Co-operating for the future: inspiration from the European past to develop public–collective partnerships and transgenerational co-operatives

by Tine De Moor

Introduction

In today’s society, citizens are increasingly uniting in collectivities to provide goods and services that until now have been assumed to be public. Over the past few years it has become apparent that numerous social welfare provisions are becoming less accessible, either because they are increasingly considered unaffordable or because the government “retreats” and no longer considers these services as its responsibility. In many cases this process has resulted in a transfer of trust and responsibility into the hands of a private partner, often through a so-called public–private partnership (PPP). However, people are increasingly banding together to provide services that the government has left to the whims of the market economy, as the latter cannot always live up to the expectations to provide goods and services for the promised competitive prices, nor can it do so wherever these goods and services are needed, particularly in less-populated areas with a lower demand than elsewhere.

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55. Professor at Utrecht University.
56. See the following site to get a – non-exhaustive – list of examples of current institutions for collective action: www.collective-action.info/ICA_Today (accessed 6 September 2013). For more specific Dutch examples, see also www.kraakhuis.nl (in Dutch; accessed 5 September 2013).
57. To give an example: in many of the mentioned areas in the Netherlands, where the population is declining and where the inhabitants are predominantly elderly, local supermarkets have left. To overcome this problem, some of the communities have taken over local supermarkets; the shops are now owned and managed by the communities themselves. See for example: www.sterkse.nl/ons-dorp/dorpwinkel and www.degavesuper.nl (both in Dutch; accessed 5 September 2013).
of the new “bottom-up” movement are plenty: freelancers setting up a joint-insurance scheme in case of bad times, 58 daycare centres run by parents, 59 co-operatives for neighbours who create and utilise their own energy, 60 and numerous collectives providing care for specific social groups. 61 This development is occurring throughout Europe, especially in countries that are referred to as the best “students” in Europe’s “liberalisation class”, like the Netherlands and Germany, but also elsewhere, particularly in those countries where the crisis has hit exceptionally hard, like Greece, with its paralysed state and out-of-control market. However, simultaneously there are countries, like Belgium, where the movement remains rather small, mainly because the welfare state has progressed less in transferring its responsibilities in the direction of the market. Even there we find a growing interest among its citizens to deal with problems – those that are already present today or those which they believe there is a need to anticipate – to act together and independently from market or state. The omnipresence of such initiatives all over Europe is an indicator that this development is more than just a response to the economic crisis; progressively it is a response to providing services that the government is no longer willing or – as in the case of Greece – able to provide. The crisis is not the cause of this revolution in resource governance and provision, which we are witnessing, but it has put the spotlight on the cracks in the system that have built up over the past decades. In many cases privatisation has not yielded the preferred and promised results: the market did not always bring about high-quality, affordable and diversified offerings, as competition functions only when there

is sufficient demand. In many less-populated and increasingly “grey” regions of the Netherlands, for example, the demand for childcare is insufficient to make it attractive enough for a childcare company to set up a new location. Similar to “the market” has over the past decades of liberalisation discovered – and the consumers with it – that for many formerly public services there is a limit to commercialisation, to the profit that one can reasonably and morally expect to make on certain services. In the care sector in particular – where savings easily lead to a reduction of quality in the service which can be directly felt by elderly, children, the disabled and others in need of care and support – the liberalisation of public goods and services is an issue. Taken to the extreme, one could claim that any cut made to the care provided for the needy is equal to a decline in quality of that care, or at least a missed opportunity to improve it. Moreover, in those domains that are usually the playground of the private market, such as energy production and consumption, new opportunities have arisen due to recent developments in technology. Individual energy production has become feasible for citizens thanks to the availability of individual solar panels and stand-alone windmills, for example.

The limits of economic growth – and linked to this, of the welfare state – but equally the new technological opportunities, thus force us to reconsider the governance model both for goods and services that, within the European welfare state, we have long considered as “public”. Much related to this, we must also reconsider the notion that went hand in hand with the belief in the welfare system: namely that the optimal scale on which to organise public goods and services is the national one. At the same time those goods and services that we have “naturally” considered as belonging to the domain of the market might become cheaper and more accessible by creating and governing them in another way. Although this sounds like a Utopian perspective of a world that has, under the current conditions, very few visible features of a Utopian society, there is actual evidence that co-operation in situations where state and market are either absent or facing the limits of their own capacities, is feasible and even effective and efficient. Moreover, there is evidence that co-operation through institutions for collective action (hereafter referred to as ICAs) can be sufficiently robust to survive crises and thus contribute to creating a more resilient and “shock-proof” society.

