

Blockchain Technology for Cooperative Enterprise Growth & Development: A Marriage Made in Heaven- Senator Ihenyen, SiBAN President

Introduction

Blockchain and cooperatives is a marriage made in heaven. This marriage will bear many fruits. Cooperatives should therefore prepare to go into the world and multiply with their enterprises. I will show you why and how.

What is Blockchain?

Blockchain technology is the Internet of value. This is different from the Internet of communication that helps us communicate with anyone anywhere in the world.

With blockchain technology, the *Internet of value*, anything of value, including currencies, identities, information, intellectual property, securities, votes, etc., can be stored, managed, or transferred efficiently, securely, and transparently, without a central authority, middleman, or third party. This is why blockchain technology has been described as a *trustless technology* that has the ability to solve the problem of trust across various industries and sectors. Blockchain is applied in agriculture, banking & finance, entertainment, health, oil & gas, real estate, transportation, etc.

What is a Cooperative?

A cooperative is an “autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise” (Statement on the Cooperative Identity). Cooperatives are based on the values of self-responsibility, democracy, equality, and equity, and openness.

Similarly, blockchain-based or blockchain-powered platforms encourage community, voluntariness, people-controlled and people-driven network. It does this by promoting the values of self-responsibility, equality, and transparency.

The Shared Principles of Blockchain and Cooperatives: the Key to Massive Value and Shared Wealth

Just as cooperatives, blockchain promotes the principles of:

- **Voluntary and open membership:** Open to all persons
- **Democratic member control:** members have control through voting systems
- **Member economic participation:** Members contribute equitably to and democratically control capital
- **Autonomy and independence:** autonomously controlled by members
- **Education, training, and information:** Build capacity together and promote access to information
- **Cooperation among Cooperatives:** Members work together for the common good
- **Concern for Community:** Community-driven approach

Adopting Blockchain Technology to Grow Your Cooperative Enterprise

Therefore, with the characteristics and values that both blockchain and cooperatives share in common, combining one with the other promises boundless possibilities for cooperative enterprises across all sectors of the economy.

The three (3) most powerful concepts of blockchain that will empower Cooperative enterprises are:

1. **Decentralization:** the power of network or community-led platform without any central authority i.e. decentralized autonomous organizations (DAOs)
2. **Tokenization:** the power to convert and represent something of value, including physical assets, as a digital asset for various use cases
3. **Smart contracts:** the power to enter any transaction with any person in the world securely and safely without needing to trust anyone.

What Next?

- Know the value your cooperative enterprise offers and determine whether this value can be tokenized for easier, cheaper, and more convenient access
- Consider whether blockchain can help enhance governance, participation, and membership benefits in your cooperative
- Consult a blockchain consultant