

**DECLARATION:
2012 INTERNATIONAL
SUMMIT OF COOPERATIVES
Quebec City, Canada Oct. 11, 2012**

"Cooperatives and mutuals are businesses that play a significant role in the global economy and contribute to sustainable development..

*One million cooperatives are active around the world serving the needs of **one billion** members. **Cooperatives** provide jobs to **100 million** people. The top **300** cooperatives, from all activity sectors combined, generate **\$1.6-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 contribution 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 Millenium Development Goals. This is due to their involvement in the areas of food security, poverty reduction, access to healthcare, gender equality, mitigating the impacts of crises in high-risk populations while mitigating environmental risks to achieve sustainable development.

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

- * keep on improving their overall performance and maintain their **competitiveness** to ensure their longevity;*
- * aim for successful and sustainable business path;*
- * 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 actively encourages people to become 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, producers 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 and show how they are different from corporations;*
- * join forces with other cooperatives through partnerships and collaborative agreements.*

The cooperative and mutual business model can evolve and adapt to the changing conditions of its environment and its members' needs. However, the distinct governance and capitalization methods of cooperatives pose challenges.

1) Cooperative governance, which is based on **transparency, participation and long-term vision**, allows cooperatives to build a relationship of trust 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 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 weakest points;*
- * create more effective member consultation processes regarding **strategic guidelines**;*
- * leverage **social media** and other innovative communication tools to engage members in democratic processes;*
- * find a way to maintain their natural position as leaders in terms of member satisfaction at a time when interaction are becoming increasingly virtual;*

2) Because their ownership structure limits their sources of capital, cooperatives have always been very creative when they needed additional capital for development processes, while remaining true to their identity.

To address 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 on-going relationship with government and regulatory bodies to keep track of new regulatory developments and make sure cooperatives get the recognition they deserve;*
- * maintain constructive dialogues with oversight bodies;*
- * meet expectations of stakeholders in the areas of governance, communication, technology and regulations in order to have access to 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 cooperatives and develop existing ones;*

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

*Important decisions are currently being made around the world without considering the unique aspects of the cooperative model. This is because the 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 other models thanks to its **distinctiveness 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 in which they have responded to today's challenges;*
- * intensify their representation activities in order to make*

themselves better known to 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, the participants also stressed the importance of the overall performance of cooperatives and mutuals, as it is necessary requirement to ensuring they can make a sustainable and significant contribution.*

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