

Co-ops in Alberta

Over 65% of all Albertans have at least one co-op membership — that's roughly twice the national average. Of the approximately 550 incorporated co-ops in the province, the top 5 non-financial co-ops had a revenue of \$3.5 billion in 2003. Natural gas co-ops account for over 50% of the sales of energy co-ops in Canada. The Federation of Alberta Gas Co-ops is the largest rural gas system in the world, and Alberta has the most utility co-ops in Canada.

Alberta has a fine history of co-ops, but more needs to be done to ensure that co-op development continues.

ACCA, through funding from the federal Cooperatives Secretariat, is promoting and assisting co-op development across Alberta. Through our free Resource Kit, cooperative education and training programs and co-op development grants, our goal is to be a "one-stop-shop" for those interested in co-op development.

For more information on ACCA and the *White Paper* process, visit our website at www.acca.coop.

Acknowledgements

ACCA is extremely grateful for the sponsorship from The Co-operators Insurance Company Ltd. for the printing of this *White Paper on Co-op Development in Alberta*.

We also acknowledge with deep thanks the sponsors of the Rise & Shine Breakfast Forum — La Chambre économique de l'Alberta, Central Alberta Rural Electrification Association, Federation of Alberta Gas Co-ops Ltd., Alberta Federation of Rural Electrification Associations and Federated Co-operators Limited.



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ACCA's White Paper on Co-op Development in Alberta

Here's what we heard

1. What are the barriers to co-op development in Alberta?

Overwhelmingly, the single largest barrier to co-op development in Alberta is the lack of awareness or understanding of the value of the co-op model. Over 95% of respondents stated that government, business people, youth and/or society in general do not understand the co-op system and the value it has.

Other barriers mentioned include difficulty in finding funding, particularly from government, and a lack of expertise (technical support and co-op developers). Some pointed out that co-ops in the sector have lost touch with their co-op roots.

2. How can these barriers be overcome?

Most respondents agreed that formal education and promotion of the co-op model were the main keys to overcoming the barriers. Some felt that post-secondary institutions should include co-op development material on their curriculum, while others felt that government should be actively promoting the value of the co-op business model and providing funding for this promotion in the sector.

3. What can the sectors do to assist with co-op promotion and development?

Many respondents mentioned that specific provincial government departments, such as the Rural Development Initiative or Economic Development, could work in partnership with the sector to assist with co-op promotion and development. Also the federal government should maintain or enhance its Co-op Secretariat programs. In terms of the sector, ACCA needs to establish itself as the "go-to" entity for co-ops with education, training, lobbying & promotion. In addition, co-ops themselves need to promote "the co-op way of doing business." More detailed suggestions are listed in the "Opportunities for Co-op Promotion & Development" section of this *White Paper*.



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The White Paper Process

ACCA began the *White Paper* process in the spring of 2006 with the intention of releasing the *Paper* at an MLA reception at our AGM in May. Because few MLAs were available for the reception at that time, we decided to postpone the launch of the *White Paper* until Co-op Week, October 16-20th.

We sent out a survey, with the 3 questions listed on the front of this *Paper*, to over 500 stakeholders across Alberta. Many stakeholders chose to respond through their regional federations or head office. All told we had 31 responses.

In addition, meetings were set up with provincial Ministers and senior staff to discuss how the sector and the provincial government can work together to enhance opportunities for co-op promotion and development. These meetings have been extremely successful and are ongoing. A summary of the outcomes from these meetings is provided below.

The launch of the *White Paper* is just the beginning of our process. The Rise & Shine Breakfast Forum on October 16, 2006 will further develop the suggestions from the *Paper* and form a strategy for the sector and governments to work in partnership on the issues. A comprehensive strategy paper will be published after the Forum and government meetings are concluded.

Meetings with the Alberta Government

Meetings with government Ministers, MLAs and staff have been requested with Economic Development, Aboriginal Affairs & Northern Development, Agriculture, Food & Rural Development, Seniors and Community Supports, Health & Wellness and the Energy & Sustainable Development Standing Committee. Three meetings have already taken place, and the remainder are scheduled throughout the next month.

Our meeting with senior staff at Aboriginal Affairs & Northern Development revealed a strong interest in promotion of the co-op model among aboriginal communities. Discussion was initiated on the potential for cross-sectoral training with co-op developers and aboriginal groups interested in co-op development within their communities. A briefing paper will be sent to the Minister.

