

Annual Gordon Osbaldeston Lecture

Monique F. Leroux

THE AUDACITY OF COOPERATION: WHY WE NEED MORE OF IT

November 15, 2012
Fairmont Château Laurier
Ottawa



CANADA'S
PUBLIC POLICY

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Dear Friends,

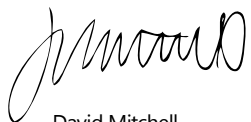
For those of you who were able to attend the 2012 Gordon Osbaldeston lecture, I hope this e-book revives memories of a lively presentation by Monique Leroux.

If you weren't among us on November 15, I encourage you to read [Mme. Leroux's lecture](#), which shines with her admiration for what she calls the "audacity" of the cooperative model. It also reflects the immense pride she has in the organization where she has enjoyed so much success, the Desjardins Group. You can also view [the video](#) of the lecture and peruse photos from the evening's proceedings.

Monique Leroux is one of Canada's foremost business leaders and an internationally-recognized financial visionary. She is also passionately committed to her community, and generously lends her time, experience and counsel to numerous not-for-profit groups in Quebec and throughout Canada. In her lecture, she shared with us the story of Desjardins, from one man's dream to a major player and employer in the financial services sector. Through that story, she demonstrated the value and viability of the cooperative model. Her lecture also sparked discussion on how the public service might incorporate some of the important lessons cooperatives such as Desjardins have to offer; lessons such as patience, perseverance, and equality.

The annual Gordon Osbaldeston Lecture is named for a former Clerk of the Privy Council, a truly revered leader of Canada's public service. The Lecture has become one of the Forum's signature events and a cornerstone of our work in public service leadership, renewal and innovation.

On behalf of the Forum and our members, I thank Monique Leroux for delivering an engaging, memorable address for our 25th anniversary year. I also thank our partners, who make events like the Gordon Osbaldeston Lecture possible.
Sincerely,



David Mitchell
President & CEO, Public Policy Forum

Thank you to our partners

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Monique F. Leroux

THE AUDACITY OF COOPERATION: WHY WE NEED MORE OF IT

Distinguished Guests, Ladies and Gentlemen, I am very happy to be here this evening to deliver the Gordon Osbaldeston lecture.

I consider it a privilege and an honour, and I would like to thank the Public Policy Forum for inviting me.

I want to speak to you tonight about the cooperative movement in Canada and internationally, and its place in a balanced, pluralistic economy. In the aftermath of the financial crisis of 2008 and the continuing economic challenges we face, it's more important than ever that all three legs of our economic stool are strong and balanced: the public sector, the corporate sector and the cooperative sector.

I also want to suggest ways we could strengthen the partnerships between the public and cooperative sectors for the benefit of Canadians.

But first I want to tell you how happy I am to be here in Ottawa, as I have great affection for this wonderful city.

That's because Ottawa played a pivotal role in the creation of the organization that I now have the great privilege of leading.

That might come as a surprise, as I am sure that most of you view Desjardins as a uniquely Quebec organization. The truth is the Desjardins story really started right here in Ottawa.

Alphonse Desjardins – A Great Canadian Entrepreneur

Let me explain.

The story began just over a century ago, with Alphonse Desjardins.

He was born in the town of Lévis, a transportation hub across the river from Quebec City. He was the eighth of 15 children, and his family struggled to make ends meet.

But he was an industrious student and was fortunate to go to college. He joined the Canadian Militia and served for a short time in Red River, Manitoba. He then became a journalist, and later a stenographer in the House of Commons, a position he held for 25 years.

While working in the House of Commons, Alphonse heard a Member of Parliament describe a heartbreaking story of a Montreal man forced by the court to pay interest charges of \$5,000 on an initial loan of \$150.

This was a turning point in Desjardins' life. He came to understand that small borrowers had almost no access to ordinary banks or any kind of credit and thus were left to the mercy of loan sharks.

He began researching alternatives to the banks, studying the so-called "people's banks" in Europe. He corresponded with Henry Wolff, president of the newly formed International Cooperative Alliance. Wolff put him in touch with a number of French, Belgian, Italian, and Swiss cooperative organizations.

