



March 24, 2020

The Right Honourable Justin Trudeau, Prime Minister
The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Intergovernmental Affairs
The Honourable Bill Morneau, Minister of Finance
The Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development
The Honourable Jean-Yves Duclos, President of the Treasury Board
The Honourable Mona Fortier, Minister of Middle Class Prosperity, Associate Minister of Finance
The Honourable Mélanie Joly, Minister of Economic Development
House of Commons
Ottawa, Ontario K1A 0A6

Dear Prime Minister, et al.,

A Proposal for shining light into this darkness, with the Solidarity Co-operative Movement

The world around us has changed, suddenly and dramatically, as a result of Covid-19. The co-operative model, especially when partnered with government, is a proven way to help people shine in times of darkness. We need this type of partnership to unleash the co-operative potential inherent in all of us, and quickly. The Canadian Worker Co-operative Federation (“CWCF”) has been researching and incubating these ideas for decades, and feels called to partner with the Government of Canada to help people and communities save jobs and small businesses.

We are writing to propose strengthening Canada’s Worker and Solidarity Co-operative movement as part of the response to the pandemic, and also to climate change, economic inequality, and precarious employment. We seek to dramatically increase the size of CWCF’s Tenacity *Works* Co-op Investment Fund (currently at only \$.5 million) with a \$70 million investment from the Government of Canada. Although CWCF’s Fund is only half a million, we have over \$70 million under management in our RRSP-TFSA program, in co-ops of various types and Community Economic Development Investment Funds, from many small investors, and we suggest that this injection of funds be viewed as matching funding.¹ It would be a one-time ask, as it would then create a revolving investment fund which would continue indefinitely into the future; we have all the modelling to demonstrate this. We also seek to partner with the Government of Canada to offer innovative, collaborative solutions to save businesses which are viable and profitable and may have soon-to-retire (or otherwise soon-to-depart) owners, but are stressed to the breaking point with the current global crisis. Our budget for this program is \$26 million over five years, with \$5 million to be contributed by the businesses converting to co-operatives, and \$21 million from the Government of Canada. Thereafter this element would also be self-sustaining, one of the principles of the co-operative approach, to be autonomous, including from Government.

In addition, most if not all of CWCF’s members will require one-time emergency injections of funds in order to survive and thrive into the future. Most of our members, like all small businesses now, are in crisis mode. (Some supports may come from other federal programs.) The major exceptions are the paramedic co-operatives in Quebec, which by contrast are extremely busy and whose members are

risking their lives to help fight Covid19. Especially for the vast majority who are struggling, CWCF requests \$9 million for this important component of our mutual Solidarity Co-operative work, for a total program of \$100 million. All this is beyond the critical grant aid to workers which your Government is also announcing and which we fully support. We would like to clarify that it is not CWCF itself which seeks resources; rather we are seeking help to get resources to our members of all types through the pandemic and also to create Solidarity Co-operatives to save businesses.

Canadians are in need of hopeful strategies at this extraordinarily trying time. Some have characterized the Solidarity Co-operative movement as an “Economy of Hope,” and certainly among the most tried and true parts of the Social and Solidarity Economy, which puts the needs of working people first. I hope you will consider our proposal as a central component of Canada’s response to this unprecedented pandemic. A similar set of proposals is being made in the US, by the [Democracy at Work Institute](#), the non-profit arm of the US Federation of Worker Co-operatives: [Voices from the Field: Why we Must Protect Small Businesses and their Workers](#).

Co-operatives are enterprises that help members to mutually meet their own needs. The internationally agreed-upon [Statement of the Co-operative Identity](#) states that, “*A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.*”

The co-operative model is thriving everywhere on the planet, and is particularly embedded in Canada which has among the highest rates of co-operative membership. In addition, co-operatives are proven to survive much better in general than other businesses, and even more so in times of crisis. For some examples of mutual aid coming to the rescue in the UK, see [this article](#) in *Co-op News*.

