



INTERNATIONAL FEDERATION
OF LIBERAL YOUTH

Progress report and proposals on membership reform

This report serves to update you on the progress of membership reform. The process of building a new membership framework for IFLRY was initiated by a motion during the General Assembly (GA) in Istanbul in April 2016.

The motion stated that *“the current available membership levels do not have a clear rights distinction”* and that *“distinguishing between membership levels will create more opportunities and flexibility for liberal youth organisations around the world to join the worldwide network of young liberals”*. The motion called for the creation of a working group that would work out *“a statutory proposal for a new membership framework and a proposal for a new membership fee statute”*.

Careful path

Because of the fundamental changes the new (membership fee) statutes would propose, the working group has taken a careful path towards drafting them. Several options were discussed during the Amman GA. Since then, multiple models have been considered and calculated by the working group.

This report serves as a final stepping stone towards a new membership framework and membership fee statute. If adopted, the working group will draft statutory changes for the General Assembly in autumn, so that the changes will be implemented before 2018.

Thus, these steps will need to be taken before the new membership framework is implemented:

1. The General Assembly in Thessaloniki adopts this report and decides on the membership fee model;
2. The Working Group drafts statutory changes and a membership fee statute based on the discussion of this report;
3. The Bureau proposes the statutory changes and membership fee statute to the Autumn GA;
4. The Autumn GA adopts the new statutes.

It is our goal to discuss as much content of the changes as possible during the Thessaloniki General Assembly, so that the formal statutory changes can be adopted quickly during the autumn GA.



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We look forward to discussing this report with you.

The working group,

Daniel George	Former IFLRY Treasurer
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Proposal 1: introduce Associate Membership

The idea for an Associate Membership results directly from the initial motion at the Istanbul GA. The working group has discussed the possible rights and duties of Associate Membership and advise the following to apply.

Application procedure

An organisation that wants to join IFLRY as Associate Member, should apply for membership at least 4 weeks before any General Assembly. The General Assembly decides on the application by simple majority. This means 50% of voting organisations should accept the application.

Rights

Associate members should have the following rights:

- the right to 1 vote at every General Assembly;
- the right to nominate auditors;
- the right to nominate other officials;
- the right to propose motions and resolutions;
- the right to have the organisation represented by at least 1 person during General Assemblies.

Duties

Associate members must pay a fixed yearly fee. The amount of the fee is determined yearly by the General Assembly, through adoption of the Membership Fee Statute. The fee will probably range from 150-500 euros, preferably approximately 350 euros.

Duration of membership

Associate membership is indefinite.

Implications of Associate Membership for other Membership types



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- Candidate Membership is abolished. All organisations that are Candidate Members currently, will become Associate Members automatically.
- An application for Full Membership can only be done by Associate Members.
- The voting distribution of Full Members will be changed, so that a Full Member will always have more voting rights than an Associate Member.



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Proposal 2: membership fees

Another goal of the working group was to research other ways of collecting membership fees. For Full Membership, we propose 4 separate models. The General Assembly in Thessaloniki should decide on the model it prefers.

Associate membership

The fee will be a fixed fee, not based on membership. The exact amount will be proposed in autumn, but it will range from approximately 150-500 euros (we're aiming at the lower half of that range).

Full membership

The working group has worked out several models for a new way to collect the membership fees.

Model A: current system

Currently, the Bureau collects these data from full members annually:

- the annual budget of the organisation;
- the amount of members of the organisation.

Both have a direct effect on membership fees. There is a fee based on the budget (which can be up to approximately 1600 euros), as well as a fee based on the amount of members.

The current system is often criticized because only 10 European organisations pay for approximately 90% of the annually collected membership fees. Not only does this expose the financial dependency on European organisations, but it also poses a financial risk for IFLRY; the finances of IFLRY depend heavily on those organisations. Furthermore, some organisations have pointed out that they find the system (very) unfair and that they have difficulty convincing their members of staying involved in IFLRY.



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Obviously it is an option to keep using the current system, but the working group advises against this. After all, one of the reasons the working group started its work was because of the flaws in the current system. We don't believe the criticism will fade over time. There are several other options for calculating membership fees.

