

Gennevilliers, 6 October 2008

THE MONT BLANC MEETINGS

“The irrational exuberance of the markets,” to take the term casually used by the former chairman of the Federal Reserve Board, Alan Greenspan, has since taken on the proportions of an earthquake that has shaken the main financial markets around the world with enormous economic and social consequences whose devastating effects are starting to be felt.

This exceptionally serious crisis strikes a resounding blow to those who referred to the self-regulating mechanisms of the market and advocated blanket deregulation.

The return of government intervention and regulation, which are clearly indispensable, should not however delude us. It is not enough to purge the system of its toxic effects if this fails to tackle the root causes of the problem, which is essentially due to putting profit maximization before all other considerations.

The CEOs of social-economy organizations (cooperatives, mutual societies, nonprofit organizations and foundations) from every continent, joined together in the Mont Blanc Meetings association, want to restate the following on this occasion:

1. The primary purpose of finance is to serve businesses, something that has been obliterated by the excessive financialization of the economy.
2. There exists a way of setting up and running a business that is based on values that put the long-term objectives of meeting the needs of the greatest number of people, social utility, public interest, and fairly distributing the gains from this business among people before the short-term objective of maximizing profits.
 - This is the route that social-economy companies have been successfully following for over a century in every region of the world for the greatest benefit of the populations concerned.
 - If rigorously followed, such an approach enables avoiding the problems that can be seen today in the sad spectacle of the capitalist economy.
 - The social economy thus presents a totally credible and significant alternative that offers a real prospect for building a fairer and more humane world.
3. The participants of the Mont Blanc Meetings stress that the quick-fix solutions devised by governments – which consist of the public in the affected countries, who are already the most exposed to the consequences of the crisis, taking on the exorbitant costs of bailing

out financial institutions that are victims of their own transgressions – may have very unfair consequences even if the crisis requires emergency measures to stop it spreading further.

4. Lastly, the participants of the Mont Blanc Meetings believe that the decisions of public financial institutions and governments should be subject to conditions of transparency so that citizens can exercise real control through their democratically elected representatives.

This requirement must lead to much greater transparency than what is currently the case in the way financial organizations and companies in general operate. In this respect, the participants of the Mont Blanc Meetings emphasize the advantage of the rules followed in cooperatives and mutual societies where the users or providers of their services are also shareholders/members at the same time and, as a result, control the company.

The implemented decisions and rules should put the public interest before the exclusive interests of market operators, including in the financial sphere. The inevitable restructuring of the Bretton Woods financial institutions should find a source of inspiration in the values embraced by the social economy. The social economy must be prepared for a period of new growth to help, in the context of plural globalization, shift globalization towards growth that is more sustainable and in which the proceeds of growth are better shared.

