



Canadian Worker Cooperative Federation
Fédération Canadienne des Coopératives de Travail

Annual Report 2009

CWCF Profile

CWCF is the apex organization for worker co-ops in Canada. It was established in 1991. Offices are located in Calgary, AB and Kentville, NS. CWCF has a staff of four employees (two full-time, two part-time), and is directed by a Board of seven directors. There are two “at large” directors and representatives for each of the following regions: BC, Prairies, Ontario, Quebec and Atlantic Canada.

Vision Statement:

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 and sustainable local economies, based on co-operative principles.

Mission Statement:

1. Strengthen our worker co-op members.
2. Support the development of new worker co-ops.
3. Strengthen the Federation and its governance.

Directors' Report to the Members

Canadian Worker Co-op Federation

Directors' Report to the Annual General Meeting, 2009

CWCF completed its 18th year led by its team of dedicated and excellent staff, and directed by its new and expanded team of directors. This year the Board expanded with the addition of Eric Tusz-King, from EnerGreen Builders Co-operative and new Directors-at-large, Tigist Dafla, of the Multicultural Health Brokers Co-op Ltd., and Yuill Herbert, from Sustainability Solutions Group Worker Co-op. In June our relationship with CCA was enhanced with the successful election of Yuill Herbert onto the Canadian Cooperative Association's Board of Directors.

CWCF gives support to the international federation of worker co-ops, CICOPA, through our membership in CICOPA representing North America. This year the CICOPA Americas region was split into two regions and we are working towards having closer working relations with fellow North American members. Through representation on various boards of other co-operative organizations, the staff and Board keep the CWCF connected to the co-operative movement in Canada and abroad.

CWCF continues to collaborate with other organizations that can help us in achieving our mission, and to be forward-looking in our strategic plan.

Co-operative Development Initiative (CDI): A core activity of CWCF in the past seven years has been the delivery of advisory services to worker co-operatives. Through the program, we are in receipt of \$62,000 per year which is used for obtaining support for worker co-operatives, accompanied by small grants to assist them in the preparation of pre-feasibility studies for their ventures or other co-operative activities. The CDI program was renewed in 2009 and will continue until March 31, 2013. CWCF played an active role in developing the campaign for renewal and expansion of the CDI program.

Research: We are actively engaged with the national and Atlantic research initiatives funded by the Social Economy program through Social Sciences and Humanities Research Council (SSHRC). There are currently five initiatives developing directly related to worker co-ops. We are pleased that key worker co-op sector research/development priorities are being undertaken as part of these programs. (1) The first is the development of a diagnostic tool to evaluate co-op performance based upon multiple bottom lines. This includes assessing worker participation and actualizing the co-op principles and values within the co-op's operations. (2) With regard to SSHRC national CWCF has been approved for a research project and paper on policy and growth trends in the worker co-op movement. Part of this project is the growth workshop which the board held in June, the results of which are being analyzed. (3) In addition to the above, a Centre for Excellence in Co-operative Accounting has developed out of the SSHRC research is focused on developing appropriate accounting standards for co-operatives. (4) A fourth research initiative of relevance to worker co-ops is the research on financing social enterprises including co-operatives. (5) A fifth is an extensive survey and analysis of the co-op sector in Atlantic Canada.

Union-led Employee Buyouts: The Western Labour-Worker Coop Council (in which CWCF is a partner) developed a set of how-to guides and workshops for union-led worker buy-outs. The steering committee continues to actively meet by conference call to develop the capacity to respond quickly to buy-out opportunities. The Council is in the process of incorporating.

Developers' Network: During the past year co-op developers incorporated CoopZone as an independent co-operative network governed by the co-op developer members. The members of CWCF's co-op developers' network have been integrated into the new CoopZone co-operative. CWCF continues to coordinate the web site (www.coopzone.coop) filled with information addressing all aspects of co-op development. CWCF continues to administer CoopZone.

Membership in Related Associations: The CWCF actively supports the worker co-op sector by building bridges to, and participating in, other key partner organizations. The synergies developed with these organizations provide the CWCF with both information and resources while actively promoting the worker co-op option.

CICOPA: April Bourgeois, CWCF President, has two years left in a four-year term to the Board of CICOPA, the International Cooperative Alliance's committee on worker co-operatives, at both World and Americas levels. We maintain direct contact with the national federation of worker co-operatives in the US as well. Hazel Corcoran, executive director, represents CWCF on the new Democracy at Work Institute, the non-profit educational arm of the US Federation of Worker Co-ops, as well as on the (Canadian) Co-operative Social Responsibility Steering Committee.

CWCF is now represented on the CCA board of Directors by Yuill Hebert. Previous to Yuill's election we were supported by CCA Executive Committee member Jill Kelly who has acted as our liaison with the CCA Board of Directors. We continue our relationship with CCCM, the francophone

apex organization in Canada.

CCEDNet: CWCF is actively involved with the Canadian Community Economic Development Network (CCEDNet) where April Bourgeois, CWCF president, serves on its Policy Council. Hazel Corcoran, has been involved in contributing her expertise to CCEDNet's Immigrant and Refugee Community Action Network (ICAN). This engagement with CCEDNet enables us to be successful in advancing the worker co-op model as one strategy within community economic development initiatives.