The evidence for these features stems from a not-so-distant past: we need to go back in time just a few centuries, mainly before the

58. See for example the Dutch Broodfonds, set-up for small entrepreneurs who have no employees (the so-called “Zelf-enters”), at www.broodfonds.nl/what_is_broodfonds/broodfonds-enquide_de_uitkomsten
59. In the Netherlands these are called Ouderparticipatiecentres (Parent-participation child-care centres), see for example: www.ouderparticipatiecentr.nl. But there are also other examples whereby the parents do not provide the care but the capital to run a child-care centre in a cooperative format, see for example: www.criechaparentalen.be in Belgium.
60. A recent survey showed that 430 new energy cooperatives have been formed in Germany from 2006 to 2011, see www.dgn.de/en/cooperatives/newcooperatives/energycooperatives.html. For an overview of recently developed local Dutch energy initiatives: www.hieropgewekt.nl/initiatieven.
61. There is a real “boom” taking place in collective provisions in the elderly care sector, for example. See for many examples in the Netherlands www.kenniscentrumwoenorg.nl/actueel/specials/innovatie. See also the Belgian example www.thinkoutofthebox.be/ which provides care for disabled children.
The downfall of the co-operative philosophy

During the Middle Ages and the early modern period, a substantial part of society was arranged via collectives that produced public, semi-public, and private goods and services. Citizens united to protect themselves against certain risks, as it was not possible to fall back on a caring government. In the countryside, farmers governed their pastureland as a collectivity in order to avoid natural risks, such as floods, but also to make costly investments, such as drainage and fencing, possible and cheaper for each individual farmer. In the cities, craftsmen formed guilds to ensure all members a minimum of work and income by guaranteeing a certain quality of products, and in this way they could avoid risks brought about by the underdeveloped market economy.

The co-operative philosophy however came under pressure from the late 18th century onwards, due to several important developments that promoted individualism, such as the market economy, nation states, the Enlightenment, increasing centralisation and liberalisation. The idea that production and management could be more effectively

62. For examples, see www.collective-action.info/CAS_COM_New.
and efficiently arranged by individuals, or by a centralised government, led to increasing pressure on collectivities such as commons in the countryside and guilds in the cities. New national laws by which such collectivities were abolished ensured that collective production and management practically disappeared from society. The concept of collective organisation gradually vanished from the collective memory of many western European countries; what was once communal became municipal, and the responsibility for public goods was taken over by the state.

Debates about co-operation and collectivities returned in the mid-20th century, due to debates on the management of natural resources. Environmental issues made people realise that there are public goods, such as air and the ocean, from which no person can be excluded. In this context a historical example of collective management of natural resources appeared in a very influential article by ecologist Garrett Hardin, "The tragedy of the commons" (1968). In this article Hardin attempted to answer an age-old question: "Do private or public interests prevail in a man's actions?" He argued that collective management of public goods leads to disastrous results owing to population pressure and the selfish behaviour of individuals. Hardin explained his position with the classic example of common land: a plot of pasture on which farmers grazed their cows and did so - but this is not in line with historical evidence on collective land use - without any limits to their use or any communication with their fellow-users. He assumed that any rational person would strive for maximising his profit and place as many cows on the common as possible, in spite of the negative effect this would have on the quality of the soil, and on the other farmers: "each man is locked into a system that compels him to increase his herd without limit - in a world that is limited" (p.1244). Furthermore, population growth would increase the pressure on the pasture even more; use of the finite resource would constantly increase, quickly leading to soil depletion and the ruin of the farmers.

However, Hardin's analysis overlooked several fundamental aspects of the functioning of collectives and commons in the past. Historically, common land was not freely accessible for everyone, and those who were allowed access were limited in their use of it. Members of a common set up very clear and concise rules about who was allowed access to the common goods, how much they could use, and what would happen to persons who disobeyed regulations. Farmers were clearly aware that natural resources could be depleted, and that they were (partially) dependent on these resources for their own survival. Much thought and discussion was put into determining a balanced level of use of the common resources; therefore, the use, governance and maintenance of the common was suitably adjusted. By making appropriate agreements during regular and mandatory meetings, all members were able to ensure a durable management of the common goods. Furthermore, all interested parties monitored each other to ensure compliance with the rules, and infractions were punished. Similarly, craftsmen in the early modern European cities convened, formed associations called guilds, and set limits to the prices of their products and minimal quality criteria.