The democratic principles of mutual self-help have long resonated with Canadians. We see this in the strength of agricultural co-ops, food co-ops, Desjardins Group, the entire credit union movement, The Co-operators Group, rural utility and telecom associations, renewable energy co-ops, funeral co-ops, babysitting/ daycare co-ops, housing co-ops, health care co-ops, worker co-ops, and solidarity co-ops. The co-operative model is extremely adaptable, and a new innovation, the “Platform Co-operative”, is beginning to play a similar role to Uber and AirBnB, but with a democratic enterprise structure. The excellent [study](#) on Co-operatives in the Age of Uncertainty recently completed by Co-operatives and Mutuels Canada and launched in early March with Senator Lucie Moncion co-hosting, demonstrates the degree to which co-operative values and principles resonate with Canadians.

It is significant that the co-operative movement is very large in Canada. “Today there are an estimated 9,000 co-operatives and credit unions supplying products and services to at least 18 million members across the country,” according to this article in the *Co-op News*. However, by contrast Canada has quite a small Solidarity Co-operative Movement, here defined as worker-owned co-operatives, plus multi-stakeholder co-ops with substantial worker control, and *cooperatives de travailleurs-actionnaire*, a Quebec-based form in which workers form a co-operative to buy a percentage of shares in a business corporation, similar to a US-based ESOP. The majority of the Solidarity Co-operatives in Canada are in Quebec, at least in part due to more supportive government policy. Yet, around the world we know that the Worker and Solidarity Co-operative movement is the fastest growing part of the co-operative sector around the world, and is most effective when there is a much more robust partnership between government and the Solidarity Co-operative movement. For research done by CWCF in this area, see [this paper](#), whose conclusions have helped CWCF form its government relations positions, and also helped to inform work being done in the USA by our American counterpart US FWC, where employee-owned co-operatives have received bipartisan support and where there is now fast growth of

worker co-ops, especially in immigrant communities, Black communities, and with women. For other research which was done by our international association CICOPA, see, [the Future of Work](#).

We are also working with academic partners at the [Co-op Convert](#) project, based jointly out of the University of Toronto and l'Université de Sherbrooke. Still in the midst of this SSHRC-funded project, they have found that in Canada, there have been approximately 100 conversions of businesses to worker, multi-stakeholder and other types of co-ops over the last number of years, plus up to 100 worker-shareholder co-operatives/coopératives de travailleurs-actionnaire. It is a successful, proven method for converting businesses to mutual aid, and the resulting enterprise is democratic, not the case for most other types of social enterprise. This is one secret of the success rate of Co-operatives, and it is unique. Those people who are deciding what to do in their enterprise are also the beneficiaries.

CWCF is ready to provide an overview regarding how we can help Canada's businesses, workers, and economy maintain and create decent, living-wage jobs by supporting the Solidarity Co-op movement. We have a CWCF Co-op Business Succession Committee overseeing the drafting of this proposal; members are listed in the Appendix. The Committee Co-Chairs Russ Christianson and Lynn Hannley, our Government Relations Advisor Alain Roy, and I would be pleased to meet with you or others at your convenience, by video-conference or conference call.

CWCF brings thirty years of organizational experience in this field, collectively over 350 years among the Committee members, and we would act as the coordinator for this critical work. We will propose working in collaboration with many partners across the country, in both official languages, including with Indigenous peoples. The CWCF already has a proposal into the Investment Readiness Program of the Social Finance Fund, but this in and of itself is far too modest a proposal. In the spirit of co-operation, we will reach out to many likely and unlikely allies: our members (including the three Quebec Federations of Solidarity / Worker Co-ops ([le Réseau de la coopération du travail](#), [la Fédération Québécoise des coopératives forestières](#), et/ and [la Fédération des coopératives des paramédics du Québec](#)), as well as in the co-operative sector/ social economy sector generally: le Chantier de l'économie Sociale, the Canadian CED Network, the Canadian Co-operative Investment Fund, the People-Centered Economy Group, Co-operatives and Mutuals Canada, CoopZone Developers' Network and its members, the Provincial Associations of Co-operatives in all provinces, and in the North: Arctic Co-operatives Ltd and la Fédération des coopératives du Nouveau Québec. In addition, we will invite other allies: local chambers of commerce, Community Futures Development Corporations, Futurpreneur and young entrepreneurs, the New Market Funds, the trade union movement including the Steelworkers, church leadership including those affiliated with Pope Francis' Solidarity Economy Initiative and ecumenically, the Green New Deal proponents, immigrant-serving agencies, Indigenous Friendship Centres, Transition Towns, various foundations and charities, and more. The fact that federal Covid19 programs for business will be open to co-operatives is helpful, but will not allow for the creativity required to save nearly as many jobs and businesses as taking this opportunity to work together, as explained in brief here. CWCF's full lobby priorities are found [here](#).

