

Three waves of cooperation. A millennium of institutions for collective action in European perspective (Case-study: The Netherlands)

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Parallel to the economic and social crisis of the past few years, a very different evolution seems to be going on in Europe: new institutions constantly arise, institutions that we can describe as institutions for collective action, where cooperation and self-regulation form the jumping-off point for daily practice, with citizens taking matters into their own hands to address local problems. These institutions emerge from the bottom-up, through the efforts of ordinary citizens filling in needs, in many European countries.^{2 3} Since approximately 2005, over 300 collectives for energy were for example founded in the Netherlands, aimed both at generating energy (*collective production*) and at the collective purchase of energy from companies on the free market (*collective consumption*). Furthermore, many initiatives were established that provide healthcare - ranging from residential communities for the elderly, elderly care cooperatives, and day care centers, to cooperatives of GPs and physiotherapists.⁴ Such new institutions attempt to reach a common goal through collective action, cooperation, and self-regulation, for instance in the production, distribution, and consumption of food - ranging from farmer cooperatives, to new cooperative supermarkets run by employees and/or volunteers⁵ - in the creative sector, and in infrastructure - for instance, in the construction of fiber-optic networks. These are not one-off initiatives, but ambitious organizations that try to establish a long-term effect. The so-called Bread Funds aptly illustrate this. Over the past several years the huge increase in the number of Dutch freelancers (so-called *ZZP-ers*) and their struggles to get affordable sickness insurance has led to them joining in Bread Funds, which offer through a monthly contribution buffer to all members for illness, and accidents.⁶ Often these new institutions take the form of a cooperative, or sometimes the form of an association, or foundation. The goal of the members is quite broad: they do not just generate energy, they produce renewable energy, and it's not just aimed at care for the elderly, but aims at living within

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² For a list of examples for several countries see the website Collective Action.info, 'Examples of present-day collective initiatives', http://www.collective-action.info/_POC_Examples.

³ Lenos, Sturm, and Fish also describe this as the third generation of citizen participation, after a first generation in the 1970s when responsible citizens enforced possibilities to participate, and the second generation which citizens gave the opportunity to help shape the policy at an early stage through interactive policy management and coproduction. See S. Lenos, P. Sturm, and R. Vis, *Burgerparticipatie in gemeenteland. Quick scan van 34 coalitieakkoorden en raadsprogramma's voor de periode 2006 – 2010* (Amsterdam 2006). See also M. Hurenkamp, E. Tonkens, and J. W. Duyvendak, *Wat burgers bezielt. Een onderzoek naar burgerinitiatieven* (Amsterdam 2010) 13-14.

⁴ For many examples in care, see Aedes-Actiz Kenniscentrum Wonen-Zorg, 'InNUvatie: kiezen, durven en ondernemen in wonen en zorg' (version April 16, 2012), <http://www.kenniscentrumwonzorg.nl/actueel/specials/innuvasie> (visited July 8, 2013).

⁵ See for instance <http://www.sterksel.nu/ons-dorp/dorpswinkel> and <http://www.boodschappennet.nl/>.

⁶ For the organization that supports these initiatives and more background information on Bread Funds, see: <http://www.broodfonds.nl/>.

the confines of their home village for as long as medically possible. Apart from these kinds of initiatives aimed at providing for new or existing needs, there are many initiatives in which the *sharing* of goods that are already available is paramount, rather than the production of new goods or services. These initiatives are also increasingly formalizing and in due time transform into “institutions for collective action”, building upon self-governance, self-regulation and participation of their members.

Today, the diversity in types of institutions for collective action is very large in many European countries, ranging from care, to energy, and to agriculture, but also widely ranging in governance model. Some collectives are strongly intertwined with the local government and work closely together; others keep as far away from local government as possible, and aim for complete financial independence. Little is expected from the members in some collectives, while in other cases, active participation is an essential part of the functioning of the institution. Although this large diversity is not easy for governments to come to grips with, it has great added value for the institutional landscape. In this paper, I will focus primarily on the developments within the Netherlands, as exemplary for developments elsewhere in Europe, and put these in a wider temporal perspective. By analyzing previous similar waves of institutionalized collective action, and by determining the driving factors behind these waves, we can establish a better understanding of the current developments, and also build upon this knowledge to design new policies that encourage instead of hamper such new institutions.

