

Community and mutual ownership: a historical review

Findings
Informing change

July 2010

This study charts the historical development of ownership of land, resources, businesses and services. It identifies models of community and mutual ownership and draws out implications for addressing social problems and meeting new needs.

Key points

- Modern ideas and practices of ownership took a long time to develop, and were based on the enclosure of common land, the emergence of concentrated private ownership and the enlargement of state activity, both through regulation and the direct ownership of resources and services. These long-term historical transformations were not inevitable processes with a fixed outcome.
- The project identified five models of 'community and mutual' ownership: customary and common; community; co-operative and mutual; charitable; and municipal and state ownership.
- There is a contemporary opportunity for community and mutual ownership to help meet needs relating to the economy, welfare provision, society in general, and the environment.
- However, new forms of democracy, membership and belonging cannot be created overnight. In the past, community and mutual ownership was built up over a long time and depended upon the growth of popular participation and associated feelings of ownership.
- Nurturing community and mutual ownership requires a coherent and systematic approach, based on a clear set of values, if it is to realise its full potential.

The research

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Background

Community and mutual organisations have become more visible in recent decades and are receiving positive and widespread recognition as a possible solution to a range of problems. This provides an opportune moment to look back at the ways in which ownership has unfolded historically.

The widespread enclosure of 'the commons', the rising concentration of private ownership and an escalating role for the state – both in terms of regulation and direct ownership of resources – represent significant historical themes. But they have not always been linear or inevitable processes.

From an examination of the long historical development of ownership, the project identified five broad models of community and mutual ownership: common and customary; community; charitable; co-operative and mutual; and municipal and state ownership. Virtually all of these forms of community and mutual ownership are still in existence today.

At a local level it can be hard to distinguish common, community, co-operative and charitable models, each of which has mutated historically. Recently, emerging forms of social enterprise, which are arrivals on an existing scene, have also blended various strands of activity.

The authors suggest that these models, taken together, have implications for policy and practice today, and could address current problems and new needs.

Historical phases of ownership

Early societies

Among early population groups 'ownership' of land was organised tribally and communally, was temporary and contingent, and served collective needs. A stronger sense of private ownership followed conquest by the Romans. Anglo-Saxon invasions shifted ownership to warlords who created a number of kingdoms and laid waste to earlier settlements. Private and family ownership of land developed slowly while a new form of communal ownership, under the church, evolved in monasteries. There was considerable geographical variation in ownership, between highland and lowland areas and in Wales, Scotland and Ireland.

Feudal period

During the feudal period, often dated from the Norman Invasion in 1066, the church, monarch and nobles extended their rule through the ownership of estates and monasteries amassed wealth by means of agriculture and trade. Peasants were granted rights and tracts of land in return for loyalty and service. Large areas of common and waste land also served their economic and social needs. The absolute power of landlords over peasants was tempered by religious beliefs that associated worldly wealth with sin, by charitable impulses and by notions of a 'just price' for goods and services. But the underlying inequality of ownership contributed to simmering unrest and occasionally, open rebellion, notably the Peasants' Revolt of 1381.

Early modern period

From the 16th to 18th centuries, feudal patterns of ownership broke down and the bonds tying labourers to particular estates were loosened. Many church lands were re-distributed to landlords as part of the Reformation. Property ownership became detached from social obligations and associated with individual freedom and liberty. The enclosure of common and waste land was bitterly contested by those, such as the Diggers and True Levellers, who argued for common and communal ownership.

Capitalism

The rapid increase in enclosures was a precursor to the rise of capitalism, which was to be characterised by more fluid forms of capital and 'free' labour. In the 19th century, processes of industrialisation and urbanisation intensified poverty and inequality. Mutual and co-operative organisations proliferated to assuage these problems and meet social needs relating to food, saving and insurance against sickness and unemployment. Charitable organisations also grew in response to the harsh conditions faced by people in poverty. As inequality and social problems extended into the 20th century, municipal and state ownership became more prominent. Ownership and control were increasingly separated with the development of the large-scale capitalist firm.

Post 1945

During the immediate post-war years, state ownership was the primary means of providing universal welfare services and controlling the economy in the common interest. Certain industries and services were nationalised, including many hospitals, railways and the mines. This was to be undermined from the 1980s when a renewed faith in the effectiveness of the free market led to the privatisation of public assets such as housing and nationalised industries. More recent policy interests indicate a revived interest in community control. Assets are being transferred from public ownership to communities and the 'third sector' is playing an increasingly significant role in public service delivery.

Models of ownership

Common and customary

Common land and group 'rights in common' over land stretch back to pre-feudal times and facilitated economic survival, social networks and a sense of moral economy. The state actively supported the enclosure of the commons but has also protected common spaces, especially in the 20th century. Significant vestiges of common land still remain in the form of village greens and public parks. The right to roam, community land trusts and the Community Right to Buy in Scotland are further examples of attempts to enable communities to take control of land and assets.