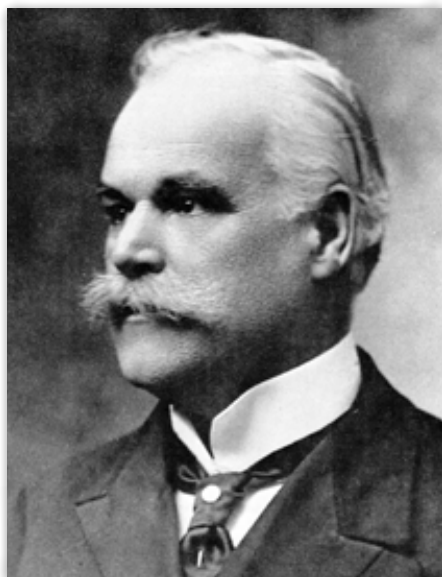
After much work, he developed a unique cooperative model, based on the European experience, but modified to reflect the economic, social, and cultural situation in Canada.

There was much more to Alphonse's vision for his new cooperative than a simple pooling of resources. It was based on a strong belief in self-help and included a focus on solidarity and on financial and economic education to help members better plan and manage their finances.

On December 6, 1900, Alphonse Desjardins persuaded about 100 Lévis citizens to adopt the association rules he had developed and the Caisse populaire de Lévis was born.

It opened its doors two months later, with about 30 members depositing a total of \$26.40 that first day.

There were no outside investors with deep pockets or other sources of capital. There was no support from government. There was only Alphonse's drive, commitment and belief in



the audacity of cooperation. And the support of his wife Dorimène, a partner in his daring project.

Nonetheless, the caisse grew quickly, and the word spread. Desjardins went on to help open many other caisses.

With the growth of the caisses, Alphonse recognized the need for legislation to provide a legal framework and protect caisse directors from personal liability. Without that protection, he felt the caisses were, in his own words, "living in the shadows".

He and other caisse supporters initially attempted to persuade the federal government to pass the necessary legislation. However, there were many vested commercial interests who saw cooperatives as a threat and fought against them. Eventually, in 1908, the Act Respecting Industrial and Co-operative Societies was adopted unanimously by the House of Commons. It was blocked by the Senate, however, defeated by a single vote.

The Quebec legislature did pass the Syndicates' Act, providing the necessary legal protection. As a result, for more than a century, financial cooperatives in Canada were regulated provincially instead of nationally, which has limited their opportunities to expand and grow outside their home provinces.

Just two years ago, the Federal Government introduced amendments to the Bank Act that will provide a national framework for financial cooperatives. These amendments require complementary regulations before being proclaimed into law. This past summer the draft regulations were released for comment.

But back to the Alphonse Desjardins story. Although he was deeply disappointed by the vote at the Senate's level, Alphonse Desjardins continued pushing forward.

As a matter of fact, he even helped to organize a caisse d'économie in 1908 for federal civil servants in Ottawa.

The success of Desjardins' cooperative model also attracted interest from the United States. He helped set up a number of caisses in French communities in New England, and he was welcomed by American politicians and various associations and even helped draft legislation in Massachusetts and New York that would lead to the creation of savings and loans cooperatives similar to the caisses populaires.

By 1912, he was so well known that he was invited to Washington by U.S. President William Taft to take part in a conference on agricultural credit.

He's now considered the founder of the North American credit union movement.

By the time Alphonse Desjardins died in 1920, 187 caisses populaires had been founded in Québec, 24 in Ontario and 9 in the United States.

It was a remarkable accomplishment in two very short decades. And to think it all started here, with a speech in the House of Commons.

A Century of Growth and Progress

So now let's look briefly at what Desjardins has become.

We are Canada's largest financial cooperative group and fifth largest in the world, with 5.6 million members and clients and over 400,000 business customers. We have 45,000 employees and 5,300 elected officers – all working together to serve our members and communities.

Through their Federation, our network of 400 caisses owns approximately twenty subsidiaries that are active in Canada and around the world.

In terms of Canada, Desjardins is currently:

- the number two group provider in the property and casualty insurance sector
- the fifth largest life and health insurance provider
- one of the leading direct insurance providers
- the preferred financial partner of cooperatives and mutuels across the country.

We have more than 4000 employees outside of Quebec, and do about \$4 billion in business. Last year, we enlarged our presence in Western Canada with the acquisition of Western Financial Group, which provides a variety of financial services through its network of 120 offices in rural communities stretching from Manitoba to British Columbia.