We look forward to speaking with you and others in the Government of Canada in the near future.

Sincerely yours,



Hazel Corcoran, Executive Director, and



Reba Plummer, Board President, Toronto

PS On behalf of workers throughout Canada, thank you, Prime Minister, for setting a great example by self-isolating and using social distancing. We all appreciate that you are keeping staff members safe at your home by looking after your children and the house, and we hope that your wife Sophie Grégoire Trudeau will soon recover completely.

PPS 1) I just learned that this was published yesterday, for the 100th anniversary of the ILO, Co-operatives Unit. Click on the image below to view this report, which is exactly relevant to CWCF's concept paper.



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Head & Senior Technical Specialist at the Cooperatives Unit International ...
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This is another report launched on the 100th birthday of [#ilo](#) [#coop](#). A joint effort between the Cooperatives and the Social Finance Units at the ILO the report is on the contribution of social & solidarity economy & social finance to the [#futureofwork](#). A webinar will be soon scheduled to share the results along with other research [#ilocoop100](#)



2) International Co-operative Alliance (ICA); click on the image. CWCF is a member of Co-operatives and Mutuals Canada, ICA's Canada member & also of CICOPA, the international sectoral organization for worker, industrial and services co-operatives, so affiliated with ICA both by region & sector.



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3) This video made by my family that won the 90-second video contest in Canada in the UN-declared International Year of Co-operatives, 2012: the [Big Idea song video](#).



4) Last but not least, this image from around the turn of the last century helps to show the timelessness of this idea. Note that the co-operative movement is formally non-partisan, not a reflection of the Co-operative Commonwealth Federation party (CCF, now NDP), any more than it is a reflection of the Conservative party despite the UFA having formed government in Alberta in the 1920's, or the partisanship of Desjardins' CEO of the day such that the Board of Directors had to ask him to stand down on expressions of nationalism, or any other party. The only exception is the Co-operative Party in the UK which includes MP's from multiple parties. This is something which I believe the late, too-soon departed Mauril Bélanger was trying to create in Canada.



cc:

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CONCEPT PAPER: BUILDING A SOLIDARITY CO-OPERATIVE ECONOMY

Today in Canada, not only our health and lives are threatened, but also our economy is suffering and employment is stagnant because of the Covid19 pandemic. Other regions of the globe are also experiencing the consequences of this dreaded plague on humanity.

The best way to create jobs is to focus on those who need jobs, including young people, gig workers, Indigenous people, newcomers to Canada, and others who have been hardest hit by the pandemic-induced layoffs and business closures.

Canadians know that by working together, they can create good businesses and good jobs. Co-operative enterprises are a proven business model in Canada, and 83 percent of Canadians said in a recent survey that they would rather buy their products at a co-op than at a private business (<http://www.cooperativedifference.coop/co-operatives-in-canada/>).

There are a number of job creation and co-op creation strategies that can be supported by Canada's co-operative movement together with the Government of Canada. The Canadian Worker Co-op Federation (CWCF) has a proven track record for creating sustainable enterprises and creating jobs. In Canada, there are 280 active worker co-ops from retail stores to construction to paramedic and forestry co-ops, plus many more in the solidarity economy space as in *les cooperatives de travailleurs-actionnaire* in Quebec.

With growing precarious employment, particularly for young people and all suddenly unemployed, employee-owned businesses can provide a solution. With hundreds of small and medium-sized businesses suddenly threatened with closure, one solution would be helping the employees take over the business. The CWCF has a plan to do that, and with the help of government, it could significantly impact the retention of jobs, particularly in hard-hit regions of Canada. Even before the pandemic, this has been a growing global trend most notably in France, Italy (especially the Legge Marcora model and the various co-op mechanisms used in Italy which could be emulated here in Canada), Argentina, and the United States where there is bipartisan support for employee ownership. Committee member Prof. Marcelo Vieta (U of T) has written on Italian successes with conversions in times of crisis, [here](#) & [here](#).

