

# WORKER CO-OPS 101

- Canadian Worker Co-op Federation 2023
- Presented by
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- Prince Edward Island Co-operative Council
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## WORKER CO-OPS 101

- What is a Co-op?
- What is a Worker Co-op?
- Where are they found?
- What do they do?
- How do I start one?
- Challenges.



## WORKER CO-OPS 101 What is a Co-op?

A co-operative 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.



# Outline

1. Principles and types of Co-operatives.
2. What is a Worker Co-operative?
3. Steps to Starting a Worker Co-op.
4. Benefits and Challenges of Worker Co-ops.
5. CWCF and CWCF's services.
6. Worker Co-op Academy Start-up Training Program.

All Co-operatives are committed to a set of values:

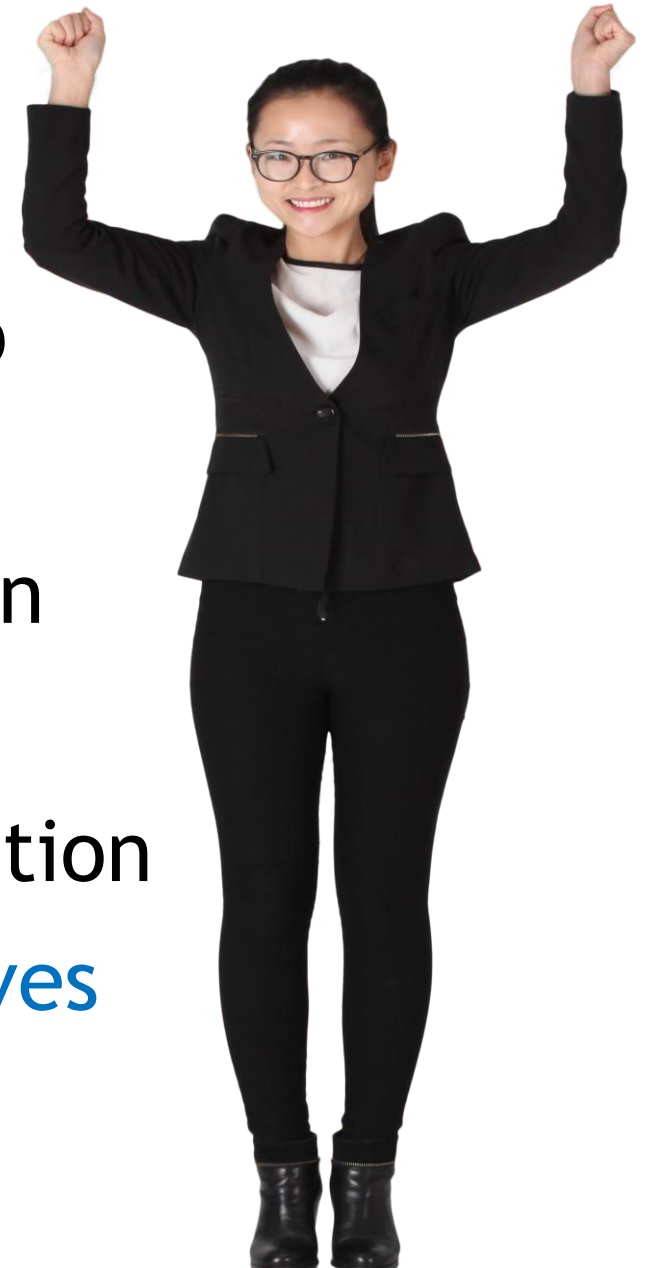
- Self help
- Self responsibility
- Democracy
- Equality
- Equity
- Solidarity

Co-op members value honesty, openness, social responsibility and caring for others.



And a set of Principles:

1. Open and Voluntary Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Co-operation Among Co-operatives
7. Concern for Community



## Co-ops often “group” themselves for ease of addressing

Type of Co-op	Member Type	Main Goal	Examples
<b>Consumer co-op</b>	Consumers	Access to better quality and/or better priced products and services	Housing, grocery, credit unions.
<b>Producer co-op</b>	Independent businesses or farmers	Supply, processing, distribution, marketing.	Agrifoods, Gay Lea, Fishing co-ops, taxi co-ops
<b>Worker co-op</b>	Workers	Provide employment in a democratic context	Fair trade coffee roasting, green building, restaurants, consulting, etc.
<b>Multi-stakeholder co-op</b>	Workers, consumers, other individuals &/or organizations	Serve the needs of different stakeholder groups.	<u>Stocksy United</u> , Quebec home care co-ops

# Why choose a Worker Co-op?

- Closer to “being your own boss” but with support.
- Financial rewards and influence aren’t just based on who owns the most shares.
- The limited liability incorporation reduces individual risk.
- Success benefits the worker-owners and their customers and community. Outside shareholders don’t run the show.



## What is a Worker Co-op?

- An enterprise that is **owned and democratically controlled** by its worker-owners, following the co-op values and principles.
- A co-op whose assets are **collectively owned by worker-owners**, and surplus earnings are allocated to the workers and/or retained in the co-op to support financial sustainability.