Dutch politicians clearly are not blind to what is happening in society. In recent years reports commissioned by the government appeared under headings such as ‘civilian power’, ‘self-organization’, ‘weconomy’, ‘horizontalization’, and ‘decentralization’, all on the features, options, and consequences of these new developments.⁷ Politicians from very diverse backgrounds called for a reactivation of responsibility among citizens - citizens must do more to prop up the welfare state.⁸ This political discourse runs parallel to the development of the many new initiatives described above that indicate that citizens also want to do more themselves. Not in response to the call from the government - the government still does very little to stimulate active citizen participation - but because they signal a real need to take matters into their own hands. Both providers of care - especially those that aim for effective administration of care - and the persons dependent on care desire ‘chain shortening’, fewer intermediate steps between demand and supply, and a limitation of the ‘professionalization’ that took place over the past years. The same applies in the energy sector: citizens want to know where their energy comes from, and have often lost faith in the major suppliers. Solar panels on their own roof and their neighbor’s roof shorten the path to sustainable energy.

The Netherlands is certainly not alone in this strange dichotomy between politicians calling for more commitment among citizens and new institutions being formed from the bottom-up. It is a movement that is currently taking place throughout Western Europe, and also in Southern Europe. Although, there are also major differences: since 2005, more than 400 energy cooperatives have been established in

⁷ A number of examples can be found in the overview on http://www.collective-action.info/_POC_Literature.

⁸ Some politicians, such as current Secretary of State for Health, Welfare and Sport, Van Rijn, have gone so far as to say that we as citizens should again harbor more “warm feelings” for each other. T. J. Meeus and J. Wester, “Mensen die echt zorg nodig hebben, laten we niet in de steek”, *nrc.next*, April 26, 2013, 5.

Germany, which generally began quite small (on average 29 members in the initial phase),⁹ and have grown to a total of over 80,000 shareholders.¹⁰ The United Kingdom has the (in?)famous *Big Society* plans. On the other hand there are also Western countries, including Belgium, where the interest in these initiatives is rising, even though most collectives are still in their infancy. As will be explained on the basis of the comparison of previous waves of such institutions in the history of Europe, differences in the extent to which new institutions for collective action have been set up is partly due to tax or legal provisions, but especially due to the development of the free market in these regions and the subsequent failure of markets to provide in affordable goods and services of high quality. After an analysis of the previous waves of institutions for collective action, I will point to the differences and similarities between the three waves, and then draw some general conclusions. A last part will be dedicated to a look ahead to future perspectives and difficulties that may arise as a consequence of the current institutional developments.

A Silent Revolution?

The picture just sketched suggests something special is going on here. Both the literature and the media talk of a revolution, a change, a shift in the way European society is organized, a break from the rigid dichotomy of market versus state. Measuring the extent of the development while we are in the middle of it is very difficult but there are some figures that can give further insight. The data used in this article to sketch the development in the past 25 years and those around the change from the 19th to the 20th century are based on the registrations at the Chambers of Commerce of new cooperatives. The data that go back before 1800 are based on a very large dataset constructed over the past decennia by a large number of scholars working on pre-industrial institutions for collective action.¹¹

The data gathered of the establishment of new cooperatives since 1990 in the Netherlands show a clear picture. The graph below shows a particular leap forward since 2005, with dozens of new cooperatives formed every year in particular in professional services, industry, energy, transport, and care.¹²

⁹ See Deutscher Genossenschafts- und Raiffeisenverband, 'Energy cooperatives. Results of a survey carried out in spring 2012', [http://www.dgrv.de/weben.nsf/272e312c8017e736c1256e31005cedff/41cb30f29102b88dc1257a1a00443010/\\$FILE/Study%20Results%20Energy%20cooperatives%202012.pdf](http://www.dgrv.de/weben.nsf/272e312c8017e736c1256e31005cedff/41cb30f29102b88dc1257a1a00443010/$FILE/Study%20Results%20Energy%20cooperatives%202012.pdf) (visited July 8, 2013). This study showed that 83% of the energy cooperatives surveyed had fewer than 50 members in the initial phase.

