

Defining Common Ownership

the debate

“Common ownership is rubbish...” These were the conclusive words of one participant in a recent, slightly alcoholically inspired debate. It is terrifying to consider that this sentiment surfaced in the supposed ideological heart of the movement – a Co-operative Development Body (CDB) Conference. True it was a repeat performance of what has become a fairly standard party piece between two established (male) protagonists. True each was endeavouring to out-shock the other. True both had had a drink. Still.... in the centre of the co-operative support universe? Makes you wonder.

The central point which the utterer of the above was endeavouring to make was that an enterprise which doesn't allow its owners the freedom to sell cannot be said to be truly democratically owned.

Are others of us out there are confused by this apparent conundrum?

the afterthought

At my very first CDB conference, I remember a plenary session at which we were trying to abstract the broadest possible interpretation of what we were all trying to achieve. It seemed clear that the conversion of every enterprise on earth to common ownership was a goal, but surely not really the ultimate end itself. Just as 50% employee ownerships can be seen as tactical staging points on the road to co-ownerships, and just as co-ownerships can be seen as tactical staging points on the road to common ownerships, so common ownerships must be seen as the tactical staging posts on the road to something else. After all, there are one or two common ownerships around whose commitments to the principles and ideals of the movement as a whole are a few pecks short of a bushel - ample evidence that establishing common ownerships does not, in itself, guarantee non-reversion to the good old values of the good old capitalist road; to the unearthly lure of potentially infinite unearned income.

Eventually “the economic manifestation of natural human gregariousness” was posited (as the broadest possible interpretation of what we were trying to achieve). It certainly got a laugh, but was it also a useful abstraction?

Alienation is fairly clearly seen to be a by-product of economic activity based on the dominant western model. Alienation is the antithesis of gregariousness. The dominant economic models inhibit natural human gregariousness and this can be seen to be at the root of western stress. And, as we know, western stress makes the rest of the planet pay.

the theory

In some circles, “fabric of community” is a readily accepted concept. The theory is that individuals within communities establish complex strands of communication with each other. These may be friendships, extended families, work relationships, trading relationships, transport pools, educational support groups, leisure clubs, mutual interest groups, and so on. One individual may have a single strand of communication with another, or many such strands as they interact on many different levels. The strands may be utilitarian, formal, and expendable, or they may be very deeply emotional, or combinations of the two. Collectively, these strands form the fabric. The fabric is fairly robust insofar as it can handle a certain amount of change; a certain amount of coming and going. But major upheavals cause the fabric to tear, and although it is difficult to attribute a cash value (for the benefit of people who can only understand cash values) to such tearing, the most profound consequences are usually experienced in terms detriment to quality of life.

And unquantifiable as it is, quality of life is something most co-operators and CSO workers would agree they are endeavouring to protect and enhance.

What sorts of things threaten the fabric of community? The most recognisable and graphic are natural disasters such as floods, landslides, and collapsing slag heaps. CSO workers are not well placed to anticipate and pre-empt these. What CSO workers are well placed to anticipate and pre-empt is major economic upheaval. And this is where our broader purpose comes in. We are endeavouring, through the promotion of democratically owned and controlled enterprise, to protect the fabric of community from unnecessary economic upheaval.

more theory

If you're still with me, let's look at economic upheaval. In a small community of 30 or 40 households, the closing of the corner shop can be a major economic upheaval. The individual strands of communication can be significantly disrupted, the fabric torn. In a larger community of many thousands of households, one or two corner shops coming or going could not be said to be a major upheaval. It follows that a shopkeeper in the smaller community could be said to have a higher level of obligation to that community than a shopkeeper in the larger community. Within the dominant western economic model, shopkeepers are free to do what they wish with their shops regardless of what communities they may find themselves in. They are, in fact, obligation free. In a more co-operatively oriented economy, it is likely that the shopkeeper would have less authority to ignore these obligations.

Likewise in a community, large or small, where a percentage of the workforce is reliant upon a single employer, the plans and intentions of that employer become important to the fabric of the community in direct proportion to the percentage of the workforce so reliant. The higher the percentage of the workforce employed; the greater the importance of that employer to the fabric of that community.

If that employer employs a high percentage of the workforce and is owned by Sir Jammy Fishpaste through a string of off-shore accounts, it could safely be said that fabric of community is not a consideration for that employer and that it (the fabric) is in double jeopardy.

A rough matrix begins to emerge with percentage of local workforce reliance along one side and distance (say in miles, but also in units of indifference) from locality of the ownership of the enterprise along the other. If you take zero to be lower left, straight lines progressing close to the edges can be seen to be less threatening to community fabric. Lines progressing up toward the top right-hand corner can be seen to be getting chancier and chancier as far as fabric is concerned.

our job

Our job as co-operative development professionals is to endeavour to secure for the community the ownership and control of a significant and stabilising percentage of its enterprise. Whether this means start-up co-operative enterprise, small to medium conversions, or going for Sir Jammy's global operation is a question of tactics which will vary from locality to locality.

The essential point being made is that it is the reduction of speculation that we are after, and that the central tool at our disposal is the broadening of employee/local ownership. Giving full (in the sense of allowing them to flog it) democratic control of enterprise to employees does not necessarily eliminate speculation. It may reduce it, but does not eliminate it. Insofar as it does not eliminate it, it does not, therefore, best serve the overall objective of protecting fabric. What most effectively serves the overall objective is the securing of common ownerships whereby enterprises are held in trust by employees who fully recognise the obligations owed by that enterprise to their successors and to the fabric of its host community.

the strategy

But we don't abandon other forms of employee ownership. We simply recognise them for what they are - staging posts along the tactical road. And how do we measure our success? By monitoring the percentage of a given local economy in the various stages of local ownership, employee ownership, non-speculative ownership, and, ultimately, local employee non-speculative ownership. The latter (combined local employee non-speculative ownership) will inevitably be the smallest percentile at the top of the pyramid. We will know we have completed the first phase of our job when the pyramid is inverted.

in summary

The point is that there is a continuum, and that where on that continuum we intervene should largely be determined by tactics and local circumstance, but that ultimately we should be drifting our efforts towards the common ownership end of the continuum - not because this is necessarily what is good for co-operators (although in my view the thinking ones should see it as so), but because it is good for community and for natural human gregariousness.