

**DRAFT 4**

**Speaking Notes**

**for**

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of the  
Canadian Labour Congress**

**“The labour movement and the co-operative movement in Canada:  
partners or adversaries in the campaign for social justice?”**

**for**

**Presentation to ‘the co-operative and its workers: an MMCCU  
International Symposium**

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Good morning everyone.

Let me start today by saying it's far too easy, in this fast-food culture of ours, to forget our history – to forget that our labour unions, credit unions and co-ops all sprouted from the same roots.

It's far too easy to forget that we all serve the same membership – Canadian working families – and to forget that our organizations exist because working people created them to better their lives. Our lives.

It's too easy... but the truth is, despite the great pull of the great downward plunge to the global bottom line, we know we cannot afford to forget our roots.

Indeed, day in and day out, we make sure that everyone can see on whose side we're on. The side of equality, social justice, quality of life for working people, for working families.

And that's why we need to re-learn to act jointly – as social movement partners – and as catalysts, once again, for community-led development.

But, sadly, it often takes something like a plant closure to remind us of these ties that bind us together...

... like the recent pulp and paper mill shutdowns in Grand Cache, Alberta – in Prince Albert, Saskatchewan – in Le Pas, Manitoba. And then, I'm afraid, we discover too little solidarity, too late.

But these are wake-up calls that need to be listened to because each closure scare tells us that – in this race against globalizing capital – time wasted means jobs lost.

Take the case of Argentina – where we've seen capital flight on a nation-wide scale.

In Argentina, the bosses' reckless policies bankrupted the nation. Then, like rats from a sinking ship, they padlocked the factory doors, walked away from their workers – and fled the country.

But Argentina's *recovered factory* movement brought together thousands of laid-off workers – workers who refused to be globalization's collateral damage.

The workers' response was a co-operative response.

15,000 workers in 200 businesses – from bakeries to health clinics to steel foundries – formed worker co-operatives to keep that economy moving – without the bosses.

Emerging heroic from the shambles of a failed economy, these workers give us all good reason to be optimistic – optimistic that even in the face of increasing market volatility, de-industrialisation and job flight – we, too, can recover.

But we, too, have to believe in the power of co-operation and solidarity – not as rhetorical flourishes tossed off from a conference podium – but as real and practical possibilities to make a difference that will make a lasting difference.

We need to believe once again that, working together, co-ops, credit unions and labour unions can bring communities the tools they need to lead...

... the tools they need to take over and fill the gap left by runaway global capital and the state-in-retreat...

... the tools they need to rebuild sustainable and balanced regional economies – the kind of economies that are resilient enough to bounce back when the local steel plant or pulp and paper mill padlocks its gates.

Of course, arm wrestling back the dead hand of history – which has divided our great movements of working people – won't be easy.

We have to keep pace with global capital, get ahead of breaking trends and take the lead in innovative regional development. And we must do that against the Wal-Marts and Weyerhausers of this world.

Across this country – indeed, and across the world, the labour movement has worked with its allies to develop new tools for these new times – promoting shareholder activism, corporate social responsibility audits and the social investment movement – by gaining control of pension fund management – by launching labour-sponsored investment funds – and by supporting community economic development initiatives.

These tools, in most cases over the last two decades, moved us away from the solutions offered by the democratic cooperative models. But there are still many noteworthy and successful experiments.

Quebec has been showing the way since the QFL launched its solidarity fund in 1983.

Targeted to small and medium-size Quebec companies, that fund now commands \$6.5 billion in development capital.

20 years ago the CSN also developed a seven-staff consulting group to watch for early warning signs of plant closure and lack of investment.

They produce a Cinderella story with the ambulance workers' union-led buyout of their private sector employer. Instead of their union bargaining with the company and the company bargaining fees with the government, the CSN now directly bargains fees on behalf of the worker co-op.

Quebec now has over half a dozen major venture capital funds targeted to the social economy, half a dozen regional co-op development centres, and more worker co-ops than the rest of the country put together.

As the Quebec case shows us so clearly, we need to find ways to help give development tools back to our communities and to working people, too.

No tools, no development. No tools, no advancement for working people, their families and communities.

One of those tools is the worker co-operative.

Already, Canada's worker co-op movement unites thousands of workers across hundreds of firms nationwide.

Of course, the worker co-op movement is an emerging movement and has a mixed record.

But we now know why worker co-ops fail, what it takes for them to succeed and how parent movements – like the labour movement, the credit unions and co-op sectors – can help them succeed.

As islands of economic democracy in a sea of investor-owned firms, the emerging worker co-op movement faces many of the same obstacles our own movements struggled against in their infancy.

As for the worker co-ops themselves, the emerging ones face all the obstacles to growth that any business does – but, on top of that, they must also struggle against the prevailing culture...

... they must also struggle against the same competitive and individualistic culture we do – against the same investor-owned firm fixation that business development professionals and public policy makers suffer from.

The worker co-op struggles to succeed in a hostile environment.

In short, the worker co-op is a square peg in a round hole.

These are things we can all relate to.

These challenges, however, are not evidence that worker co-ops do not work. Any more than consumer co-ops, credit unions or labour unions – which also fail to fit the investor-owned firm mold – do not work.