¹⁰ A recent survey showed that there were between 2006 and 2011, 430 new energy cooperatives were formed in Germany. See Deutscher Genossenschafts- und Raiffeisenverband 'Energy Cooperatives', <http://www.dgrv.de/en/cooperatives/newcooperatives/energycooperatives.html> (visited July 8, 2013). For an overview of recent citizens' initiatives set up in the Netherlands, see <http://www.hieropgewekt.nl/initiatieven>.

¹¹ More information on these datasets can be found at www.collective-action.info.

¹² Figures based on dataset Cooperatives (thanks to Onno van Bekkum) and O. van Bekkum en C. Griffioen, *Coöperatie+. De economische betekenis van de coöperatie* (Utrecht 2012) 6.

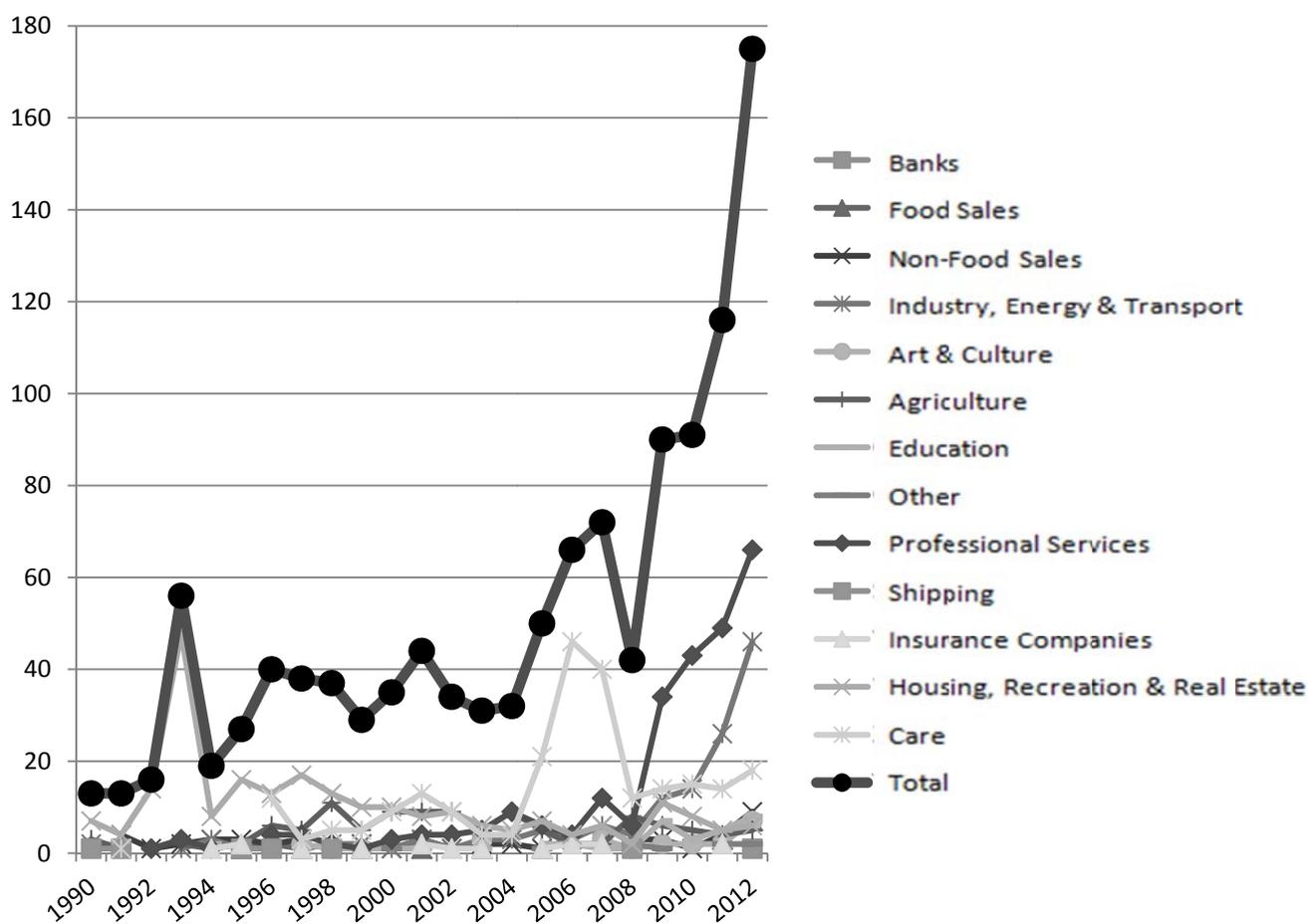


Figure 1: Evolution of the number of new cooperatives per sector from 1990 to 2012¹³

The tradition to establish cooperatives dates back to long before the late nineteenth century when the first cooperative banks were established - the forerunners of the well-known co-operative Rabobank. Considering this: is this then - in light of history - a turning point in society, and are we at the dawn of a new societal form? Or is this burst of civic cooperation only a brief response to the current crisis that will pass once this crisis blows over? The answer to these two questions lays in the very distant past.