Although Hardin's article did not give an accurate picture of the functioning of collectives in the past, it did put the term "commons" into a wider context, and his work has ensured that renewed scholarly attention has been paid to these early modern co-operatives. A more important contribution to the debate on commons has been made by the recently deceased Nobel Prize winner (Economics 2009) Elinor Ostrom. She has shown that self-managing collectives were capable of efficiently and sustainably managing and using natural resources. In the 1980s, Ostrom designed a framework to better understand what makes certain collectives more robust – more suited to withstand external pressure and change – than other collectives. She distilled eight "design principles" for successful collective action, by performing large-scale research into various case studies from around the globe (Ostrom 1990).63 These design principles should not be seen

63. Ostrom came up with the following eight “Design principles illustrated by long-enduring CPR institutions (Ostrom, 1990: 90, Table 3.1):
1. Clearly defined boundaries: Individuals or households who have rights to withdraw resource units from the CPR must be clearly defined, as must the boundaries of the CPR itself.
2. Congruence between appropriation and provision rules and local conditions: Appropriation rules restricting time, place, technology and/or quantity of resource units are related to local conditions and to provision rules requiring labour, material and/or money.
3. Collective-choice arrangements: Most individuals affected by the operational rules can participate in modifying the operational rules.
4. Monitoring: Monitors, who actively audit CPR conditions and appropriator behaviour, are accountable to the appropriators or are the appropriators.
5. Graduated sanctions: Appropriators who violate operational rules are likely to be assessed graduated sanctions (depending on the seriousness and context of the offense) by other appropriators, by officials accountable to these appropriators, or by both.
as a model for managing collective goods, but rather as a framework that a collective's governance system should fit to ensure robustness and resilience. Such a governance system provides the structure for dealing with collective goods, not just for natural resources, but also for sharing a car, energy co-operation or a parent-participation daycare centre. The commons that Ostrom and others have researched were contemporary co-operative-like institutions for natural resource management, but these contain many similarities to co-operatives in other sectors of society, and with the collectives that existed in the past, as will be discussed below. The type of governance system that is involved here is fundamentally different from private or governmental management systems: it is an institution for collective action.

The historical perspective: co-operatives from the past

The first institutionalised forms of collective action came into existence roughly between 1100 and 1300. These co-operatives were a way for citizens to unite from the bottom up to solve social and economic problems that plagued them as individuals, but that they could solve efficiently and effectively as a group. These co-operatives became institutionalised by the writing down of formal agreements about the rules that all members would have to obey. Regulations were designed by the members and for the members, and they were also enforced by the members, with appropriate sanctions if necessary.

There were various forms of ICAs during the late Middle Ages and the early modern period. During this period there was a clear distinction between city and country. In the city, persons practising the same occupation often organised themselves in a guild, perhaps the most well-researched type of ICA. Craftsmen worked together in a co-operative to maintain their position in an underdeveloped market economy, and protect themselves against social insecurities, because there were no welfare states or insurance companies to fall back on. The advantages that members of the guild could gain by co-operating were both social and economic in nature: they could buy goods in bulk in order to get a discount; determine price guarantees to assist them in developing a good reputation with customers; and set minimum prices for products and services to ensure that their prices would not compete with each other to the point that no member was able to earn a decent living. Moreover, the guilds supplied the first forms of social security: for instance by providing an income during illness; supporting widows and orphans of late members; and by handing out food to the poor.

In the countryside, collectives were also institutionalised to create security and protection against uncertain times, even though the risks were very different. Peasants united in collectives to manage land in a sustainable way. This type of ICA, the “common”, was described by Hardin as a shared pasture. Commons existed throughout Europe in the late medieval and early modern period, by collectively using and governing natural resources – such as pasture, peat and forests – the members were able to ensure that the land was not overexploited and that all parties were able to extract a fair share from their common goods. Especially because the concerned parties were directly involved in the designing of the governance system, they were capable of restricting the use of the common pastures and other resources to the subsistence level.

