

# BACKGROUND



## WORKER CO-OPS: A different approach

### Worker co-operatives:

Worker co-operatives are owned in common by the people who work in them and are operated democratically by their workforce. This is an unusual arrangement, but has proven to be viable under the proper circumstances both in Canada and internationally.

The worker co-operative has similarities to a business partnership provided that it is an equal partnership, operating according to the principle one partner/one vote, rather than one partner with a controlling interest. However, worker co-operatives are grounded in a set of principles as defined by the International Co-operative Alliance in Geneva, Switzerland. These include: voluntary membership; democratic member control; and member economic participation.

An example of an enterprise operating as a worker co-operative

is The Big Carrot, a natural food market in Toronto's east end. Since its founding in 1983 as a small store that employed nine, The Big Carrot has expanded to a supermarket with a staff of 187 of which 65 are members, and with annual sales in the fiscal year 2007/2008 of \$27 million. The Big Carrot is also one-third owner of Carrot Common, a small mall in which it is housed.

As the business has grown, The Big Carrot has expanded and taken over other stores in the mall creating an organic fresh meat store, a body care shop, a

supplement department called The Wholistic Dispensary, and an Organic Juice Bar, and now is expanding the supermarket itself. Of the profits that The Big Carrot receives from Carrot Common, one third goes to an organization called Carrot Cache, which provides loans and grants to organizations related to organic agriculture and other co-operative businesses, both in Canada and internationally.

The members of The Big Carrot are all full-time employees and investors within the business of \$5,000 each. Each member has one vote in electing the board of



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**WEB SITES**

**Canadian Co-operative Association**

[www.coopscanada.coop](http://www.coopscanada.coop)

**Canadian Worker Co-operative Federation**

[www.canadianworker.coop/](http://www.canadianworker.coop/)

**Co-operatives Secretariat**

[www.agr.gc.ca/rcs-src/coop/index\\_e.php](http://www.agr.gc.ca/rcs-src/coop/index_e.php)

**Fédération québécoise des coopératives de travail**

[www.reseau.coop/reseau/sections/index/index.php](http://www.reseau.coop/reseau/sections/index/index.php)

**International Co-operative Alliance**

[www.ica.coop/al-ica](http://www.ica.coop/al-ica)

**La Siembra**

[www.lasiembra.com](http://www.lasiembra.com)

**Mondragon Cooperative Corporation**

[www.mcc.es](http://www.mcc.es)

**Ontario Co-operative Association**

[www.ontario.coop](http://www.ontario.coop)

**Ontario Worker Co-operative Federation**

[www.ontarioworker.coop](http://www.ontarioworker.coop)

**Social Economy Center, University of Toronto**

[socialeconomy.utoronto.ca](http://socialeconomy.utoronto.ca)

**The Big Carrot**

[www.thebigcarrot.ca](http://www.thebigcarrot.ca)

directors (the legal governance) from among its group and in membership meetings that occur bi-weekly for the purpose of developing policies. In this manner, the worker-members of The Big Carrot are like the citizens in a political democracy.

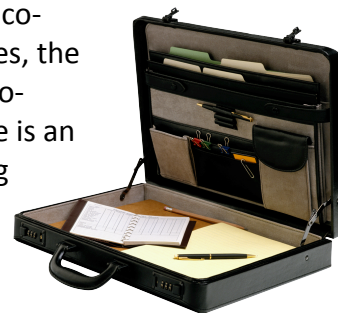
There are about 350 worker co-operatives in Canada, mostly in Quebec where there is a heavy concentration in forestry businesses and also ambulance services. The Canadian Worker Co-operative Federation, formed in 1990, serves as an umbrella organization, and co-operatives in Quebec belong to the Fédération québécoise des coopératives de travail. Most other worker co-operatives in Canada are micro businesses in such fields as fair trade and natural foods – for example, La Siembra in downtown Ottawa specializing in fair trade cocoa and sugar products.

Internationally, the most outstanding example of a worker co-operative is the Mondragon Cooperative Corporation in the Basque Region of Spain. This experiment in democratic worker ownership started in 1956, when five young engineers were inspired by their village priest, and has become an international corporation with subsidiaries in 18 countries including India and China. Sales in 2007 were more than 16 billion euros and there are more than 103,000 employees worldwide. Other outstanding examples of worker co-operatives are found in the Emilia Romagna region of

Northern Italy.

While it is not usual for the employees of a business to also be the owners and to participate in the governance, it is an option that students might consider. The worker co-operative should not be confused with the more common forms of co-operatives in such services as – farm marketing, credit unions, food retailing, childcare, housing. There are co-operatives for almost every service – about 9,000 in total in Canada – ranging from small (for example, Beach School Co-operative) to huge (for example, Desjardins financial institutions or Gay Lea in dairy marketing and production).

Although less known than other forms of co-operatives, the worker co-operative is an intriguing option for students who are interested in starting a business and sharing the risks and their ideals with other like-minded individuals.



**The Social Economy Centre of the University of Toronto promotes multidisciplinary research and policy analysis on issues affecting the social economy.**

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