



BC Co-op Association
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Introduction

The BC Co-op Association (BCCA) is the knowledge and resource centre for co-ops in BC, where co-ops and credit unions come together to collaborate, network, get support, learn, and contribute knowledge to shape BC's co-op movement. BCCA is part of a global co-op movement to accelerate and strengthen the local co-op movement, build partnerships with other social impact organizations, and contribute to building a social economy in BC.

The co-operative sector is recognized as a pillar of the social economy, with over two million British Columbians as members. The province is already home to some of the most influential, innovative and successful cooperatives in Canada. Building on the existing innovation of BC co-operatives and adopting co-operative business best practices and policies from other jurisdictions, the BC Government can **make BC one of the most attractive jurisdictions in the world for co-operatives to establish and grow**. BC Co-operatives stand ready to work with the government in revisioning and contributing to a new post covid Economy that is more sustainable, equitable.

Addressing Economic, Social and Environmental Challenges

Unlike any other province, British Columbia has more people working today than it did before the onset of the pandemic. By supporting local businesses and workers, the economy is already well on the way to recovery, with the best yet to come.

In the coming weeks and months, as British Columbia moves from the COVID-19 pandemic through economic recovery, co-operatives can play a central role in encouraging clean, innovative and inclusive growth, that keeps investments in local communities, promotes co-governance and reconciliation, and that supports residents who have been traditionally marginalized and hardest hit by the pandemic. Building a pro-active recovery, focused on solutions to not just economic, but also social, cultural and environmental challenges is critical to success, success that co-ops are well positioned to drive.

Moving forward, ensuring that those who have traditionally been excluded from labour force participation – Indigenous and racialized people, youth and people with disabilities, as well as women who have been hard hit by the pandemic – have access to opportunities for training and good jobs, is crucial to the province's ambition of making the economy more inclusive, sustainable and innovative.

Co-operative Governance and Local Investment

Co-operatives are based on democratic ownership and governance, where members have a direct say in the operations and financial decisions of the business. We believe these values align very closely with the current revision of the BC economy. Co-operative businesses are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

This co-governance, based on community responsibility and shared accountability is a model familiar to many Indigenous communities and holds incredible potential to enable economic growth and

development for Indigenous people. Building co-operative knowledge and support in First Nations communities has the potential to support economic independence and self-control.

Co-ops keep capital in local communities. Research has demonstrated that co-operatives have more than twice the survival rate compared to conventional firms, are stronger job creators, and they invest more than double of their pre-tax profits in local economies. Co-operatives also have been shown to be more focused on green economy and socially progressive goals. Whether it is creating self employment opportunities for newcomers, connecting the last mile of internet access, or providing green energy to remote communities, co-operatives have often been at the forefront of serving populations and communities on the fringes of the economy.

Every year, British Columbians invest billions of dollars in retirement savings, which is largely invested in national or international holdings that do little to develop the local economy or create local jobs. Via community investment cooperatives, locally controlled investment pools supporting local enterprises, much more of those long-term investments could be stay in local communities.

Earlier this year, a report on the Nova Scotia Community Economic Development Investment Fund (CEDIF) found that with an initial investment of less than \$700,000 in 2019, the Government of Nova Scotia has generated \$2 million from local residents, which was invested in 116 small businesses, creating 1,200 full-time jobs, \$52 million in annual wages and \$25 million in annual taxes. The BCCA is seeking support from the government of B.C. to invest in co-operatives in the province.

Support for Co-operatives

By improving the environment for co-operatively owned business, the BC government will be working towards a stronger more resilient local economy that is more likely to succeed.

Working with the BCCA will result in the following benefits to the Government of BC:

- Local investment that promotes local economic development, keeping capital and jobs in the local community
- Opportunities for inclusion and equity, including co-governance opportunities with Indigenous peoples
- Support community-led solutions to addressing climate change
- An active partner in implementing government economic policy
- A prestige reputational perception as a destination of choice for innovative social finance
- A natural grass roots constituency able to be motivated to support government policy
- A more fertile climate for starting new co-operative SME(s)
- A more robust, innovative, and socially conscious economy

The BC Co-op Association looks forward to working with government to advance these priorities and building towards making BC one of the most co-operatives business friendly jurisdictions in the world. What follows is an overview of initial policy and program changes to drive growth and development in the co-operative sector in British Columbia.