Characteristics of institutions for collective action from the past

Apart from guilds and common-land institutions, numerous other examples of ICAs can be found in western European history, for instance water boards and beguinages. Even though these ICAs differ in numerous ways, they also share many features. All these institutions were set up locally by a bottom-up initiative, and tolerated by the local regime. They were established to benefit the members, but had a broader social goal – for instance caring for widows, orphans and the poor. The members did not share property, but rather goods and services; often the members did not own the goods, but had reached long-term agreements with the owner, usually a local nobleman. The ICAs were self-governing, which means that the rules regarding access and use of the collective good were set up by the members.

6. Conflict-resolution mechanisms: Appropriators and their officials have rapid access to low-cost local arenas to resolve conflicts among appropriators or between appropriators and officials.
7. Minimal recognition of rights to organise: The rights of appropriators to devise their own institutions are not challenged by external governmental authorities.
8. Nested enterprises (for CPRs that are parts of larger systems): Appropriation, provision, monitoring, enforcement, conflict resolution and governance activities are organised in multiple layers of nested enterprises.

64. For more information on these types of ICAs, see respectively www.collective-action.info/TYP_WAT and www.collective-action.info/TYP_BEG (both accessed on 26 July 2013).
Social control was used to ensure that the members complied with the rules; this had a preventative effect and kept monitoring costs low. These days social control is unpopular, but in ICAs it was actively used to prevent problems. The collectives also set up sanctioning rules to punish any wrongdoers.

A system of mutual benefits influenced behaviour by the members of the ICAs. This reciprocity was extremely important: people were willing to act in the interest of the collective and offer aid if necessary, because they could assume that the collective would protect the interests of the individual, and that they would also receive aid in their time of need. Reciprocity was further increased by members' high level of dependence on the institution. In a historical society, almost all aspects of life were bound to a collective, and the connectivity of all of those aspects of life increased the stimulus to behave according to the collective norms. Additionally, the co-operatives had a combined social and economic function, by which economically unacceptable behaviour could lead to social repercussions and vice versa; the reciprocity was complementary. In this manner members were efficiently coerced to behave responsibly.

The members made joint decisions – via a democratic process – about the ICAs’ regulation and governance, which ensured the flexibility of ICAs and enabled them to adapt quickly and appropriately to changing circumstances. As the parties involved in the collective were directly responsible for the designing and the enforcement of the regulations, the rules were very effective and efficient – they were internalised. By co-operative management of collective goods, ICAs were capable of limiting negative effects from the market economy for their members and the collective goods. ICAs were aimed at sharing both risks and advantages. Possible threats included environmental risks (weather), business risks (investments and legal aid), and social risks (illness, funeral costs, and provisions for widows and orphans). Benefits for collectives mainly stemmed from the possibility of operating on a larger scale – for instance by lowering investment costs; purchasing goods and services in bulk; and sharing costs for legal aid. Knowledge was exchanged, and taken into the social capital of the collective. Furthermore, the collectives were sizeable enough to withstand pressure from authorities; thus protecting the members’ interests against local governments was an important function of the ICAs.

Several risks were inherent to collectively managing and using public goods. There was always the possibility that a “social dilemma” could occur: members could make disproportionate individual use of the collective good, without taking the common interests into consideration. Especially if the availability of a resource is limited, or if the exclusion of others is difficult, then free-riding behaviour can cause substantial damage to the collective good. ICAs were founded to maximise the positive effects from co-operation and to prevent social dilemmas, at least among their own group of members. Good behaviour could be enforced and long-term reciprocity could be guaranteed in a relatively cheap and efficient manner, by setting up clear rules on use and management, and by self-monitoring through social control.

However, being able to overcome social dilemmas also inherently ensures the capacity to think beyond the limits of one’s own life. The reciprocal relationship that developed between members of the ICAs in the past was in a way of an unsure nature: one could never be sure that the investment made at a certain moment in time might also be returned in due time, when the need was there. But nevertheless we see that, in the past, participants of ICAs were willing to take this risk, in a society where insurance systems were absent. One of the key elements in making such an institution functional was the diversity of participants in terms of their respective life cycles. By ensuring a constant renewal of members in the institution, risks were spread among all members of the organisation. Intergenerational support thus became a vital aspect of the functioning of the institution.

