

Twitter shareholders voice benefits of a co-operative

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The idea that Twitter should become a co-operative owned by its users could get an airing at the company's annual meeting, if some campaigning shareholders get their way.

Investors have submitted proposals asking for the company to consider quitting the stock market and converting to "democratic user ownership", or at least to encourage users to buy shares in the group.

The aim, they say, is to alleviate [pressure from Wall Street](#) for short-term returns that they fear could tempt Twitter into damaging changes.

"In 2016, we've seen Twitter's future in the balance, from challenges of hate speech and abuse to the prospect of a buyout," says a proposal filed by small shareholders Steffen Sauerteig and Jim McRitchie. "That is why we want the company to consider more fully aligning its future with those whose participation make it so valuable: its users."

A second proposal has been filed by Sonja Trauss, a community organiser in San Francisco, who uses Twitter to recruit "Yimbys" (yes in my backyard) to come to planning meetings to counter the "Nimbys" she blames for a local housing shortage.

"When I see the White House press secretary printing out tweets and waving them around, I can see how Twitter is integral to how the US operates, and yet Twitter shares do not value that because the market's main metric is growth," she said.

Twitter has asked the Securities and Exchange Commission for permission to keep the proposals off the ballot, saying they use vague language and pertain to the day-to-day business of the company, which is the purview of management and not shareholders.

Shares in Twitter have lost a third of their value since it listed in November 2013, as investors lost hope that it would ever grow to the size of Facebook. Twitter has 313m monthly active users, while [Facebook added 269m](#) in the last year alone, to bring its total to 1.9bn.

The company has shifted away from its origins, making the platform more curated and less chronological, and bringing on livestreaming partners such as the National Football

League to try to attract new users.

The idea of turning Twitter into a user co-operative circulated last year, particularly after it hired bankers to solicit bids from bigger technology and media companies. Potential buyers including Google and Salesforce looked at the company but the talks fell apart, according to people close to the matter.

A [petition](#) to “free Twitter from Wall Street” has more than 3,300 signatures.

Ms Trauss’s interest began a year ago when Twitter floated the change to its feed that prioritises older, more popular tweets, and long-time users vented their fury under the hashtag #RIPTwitter.

“The notion was that Twitter had to do this because its shareholders were making it do it,” she said. “If the problem is shareholders, well, there are hundreds of thousands of people tweeting #RIPTwitter and most of them could afford to buy a share or two.”

Ms Trauss needed to recruit a Twitter shareholder who had held their stock for longer than a year, a requirement of sponsoring an official resolution, so she put out an appeal — on Twitter.

The person who responded, and who is the official sponsor of the resolution, is Alexander Chiang, who owns 190 Twitter shares currently worth \$3,275. Their resolution calls for Twitter to promote user ownership, perhaps by adding ways to buy shares on its website or in its app.

The Sauerteig-McRitchie proposal asks the company to hire consultants who can advise on how to convert to co-operative ownership, and to explore structures like those used by the Green Bay Packers American football team or the Associated Press.

Mr McRitchie is a prominent US corporate governance campaigner and one of the most prolific filers of shareholder proposals in the US. His plan for Twitter is a throwback to his early career in the 1970s when he advised businesses and the state of California on how to create workers’ co-operatives.

[Twitter](#) has also been under pressure to take a stance against President Donald Trump, by now the platform’s most famous user, when many in Silicon Valley are disturbed by his online pronouncements. Protesters gathered outside Twitter’s San Francisco

headquarters last month, calling it a “mouthpiece of fascism”.

The Sauerteig-McRitchie proposal claims: “A community-owned Twitter could . . . set more transparent, accountable rules for handling abuse. We could reopen the platform’s data to spur innovation. Overall, we’d all be invested in Twitter’s success and sustainability.”