

DECLARATION

QUÉBEC SOMMET
2012 INTERNATIONAL
DES COOPÉRATIVES
L'ÉTONNANT
POUVOIR
DES COOPÉRATIVES



QUÉBEC INTERNATIONAL
2012 SUMMIT
OF COOPERATIVES
THE AMAZING
POWER OF
COOPERATIVES

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Also see the declaration online at

<http://www.sommetinter2012.coop/site/communication/declaration/en>

DECLARATION

As part of the International Year of Cooperatives, the 2012 International Summit of Cooperatives was held in Quebec City from October 8 to 11, bringing together almost 2 800 representatives and future leaders of cooperatives and mutuals from 91 countries. Participants came together to engage in in-depth discussions on the business challenges facing the cooperative movement. Other objectives of the event were to help facilitate networking and inter-cooperation, increase the general public's awareness of cooperatives, and find concrete ways to stimulate the development of the cooperative and mutualist sector at the local, national and international levels.

Summit participants acknowledged the important contribution that cooperatives make to the socio-economic well-being of people and communities and to a balanced and more stable plural economy. Cooperatives can make unique and relevant contributions because:

- they are committed to their communities for the long term
- they get people involved in managing the business
- they promote job creation and retention in the communities they serve
- they strive to be profitable, not as an end in itself, but to effectively meet the needs of their current members and future generations
- they use a business model that is solid and viable, at the local, national and international levels
- they are very resilient, as the last financial and economic crisis has shown.

Based on the Summit's findings and discussions, the participants declare that:

Cooperatives and mutuals are businesses that play a significant role in the global economy while ensuring a sustainable development

There are one million cooperatives around the world serving the needs of one billion members. Cooperatives provide jobs to 100 million people. The top 300 cooperatives, from all sectors, generate \$1 600 billion in global revenue. This figure is comparable to the world's ninth largest economy. The global cooperative movement represents the largest democracy and most impressive educational system in the world by virtue of cooperatives' democratic governance and the role they play in educating their elected officers and members on the economy and democracy.

Cooperatives and mutuals exist in all sectors of the economy and impact all aspects of life. In many countries, they are key players in the agri-food, financial services and retail sectors. Wherever cooperatives are active, they strengthen the communities they serve because, in addition to the significant contributions they make to the economy, they also play a major role in social and human development. Cooperatives and mutuals are helping many international organizations fulfill their missions and are contributing to the achievement of the Millennium Development Goals. This is due to their involvement in the areas of food security, poverty reduction, access to healthcare, gender equality, and mitigating the impacts of crises on high-risk populations while mitigating environmental risks to achieve sustainable development.

To continue to maximize their full potential within a changing world and fragile economy, cooperatives and mutuals must:

- continue to develop their overall performance and maintain their competitiveness to ensure their longevity
- aim for successful and sustainable business growth
- demonstrate a greater capacity for innovation
- remain relevant and current by training their employees, preparing the next generation, and making smart use of new technologies.

The cooperative and mutualist business model is diverse, effective and versatile. It gets people actively involved in the economy and helps generate the growth required for our collective prosperity.

The fact that the cooperative model can be applied in various sectors of activity (agriculture, health, financial services, etc.) and in different ways (consumer cooperatives, producer cooperatives, worker cooperatives, etc.) shows how flexible and adaptable it is.

To continue to grow and improve their performance, cooperative enterprises must:

- acquire a greater competitive edge by leveraging the close relationship they have with their members
- systematically identify members' needs that haven't been met
- become more organizationally agile within the parameters of their mission and guiding principles
- ensure a balance between the resources devoted to growth (which their longevity depends on) and those devoted to collective development
- clearly communicate how they are different from shareholder companies
- join forces with other cooperatives through partnerships and collaborative agreements.

The cooperative and mutual business model knows how to evolve and adapt to the changing conditions of its environment and its members' needs. However, both cooperative governance and their particular method of capitalization pose challenges.

1) Cooperative governance is based on transparency and participation, and having a longer-term vision allows them to build a trusting relationship with their members, clients and communities. The close relationship cooperatives have with their members explains their exceptional ability to meet their needs. The shared vision that inspires them leads to more

concerted and unifying action.

To continue to stand out in a globalized and technologically-advanced economy, cooperative enterprises will have to react faster to the rapid changes that impact their environment.

They must also:

- strike a better balance between their decision-making processes and operational agility
- clearly separate the respective responsibilities of the cooperative's elected officers and managers
- improve their overall performance management systems to quickly identify and correct their weakest aspects
- create more effective consultation processes with members regarding strategic guidelines
- leverage social media and other innovative communication tools to engage members in the democratic process
- find a way to maintain their natural position as leader in terms of member satisfaction at a time when interactions are becoming increasingly virtual.

2) Because their ownership structure limits their sources of capital, cooperatives have always had to be very creative when additional capital was needed for development purposes, while remaining true to their identity.

To address the challenges of capitalization in times of tighter financial regulations, cooperatives must:

- create inter-cooperative forums to give themselves a shared political agenda, speak with one voice, and better promote their distinctiveness with regulatory and political bodies
- maintain ongoing relationships with governments and regulatory bodies to keep track of new regulatory developments and ensure the specificity of cooperatives is taken into account
- maintain a constructive dialogue with oversight bodies
- meet the expectations of stakeholders in the area of governance, communication, technology and regulations in order to have access to the sources of financing they need to grow
- ensure that their governance and capital structures are able to support effective decision-making and investment processes
- develop financing mechanisms to create new and develop existing cooperatives.

It is undeniable that, considered as a whole, cooperative and mutual businesses represent a social, human and economic global powerhouse. But efforts must be made to ensure they gain greater political clout.

Important decisions are currently made around the world with no consideration of the cooperative movement's distinctiveness. This is because the cooperative model is not very well-known or recognized, even though it has demonstrated its ability to be successful. It has survived crises better than many others thanks to its distinct ownership structure and capital stability.

To prevent their business model from being overlooked or weakened, and to allow them to

gain political influence that is more in line with their global economic influence, cooperatives must:

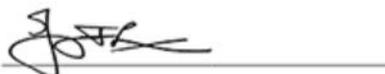
- combine their efforts and resources to give their international interventions greater impact
- commit the necessary resources to promote and spread the word about their achievements and tangible contributions to the world's socio-economic development, and the innovative ways they have responded to today's challenges
- intensify their representations to make themselves better known by policy makers and be considered in stimulus or economic development projects
- implement some form of accountability that reflects their social, human and financial performance
- arouse researchers' interest in the cooperative movement and build an international knowledge and database on cooperatives and mutuals that would serve as a basis for education on the cooperative model. These tools could help ensure that cooperative studies become essential in the academic and business world
- prepare the next generation of young leaders and ensure their participation within cooperatives and mutuals.

The participants of the 2012 International Summit of Cooperatives realize now more than ever that cooperative businesses can effectively respond to the socio-economic challenges that our societies face. The current crisis has actually reinforced the relevance of the cooperative response to today's needs. At the same time, participants also stressed the importance of the overall performance of cooperatives and mutuals, as it is a necessary requirement for a sustainable and significant contribution.

If we want to help build a better world, we need to focus all of our efforts on developing, strengthening and promoting the cooperative model.



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