Going back long before the creation of the welfare state, plenty of historical forms of institutions for collective action can be found, all over Europe. In the Low Countries, from the late Middle Ages, around the eleventh to thirteenth century, citizens increasingly chose to address individual problems in an institutionalized, collective form that was largely independent of ecclesiastical and secular authorities. The base for the formation of a collective was not the immediate environment, but rather the profession. Merchants were the first to form a partnership - early in the eleventh century, in Tiel. By joining forces, they could put more pressure on both local urban establishments, and on more powerful authorities, such as the German Emperor, in order to obtain certain privileges. As individual merchants they were pretty weak - whoever invests in trade, always runs the risk of goods being lost or failed to be delivered. Similar issues also formed the basis for the establishment of the first craft guilds - about a century after the

¹³ Source: cooperation database Onno van Bekkum.

formation of merchant guilds.¹⁴ Due to a growing demand for goods at the free market, some craftsmen failed to deliver quality products, or sold goods at lower prices. By uniting, the artisans could develop a reputation for quality and fair prices, by making price agreements, thereby guaranteeing a minimum income for members of the guild, which was very important under the pressure of increasing urbanization.¹⁵

Simultaneous to this mostly urban movement, more and more farmers organized the use of pasture in common. Institutions for common land, or 'commons' - better known in the Netherlands under the terms *markegenootschappen* (Eastern Netherlands)¹⁶ and *meenten* (especially in the southern part of the Netherlands) - were set up throughout Western Europe, and continued to play an important role in the organization of agriculture until the end of the eighteenth century.¹⁷ These urban and rural developments should be seen in relation to the growing population in certain regions of Western Europe. From the eleventh century to the middle of the fourteenth century - when the Black Death struck - Western Europe experienced a steady population increase, albeit with ups and downs, generally accompanied by increasing urbanization and pressure on available natural resources. For farmers, this led to a more intensive use of agricultural land and pasture. Due to the mixed farming system, the necessary balance between the two forms of land use became increasingly delicate. Sufficient availability of pasture was needed for the cattle to produce enough fertilizer to keep the arable land productive.¹⁸ Common land offered a number of advantages due to its larger scale, and reduced certain costs, for example when transferring landownership from father to son.

The Dutch water boards also stem from the same period. Through cooperation the members managed the water as efficiently as possible to keep both the land - and their feet - dry.¹⁹ A phenomenon of a different nature, but institutionally very similar, was the emergence of beguinages in cities in the Low Countries, also in the late medieval period. Women who wished to lead a semi-religious life united in communities, where they lived relatively independent from ecclesiastical and secular authorities. From the late Middle Ages onwards single women in the Low Countries,²⁰ increasingly went to the

¹⁴ See L. van der Vleuten and J. L. van Zanden, 'Drie golven gilden. Institutionele ontwikkeling van koopliedengilden tot knechtbussen', *Leidschrift* 25(2) (2010) 59-71.

¹⁵ B. De Munck, P. Lourens, and J. Lucassen, 'The establishment and distribution of craft guilds in the Low Countries, 1000-1800', in: M. Prak *et al.* (eds), *Guilds in the early modern low countries. Work, power and representation* (London 2006) 32-73.

¹⁶ The Dutch *markegenootschappen* in the East were able to develop early due to the absence of a strong central power, in contrast to the County of Holland, where the count regularly interfered with the organization of the *meenten*. See, among others, J. L. van Zanden, 'The paradox of the marks. The exploitation of commons in the eastern Netherlands, 1250-1850', *The Agricultural History Review* 47 (1999) 125-144, 128.