**Learning from the past**

We could think of the past as a sociological laboratory in which almost all conceivable circumstances have existed. By testing sociological, economical and judicial queries in this laboratory, much knowledge has been gathered on the general and specific features of ICAs from the past. For decades, sociologists have been researching whether people are capable and willing to co-operate. The most important lesson that can be learned from the past is that it is possible for citizens to successfully govern themselves, even though it may not always be an easy process.

ICAs were able to survive over long periods of time: guilds, commons, beguinages, irrigation communities and water boards functioned very effectively for centuries. There was great variety in the management of...
of ICAs, because they adapted to local circumstances, and the variations made many institutions successful both for the individuals and the collective. It was because of the institutionalised co-operation that interested parties were capable of sustainably managing public goods. The past has shown that interested parties have been very capable of facilitating the collective use and management of collective goods and services—often more efficiently than private parties or the government.

The framework set up by Ostrom in which the eight design principles form the directory for stable local governance of collective goods has proven to be a good basis for this research, but also needs further refinement to integrate change and evolution over very long periods of time. For instance, it has been shown that the fifth principle, graduated sanctioning, was used sparingly and only when there was no other alternative. Offenders could be forced back into good behaviour by using sanctions that gradually increased in severity. This shows a high level of resilience and flexibility—the ICAs were capable of adapting to changes in society and moderating the effects of crises. Although the implementation of a “three strikes and you’re out” principle in the American justice system met with many protests, a sanctioning system in which a third offence would lead to exclusion was also used in ICAs. The loss of rights was usually only temporary, but could be effective in deterring free-riders.

A final historical lesson is that the success of ICAs cannot just be measured in terms of economic profit. In the past, the members of the institutions intended to guarantee their livelihood in the long term, and also for the future generations; this type of success cannot be sufficiently measured in terms of profit.

The rediscovery of the collective

From the late 18th century onwards, the state increasingly appropriated the provision of collective goods. This development continued with the creation of the welfare state, however, in the 1980s it became apparent that in many cases the government was not capable of continuously providing public services, and there was a general sentiment that the welfare state had proved to be unmanageable. The liberalisation movement of this period and the formation of new coalitions between the state and the market in the form of public-private partnerships, ensured that a substantial part of the provision of public services and goods was left to the market.

Over the past two centuries, the disappearance of collectives has led to the understanding that there are only two options for governing the production and provision of goods and services: either by the state, or by the market through privately owned and operated businesses. Citizens united in a collective were not considered an adequate solution for governance issues. But around 2005 a change occurred in the philosophy on state, market and citizens. The welfare state proved to be unsustainable and the provision of public services was strained by the economic decline. In 2012 a remarkable number of developments have speeded up: citizens are co-operating more and collectively organising health care, health insurance, supply of energy, etc. From a historical perspective, this development is not a revolution, but rather a rediscovery. After two centuries of prevailing individualism, it appears that co-operation is regaining support. Citizens seem to become more aware of the solutions that they can create for themselves and each other, while at the same time the state increasingly values the potential of civic initiatives and co-operations.

The rediscovery of the collective is partially due to the economic crisis, as it threatens the livelihood of many people, which may make them more disposed towards choosing collective interests over private gains. People seem to be more willing to engage in reciprocal relations and realise that long-term collective gains can be reached by contributing now on an individual basis. However, it is likely that there are more fundamental long-term causes underlying the rediscovery of consumer collectives. The lack of high-quality and affordable public goods and services is probably the most important reason for people to unite in co-operatives and provide public goods for themselves.

This renaissance of the collective offers possibilities for researchers of historical and contemporary ICAs to provide insight into institutions which were founded from the bottom up in support of contemporary co-operation.

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66. For an application of these design principles for several European countries in the early modern period, see De Moor, Shaw-Taylor and Warde (eds) (2002).

civil initiatives. If adjusted to contemporary circumstances, citizens' collectives could once again contribute to the provision of public goods and services. In essence, man is capable of cooperating even though this has been forgotten over the past two centuries. We have stopped working together, because over the past 200 years we were able to profit from all the advantages of economic growth – the individualistic Homo economicus ruled. Western Europe was able to sustain itself for a long time on this growth spurt. However, economic competition has become fiercer and it has been demonstrated by recent history that continuous economic growth cannot be maintained. Our situation has changed, and this has important consequences for our society; therefore, it is imperative that we think about the implications. What exactly are the responsibilities of citizens during times like these? It is vital to keep in mind that if citizens are to be held responsible for public goods, they need the opportunity to contribute to the governance and even the creation of these goods. Reciprocity forms the basis of co-operation, because it motivates interested parties to contribute to the collective good. This is not an idealistic goal in which people altruistically contribute without any gains, nor is it individualistic like the Homo economicus. The third option is that of the Homo reciprocans, who still serves his own interests, but co-operates to achieve his goals, and keeps long-term effects in mind. If citizens are to take responsibility for collective goods, then they need to be able to trust the institution that manages these goods, and have faith that their input will be reciprocated.