In terms of Quebec, we are:

- the number one deposit-taking institution
- the number one residential mortgage lender
- the number one agri lender
- the number one life and health insurance provider
- the number one commercial lender
- the number two P&C insurer
- the sponsor of one of the largest development funds supporting the small- and medium-sized business sector

We also have a global presence.

Over the past 40 years, our Desjardins International Development subsidiary has provided support to some 60 cooperative networks in over 40 countries. It has also helped create Proxfin, an international network of community finance institutions.

I am proud to say we've won quite a number of awards and honours in recent years. We have been:

- ranked first among the Best 50 Corporate Citizens in Canada 2012 by Corporate Knights Magazine
- included on the 2012 list of Canada's Top 100 Employers and the Financial Post's Ten Best Companies to Work For and selected as Canada's top family-friendly employer
- ranked the 16th safest bank in the world by Global Finance Magazine in 2012.



Now I mentioned those awards just to give you an idea of the things that are important to us: our cooperative values and culture and our financial strength and stability.

From that single caisse populaire in Lévis that started off with \$26 in deposits, we are now the 6th largest deposit-taking financial institution in Canada. We have \$200 billion in assets, and last year generated \$1.6 billion in surplus earnings.

Essentially, Desjardins is a cooperative financial group. Like any other financial group, we need to manage performance, and we need to grow and develop, both organically and through acquisitions and partnerships.

The Cooperative Difference – Associations of People, Not Capital

I would now like to explain what makes cooperatives different.

Let's start with a description from the International Cooperative Alliance, and I quote:

"Uniquely amongst models of organisation, co-operatives bring economic resources under democratic control. The co-operative model is a commercially efficient and effective way of doing business that accounts for a wider range of human need, time horizons and values in decision-making. It is an approach which works on a very small, and on a very large scale."

The essential thing to understand is that co-ops are people-, not money-based organizations. The money is there to serve people – not the other way around.

Some people think of co-ops almost as social agencies. They're not. And they are not Crown corporations or NGOs either. Co-ops are part of the business world and work within the market economy. What makes them different is that they have members not shareholders.

Essentially they are associations of people, rather than capital.

Co-ops vary widely. They include everything from small co-op daycares, to farm collectives, to huge financial cooperative organizations, like Desjardins or Crédit Mutuel in Europe, which has almost 30 million members and clients.

Regardless of size, co-ops all have certain common characteristics:

First, participation of the members.

In Desjardins, for example, our members are encouraged to get involved in their local caisses. They could serve on the caisse board of directors. And from there they could be elected as a regional delegate and participate in the decision-making at the broader Desjardins Group level.

Second, democratic governance.

Let me give you a personal example. I became President and CEO of Desjardins in 2008 – maybe not the best time to take leadership of a financial institution.

But what you may find interesting is that I was elected into the job by 255 delegates representing caisses, and their members, in the Desjardins network.

These delegates make up the Assembly of Representatives. This assembly meets several times a year to share insight on major issues facing Desjardins Group and help in the implementation of orientations within the network.

Here's another example of our democratic governance.

Investor-owned corporations hold annual general meetings, whereas we hold an annual general assembly. It is very different. It is a huge event – with 1,200 elected officers and general managers from the Desjardins caisses in Quebec and Ontario. They introduce ideas and vote on initiatives and strategies.

Third, local decision-making.

Co-ops stay close to their communities. They are controlled by their members, the people they serve. As a result, co-ops can't be suddenly sold or be subject to hostile takeovers.

Fourth, commitment to sustainable development and the social economy

It's important for co-ops, like any other company, to generate profits. Otherwise, the business is unsustainable. But with co-operatives, profits are not the be all and end all. Other factors are also important:

- creating jobs
- creating sustainable wealth in the community
- supporting education and training
- supporting social and environmental initiatives
- and promoting collective values and leadership.

The co-op approach is about people uniting to meet their common economic, social or cultural needs and aspirations.

Some people think of co-ops almost as social agencies. They're not. And they are not Crown corporations or NGOs either. Co-ops are part of the business world and work within the market economy. What makes them different is that they have members not shareholders.

It is based on values such as self-help, self-responsibility, democracy, equality, equity and solidarity.

In my mind, these provide a solid people foundation for society and for sustainable communities.

