

Co-operative capital and the value of membership

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The debate

- Should co-operatives issue investment shares to access external equity capital?
- What is at stake?

It's about control....

Membership



Vs.

Ownership



...and it's about ideology

ideology

,ˌɪdɪˈɒlədʒi

noun

a system of ideas and ideals, especially one which forms the basis of economic or political theory and policy.

"the ideology of republicanism"

synonyms: beliefs, ideas, ideals, principles, doctrine, creed, credo, teaching, dogma, theory, thesis, tenets, canon(s); conviction(s), persuasion, opinions, position, ethics, morals



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...but pragmatism matters too

- Practical solutions to specific problems- eg. regulatory constraints and changes in competitive market structures

Financial capital: membership vs ownership

- Members' ('social') shares vs investment shares
 - Rights and obligations of members
 - Rights and obligations of investors

It's what we know...

- Lifecycle – the investor focus
- Closed membership
- Investment relationship – new generation co-operatives



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Co-operative difference

- Capital is fuel: not the driver, nor the destination



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Financial instruments

- Features
 - Collective ownership
 - Non-divisible reserves; dual accounts
 - Funds/ guarantees (social capital; intangible assets)
 - Investment shares- no voice, limited time, limited return (decoupled from 'profit')

Thank you!



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