

Worker Co-operatives and proposed Nova Scotia Infinity Impact Fund

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Co-operatives in Nova Scotia

- Over 400 Co-operative businesses in Nova Scotia
- Co-operatives exist in all sectors and include Credit Unions, which are financial co-operatives
- \$5 billion in assets
- 308,000 member-owners (1 in 3 Nova Scotians)
- Over 7000 employees
- 15-25 new co-operatives are established each year



What are Co-operatives?

- Legal Business Model
 - Sole Proprietorship, Partnership, Corporation, & Co-operatives.
- Requires 3 or more founding members.
- Formed to satisfy a common need.
- Can be **for-profit**, or **not-for-profit**.
- People become members/owners by purchasing annual membership fee, or shares.



Co-operative Characteristics

- Democratic Control - 1 member = 1 vote.
- Community Owned & Controlled.
- Governed by a Board of Directors who are elected from the collective group of member-owners.
- BOD sets policies, manager implements – reciprocal relationship between board & manager
- Pooling of resources (financial & human)
- Follow internationally accepted Co-op Principles



Examples of Worker Co-operatives

- **Worker Co-operative**
 - The employees of the business own the business, and collectively make up the membership of the Co-operative.
 - Can be a new startup or can be a succession model for businesses where the owner is retiring



Nova Scotia Infinity Impact Fund

- This is a proposed joint undertaking with many partners including
 - Government
 - Nova Scotia Co-operative Council
 - Nova Scotia Credit Unions
 - Private Citizens and Businesses
 - Community Organizations and Foundations
- Social Impact Investment Funds are a concept whereby there is equal weight given to financial returns and social impacts
- The IIF is designed to support social entrepreneurs in local communities



Challenges and Opportunities

- Social Impact Investing is considered to be a higher risk investment
- Perceived risk restricts individuals willingness to invest in socially desirable initiatives
- In some instances, governments have provided the seed capital that will absorb any initial losses. This moderates the risk for individual investors, businesses and foundations who subsequently invest into the fund
- With the establishment of a Social Impact Investment Fund, governments are able to leverage their initial investment and magnify the effectiveness and impact of their investment