At Desjardins, we actively work to build sustainable communities through our community development funds, sponsorships, donations, scholarships and, of course, the surplus dividends (or profits) we pay to our members. Through these many initiatives we give back to our communities the equivalent of more than \$1 million per day.

We recognize that it takes more than a strong economy to make a community sustainable – though jobs and economic opportunities are of course critically important. That's why in addition to supporting economic growth in our communities, we also support education, culture, sports, and social organizations. These all play a part in creating a community where people want to live, raise their families, and invest for the future.

Our goals in many respects are similar to or at least complementary to those of government – to build strong and stable communities.

The Cooperative Sector – An Amazing Stabilizing Force

Now some people view cooperatives as old fashioned and out of date.

That was certainly the view several decades ago, when the idea of globalization was gaining in popularity. The cooperative and mutual model was seen as inefficient. And many of the regulatory systems did not take into account the very different structure of cooperative organizations.

For example, many cooperatives had some difficulty accessing capital to invest in growth and for other business purposes. As a result, a number of financial institutions demutualized under the pretext of gaining greater agility. In some cases, this enabled opportunists to grab hold of a precious heritage accumulated by members over several generations.

Today, the view of the cooperative model as outdated has changed. There's nothing like an economic and financial crisis to remind people that the so-called boring cooperatives are actually pretty valuable to have around.

The fact is, co-ops and mutuals are a huge, but sometimes forgotten part of the Canadian and global economies.

They tend to be humble organizations. They don't do a lot of self-promotion, and they are mostly ignored by the business papers.

We're trying to change that, and we have a very good story to tell.

Here in Canada, for example, cooperatives have over \$300 billion in combined assets, employ more than 155,000 people and serve more than 15 million members.

No matter where you live in Canada, you're probably doing business with a co-op.

As the Canadian Cooperative Association points out, co-ops are a part of everyday life for most Canadians – even if they may not be aware of it.

You can be born with the help of a health care co-op and buried by a funeral co-op. In between, you can live in a housing co-op, eat food produced by agricultural co-ops and buy that food at a retail co-op. You can send your children to a daycare co-op, do all your banking at a credit union or caisse and purchase your insurance from an insurance co-op or mutual organization.

Here are a couple of facts that you may find of interest from the International Cooperative Alliance's World Cooperative Monitor:

First, there are currently about one million co-ops operating in 100 countries around the world – and employing 100-million people. They are global. They are in mature economies and in the developing world. They are found in the capitalist heartland of America, and the more left leaning nations of Europe.

Second, the 300 largest co-ops and insurance mutuals in the world combined generate close to \$2-trillion in revenue. That's roughly equal to the entire GDP of Canada – the ninth largest economy in the world.

Famous Co-op Brands – In Every Business Sector

There are some very famous brands that most people don't realize are co-ops or mutuals.

Sunkist, Ocean Spray, Home Hardware, Best Western Hotels, Gay Lea Foods, State Farm, and even the legendary Green Bay Packers are all co-ops !

In fact, if you add up all the members of all the co-ops and mutual insurance companies around the world, you end up with an incredible number – one billion people participating in the real economy through their involvement in co-ops, both large and small.

These are laymen, average people, who have learned through their co-op how to do business and how to share the benefits of their business. Co-ops play an important role in educating people about economic and financial matters. In a sense, they also help bridge the gap between main street and big business, because many co-ops, like Desjardins Group, are big business.



Daniel Watson, Chief Human Resources Officer, Treasury Board of Canada Secretariat, thanks Monique Leroux, President & CEO, Desjardins Group



The Long-Term View Brings Better Decisions

Because they are not owned by shareholders and traded on stock markets, co-ops can take the longer view. In fact, the longer-term perspective is built into the DNA of Desjardins and most other co-ops.

Co-ops don't have to worry in the same way about quarterly results, or analysts ratings, and what will happen to the stock price.

Unlike shareholder companies, there is no incentive for co-ops to take big risks to maximize profits and to push the stock price up. They have much more conservative financial objectives.

Co-ops take a more balanced approach. And focus on prudent, longer-term strategies for growth. For the most part, they tend to stick to their knitting. As a result of all this, co-ops are generally more resilient than other companies.

Even new co-ops have a much greater survival rate than other start-ups. In Quebec, the survival rate of cooperatives is roughly double that of other businesses. After five years, 62% of cooperatives are still operating versus 35% for other Quebec businesses. After 10 years the comparison is even more dramatic – over 44% vs less than 20%.