They are merely evidence that the worker co-op is a different kind of firm – experiencing the same kind of resistance that all innovations must meet – experiencing the same kind of growing pains all our democratic movements have faced historically – as we, too, swam against the tide of elite power.

Traditionally, of course, the two main killers of worker co-ops have been a lack of adequate capital and a lack of technical assistance.

Except in Quebec.

In Quebec, where there is supportive development infrastructure and public policy, and there are well-established worker co-op federations, worker co-ops post consistently – and significantly – higher survival rates than private sector firms.

I will repeat that because I know that's not what we've been brought up to believe: well supported worker co-ops out-live, out-survive, out-last private sector firms.

In Quebec, through decades of analysis and organization, they have solved the capitalization and technical assistance problem.

Even in English-speaking Canada, this emerging sector has now had its own federation for a decade.

Under the energetic organizing of people like Peter Hough (who is up next!), the Canadian Worker Co-operative Federation has built up their membership, organized annual conferences, has launched its own accredited developers network, created a pilot venture capital fund and even rolled-out an RRSP plan for worker-led firms. All, in ten short years!

Clearly the CWCF is laying down the framework for a much-improved climate for successful worker co-op development.

What it lacks mostly is resources.

I should say, too, that as 'parent movements', we are also a big factor in the sector's rate and breadth of success.

I should say this because if we really want this emerging engine of job creation and sustainable community development to reach its full potential, we can also not afford to forget this.

We have to remember and acknowledge that every emerging co-operative movement in this country has relied on institutional backers through its take-off period. Be it a church, a labour union, a farmers' union, a university extension department or the state, every co-op and credit union movement in this country had its patrons.

I think we, too, need to be there for the worker co-op movement, not out of a misguided sense of charity – but out of a sense of enlightened self-interest and solidarity.

The fact is that lending support to a stronger worker co-op sector is a smart strategy for our movements.

After all, our members who invest in infrastructure for worker ownership today could well be the runaway plant casualties rescued by that capacity tomorrow.

Whereas a stronger worker co-operative movement can also provide a firewall of security to other workers – who will always face downward pressure on their wages as long as a reserve army of the unemployed is kept lean and hungry in the wings.

In this age of “flexploitation” and pervasive economic insecurity, strong worker co-ops can actually drive wages and working conditions upward and forward. After all, labour-managed firms exist to maximize worker income, not shareholder profits.

Roots in the community are another important feature of worker co-ops.

Take the case of Neechi Foods, a Metis worker co-op grocery store in inner-city Winnipeg.

Concerned for its vulnerable neighbourhood, Neechi refuses to sell cigarettes.

Take the case of La Siembra in Ottawa, or Nova Scotia's own Just-Us Coffee.

These are two fair trade worker co-ops whose work both expresses and organizes their international solidarity. La Siembra and Just-Us Coffee are inspiring examples of worker-to-worker linkages, against the tide of corporate globalization.

A strong worker co-op movement can rescue more than abandoned factories or vulnerable communities. It can rescue young workers, too.

With the cost of post-secondary education tripling over the last decade, our kids are too frequently trapped in mcjobs. Worker co-ops like the Organic Planet in Winnipeg or the Big Carrot in Toronto – both organic grocery stores – can give those youth alternatives to unemployment, poverty and social exclusion, unleashing their passion, energy and desire to take charge of their future.

Let me add here, too, the role which self-sustaining, democratic enterprises like Neechi Foods... and Just-Us Coffee... or the Mondragon Café and Bookstore in Winnipeg... can play in providing activists with an autonomous and sustainable organizational base – whether their goal is to act with inner-city or Third World partners.

It takes hard work, time and resources and money to change the world. And these days, there's hardly any government-funded advocacy organizations left.

But, you simply can't change the world after hours or on the weekend.

And changing the world is important. Neechi Foods..., La Siembra..., Just-Us Coffee..., Organic Planet..., the Big Carrot..., and the Mondragon – these feisty worker co-ops all give their workers the means to make their living by building a more sustainable, democratic and egalitarian world... a better future for all of us.

Finally, I want to say that backing frontline worker co-op development also seems smart for the co-operative movement.

Now some will say in Canada, outside-Quebec co-ops and unions will never find common ground – not at the bargaining table, not in support of the social economy and not to support worker co-operation.

I say: it can be done. Because – in Quebec – it has been done.

And, it must be done because it is the right thing to do.

Together our movements built this country and, together, again, we can be the champions of balanced and sustainable regional economies – where working families count.

Together, we can retake the regional development initiative from capital by soundly debunking, once again, the notions that Bay Street knows best, and that we are helpless to help ourselves.

But to do it we need to think big and act proactively.

We need to analyze, strategize and organize to rebuild pluralist regional economies. Those pluralist economies would feature a strengthened public sector on the one hand – and a more robust and expansive social economy on the other.

These pluralist regional economies can reduce the threat global capitalism pose to working families and communities.

As in Quebec, our unions, credit unions, co-ops and communities will all be stronger for it.

I suppose that is something worth fighting for.

Thank you.

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