Advantages of model A

- solidarity between member organisations
- (partly) based on the amount of individuals that are engaged in the organisation

Disadvantages of model A

- 10 European members pay 90% of all collected fees
- mostly based on budget, not on the amount of individuals that are engaged in the organisation
- some organisations find the system (very) unfair and have difficulty convincing their members of remaining in IFLRY



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Model B: fully budget-based

One of the options is to get rid of the membership component, and fully base the fee on the budget of member organisations. This will guarantee solidarity, and probably lower the amount of fee reduction applications.

However, a clear disadvantage of this system is that it does not eliminate the criticism of the current system. On the contrary, it is likely that organisations which already pay high membership fees will only see their membership fees rise.

Another issue that arises is that some organisations have no annual budget of their own, but are instead sponsored by their respective mother parties or other organisations. This would mean such an organisation would be invoiced the lowest possible fee, while it may be capable of paying a higher fee (sponsored by their mother party).

Advantages of model B

- solidarity between member organisations

Disadvantages of model B

- 10 European members will pay even more than 90% of all collected fees
- not at all based on the amount of individuals that are engaged in the organisation
- does not eliminate the criticism of the current system
- some organisations don't have their own annual budget and are thus invoiced the lowest possible fee, while they may be able to have a higher fee sponsored by their mother party



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Model C: fully based on membership

Another option is to get rid of the budget component, and fully base the fee on the amount of members. This places the amount of people that are engaged in the organisation at the core of the fee calculation, rather than the amount of money the organisation has.

Even though this system would immediately eliminate the criticism of the current system, it also has its disadvantages. For example, the concept of membership is different from country to country. In some organisations, members sign up and pay an annual membership fee. In other organisations, they do not pay membership fees. Sometimes, an organisation defines the amount of members by the amount of signatures it collected for policy goals. Clearly, what 'membership' means is different from country to country.

Furthermore, the fee per member cannot be the same amount for the entire world, due to the differences in price levels. Thus, if IFLRY were to collect the same amount per member, it is certain that many organisations would not be able to pay their membership fees.

Advantages of model C

- based on the amount of individuals that are engaged in the organisation
- eliminates the criticism of the current system

Disadvantages of model C

- no automatic solidarity
- many organisations will not be able to pay their membership fee



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Option D: based on membership varying per budget level

All the options shown up to this stage have clear and major disadvantages. That is why the working group has gone through several alternatives, such as a fee based on membership and GDP per capita.

Another disadvantage lurks in a GDP model, however. We have wealthy member organisations in countries with a low GDP per capita and poor organisations in countries with a high GDP per capita.

Another option remains, which is a combination of C and B: a fee based on membership varying per budget level. This would combine the best of both worlds: the fee would mostly be based on the amount of individuals that are engaged in the organisation, while solidarity between IFLRY member organisations is guaranteed.

In order to visualize this option, let's consider three organisations of 1.000 members with a high (level 1), a medium (level 2) and a low (level 3) budget.

- The organisation in level 1 pays a basic fee of 300 euros plus 0,30 cent per member: 600 euros;
- The organisation in level 2 pays a basic fee of 200 euros plus 0,20 cent per member: 400 euros;
- The organisation in level 3 pays a basic fee of 100 euros plus 0,10 cent per member: 200 euros.

NOTE: these numbers only serve an illustrative function, and are by no means proposed amounts.

Advantages of model D

- based on the amount of individuals that are engaged in the organisation
- eliminates the criticism of the current system
- solidarity

Disadvantages of model D

- relatively difficult for the IFLRY Bureau and staff to calculate fees



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Attachment: visualisation of membership rights

	FULL MEMBERSHIP	ASSOCIATE MEMBERSHIP	OBSERVER MEMBERSHIP
MEMBERSHIP FEE	Fixed fee + fee per individual member	Fixed fee	Fixed fee
VOTING RIGHTS	Fixed amount of votes + amount per individual member	Fixed amount of votes	None
NOMINATE BUREAU MEMBERS	✓	✗	✗
NOMINATE AUDITORS	✓	✓	✗
NOMINATE OTHER OFFICERS	✓	✓	✗
PROPOSE MOTIONS AND RESOLUTIONS	✓	✓	✓



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ACCEPTANCE OF NEW MEMBER ORGANISATION	Two thirds of total amount of votes are in favor	More than half of total amount of votes are in favor	More than half of total amount of votes are in favor
DURATION OF MEMBERSHIP	Indefinite	Indefinite	2 years