Again, that's because cooperatives are not looking for the quick score. Instead, they are usually formed to meet a real need in the community and to serve their members over the long term.

Cooperatives Are Resilient – In Good Times and Bad

As I mentioned a moment ago, the true value and strength of cooperatives are best appreciated during times of crisis.

I think we've all known that cooperatives and mutuals perform better than private or shareholder organizations during economic downturns. But now we have actual evidence – a 2009 study for the International Labour Organization that tracked the resilience of the cooperative model in times of crisis.

It found, for example, that at the end of the 2008 crisis, although they had received no government support, the balance sheets of cooperatives were generally in good shape, certainly much better than some of their shareholder-owned competitors.

Even when the crisis was its peak in 2009, the vast majority of Quebec cooperatives continued to grow.

In the United Kingdom the performance of cooperatives in terms of growth is even more impressive. While the overall UK economy has contracted by 1.7 % over the past four years, the cooperative economy has grown by almost 20%.

Why the difference in performance?

As I mentioned before, cooperatives are more prudent, less willing to take excessive risks that impact our members and customers. And because cooperatives are more democratic, with local decision-making, they are less likely to follow the herd, or be driven by the ambitions or ego at the top of the organization.

This is Our Time – A Window of Opportunity for the Cooperative Sector

The severity and global impact of the prolonged economic crisis has created a window of opportunity for the cooperative sector. In my opinion, the cooperative business model is the one that is likely to see the fastest growth over the next several decades.

Now you might assume from that statement that I see co-ops as the one and only answer. I don't.

However, I do find it interesting after the excesses of the financial crises, and the resulting public anger, that business leaders are now looking at ways of better matching their business strategies with longer-term societal benefit.

That's the idea behind Harvard Business Professor Michael Porter's "shared value" concept. The same is true of the so-called "for-benefit enterprises" or "good enterprises" which have been touted in the Harvard Business Review and other leading business journals.

In addition, new enterprises have emerged with the goal of combining social missions with making money.

I do find it interesting after the excesses of the financial crises, and the resulting public anger, that business leaders are now looking at ways of better matching their business strategies with longer-term societal benefit.

Even some of the biggest and most profitable companies are redefining their missions to include producing social as well as economic value.

I find this blurring of traditional business approaches very interesting.

They certainly suggest a much more enlightened view than the old argument that the principal responsibility of business was to maximize profits and shareholder value.

As the Nobel Laureate economist Michael Spence noted at the Quebec International Summit of Cooperatives last month, our societies must find a new growth model and cooperatives are well placed to lay the groundwork for such a model.

The Pluralistic Economy – Balance and Stability

Personally, I am a big believer in a pluralistic economy.

There are three key elements to this pluralistic economic system:

First, a dynamic private sector governed by appropriate regulations.

Second, a highly-effective and strategic public sector – even with the fiscal and other challenges we face.

And last but not least, a strong cooperative and mutualist sector that is recognized and supported by enabling regulation, and enjoys solid, sustained growth.

I believe that a stronger cooperative sector in a more balanced economy could help address one of the most corrosive and ultimately divisive issues we now face – rising inequality.

We saw the issue raised by the Occupy Movement and played out in the U.S. election. And although the situation in Canada is not as extreme, there are some concerns that we are moving in the same direction.

As Nobel winning economists like Paul Krugman and Joseph Stiglitz have argued, everyone pays the price when you have high levels of income inequality.

Stiglitz explains, and I quote: "Paying attention to everyone else's self-interest – in other words to the common welfare - is in fact a precondition for one's own ultimate wellbeing ... it isn't just good for the soul, it's good for business."

In simple terms, businesses are essentially reliant on people. If you don't find a way to share the wealth, the businesses and the whole system will contract and eventually collapse.

We Need More Cooperation – And More Cooperatives

What it all comes down to is one simple fact, we need more cooperation – at every level – and more cooperatives.

I've always believed that people working together can achieve things that are beyond what is possible when they work alone or in competition. It's not just strength in numbers. It's the dynamic combination of individual capabilities, experiences and viewpoints that makes the difference.

