Multi-stakeholder cooperatives as a means for jobs creation and social transformation

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Motivation

• Multistakeholder cooperative form is more prevalent than thought

• Literature talks about MSCs as the ‘new’ cooperative form
  – Based on existence of legal frameworks for MSCs (Italy, Spain, France, Canada...)

• Labour as the key factor in forming MSCs
Labour is the principal factor for transforming nature, society and human beings themselves.

(Arizmendiariarrieta, in Herrera 2004)
Multistakeholder governance

• Multiple types of members who own and control the cooperative
• Considered costly in economics literature (member heterogeneity)
• In reality, complexity demands MS involvement and is more effective than unitary boards (homogeneity of purpose)
Inclusion of labour in MSC

• MSC form often results from inclusion of labour in ownership and governance

• But also labour (worker-members) expanding voice to other stakeholders, or

• New MS ventures
Why MSC?

• MSCs explicitly address the internalization of externalities into the mission of the cooperative enterprise
  – Moves away from the ‘ownership’ and investor focus to usership/impact and P7
MS advantages

• MSC longevity, growth and endurance
  – the purpose is more cohesive than thought
  – multiple stakeholders engage through reciprocity and solidarity, rather than competing interests

• Turnbull (2002)
  – multi-stakeholder network governance has competitive advantages, compared to unitary boards where access to information is limited
Transforming socio-economic relations

• Transformative potential of MS governance
• Advantages:
  – access to resources, diverse voices and concerns
  – Internalizing the ‘externalities’
  – solidarity at the heart of social cooperatives, and in particular those who view labour as a vehicle for social transformation (or, a social asset)
  – motivates social innovation
Transformation requires attacking the root causes that generate and reproduce economic, social, political and environmental problems and inequities, not merely their symptoms.

Utting 2016
Thank you!

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