Ministry	Outcomes	Benefits to BC as aligned with mandate	Estimated Annual Cost to BC Government
Jobs Economic Recovery and Innovation			
1. Develop ministerial lead on Co-operatives	Allows the BC Government and the Co-op sector to more closely work together and align policy, creates another resource for the BC Government to have direct impact on the economy and a trusted partner to rapidly implement policy objectives.	Improved coordination and communication between ministries supportive of cooperatives	0
2. Develop comprehensive co-operative business development strategies and specific streams of support for to accelerate Covid Recovery and contribute to fighting climate change	<p>Accelerate equitable economic development via:</p> <ul style="list-style-type: none"> • Creating meaningful employment opportunities for youth and precarious workers; • Promoting business succession through employee ownership; • Increasing the competitiveness of small businesses and farming operations; • Supporting community control of resource assets; • Creating vehicles for local communities to invest in local enterprises; • Reducing living costs and environmental impact; and, • Building green energy infrastructure. 	Accelerated inclusive and equitable economic recovery; improved tools to transition and start locally owned and operated businesses	\$2,000,000 annually, to be matched 1:1 in cash contributions by the co-operative sector
Minister of Finance			
3. Revise <i>Co-operatives Act</i> to strengthen “duty to consult” on major business decisions elements and provide the courts ability to enforce these duties	Reduce likelihood of rogue co-ops and co-operatives overextending their capacity and member equity, as in the case of Mountain Equipment Co-op Secondary – provide additional protection for member owned equity investment in co-operatives	Improved clarity for co-operative business decision-making	0
4. Review and revise <i>Co-operatives Act</i> to more easily enable international co-operatives to be headquartered in BC	Growing number of co-operatives with membership coming from multiple countries headquartering in BC	Promotes a strong and sustainable economy	0

5. Enable self-regulated securities environment for established BC co-operatives as enjoyed by co-operatives in other jurisdictions	Provides increased access to capital for co-ops to accelerate growth, job creation and increased services.	Promotes a strong and sustainable economy	0
6. Initiate community economic development investment tax credit for Co-operatives and community-based enterprises	Greater investment by citizens in businesses and infrastructure in Refocusing self-directed RRSPs/TFSA into the BC economy	Based on Nova Scotia CEDIF Impact report a 700,000 tax credit provisions led to: <ul style="list-style-type: none"> • \$118 million annually in GDP value-add • 1200 jobs (FTEs) • \$52 million in annual wages and salaries • \$25 million in annual taxes 	\$700,000
Agriculture			
7. Formal integration of co-ops into Food Hub and Feed BC initiatives	Adoption of best practices in co-operative value-added agriculture and local food system integration	Longer terms sustainability of food hubs and local food initiatives	0
8. Provide governance and decision-making training to existing and new agriculture co-operatives	Enable co-operatives to improve collective decision making and investments to achieve scale	More responsive and effective agriculture co-operatives able to scale into local, provincial, national and international business opportunities with more equitable distribution of market gains to producers	\$150,000
9. Research and development of agriculture data co-operatives	Ag producers provided data aggregator that serves their purposes to increase market access and improve production	Fairer access to market intelligence for BC ag producers in competition with multi-national ag corporations	\$50,000

Minister of State for Child Care			
10. Formal integration of non-profit childcare co-operatives into BC acts and regulations	Increased number of non-profit childcare options in BC	Fair and accessible childcare options for BC families	0
11. Support expansion of Econocoop.com to provide back-end administrative and coaching services; and group buying to Early Learning and Child Care providers	Decrease back end administrative costs for BC ELCC providers	Smaller non-profit childcare providers able to access services normally only accessible to private providers/group buying power	\$75,000
12. Support research and development of indigenous co-operative child care models	Identification of ELCC models that are more in line with traditional ways of teaching/learning	Path for more culturally appropriate ELCC for Indigenous populations	\$150,000 (one time)
Minister of Energy, Mines and Petroleum Resource			
13. Solar power purchase agreements for government-owned facilities on remote diesel grids, in BC Hydro's non-integrated areas.	Support local co-operatively owned RE Infrastructure and local grid independence	Greater energy independence for remote rural BC communities, particularly indigenous communities, greater distribution of economic returns for transitioning to green energy resources for remote populations	0
14. Enable equitable access to BC Government Go Electric Fleets Program for co-operatives owned fleets of shared vehicle	Encourage transition of co-operatively owned transportation to electric; reduce number of individually owned vehicles on the BC roads	Greater number of lower to middle income BC residents able to affordably access electric vehicles; accelerate transition from gasoline powered to electric vehicles	\$500,000
Total cost			\$3,625,000

Conclusion

A program by the BC government to become the most make BC one of the most attractive jurisdictions in the world for co-operatives aligns naturally with the Mandate of the Horgan government. Investments and supports by the BC Government in co-operatives will keep capital and jobs in BC.

By their nature Co-ops put people first as they are directed by their membership and are generally one of the most equitable business models, as such, they automatically “Put People First” and address equity and diversity. The Co-op model is also something that naturally and is compatible with the First Nations business model.

Co-ops have also traditionally been societal leaders in addressing social and political issues like addressing climate change and sustainability and are one of the best methods of spreading the positive benefits of a strong sustainable economy.

A specific initiative by the BC government to create the most co-op friendly jurisdiction in the world would find a willing partner in the BCCA. A partner who’s members could be mobilized and energized. The millions of British Columbians who are members of Co-ops would naturally get behind this initiative. The government would have a steady stream of positive announcements that would have numerous validators to support the programs and issues.

The BCCA and the Co-op community would be strong and supportive partners in this endeavour and would give all the support possible to the province and government as they move to make BC a world leader in co-op development.

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