CCINC: Peter Hough served as Chair of the Board of the Canadian Community Investment Network Co-operative (CCINC) until the AGM of 2009. He is continuing as a director. This group brings together a variety of community investment organizations that lends to co-operatives and social enterprises and also provides loans and support programs to the economically and socially marginalized.

Co-operators: CWCF is a member of The Co-operators. We are represented at meetings in the Alberta region by April Bourgeois and Hazel Corcoran, in the Ontario region by Peter Cameron and Mark Goldblatt, and in the Atlantic region by Yuill Herbert and Peter Hough.

Strategic Planning: We continue to use the strategic plan originally approved at the 2005 AGM as a framework for guiding all of CWCF's activities. A "living document", the strategic plan is continuously updated by management and the Directors, and it is made available to the members at each Annual Meeting, where substantive changes are approved by the General Assembly. CWCF has completed a Strategies for Developing Immigrant Worker Co-ops guide, with the support of Innovation and Research program of the Cooperative Development Initiative, Co-operatives Secretariat, Agriculture and Agri-Food Canada. The Board held a Cognitive Mapping process, on "what can be done to make the worker co-op sector grow more quickly?" A report will be circulated.

Regional Developments: We continue to stay in touch with worker co-op development in all regions of the country continuing our active relationship with the worker co-op sectors in Quebec; the Co-operative Enterprise Council in NB, the PEI Co-op Council and the Ontario Co-op Association. The CWCF board is composed of Marty Frost, director from BC, April Bourgeois from the Prairies, Colin MacDougall from Ontario, Eric Tusz-King from the Atlantic Region, and Alain Bridault from le Réseau & the Forestry Co-op Federation in Quebec. Our Directors-at-large are Tigist Dafla, and Yuill Herbert. We are particularly pleased that Yuill Herbert has been elected to the Canadian Cooperative Association's Board of Directors. The board also included Mark Goldblatt who served as an advisor (past president) until the summer of 2009. However, this year he took a post with the CCA and resigned in his advisory capacity. We wish him well in his new endeavours.

Annual General Meeting: We continue to commit substantial resources to the organization of our Annual conference/AGM. Board Meetings: The Board meets twice a year in-person by teleconference and e-mail as necessary.

RRSP: CWCF administers approximately \$11.76 million in RRSP investment, on behalf of its members. This provides a valuable service to its members, as well as being a net revenue generator for the Federation. The past year, there has been a continued expansion in this program, as a result of changes which enabled us to offer the service to other associate members on a fee-for-service basis.

Membership: The number of worker co-op members in CWCF is now 65. In addition there are approximately 80 worker co-ops affiliated through the Quebec Regional Federation members of CWCF. A comprehensive member survey was done last year. Most worker co-op members completed the survey, which has informed CWCF's strategic plan and other planning. This year we produced a draft guide called, Starting a Worker Co-op: A Canadian Handbook for new worker cooperators with the support of Innovation and Research program of the Cooperative Development Initiative, Co-operatives Secretariat, Agriculture and Agri-Food Canada. Finally, we completed a long anticipated overhaul of our website which is new and improved, more user friendly, and much easier to administer.

Staff: We continue to benefit from the professional and devoted contribution of our two management staff, Hazel Corcoran, our Executive Director, and Peter Hough, our Tenacity Works Fund manager. Our management people are ably supported by Lori Hough and Adrian Yip. Often it seems that given the work load they carry that we have an even larger number of people working for CWCF. We thank them for their efforts.

Respectfully submitted,
April Bourgeois, President

2008-2009 Executive Director's Report

In 2008-09, the CWCF was able to maintain staff and operations that support the achievement of the organization's strategic objectives. In the last several years, the CWCF has made progress in many areas. This progress has been made because of the ongoing commitment of members, board, developers and staff to the cause and the principles for which the CWCF stands. CWCF now has 65 worker co-op members, approximately 42 worker co-op developer members, 5 associate members and two regional federation members; the list of which can be found on our web site.

We have built a dynamic functioning infrastructure that efficiently transforms limited resources into new co-operatives. In the 8 years between 2001 and 2009, members' dues increased very substantially, and in the past year alone, by 19%. (Our worker co-op member dues rate has never been increased since our founding; at 3/20ths of 1% of payroll. Thus the increases represent growth in number of members and/or growth in payroll of existing members.) Despite this demonstration of effective and efficient development, the long-term sustainability and growth of the CWCF remains not completely assured. Achieving the potential that exists for promoting and growing the worker co-op movement to benefit Canadians remains the primary concern for the CWCF Board and staff.

The year ended August 2009 was another important and successful one for CWCF. The CWCF

(excluding Fund Operations) had a net surplus of \$16,878 on total revenue of \$254,371, down from \$324,781 at year-end 2008 – primarily due to working on fewer CDI Innovations and Research projects, as well as a lower loyalty payment from The Co-operators in 2009. The Fund had total revenue of \$37,313 and profit from operations for the year of \$3,389, before taking a write-down provision of \$15,401. The combined operating results for CWCF show a net surplus of \$4,866. The general reserve of the CWCF as at August 31, 2009 was \$618,936; the vast majority is in investments in worker co-ops.