Community

Community ownership includes communal living experiments by religious sects, socialists and those seeking an alternative lifestyle. In the 20th century, the settlement movement and development trusts worked to support disadvantaged communities. The garden city, co-partnership and new town movements were initially focused on community ownership of housing and public spaces. At a local level, smallholdings, allotments, village halls and land are held collectively and by individuals and families. Recently, communities have bought village shops, pubs, farms and other assets through community share schemes. Community ownership serves a variety of purposes related to daily life and remains an engine of inventiveness supporting wider society.

Co-operative and mutual

Co-operative societies, friendly societies, building societies and other mutual enterprises flourished in the 19th century. They met the basic needs relating to saving, insurance, food and housing for those affected by poverty and exploitation. Through collective self-help, members gained greater control over their lives. By the end of the 19th century, mutual organisations

had grown into highly significant businesses based on democratic member control and federal structures. During the 20th century their role was to be undercut by the growth of state welfare, fierce commercial competition and a loss of purpose in a more affluent society.

Recent signs of renewal of consumer co-operatives have been complemented by the growth of worker co-operatives, credit unions, football supporters' trusts and the spread of mutual principles to public services. Businesses such as the Co-operative and John Lewis illustrate that community and mutual ownership can expand out of the small-scale 'community' space into the mainstream and endure over time. Current estimates of membership of mutual organisations in the UK stand at 59 million, involving over 23 million people.

Charitable

Almshouses are an early example of ownership for charitable purposes. Legal recognition led to a growth in charitable ownership at the turn of the 17th century. During the 18th and 19th centuries the number and size of charities, including many voluntary hospitals, increased significantly, especially in response to the industrial revolution and rising levels of poverty. Their role diminished in the 20th century as the state came to play the dominant part in welfare. Some charities were also criticised for holding a deficit view of beneficiaries. Since the 1980s charities have increasingly provided welfare services on behalf of the state, raising concerns over their independence. However, given the widely understood impulse to 'help others' and the tax advantages that charities receive, charitable ownership seems likely to multiply.

Municipal and state

Debates in the late 19th century about organising for the common good led to municipal and state ownership of services and industries. Municipal authorities experimented with electricity, gas, sewers, transport, education and housing, which they ran as public services. Common ownership by the state became a central objective for the political left in the 20th century and crowded out other community ownership initiatives. After 1945, nationalisation brought hospitals and businesses, such as the railways and mines, into state ownership. This lasted until the 1980s, when many industries and services were privatised as part of a belief in the power of the free market. But state control and regulation continued to grow. Although state ownership has been, and still is, criticised as being inefficient and unresponsive to community needs, it has been relatively effective in ensuring that public services are widely available.

Conclusion

Community and mutual ownership has the potential to make a significant long-term contribution. It is a force throughout society and the economy, and has particular relevance to finance, rural and urban development, food, housing, welfare services, energy production and international development.

‘Learning from history’ is notoriously difficult and attempting to force the adoption of historical models would be short-sighted. Yet historical analysis reveals a range of issues pertinent to current policy interests in extending community and mutual ownership.

- Systematic approaches are needed for a staged growth of community and mutual ownership to respond to current social problems. Community and mutual ownership will have the greatest impact where policy and practice is coherent and supportive, particularly across central and local government and related agencies.
- New policies on ownership need to take account of the structural, social and subjective aspects of ownership. Legal and organisational structure is an essential foundation that can shift ownership of assets into community hands. But to gain the full benefit, communities must be prepared and ready to take responsibility for resources. Building common understanding takes time, and organisations need to be based on a strong sense of membership and belonging.
- Varying forms of democracy and membership may be appropriate to community and mutual ownership in different spheres of activity. For example, ownership of community shops is likely to stimulate greater enthusiasm and participation than taking responsibility for some previously state-owned public services.

- In developing future policy and practice, there is the potential to agree a set of values that can guide policy and take into account the ways in which community and mutual ownership might be nurtured. In the past, community and mutual options have often been viewed as marginal or as a pragmatic solution to particular problems. By contrast, a values-based approach implies a widely shared guide to action. Such values might include the importance of maintaining and increasing a diverse ecology of community and mutual ownership based on independence, autonomy, self-control and democracy.

About the project

Primarily a literature review of broadly defined community and mutual forms of ownership, the research was complemented by an examination of some primary sources, recent policy and research, and 13 interviews and discussions.

For further information

The full report, **Community and mutual ownership: A historical review** by Tom Woodin, David Crook and Vincent Carpentier of the Institute of Education, University of London, is published by the Joseph Rowntree Foundation (JRF). It is available as a free download from www.jrf.org.uk.

Published by the Joseph Rowntree Foundation, The Homestead, 40 Water End, York YO30 6WP. This project is part of the JRF's research and development programme. These findings, however, are those of the authors and not necessarily those of the Foundation. ISSN 0958-3084

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