The time has come: new challenges and opportunities

Even though the past provides us with highly valuable lessons, times have changed. It is neither possible nor advisable to return to the medieval guild system, which means that there are new challenges ahead to translate the lessons learned from the past. Contemporary consumer collectives are aimed at overcoming problems, just like the ICAs in the medieval and early modern period. An important difference between the two is that ICAs in the past offered solutions to both economic and social – and to some extent, such as with the commons, even ecological – problems, whereas the goals of the contemporary citizen-co-operatives are usually focused on solving just one issue. Early modern guild masters could benefit from economic advantages when joining a guild, but they could equally benefit from a funeral insurance, through which their wives and children would be taken care of after their death. Linking various benefits together is not only efficient in terms of time spent on achieving your goals as an individual, but also creates complementary reciprocal behaviour: if one can lose multiple benefits by free-riding in only one domain of one's activities – for example not respecting the quality standards set by the guild – this will encourage members to "behave" in all the domains that are covered by the organisation. In today's society, services are subdivided into separate organisations; this has certain advantages, but also disadvantages for collectives. Nowadays if people misbehave in one domain, it does not necessarily affect other parts of their life directly. As described above, reciprocity ensures that people are more willing to yield to the collective's norms, and when a system encompasses multiple parts of a person's life, this effect becomes cumulative. In the past, ICAs were able to combine social and economic goals, and therefore, have a complementary system of monitoring and sanctioning. Present-day civil co-operatives cannot implement a similar arrangement.

Another striking difference is the fact that these organisations thought of future generations during their own memberships. Commons aimed for a sustainable use of their common resources by restricting them to the member-households' real needs. By doing so they guaranteed that others, possibly their children, would be able to rely on these resources in the future. There are also new opportunities – modern techniques enable parties to co-operate without meeting face to face. Digital platforms prove that people are willing to trust others and contribute to the collective interests, as long as there are clear guidelines that all members understand and accept.

A further important difference between the past and present is the mutual interaction of contemporary collectives with market and state. This interaction with the market occurs in two forms, firstly by collective consumption, for instance by citizens who manage a common good, such as sharing a car with the neighbourhood or sharing files

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68 See for example: www.nesta.org.uk/assets/features/compendium_for_the_civic_economy; Biek (2012); De Moor (2012) (accessed 19 August 2013).
willing or able to supply at reasonable cost and acceptable quality. It is this interaction between civil collectives, market and state that offers many possibilities for all parties. Additionally, this grants the opportunity to re-evaluate the predominance of market and state in providing public goods and services — by considering citizens as a third party it is possible to increase institutional diversity. Institutional diversity can be a means to arm a society against another crisis: a greater diversity of solutions that are readily available can contribute to the resilience of a society. If one solution fails, there are still many (potential) options to solve the problem. It is important, however, to also consider the limitations of this development; not all forms of collective action are desirable. The mafia, for instance, and militias may both be extreme examples, but they do fit the same principles as the ICAs discussed above. Both the possibilities and the limitations of co-operative solutions must be considered, and experience will teach which party — market, state, society or a combination of these — offers the best solution for a specific problem.

