

Propositions

attached to the thesis

Essays on Cooperatives: Emergence, Retained Earnings, and Market Shares

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1. Cooperative emerges efficiently bottom-up with the initiative of members when the value of the outsiders is low and member heterogeneity is limited.
(this thesis)
2. Top-down cooperative with a selfish (benevolent) outsider is uniquely efficient when heterogeneity of members is low (high) and the value of the outsider is high (low).
(this thesis)
3. The equilibrium retained earnings percentage is always lower in a member-controlled cooperative relative to a cooperative where the profit distribution decision is allocated to the downstream management; this leads to a downstream underinvestment inefficiency in a member-controlled cooperative.
(this thesis)
4. In a repeated setting, a member-controlled cooperative becomes efficient due to the membership being able to credibly commit to a higher retained earnings percentage and the management being able to credibly commit to more downstream investment.
(this thesis)

5. Market shares of dairy cooperatives in the European Union are higher in countries with high levels of trust, low levels of heterogeneity, strong contracting institutions, and in countries which are more milk self-sufficient.
(this thesis)
6. Game theory is not a theory in the social sciences, but a method to determine systematically the outcome of complex interactions, and a guide to improve upon bad outcomes.
7. Fair outcomes are not always stable, and stable outcomes are not always fair.
8. More information does not need to improve an inefficient outcome.
9. The decisions regarding the governance of enterprises are not independent from the cultural and institutional environments.
10. One outcome of a PhD process is the realization of how little one knows.
11. You become responsible, forever, for what you have tamed.

(Antoine de Saint Exupéry,
Le Petit Prince)