Today, there is a growing focus on entrepreneurship, and it's a good fit with the culture and character of Canadians, particularly in times of crisis. For many people, the idea of being a sole proprietor is not that appealing, but working together with a group of entrepreneurs is. Co-operative enterprises have twice the success rate of regular business start-ups and employee-ownership and profit sharing also improves productivity.

Employee-owned co-operatives provide a tremendous opportunity to salvage businesses which can at least break even, or close enough. They can also help to create significant growth in green energy jobsⁱⁱ. The formation of democratic enterprises that provide cleaner, local work and that can absorb former workers in a variety of economies, could accelerate a resilient green transition which is also sorely needed.

There are many examples of affordable, effective policy approaches around the world that have been researched by CWCF. We would be pleased to share detailed information with you on programs and policies that can encourage the development of a co-operative economy, with focus on the health and well-being of workers.

ⁱ Note that these funds lack the flexibility to meet the current crisis-level need.

ⁱⁱ The Cleveland Model is one excellent example (brief video, which pertains to wealth building and green energy: https://m.youtube.com/watch?v=s_kLye_6VBc). Further, these are the responses to our

questions provided by [Noam Chomsky](#), posed by CWCF last spring when he keynoted, by video, our North American Worker Co-op Summit in Quebec City, in June.

Appendix

The people at CWCF behind this Concept Paper: **CWCF's Co-op Business Succession Committee; a partial list; we were unable to contact all Committee members in time to get their sign-off.**

Including the several members not yet listed, this Committee has over 350 years of relevant experience, on co-operative business succession, co-operative development co-op finance, co-op legal matters, etc.

1. CWCF Executive Director Hazel Corcoran, Calgary, Alberta, BA (Hon), MA, JD. For almost 30 years, Hazel Corcoran has been actively involved as a leader in the co-operative movement, including: Executive Director of the Canadian Worker Co-operative Federation for 25 years, and a member of the Board of Directors of the following co-operative enterprises: Calgary Co-op, First Calgary Credit Union, le Conseil canadien de la coopération et de la mutualité, le Conseil albertain de la coopération, Prairie Sky Co-housing Co-op (Calgary), Co-operatives and Mutuels Canada, the Western Labour – Worker Co-op Council, the Big Idea Rainbow Foundation, and The Co-operators. She has also been involved at the international level, especially but not only in the Americas region.
2. Committee Co-Chair Russ Christianson, Campbellford, Ontario, MIR (Master of Industrial Relations), B.Comm, Solidarity Co-operative Development Expert, over 30 years of experience.
3. Committee Co-Chair Lynn Hannley, Edmonton, Alberta, Managing Director, The Communitas Group, Solidarity and Housing Co-operative Development Expert, over 35 years of experience.
4. Alain Roy, CWCF Government Relations Advisor, Gatineau, QC, M.A., Université de Sherbrooke, and retired manager, Federal Co-operatives Secretariat (29 years, plus 7 years of experience as a co-op movement volunteer, on boards, in delegate bodies, etc.).
5. Marc Henrie, Directeur général, Coopérative de développement régional, Acadie (CANADA ATLANTIQUE). MBA – Gestion et gouvernances des cooperatives (UdeSherbrooke) 15 ans d'expériences dans le monde coopératif.
6. Directeur général, Coopérative de développement régional-Acadie, Moncton (NB), 15 years of experience.
7. Peter Hough, Berwick, Nova Scotia, MBA, M. Theology, Affinity Consulting, past Executive Director of CWCF, past Fund Manager, CWCF TW Fund. (current Board Chair, Catherine Donnelly Foundation, and Sustainability Solutions Group, etc.), over 35 years of experience.
8. Dr. Marcelo Vieta, Toronto, Professor, OISE, University of Toronto, Ontario.
9. Brian Iler, Toronto, Ontario, Lawyer expert in the Co-operative Corporations Act and related legal matters, Iler-Campbell, Toronto (call to the Bar in Ontario in 1969, 41 years ago).
10. Greg O'Neill, Calgary, Alberta, Financial Analyst, Agency for Co-operative Housing, past CEO, Arctic Co-operatives Development Fund, nearly 35 years of experience.
11. Marty Frost, Vancouver, BC, DEVCO, Solidarity Co-operative Development Expert, over 35 years of experience.