Certainly the ability to cooperate and develop social bonds is an integral part of being human. That's how we survived in a world of much bigger, stronger and faster predators. To quote David Brooks at the New York Times, "Humans survived and prospered because we are really good cooperators."

I believe that cooperatives reflect our better nature. They are businesses on a human scale. They are close to communities and controlled by them. They encourage personal commitment. They encourage people to mobilize, collaborate and take action together, rather than waiting for governments or the international community to act.

And there's plenty of evidence, as the American economist Jeremy Rifkins says, that at our core, we have evolved to be empathetic, and that real human happiness comes from our social bonds and contributions to others.

Unfortunately, we don't see enough evidence of that these days – not in our politics, not in the looming budget battles south of the border or the crisis discussions in Europe, not in our seeming inability to do anything meaningful about climate change, or poverty or any of the other huge issues facing us today.

I believe that cooperatives reflect our better nature. They are businesses on a human scale. They are close to communities and controlled by them. They encourage personal commitment. They encourage people to mobilize, collaborate and take action together, rather than waiting for governments or the international community to act.

As President Obama said in his recent victory speech, "America's never been about what can be done for us; it's about what can be done by us together, through the hard and frustrating but necessary work of self- government."

He could just as easily have been talking about the cooperative movement.

The Public and Coop Sectors – Natural Partners

So what does this all mean for the public sector, and its relationship with the cooperative movement?

First, there should be a level playing field.

It would be wonderful if governments would provide the same level of interest in and support to the cooperative sector as they do to the private sector. We need laws and regulations that enable cooperatives to be created and to thrive. This is not to give us advantages over other institutions, but to level the playing field and to recognize the importance of co-ops in a balanced economy.

Let's take for example the financial sector. So much of the regulation doesn't take into account the cooperative structure. We don't have common shares, so we need to raise capital in other ways. The financial regulation doesn't properly recognize our different capital structure.

Too often, the cooperative sector is forgotten or ignored when important public policies are discussed and adopted.

Thankfully, there are signs that this is now beginning to change.

The changes to the Bank Act I mentioned earlier are very positive. In addition, the report of the federal Special Committee on Co-operatives, which was released in September, addresses many of the regulatory concerns we have.

The government sector and the cooperative sector share some common goals in meeting the real needs of people and supporting communities. So it makes sense that we work more closely together here in Canada.

I particularly like the reports recommendation that the responsibility for co-operatives be put under an economic department, such as Industry Canada. And I think it would be very helpful, as also recommended, to educate government employees and regional economic development agencies on the nature and importance of cooperatives to Canada's economic development.

Hopefully, the report will result in positive regulatory changes in the near future.

The second issue I want to discuss is the fact that we are natural allies and partners.

The government sector and the cooperative sector share some common goals in meeting the real needs of people and supporting communities. So it makes sense that we work more closely together here in Canada.

In many other countries, cooperatives play an important role in delivering health, education, sustainable energy, and other vital services either on behalf of government -- or sometimes in place of government.

With the fiscal and demographic challenges now facing governments everywhere, it is clear that outsourcing of services will become increasingly popular.

What type of services? Various types of health services, housing, and home care services for the elderly or those with special needs, just to name a few.

The Government announced just last week that it is looking to develop partnerships with the private and non-profit sectors to finance and/or deliver various government services.

It would be wonderful if governments would provide the same level of interest in and support to the cooperative sector as they do to the private sector. We need laws and regulations that enable cooperatives to be created and to thrive. This is not to give us advantages over other institutions, but to level the playing field and to recognize the importance of co-ops in a balanced economy.

I may be biased, but I believe that cooperatives are the ideal partners in such initiatives because of our democratic governance, our high ethical standards, the fact that we are rooted in our communities, and because we put people before profits.

Plus cooperatives have been leaders in providing needed health, social and other services, including micro-finance, micro-insurance, and health promotion.

The third and final point I want to make about the public and cooperative sector is the fact that they share something in common that's very special and important – a call to service.

I worked for most of my career in the private sector for large and successful organizations and with some very smart and motivated people.

And yet when I joined Desjardins, I really felt that many people in the organization were motivated by a higher purpose. They valued being part of an organization that stood for something beyond simply making money, an organization that added value to the world.

An International Summit for and about the Cooperative Sector

I would now like to tell you a little bit about an initiative that has been a major focus for me over the past year.