**Towards institutional diversity: the role of governments**

**Exploration and recognition**

The citizen has been rediscovered over the past few years, and trusting citizens to provide solutions has proven successful. These days collective services are offered by the market, the state or a combination of the two, which makes citizens vulnerable to the failure of both providers. Recent years have revealed the potential for failure from both providers, accepting citizen collectives as a third provider of public goods and services minimises this risk and increases resilience. Searching for the best solutions among various segments of society, and allowing citizens to participate in offering these solutions, is a viable option — and an important task — especially for governments. Government and society can co-operate and find the best solutions for problems by considering which public goods and services would benefit from a larger influence of civil initiatives. However, civil collectives are not the ultimate solution for all problems related to the economy and the welfare state. Institutionnalised co-operation does not solve the economic crisis, but it does create a third party that is capable of increasing the robustness of society by improving institutional diversity to make market, state and society less vulnerable to changes and crises.
Governments are hesitant to relinquish too many responsibilities, in fear of total chaos or loss of control; however, many previously considered “government duties” have already been given out of the hands of governmental institutions and taken over by the private sector. In the current system, the government fully supports the market; even when things go wrong and mistakes are made, failing businesses are rarely held accountable, and the state maintains faith that the market will solve all. It is peculiar that people believe the market can solve all kinds of problems, but that citizens cannot and do not deserve the same level of trust as is given to market institutions. If consumer initiatives are to be considered a worthy third party, then it is imperative that they have the same right to succeed and fail as the state and the market. As a consequence every alternative – whether it is offered by the market, the state, a collective or a combination of these – must be evaluated on an equal footing. Only then can it be decided which partner or partners provide the most viable solution to a problem. To increase institutional diversity it is necessary to get imaginative about organisational forms. The role of the government is vital in this aspect, because the government decides which organisational forms are accepted and has the power to stimulate and facilitate new initiatives.

The government can contribute to developing institutional diversity by breaking the predominance of state and market in fulfilling public services; by allowing more organisational forms; and stimulating institutions, thereby allowing society to become more adaptable. The past teaches us that ICAs have the potential to cushion the effect of crises for its members. These collectives may not have functioned optimally according to current economic measurements; however, their goal is not maximising profit or output, but rather facilitating the sustainable use and management of collective goods.

We have learned that the current system cannot be maintained, even though it has been very successful for a long time, it is susceptible to failure. Luckily, not all options have been exhausted, and we can try other alternatives. It must be remembered that there is no perfect model for societies. The current system is not infallible, nor are citizens’ collectives, but by including citizens, institutional diversity increases, and with it the resilience of our society.

**Increasing visibility and potential of citizen collectives**

State and citizens could and should unite, and to achieve this, civil initiatives will have to become more visible. The state wants to stimulate collectives, but also co-ordinate and regulate them. At the moment, consumer collectives are merely a small speck in the entire spectrum of public services. It is not strange that the government has only been able to find a few successful examples. The state’s policy is to study these collectives in order to construct a blueprint for other collectives, which is a problem, because citizen’s collectives are entirely directed towards local circumstances and their success is completely dependent on context. Therefore, governments have to be aware that copying solutions from one collective would only create problems if they were applied to another collective. To promote the development of collectives, the government must refrain from attempting to find a blueprint. On the one hand, the government needs to recognise and accept the potential of solutions offered by citizens’ collectives, and on the other hand, the collectives need to demonstrate the success and effectiveness of their governance in order for them to be taken seriously and for state policy to be adjusted to suit their needs. It is not in the nature of civil collectives to focus on PR – much like the ICAs in the past – because they are too busy solving problems. However, it may be the government’s task to assess the most successful way of offering public goods, but this can only be done when collective institutions reveal their potential.

**Understanding and improving the conditions for success**

Once civil collectives are recognised and accepted, research can determine the framework for their success. The state can assist collectives in finding the necessary conditions for them to succeed. Many local co-operatives are trying to reinvent the wheel because they rarely communicate with other collectives or the government. This is impractical both from a management as well as a business administration perspective. There are ways, however, that the state can play an decisive role in this process, such as providing advice on what an ideal group size is, at what level an institution is manageable, and whether members would know each other well enough to be able to exert some form of fair social control. Furthermore, it is likely to become apparent in involving the state that the government will not have to be involved with all aspects of a collective’s management system, but only available to offer support in areas where collectives are struggling. The biggest challenge, and the greatest potential, lies in the dialogue that needs to be developed between government and civil initiatives. This dialogue must also be “structured”: citizens need frameworks that have a clear legal footing and operational guidelines. New types of institutions must be developed to achieve higher levels of institutional
diversity without too much effort and taking into account the different goals that might be set, depending on the type of good or service with which citizens are dealing. In what follows, two examples of such new forms of ICAs are proposed.

**New models for future co-operation**

Two problems stand out in the current situation: first of all, how to organise the provision of services that were previously considered public, in a way that access to them remains feasible for all layers of society, not just those that have the ability to “buy” these goods in the market; and secondly, how to ensure that this is done in a resilient, durable way so that what is created today can also be enjoyed by future generations.

