's my business.. We are not working for somebody. Everything goes to us and you can't ask for anything better."

*"You Can't Ask for Anything Better" written by Maureen MacLean and Brenda MacKinnon, Rising Tide Co-operative Ltd., as part of a research study on "Worker Co-ops and their Impact on the Atlantic Economy" supported by funding from The Co-operators.*

# The Canadian Worker Co-operative Federation

Founded: Spring, 1991 in Antigonish, Nova Scotia.

Number of worker co-op members: Approx. 40.

Number of Associate members: 9:

Canadian Labour Congress  
Co-operative Housing Federation of Canada  
Crocus Fund, Manitoba  
Federation of Regional Development Co-ops, Que.  
First Ontario Fund  
Le Mouvement Acadien de la coopération, N.B.  
NWT Co-op Bus. Development Fund, Yellowknife  
VanCity Savings, Vancouver  
North West Co-op Federation, Seattle, WA (USA)

Accredited Regional Federation members: 2:

B.C. Federation of Worker Co-ops  
Ontario Worker Co-op Federation  
[plus the Atlantic Canada W.C. Network]

## VISION STATEMENT:

To develop and support an integrated network of democratically controlled worker co-ops which provide a high quality of worklife, and which work together to support the development of healthy and sustainable local economies, based on co-operative principles.

## MISSION STATEMENT:

1. To secure and coordinate national development resources, to develop support for the worker co-op option both within the co-op sector and within government, throughout Canada, and
2. To create an environment to enable Accredited Regional Federations to provide value-added business services to their member worker co-ops.

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