¹⁷ For more background information on the different types of "commons" in Europe, see http://www.collective-action.info/_TYP_COM; also see van Zanden, 'The paradox of the marks' and P. C. M. Hoppenbrouwers, 'The use and management of commons in The Netherlands. An overview', in: M. De Moor, P. Sharpe, and L. Shaw-Taylor (eds), *The management of common land in north west Europe, c. 1500 - 1850* (Turnhout 2002) 87-112.

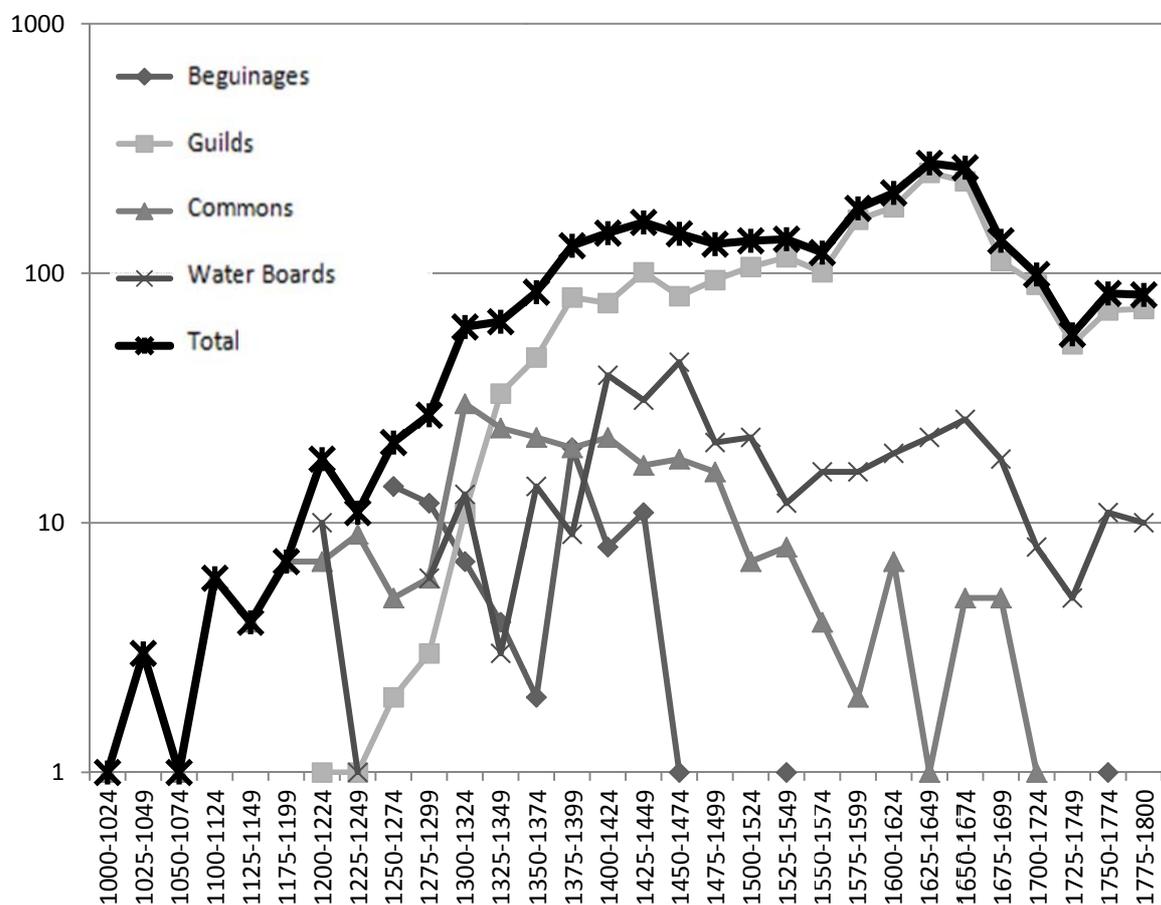
¹⁸ B. H. Slicher van Bath, *Bijdragen tot de agrarische geschiedenis* (Utrecht 1978).

¹⁹ E. Beukers (ed.), *Hollanders en het water. Twintig eeuwen strijd en profijt* (Hilversum 2007); A. Kaijser, 'System building from below: institutional change in Dutch water control systems', *Technology and Culture* 43 (2002) 521-548; T. Soens, *De spade in de dijk? Waterbeheer en rurale samenleving in de Vlaams kustvlakte (1280-1580)* (Antwerpen 2009) 17-72.