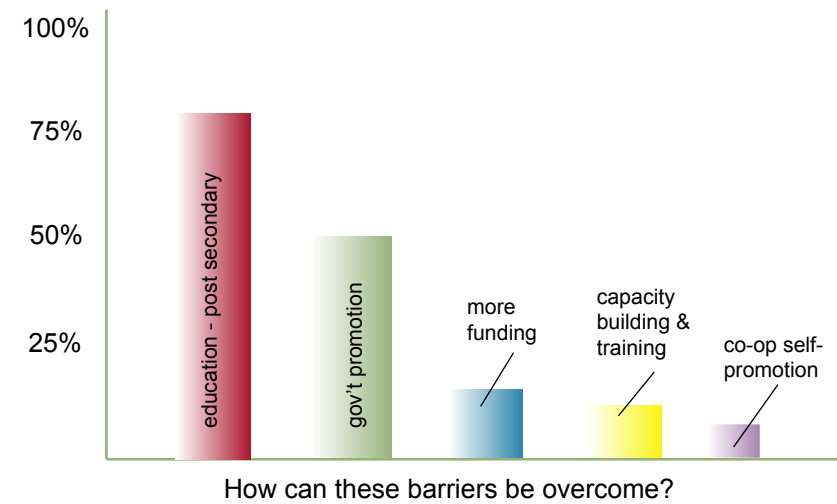
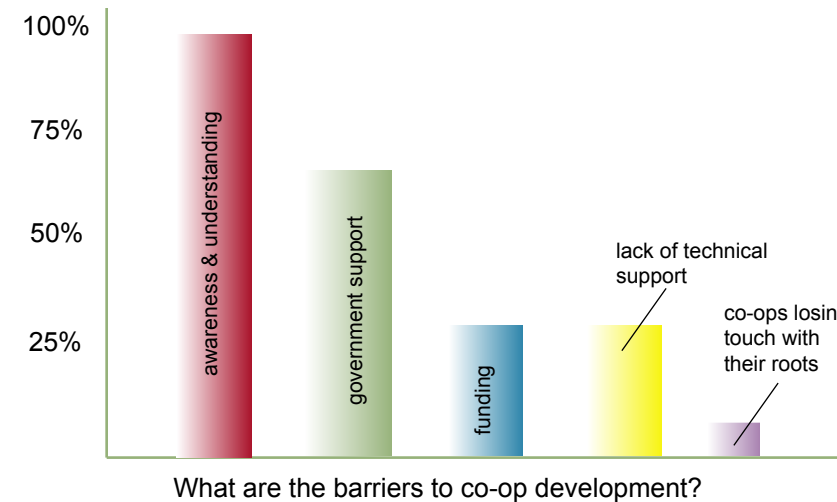
Minister Doug Horner, Agriculture, Food & Rural Development, has long been a promoter of co-ops. He has indicated some initial support for a rural development proposal that would feature new generation co-ops.

Meetings with Clint Dunford, Minister of Economic Development, and his senior staff provided an opportunity to give a more detailed picture on the potential for co-op development in Alberta.

Details of these meetings and subsequent meetings will be provided in the strategy paper forthcoming in the spring of 2007.



Your responses:



Opportunities for Co-op Promotion & Development

Here is a list of suggestions from respondents to the survey:

- ✓ engage credit unions in the co-op development process
- ✓ government could fund special advertising during National Co-op Week
- ✓ government should provide assistance for feasibility studies, business plans and tax advantages
- ✓ hold co-op information sessions through the CED networks
- ✓ trumpet our successes!
- ✓ existing co-ops could provide mentoring support or other in-kind contributions (e.g, office space) to co-ops starting out
- ✓ make requirements for start-up capital more flexible & adapted to the co-op business approach
- ✓ co-ops should spend 10% of their advertising time/space explaining "who, what and why they are"
- ✓ move the Co-op Secretariat to Industry Canada
- ✓ focus on youth leadership programs
- ✓ expand the role of the Rural Initiatives Program to include co-op promotion
- ✓ establish a co-op development fund administered by representatives from co-ops to assist with business plans, marketing or funding of mortgages
- ✓ government should level the playing field for co-ops
- ✓ advertize the benefits of co-ops in local papers
- ✓ share stories and experiences, particularly with those new to co-ops
- ✓ governments and co-ops should develop procurement policies targeting purchasing from co-ops
- ✓ lobby funding agencies such as the Alberta Lottery Fund to include co-ops in their funding criteria
- ✓ establish sector-government partnerships for funding and promotion
- ✓ expand the dialogue with government on the application of the co-op model to social issues such as health, child care, homelessness, poverty
- ✓ the sector should provide more technical assistance training