



CO-OPERATIVES AND THE FIGHT AGAINST POVERTY

Presentation by Government Affairs and Public Policy Director John Anderson to the Senate Committee on Social Affairs, Science and Technology November 21, 2007

Good afternoon. My name is John Anderson and I am the Government Affairs and Public Policy Director of the Canadian Co-operative Association. I welcome this opportunity to talk to you along with my colleague, Nicholas Gazzard, Executive Director of the Co-operative Housing Federating of Canada.

CHF Canada is one of our 34 members, which also includes co-operatives and co-operative federations encompassing all the major credit union centrals; The Co-operators insurance group; retail co-operatives such as Federated Co-operatives Limited, Co-op Atlantic, Growmark and Mountain Equipment Co-op; agricultural co-operatives such as Gay Lea and United Farmers of Alberta; as well as health and worker co-operative federations.

In 2009, CCA will celebrate its 100th anniversary as a national association for Canadian co-ops. In partnership with the Conseil Canadien de la Coopération, our francophone sister organization, we form a network of over 9,000 co-operatives and more than 13 million individual members.

Co-operatives and the fight against poverty

Co-operatives were formed to fight poverty. The first co-operative was started in 1844 by textile workers in Rochdale, an urban centre in England, to deal with the grinding poverty they endured. The principles of the retail co-operative they formed are the basis for the worldwide movement of today — a movement of some one billion co-operative members.

In Canada, the history of co-operatives has also been linked to the battle against poverty. Whether it is the credit unions started by Alphonse Desjardins, the retail co-ops of Western or Atlantic Canada, or the national housing co-operative movement, we believe that the co-operative model in Canada has shown it can be an essential tool in this fight.

The need for a national anti poverty strategy

I would like to start with this quotation from a Senate Committee:

“The Committee found that the solution like the problem must be multi dimensional. It must have a number of different components which can be integrated into a coherent plan for the elimination of poverty in Canada.”

Sound familiar? This is not a future conclusion from this committee but rather from the Special Senate Committee’s concluding report on poverty in 1971.

Since that time, poverty rates in Canada, no matter how you measure them, remain very high and much higher than in most comparable European nations.

We continue to have no coherent plan. Not only are the federal, provincial, municipal and Aboriginal governments not co-ordinated, there is no co-ordination within the federal government on this issue. And there is no co-ordination with important stakeholders such as business, labour and community organizations.

At CCA’s annual meeting, last June, delegates endorsed a resolution calling on the federal government to establish a national anti-poverty strategy in conjunction with provincial and territorial governments.

We are proud of the fact that this resolution was adopted unanimously. We also want to underline that this is the first example of an important business and economic sector organization committing itself to endorsing this goal.

We challenge other major Canadian business organizations and sectors to adopt similar pledges. Poverty as we know affects us all. Its effects are not limited to the poor but all of us feel its effects in terms of a weakened social fabric.

The role of co-operatives in fighting urban poverty

In our anti-poverty resolution we call on the federal government to use the co-operative model as an important tool to fight poverty.

Through our well-respected international program, we have learned how co-ops can work as anti-poverty tools. Many of the lessons we have learned in our work in over 40 developing countries can be applied here.

Since 2003, the Canadian co-op sector has partnered with the federal government on the very successful Co-operative Development Initiative. Through this initiative, which ends in 2008 and which we are trying to renew for another five years, we have helped develop a number of new urban co-operatives.

Experience shows us that co-operatives can be used to meet major public policy objectives. In an urban environment, co-operatives, among other civil society organizations, can make a contribution to lifting people out of poverty.

I would like to share with you one of many urban examples where co-operatives are making a difference.

Neechi Foods Co-op is an Aboriginal worker co-operative that operates a retail store in inner city Winnipeg — a neighbourhood with a large Aboriginal population and high rates of poverty and homelessness. First Nations, Métis and Inuit populations have poverty rates two-to-three times the already high Canadian rate. Neechi offers a range of grocery store products and has developed other related programs, such as fruit baskets for kids. Poverty often leads to poor nutrition and Neechi tries to address that problem. In addition, Neechi addresses poverty through meaningful employment to people of aboriginal ancestry, providing an opportunity for them to develop business skills and self-confidence.

Co-operatives and housing and homelessness

Turning now to the question of housing and homelessness: Much has been said about counting the number of households in “core need”. No matter the source of such an exercise there are definitely over one and half million households in core need across the country.

All frontline organizations that work directly with the homeless have now agreed on one major conclusion and that is the importance of promoting “housing first”. This is a policy position that says that you cannot begin to fully address the issues of mental health and addictions that plague many of the homeless without having available secure and affordable housing.

Affordable housing is not an area of public policy where we are unsure about how to address the problem. The current social housing era began in 1973 when the *National Housing Act* was amended to facilitate the development of non-profit housing co-ops and other types of non-profit housing. The result was several hundreds of thousands of permanently affordable housing units that are still with us today. In some ways it is not the number of units produced that is so significant but the creation of a sustainable model of affordable housing that includes housing the poor. The solution is at hand and waits only for the resources to implement it.

CCA endorses the positions presented today by the Co-operative Housing Federation of Canada and its social housing colleagues. Among others, it carries the torch for affordable housing and can deliver the solutions.

The Co-op Advantage

In conclusion, I would like to summarize some of the main reasons why we think the co-op model has important advantages as a tool for fighting poverty.

- 1. Co-ops build community assets** by keeping profits in the community and helping to build a framework for community economic development
- 2. Co-operatives stay in business longer** compared with other businesses in the private sector, according to a study by the Quebec government
- 3. Co-operatives are schools of business and community participation**
- 4. Co-operatives are locally owned and controlled**

Thank you for your interest. I would be happy to provide any additional information.