²⁰ M. Bosker, M., E. Buringh, and J. L. van Zanden, From Baghdad to London: unraveling urban development in Europe, the Middle East, and North Africa, 800-1800. *The Review of Economics and*

city for wage labor.²¹ The security challenges these individual women faced, could be reduced by forming such communities.

With the emergence of so many interest groups, focused on only one part of society, it is predictable that sometimes conflicts arose. The general economic activity of beguines was the manufacture of textiles. In many cases they obtained permission to sell their textiles at the local market, and in some cases they benefited from a favorable tax arrangement. Naturally, this was not agreeable to the textile guilds and led to the necessary discussions and conflicts.²² Water boards and common land institutions sometimes encroached on each other's territory too; both groups had a stake in a particular approach, which resulted in discussions regarding user rights. However, each of the common interest groups – be they farmers, artisans, beguines, or other – were more apt in dealing with the challenges of the economy, politics, and society when they stood united.



Statistics (forthcoming; Early Access-version available online at http://www.mitpressjournals.org/doi/pdf/10.1162/REST_a_00284, doi: 10.1162/REST_a_00284)

²¹ D. S. Reher, 'Family ties in Western Europe: a persistent contrast', *Population and Development Review* 24 (1998) 203-234.

²² See, among others, the 1442 agreement of the Utrecht beguines with the linen weavers guild to pay 1.5 pounds every year for the right to weave with two or three looms (Het Utrechts Archief, Archieven van de kloosters (access no. 0705), inventory number 989).

Figure 2: Evolution of the number of new institutions for collective action (beguinages, guilds, commons, and water boards) per quarter century in the Netherlands, 1000-1800 (logarithmic scale)²³

The reason for institutions such as commons having almost entirely disappeared from the physical landscape and collective memory, both in the Netherlands and elsewhere in Europe, is the wave of liberalization starting in the eighteenth century that threatened various forms of common property throughout Western Europe. The *space* that is necessary for bottom-up institutions for collective action to develop and thrive disappeared under increasing pressure from the upcoming nation states. Meanwhile - partly under the influence of the philosophies of the Enlightenment - private property was promoted as *the* finest way to stimulate economic growth. According to philosophers and politicians of the time, the individual needed to be certain that he would receive the results of his efforts on the land, or at the market, therefore, private ownership of the means of production was a must. Joint ownership of land, or other resources would ensure that none would fully exert themselves. This reasoning led to institutions for collective action, such as guilds, and commons, to be labeled as "relics of the past". Common property and economic cooperation were considered obstacles to further economic growth. The most famous variant of this privatization drive is known as the Enclosures:²⁴ the long, and intensive legal campaign of the English government to privatize commons. However, the continent had its own enclosure movement. Although the final word has not been said about the impact of these enclosures on the social level and the - anticipated - effects on agricultural productivity, it is certain that they have had a profound impact on society. The privatization of the Dutch *markegenootschappen* with the 1811 Law, and similar measures elsewhere in continental Europe, led to a rapid privatization of common land.²⁵ In the late eighteenth century the guilds were rapidly abolished, motivated by a very similar political rhetoric.²⁶

At the beginning of the nineteenth century new institutions for collective action were founded - often to replace the older guilds. A prominent example is the *waarborgfonds* founded in 1811 in the Frisian countryside in Achlum, which has become the largest insurance company in the Netherlands today, Achmea.

²³ The data for this graph were based on data collected as part of the NWO-Middelgroot project "Data Infrastructures for the Study of Guilds and Other Forms of Collective Action" (2007-2011) in which researchers from the Netherlands, Belgium, Italy, and the U.S. participated. See http://www.collective-action.info/projects_NWOProject. In particular my thanks goes to Jan Lucassen, Milja van Tielhof, Aart Vos, Lotte van der Vleuten, René van Weeren, and Annelies Tukker for their contribution to the datasets on the Dutch institutions for collective action. The data is available via https://www.dataverse.nl/dvn/dv/WebsiteIcAGuilds/faces/study/StudyPage.xhtml?globalId=hdl:10411/10101&studyListingIndex=4_e65c3494de2f199a14193eeac8ec.