## What is a Worker Co-op? (continued)

- Worker-owners control it on the basis of one member-one vote.
- Legally it is incorporated under a Co-operatives Act (usually in the province of residence, or federally).
- Minimum of 3 people; requires that it operate on a co-operative basis and conveys limited liability.



# Goals of Worker Co-ops

- Provide the best possible employment conditions for their members.
- Be financially sustainable.
- Provide customers and the community with a service or product that meets their needs.

# Where are they found

? All over the world!

- Quebec, Canada.
- The Americas:  
USA, Mexico,  
Central, South.
- Mondragon,  
Spain.
- Bologna, Italy.
- France, Japan,  
Africa, U.K., Switzerland, Germany, Scandinavia, Etc.
- Indonesia, India.



# What do worker co-ops do?

- **Employ people.**
- **Build strong communities**
- **Stabilize capital.**



## How do I start one?

### Two ways to start a worker co-op:

1. Start a new enterprise as a worker co-operative.

2. Buy an existing business & convert it to a worker co-op.



- **No, really, how do I start one?**
- **Identify an opportunity to serve people's needs better. Develop an idea that may address one or more of those needs.**
- **Assemble a group of people who share your commitment to the idea.**
- **Investigate the feasibility of your idea.**



- **No, really, how do I start one?** (continued)
  - **Write a business plan (or hire a consultant to help write one).**
  - **Organize the co-operative association.**
  - **Raise the necessary start-up capital, including member investment, outside investors and lenders.**
- **Open for business!**





# Articles of Incorporation must have By-laws. The By-laws cannot conflict with the Co-op Act.

These form the constitution of the Co-op and cover things like:

- The probation period before a new worker can apply for membership;
- The amount of the initial investment a new member must make & over what time period;
- The rights and responsibilities of members;
- Decision-making processes;
- and much more!

## What are the benefits of the model?

- All workers can share in ownership and direction.
- Workers have input into workplace practices and policies.
- Workers share in any profits / surpluses.



## What are the benefits of the model? (continued)

- **Worker-owners get significant practice making decisions and participating democratically.**
- **Worker co-ops tend to last longer than other business types and members tend to stay employed longer than in other forms of business.**

**Worker co-ops anchor jobs in communities.**



## What are some of the Challenges?

- There can be a steep learning curve. Workers may not have all the skills that are needed to operate the business and govern the co-op.
- New people may need to be brought in and integrated into the ownership model, in addition to learning to do their job.
- Need for member investment of money and time. Often also a need for outside investment.



## What are some of the Challenges? (continued)

Like other businesses, the co-op needs to have revenues exceed expenses to survive in the long run.

Worker-owners need to be clear when they are functioning as an owner, and when as a worker.



## What are some of the Challenges? (continued)

- **Need for management that will support the co-operative model and will work within it.**
- **Establishing a functioning governance body and developing the skills they need.**
- **Clarity for all about relationships among workers, managers and directors.**



# WORKER CO-OPS 101

Stretch  
Break



# Canadian Examples

- **Just Us Coffee Roasters**

- <http://www.justuscoffee.com>

- **Sustainability Solutions Group**

- [www.ssg.coop](http://www.ssg.coop)

- **Organic Planet**

- <http://www.organicplanet.coop>

- **Multi-cultural Health Brokers**

- <http://www.mchb.org/>

Co-ops can be in virtually any sector but tend to be in sectors with lower capital needs.