After many years of outreach to Quebec, it is truly historic for CWCF to be able to welcome a second co-operative federation in Quebec to our membership: la Fédération des coopératives forestières du Québec. Le Réseau de la Coopération du travail du Québec has been a member since last year, and it is represented on our Board by Alain Bridault of la Coopérative Orion.

In collaboration with the Canadian Co-operative Association (CCA), *le Conseil Canadien de la Coopération et de la Mutualité (CCCM)* and other co-operative associations, CWCF participated actively in a second coordinated lobby effort to secure funds for the renewal and expansion of the CDI. The lobby resulted in an extension of the program for four more years at the same level as in the each of the first six years. The CDI program has been very important for the worker co-op movement generally as well for CWCF.

With the support of the CDI Innovations and Research program, CWCF carried out a project to study best practices for starting worker co-ops in immigrant communities, as well as to create resources for use by immigrant worker co-ops in development. The report is available on the CWCF site.

CWCF continued the coordination of CoopZone (begun in September, 2005). CoopZone is a Network of Co-op Developers in all co-op sectors (2/3's of whom are also members of the Worker Co-op Developers' Network), and a web site with resources on co-operative development (www.coopzone.coop). CWCF helped the Network to complete a business plan and to incorporate, and was asked by the Board to continue coordinating CoopZone for at least one more year.

The CWCF's bilingual website (www.canadianworker.coop) was re-launched this year in a much more user-friendly format; it continues to attract attention and help people to find CWCF.

CWCF Financial Officer Peter Hough will be changing to part-time hours starting in January 2010. CWCF will be hiring a Communications and Member Services Manager in December 2009, increasing our capacity to be in contact with our members and do outreach to the general public.

Respectfully submitted,
Hazel Corcoran, Executive Director

Tenacity Works The Worker Co-op Fund Annual Report

Tenacity has now completed its ninth year of operations. The Fund started as a Pilot Project in 2000 with capital and two years of operational funding from HRDC. Since the Pilot period, Tenacity has continued to fulfil its mandate of providing financing to worker co-ops and related sectors. In 2008-09 one new loan was placed for a \$50,000 Term Loan to Careforce Home Care Worker Co-operative Ltd., a worker buyout of an existing home health care business.

During the year, one co-operative – Mondragon Worker Co-operative Ltd. - completed paying off its loan. Another worker co-op underwent a financial restructuring in order to survive and Tenacity was required to

write down about 65% of their outstanding principal and accrued interest. Several other co-operatives struggled financially during the year and received a deferment for a number of months.

At year end, the Fund had 10 Term Loans and 2 Preferred loans outstanding in 7 projects, for a total investment of \$248,750. During the year the Fund generated \$37,300 in interest and received \$42,270 in principal repayments. Its current equity is \$573,500.

The Fund with its current cashflow and existing capital base should be able to provide about \$275,000 in new loans in the coming year. Worker co-ops are encouraged to apply to the Fund for new loans. To encourage more opportunities for worker co-ops to secure loans from Tenacity, the board has approved a broadening of the investment options to include mortgages and loan guarantees.

The Tenacity Fund Manager has continued to be active as board member of the Canadian Community Investment Network Co-operative and served as the Chair of the CCINC Board of Directors until June 2009. He is continuing as a CCINC Director until CCINC's AGM in 2010.

The coming year will see Tenacity continuing to play its important role financing worker co-op development. In conjunction with other CWCF programs such as the RRSP Program and the Co-operative Development Initiative-Advisory Services, it will provide core support for the continued development of the worker co-op sector in Canada.

Respectfully submitted by
Peter Hough, Fund Manager

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Statement on the Co-operative Identity

DEFINITION

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.

VALUES

Co-operatives 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.

CO-OPERATIVE PRINCIPLES

The SEVEN co-operative principles are guidelines by which co-operatives put their values into practice.

1ST PRINCIPLE: VOLUNTARY AND OPEN MEMBERSHIP

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2ND PRINCIPLE: DEMOCRATIC MEMBER CONTROL

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote), and co-operatives at other levels are also organized in a democratic manner.

3RD PRINCIPLE: MEMBER ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4TH PRINCIPLE: AUTONOMY AND INDEPENDENCE

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5TH PRINCIPLE: EDUCATION, TRAINING & INFORMATION

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6TH PRINCIPLE: CO-OPERATION AMONG CO-OPERATIVES

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures.

7TH PRINCIPLE: CONCERN FOR COMMUNITY

Co-operatives work for the sustainable development of their communities through policies approved by their members.

Acknowledgements

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MAJOR SPONSORS:

The Co-operators
Co-operative Housing Federation of Canada
Credit Union Central of Alberta

SPONSORS:

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Growmark
MCE Conseils
Mountain Equipment Co-op
Sisters of St. Martha
Vancity Savings Credit Union

Just Us Coffee Roasters' Co-op, who donated the coffee
La Siembra Co-op, who donated samples of chocolate

AGM Local Planning Committee

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