As you know, the United Nations declared 2012 the International Year of Cooperatives. To mark and celebrate the year, Desjardins partnered with the International Cooperative Alliance and St. Mary's University in Nova Scotia on the first International Summit of Cooperatives, which was held in Quebec City just last month.

It was an amazing event, attracting almost 3,000 participants from 91 countries. It was similar in many ways to the World Economic Forum in Davos. But it was designed for and about the cooperative sector.

It included presentations from some of the world's top economist and most innovative thinkers.

It included detailed panel discussions involving cooperative representatives from every sector and every region of the world.

And it included ground-breaking research and surveys. This helped us better understand where cooperatives are today, and where we need to go in the future.

It also raised important issues such as the lack of data on cooperatives, which is hurting our ability to present our case, and the fact that very few business schools even devote a single course to the cooperative sector, let alone offer a cooperative management program.

From all the discussion and presentations at the Summit, we put together the Quebec Declaration. Next week I will have the great privilege of going to New York and presenting this Declaration to the United Nations at the official ceremony to close out the International Year of Cooperatives.

I was at the U.N. for the original announcement, and will be there for the completion of what has been an amazing year.

Overall it makes a solid case for a strong and dynamic cooperative sector taking a much more important place in a stable, pluralistic economy.

But to reach that next level, cooperatives need to get better in terms of performance, agility and innovation. They need to better develop partnerships for growth with other cooperatives and develop financial tools that meet the specific needs of the cooperative sector.

They also need to be more proactive with government to achieve the enabling regulatory support to expand and succeed.

Finally, they need to invest even more in education and in attracting and preparing the talented young people who will be the next generation of leaders.

The Century of Cooperatives – To Build a Better Canada

We can learn some key lessons from the audacious project launched by Alphonse Desjardins more than a century ago.

First, the importance of entrepreneurship. Because any great accomplishment requires action, commitment and leadership, and it usually starts with one entrepreneurial individual.

Second, the role of education. He clearly recognized that by their nature cooperatives are a great training ground in financial management and democratic processes and an effective gateway into the business world for many people.

Third, innovation is key. The caisse populaire model borrows from the European “people’s banks”, but Alphonse studied that model and adapted it so that his caisses would better meet the needs of people in Quebec and Ontario. It was a great innovation.

Fourth, openness to the world. It was this openness and curiosity to what was happening in Europe that enabled Alphonse to introduce the idea of bringing cooperative banks to Canada.

Fifth, cooperative partnership. Alphonse recognized that when cooperatives partner with other cooperatives their growth and positive impact on society can multiply.

I truly believe that these lessons are just as relevant today, as they were a century ago.

So now the International Year of Cooperatives is coming to an end. But not the commitment within the cooperative sector to keep driving forward.

The International Cooperative Alliance has put together what it calls “A Blueprint for a Co-operative Decade.” I think we could aim even higher – for a full century.

If I could take the liberty, I would amend Wilfrid Laurier’s famous prediction (« The 20th Century will be the century of Canada »), and tell you that the 21st century will belong to Canadian cooperatives. Working in partnership with the public sector, cooperatives can help build a more inclusive, more sustainable, more prosperous and more democratic Canada.

I know it is an audacious ambition. And I know that our cooperatives still have a long way to go. But in the words of Alphonse Desjardins, “Humble beginnings are no obstacle to future greatness.”

Ladies and gentlemen, it has been privilege and a pleasure to speak to you tonight. Thank you for being such a wonderful audience.



Gordon Osbaldeston

Since 2006, the Public Policy Forum has hosted the annual Gordon Osbaldeston Lecture to help examine and understand the vital role the public service plays in preserving a democratic and vibrant Canadian society. Named after one of Canada’s most revered public service leaders, this prestigious lecture honours Gordon F. Osbaldeston’s distinguished career by raising awareness about the challenges, issues, and opportunities facing Canada’s public service. With over 35 years of service, including three years as the Clerk of the Privy Council and Secretary to the Cabinet and many years in senior positions in the Canadian government, Mr. Osbaldeston’s name and wisdom have helped make this series not just a success but a central piece in the Forum’s programming on public service. Over the years, he has been recognized for his work winning the Outstanding Achievement Award of the Public Service, he was named Officer of the Order of Canada, he was sworn into the Queen’s Privy Council for Canada and he also received The Queen’s Golden Jubilee Medal.