Craving permanence

I had the pleasure of attending the Global Equity Organization's Annual Conference last week in Amsterdam. A pleasure on three counts – a great opportunity to catch up with far-flung global share plans friends and colleagues, to visit a wonderful, richly historic and cultured city at the heart of Europe, and to access a carefully-curated array of content and keynote speakers.

The closing keynote speaker was Russell Shorto, historian, author and New York Times journalist. Taking us on a whirlwind tour through Amsterdam's history, the creation of the world's first stock exchange in 1602 and the various destructive and regenerative forces that have since then shaped the city's development to it's present-day incarnation as a bastion of liberal, entrepreneurial and egalitarian spirit.

Migration was a key driver of Amsterdam's growth during the 'Golden Age' in the 17^{th} century, indeed, without migration, the city's population would have been sent into decline due to polluted drinking water, disease, childbirth complications and exhaustion from poverty. There is a touching and particularly emblematic portrait by Bartholomeus van der Helst currently to be found in the Amsterdam Museum, commissioned in 1645 by the bereft parents of a small child. The transience of human – and corporate - existence is a theme which Mr Shorto wove masterfully through his keynote speech.

The Dutch it seems have long been a pragmatic and practical people, setting aside the feudal system to embrace modes of collectively-shared ownership in the design of their waterways and allocation of land, turning the problem of water into an enabler of global trade and industry and with it, upward social mobility. Ownership of capital and upward mobility are issues we in the UK are in some respects still struggling with.

Until the inception of the Dutch East India Company in 1602, small groups of investors habitually pooled their financial resources to fund what were usually year-long voyages to spice-producing parts of the world. These early companies were dissolved once their ships' cargo had been safely delivered and sold on by their Amsterdam-based investors. The Dutch East India Company was different to its forbears in two ways: firstly, its founders ran an 'open house' giving members of the public the opportunity to buy shares of stock and secondly, it was intended to be an enduring entity rather than a temporary one.

This enduring entity is the model that our established modern-day listed companies follow. Whenever one of these large, supposedly secure companies unexpectedly founders on the rocks of modern-day capitalism, there is much shock and public consternation, and an inevitable blame-game follows. Perhaps it is only human to crave permanence and certainty. Investors lose their capital, but employees lose much more – their jobs and income, their shares that they've acquired through employee share ownership plans and programmes, and in some notable recent UK instances, a chunk of their pension entitlements.

Shouldn't we be able to manage company dissolution in a better, more humane way by now, especially for more vulnerable stakeholders? Shouldn't we take a more pragmatic view of company failure, accepting that some companies' lives are indeed finite? Or is the failure of some companies simply a natural Darwinian consequence of this disruptive, faster-moving world of ours? These are questions to ponder, debate and inform our profession.

Thank you so much to Danyle Anderson and the GEO team for showcasing the best of the global share plans industry and giving delegates like me the opportunity to engage grey matter with such thought-provoking and relevant content.