**Public-collective partnerships**

As stressed earlier, it is essential that the government recognises and accepts the civil collectives as a viable “third way” in addition to the provision of goods and services through the market and the state. If civil collectives are to have any chance of success in resource governance, the state needs to be aware of the strength of these co-operative institutions, and to recognise them as legal entities. Allowing collectives to take part in society would not limit the role of the government in society, for it would be the duty of the state to monitor the collectives, and if necessary to correct the interaction between collectives and the market. Or entirely different models, for example along the lines of polycentricity, might be experimented with.

Giving room to collectives in our society to provide services and goods may, in due time, also affect the structure of the representative democracy, although it remains unclear in which direction that would go. It may lead to a new form of pilarisation, but along different lines than we have had in the past.

To facilitate the establishment of civil initiatives, governments could break down certain obstacles that impede the functioning of co-operatives. At the moment, the collectives are hindered by a legal system fraught with a mishmash of rules and formalities. In order to start a civil collective in the current system, one would need some specialised knowledge, bravery and capital, a combination of qualities that is mainly found among persons with higher education, while those social groups that are more vulnerable and have less physical and human capital could especially benefit from a co-operative institution. To ease this process it would be beneficial if the state were to provide an easily understandable legal and operational framework for setting up a citizen collective. The government could create in this context alternate versions of public-collective partnerships to allow citizens to experience the advantages and obligations that stem from managing a collective good. This might also lower the threshold that many people experience when attempting to set up a co-operative. A public-collective partnership could provide some counterweight to the currently very popular public-private partnerships (PPPs). In essence such PPPs are based on a transfer of trust, and often public budgets in the form of subsidies to a private partner. The government – local and otherwise – trusts that the private partner will live up to the expectations and agreements, while the private partner expects to make a commercial profit from this agreement. Clearly, this creates an undesirable stress on the trusts relationship between both partners. A public-collective partnership could offer governments the possibility to “outsource” public responsibilities to groups of citizens, in the format of, for example, the currently developing social and community enterprises in the United Kingdom. The question is, however, to what extent governments will be willing to transfer the same level of trust and responsibility to a group of citizens as they are willing to transfer to a private partner.

**The transgenerational co-operative**

Linked to the above “instrument”, we can consider another format to provide public services, one that also goes beyond the generational divide. Co-operation can also facilitate solutions to intergenerational problems. There are some initiatives that practice intergenerational and informal care, and there are collective institutions that use alternative
problems, namely child daycare and care for the elderly, for example. Imagine that when their grandchildren are born, the baby-boomer grandparents of today could invest in a co-operation - through shares - to pay for child daycare fees. There are two reasons for persons in that phase of life to be willing and able to make such an investment: they have the capital - their own children have moved out and they may still be employed - and they will require care for themselves in the near future. Considering these incentives, the elderly will be encouraged to keep their shares within the co-operative and to monitor the quality of the service provided, quite simply because they are benefiting from both aspects, childcare and elderly care. Extra incentives could be created by guaranteeing that grandparents are able to transfer capital to their children by saving them the cost of daycare, and enabling them to remain employed. Through the purchase of shares, the grandparents could be assured of receiving high-quality care when they require it, provided by the same co-operative that takes care of their grandchildren. Combining care for children and the elderly in one environment is possible, and research has shown that bringing these two groups together has a positive effect on both. A solid institutional framework to ensure that capital remains within the co-operative during the lives of grandparents, parents and children would enhance the longevity of these institutions.

Conclusions

In this chapter, various aspects of our European history have been addressed and used to suggest new institutional formats for future co-operation. Our European past demonstrates that resilient ICAs are possible and that these models can be used as a third way to fulfil the needs of Europe's citizens today. The core of the matter is the necessity to return to building institutions that generate long-term reciprocity, longer than one or even two generations of citizens. In the past, the trust in ICAs was very strong: the members were secure in the knowledge that the institutions were robust and resilient, and that their contributions would be reciprocated. Such high levels of trust were achieved though intensive participation of the members in their organisations and through the efficient prevention and detection of problems. It is not surprising that people living in contemporary society are sceptical about these co-operatives - short-term thinking has taken over policy and reality. However the current economic crisis creates an opening and new opportunities for such new forms of institutions to show their value and capacities for our Western society.
Bibliography