²⁴ L. Shaw-Taylor, 'Parliamentary Enclosure and the emergence of an English agricultural proletariat', *The Journal of Economic History* 61 (2001) 640-662; J. M. Neeson, *Commons: Common right, Enclosure, and social change in England, 1700-1820* (Cambridge 1996); J. Humphries, 'Enclosures, common rights, and women: the proletarianization of families in the late eighteenth and early nineteenth centuries', *The Journal of Economic History* 50 (1991) 17-42.

²⁵ van Zanden, 'Paradox of the marks', 138; for an overview of the privatization of common land in the nineteenth century continent, see, among others, M. D. Demélas and N. Vivier (eds), *Les propriétés collectives face aux attaques libérales (1750-1914). Europe occidentale et Amérique latine* (Rennes 2003).

²⁶ In 1795 in the Southern Netherlands, in 1798 in the Northern Netherlands. See De Munck *et al.*, 'Establishment and distribution of craft guilds', 63.

However, a real new *wave* of institutions for collective action did not occur until the end of the nineteenth century. Around 1880 many new institutions for collective action emerged, aimed at the collective organization of production in cooperatives, services in insurance funds, and producers/workers relations in trade unions. In addition, this was also a prosperous period for new – and acknowledged - associations, that were not economic in nature, but rather united by cultural, or sporting goals (see chart below).

Figure 3: Evolution of the number of new institutions for collective action (cooperatives (including bilateral *waarborgfondsen*), trade unions, and registered associations) per decade in the Netherlands, 1850-1950 (logarithmic scale)²⁷

It is the time when some of the cooperative ‘giants’ of today originated, such as the *Boerenleenbank* (1897/98), one of the forerunners of the current Rabobank, inspired by the initiative of Friedrich Wilhelm Raiffeisen a few years earlier.²⁸ This second wave of new institutions for collective action would continue until about 1920. After this period, the number of new cooperatives set-up yearly diminished greatly and it would take until the beginning of the next century before the movement was revived.

A clear difference between the first wave of the late Middle Ages and early modern times, and organizations that emerged during this second wave in the period 1880-1920, is that a striking number of smaller organisations from the second wave merged

²⁷ The data for this graph were based on databases provided by Onno van Bekkum (Cooperatives and bilateral *waarborgfondsen*), the IISG (HISVAK-database, version June 18, 2013, with thanks to Sjaak van der Velden) and Huygens-ING (M. van Tielhof, *Erkende verenigingen, 1855-1903* (www.Historici.nl/Onderzoek/Projecten/ErkendeVerenigingen)).

²⁸ K. Sluyterman et al., *Het coöperatieve alternatief. Honderd jaar Rabobank, 1898-1998* (Den Haag 1998) 20-25.

over the course of time, and have sometimes become very large cooperatives indeed. Although there were some mergers of guilds in the early modern period, there was not a distinct shift in size - the number of guild members per guild remained relatively limited during the early modern period. Furthermore, there are no known examples of mergers by *markegenootschappen*, although they did at times cooperate. The institutions of the first wave also often had a considerably longer lifespan than their counterparts during the second wave. From the cooperatives that emerged between 1880 and 1920 only a fifth is still active today, while more than 90 per cent of the *markegenootschappen* that we studied in the provinces of Overijssel, Gelderland, Drenthe survived much longer, and easily passed the 150 years mark. Regarding the guilds, about 62 per cent survived for more than 150 years, which is considerably more than the cooperatives of the second wave.²⁹

The current, third wave of new cooperatives is still marginal in terms of its contribution to the total turnover of the cooperative sector in the Netherlands, and the number of employees involved. The great number of smaller, recent initiatives are overshadowed by a number of "giants" such as Achmea, Rabobank group, and FrieslandCampina, which together accounted for more than 42 billion in revenue and nearly 100,000 employees - in 2010-2011 - nearly all of these cooperatives originate from the second wave.³⁰

Does history repeat itself?

