



DECLARATION OF OAXACA

On the 29 and 30 May 2013 the World Summit of Solidarity Finance was held in Oaxaca, Mexico. The Summit – “Promoting Economic and Inclusive Justice” – brought together leaders, women leaders, managers and representatives of social finance institutions, cooperatives, credit unions, community finance networks, major financial and banking institutions, development NGOs and state institutions from across the globe, including strong representation from Latin America, Africa. The attendees propose this *Declaration of Oaxaca*, which reflects the diversity of their institutional experience, approaches and initiatives.

1. The world is experiencing simultaneous crises of finance, food, environment and energy, as well as the ongoing depletion of natural resources. These crises are the result of a dominant global production model, which excludes – to a greater or lesser extent – those who do not have access to the profound changes brought about by economic globalisation: indigenous populations, Afro-descendants, women, youth and the impoverished. This exclusion will affect the fate of future generations within these socio-economic groups.
2. The dominant model has high costs: degraded ecosystems, health risks – especially for those the model excludes – higher food prices without corresponding benefit for rural communities; damage to the traditional economies of rural and farmer communities operating outside the modern economy.
3. Inclusion should be considered as a vital prerequisite for progress and democracy.

And so we propose the following:

4. We should pursue a strategy of political solidarity to generate comprehensive and sustainable public policies. At their heart, these policies must empower rural and farmer communities through a unified financial system that exists to serve the real needs of individuals, families and wider society.

5. We must better understand the needs of the poor. We encourage key influencers within economics and social finance to work alongside state policy makers to actively promote the identity and needs of underserved groups and to bring about transformative political action. While cooperation with the state is recognised as essential to change, such relationships must remain true to their fundamental purpose – improving the quality of life for underserved people – while rejecting any corruptive influence or self-serving tactic.
6. We must expedite the delivery of improved food security and concurrent agricultural policies of inclusion, redirecting subsidies to reduce inequalities and provide solutions to market failure. We recommend a timetable for action, with input from all stakeholders – particularly agricultural workers and producers. In this way, cooperation and solidarity can be strengthened from the grassroots.
7. We need to build upon existing state regulatory frameworks to enable those who are not beneficiaries of the dominant model to access the financial system. We need to counter the limitations of the ‘Basel Accord’ by re-orienting regulation on the basis of demand and not supply, with an integrated and unified approach that both strengthens existing economic structures and provides new financial opportunities for producers and women in both rural and urban environments.
8. Credit and financial institutions should be evaluated not only for their financial performance but also according to the value of their contribution to social development. They must strive for the creation of a financial system with a human face – one that operates on the basis of ethics, transparency and enabling technological investment.
9. The essential need for banking reform and a new banking order must be exposed and promoted. This reform depends upon improved support for the development and proliferation of socially-inclusive financial practices in our countries.

Oaxaca, 30 May, 2013