**Just Us Coffee Roasters Co-op**

# Sustainability Solutions Group



# Multi-Cultural Health Brokers Co-op

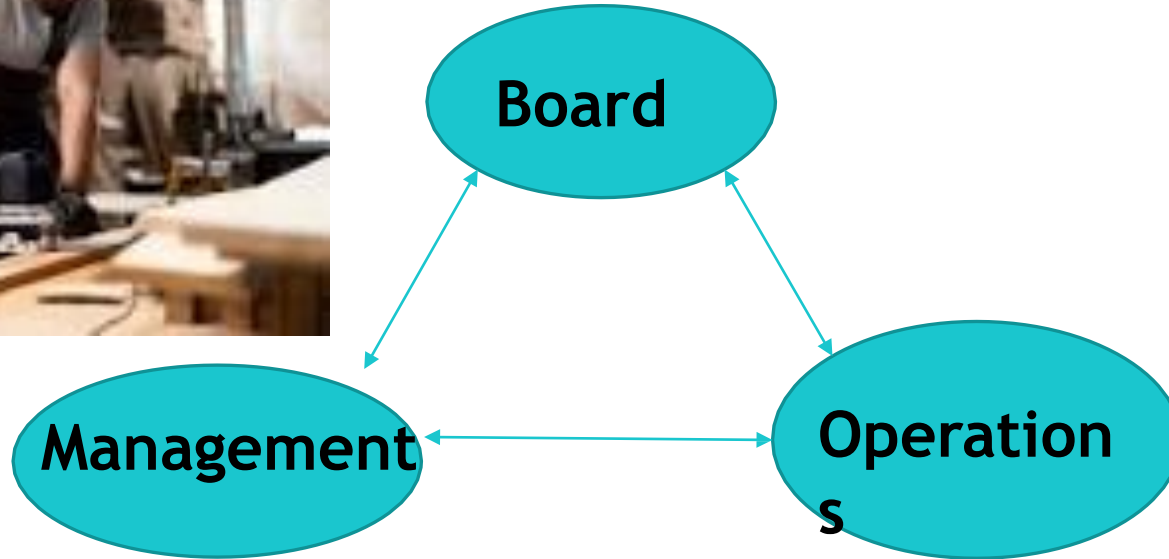


# Organic Planet Worker Co-op



Organic Planet  
Worker Co-op

# Running a co-op can be fun but it takes work to make it a success.



**Owning a co-op enterprise often means “wearing many hats” and taking on responsibility for more than just one task.**



## SAMPLE DECISION-MAKING MATRIX

Task/Decision	Who	Proposal Development	When/Where	Decision Process	Implementation Task or Outcome
Approve wage policy	Board	Board, Wages Committee, Management	General Meeting	Majority vote	Management/ Administration
Elect Directors	Members	Nominating Committee	General Meeting	Majority Vote	Board of Directors
Develop and approve annual budget	Board	Management/Finance committee	December Board Meeting	Majority vote	Board, Management, Members & Employees
Production Schedule	Production work team, shift supervisor	Management, sales administration	Weekly at Friday team meeting	Management	Production work team
Provide Superior Product or Service to Client	Worker (employee or member)	Service Policy Guidelines, Management, Work Team	Daily or as required	Policy Guidelines with workers Individual Judgement	Worker, shift supervisor and Management
Organize Annual Meeting	Governance Committee, Board, Management	GC, Board, Management	Within 6 months of fiscal year-end, and 15 months of last AGM	Board	Governance Committee, Management

## SAMPLE TASK MATRIX

Task	Lead	Involved	Approved
Strategic Planning	Board or board committee	Management provides intel and resource evaluation	General Membership
Budgeting, Financial Projections	Board	Management provides intel, financial officer vets and verifies	General Membership
Major Expenditure	Management	Board, financial officer	Depending on the scale of the expenditure, Board or General Membership
New Hire	Shift Supervisor, Personnel Director,	If a new position, Board. If an existing position, management	If a new position, Board. If an existing position, shift supervisor/personnel officer.
Salaries and Benefits	Board	Management provides intel and resource evaluation	Board

# What is CWCF?

- A national, bilingual, grassroots federation of worker co-operatives, and multi-stakeholder co-operatives with substantial worker control.
- Types of members:
  - Worker & multi-stakeholder co-ops.
  - Regional Worker Co-op Federation members.
  - Co-op Developer members - through CoopZone.
  - Associate members.
- Offices in Calgary, Winnipeg, and Kentville, Nova Scotia



# **CWCF Vision**

**To be a growing, cohesive network of democratically controlled worker co-ops that provide a high quality of work life, and support the development of healthy, just and sustainable local economies, based on co-operative values and principles.**

# CWCF's three Strategic Priorities:

- 1) We seek to engage and strengthen our members.*
- 2) We seek to build awareness and scale up worker co-ops.*
- 3) We seek to build the Solidarity Economy.*

# CWCF Services

- Lobbying for worker co-op interests.
- *Tenacity Works Investment Fund.*
- Technical assistance program.
- *Access to hard-to-find information on Worker Co-ops.*
- E-Newsletter.
- *Annual fall Conference: (Nov. 14,-16, 2023 - Québec City).*
- Regional Meet-&-Greets being held in: Halifax, Toronto, Ottawa, Québec City, Victoria, Winnipeg, & possibly Edmonton.
- *Group insurance program (The Co-operators).*
- RRSP-TFSA program for investment in co-ops of all types, & CED Investment Funds (etc.) - called Common Good Capital.
- *Justice, Equity, Diversity, Decolonization and Inclusion (JEDDI) Committee has drafted an Action Plan.*

# Worker Co-op Academy Training Program

- The Parcours COOP training program was developed by the Quebec WC Federation, the Réseau Coop, called the “Worker Co-op Academy”.
- 10-month training program which provides training, for outside Quebec, focused on:
  - Your Enterprise Concept, Collective Management, Marketing, Financial Projections, Incorporation/ Governance, and Business Planning.

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**CWCF**  
**FCCT**

WORKER CO-OP ACADEMY

Training and coaching to start a democratic enterprise

# Worker Co-op Academy Training Program

Those eligible to apply to the Worker Co-op Academy will be:

- groups of at least 3 people who have been working together, &
- who already have a business idea and are ready to start a business planning process towards launch.

Tuition is \$5,000 per group, but bursaries are available to bring the cost down to \$1,000 (+GST) per group. (Additional bursary available to groups which are majority racialized people.)

All information at [www.CanadianWorker.coop](http://www.CanadianWorker.coop) under Events: Worker Co-op Academy.

Thanks to the Academy's sponsors:

**Secrétariat aux  
relations canadiennes**  
**Québec** 



QUESTIONS? COMMENTS?

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WORKER CO-OPS 101



**Thank You - Wela'lioq - Merci**

**David Daughton, PEI Co-operative Council.**