Contemporary initiatives like to promote historical parallels between their own activities and organisation today and those organisations they consider their predecessors, as is visible in the name they choose. References to the past are made to generate trust and recognition. Freelancers united in Bread Funds have many similarities to the early modern guilds, and some also like to emphasize that - for instance, the *ZZP-gilde* (freelancer-guild). *Energiemarke* in Hoenslo combines references to the historical use with generating renewable energy through landscape.³¹

Although there is a great caesura between the historic guilds and commons, and their contemporary "successors" the motivations and organizational structure are very similar. However, it would be too short-sighted to say that history simply repeats itself. Current developments differ in several fundamental areas from historical institutions for collective action. Certainly, the context is different - there is a far greater range of options for individual citizens for banking and/or insurance - but this is accompanied by a significantly greater complexity of society, where there are - too - many steps between producer and consumer of energy, care, food, etc. In comparison to the historical situation, the objectives of the new collectives are often divided. While in the historical context both economic, and social objectives were often brought together in a collective, nowadays, there are separate collectives for many different objectives: whoever needs energy, joins an energy collective, and whoever needs care, joins a care collective. This in itself is a missed opportunity, bundling many different objectives also creates the

²⁹ With thanks to Miguel Laborda Pemán for the calculations based on the files created as part of NWO-Middelgroot project "Infrastructures" (see above).

³⁰ van Bekkum and Griffioen, *Cooperatie+*, 9.

³¹ See among others the website of Hier Opgewekt, 'Energie Marke Haarlose Veld', <http://www.hieropgewekt.nl/initiatieven/gelderland/energie-marke-haarlose-veld> (visited July 8, 2013) and the website of De Ommer Marke, <http://www.ommermarke.nl/>. (visited July 8, 2013).

possibility for more efficient organization in which both setbacks and windfalls can be shared by different domains, and where reciprocity will be beneficial on different domains. It is striking that a lot of local energy cooperatives now begin to move towards other domains than just energy. In some cases members deliberately choose to reinvest in the local community, rather than receiving payment of a dividend. For example, *Duurzaam Hoonhorst*, in Hoonhorst, Overijssel, works on saving energy, and on providing care.³²

Another difference is the duration for which one joins a cooperative. Although no precise figures on this subject are available, other studies suggest that in the past people easily made a lifelong commitment while nowadays membership is much shorter.³³ Also, the share of society involved in institutions for collective action appears to be different. This is difficult to quantify, but given how wide spread institutions - such as commons in the countryside and guilds in cities - were in the early modern period it can be assumed that the current movement towards collectives is far removed from where it once stood. Nevertheless, cooperatives that have their origin in the second wave, have a significantly large share in contemporary Dutch economy. The current combined turnover of the Dutch cooperatives, is no less than 111 billion - for comparison: all listed companies put together amount to 253 billion.³⁴ Every Dutch person is currently on average a member of up to 1.8 cooperatives.

1,000 year - three waves: lessons learned

From the story above it can be concluded that in itself there is nothing new under the sun: in the light of long-term history, it is not a revolution. However, it is the historical data that offers the possibility to better frame, understand, and assess opportunities and potential problems for the current developments.

The main lesson to be learned from this long-term analysis is that a wave of new institutions for collective action is always preceded by a phase of accelerated development of the free market, in which privatization plays an important role. We have seen this after the first market developments during the Middle Ages, with an accelerated development of the agricultural and urban labor market,³⁵ we have observed it again after a strong wave of liberal thinking and privatization in the nineteenth century, and we have quite recently seen it happening after the privatization of public services - neoliberalism - in the last decades of the twentieth century. Within Europe from the 1980s onwards - partly under pressure from the European Union - there has been a strong emphasis on liberalization and the accompanying privatisation of public services and goods, among others by the creation of Public-Private

³² See website *Duurzaam Hoonhorst*, <http://www.duurzaamhoonhorst.nl> (visited July 8, 2013); for instance see the initiative of the *Betuwse Energie Coöperatie* (website *Holístico*, 'Betuwse Energie Coöperatie', <http://www.holistico.nl/projecten+en+mvo/mvo/betuwse+energie+co%3%b6peratie> (visited July 8, 2013) and the website of the cooperative association *Energie Dongen*, <http://www.energiedongen.nl/> (visited July 8, 2013).

³³ E. van den Berg and J. de Hart, *Maatschappelijke organisaties in beeld. Grote ledenorganisaties over actuele ontwikkelingen op het maatschappelijk middenveld* (Den Haag 2008).

³⁴ van den Berg and de Hart, *Maatschappelijke organisaties in beeld*, 77.

³⁵ B. J. P. van Bavel, 'Markets for land, labor, and capital in northern Italy and the Low Countries, twelfth to seventeenth centuries', *Journal of Interdisciplinary History* 41 (2011) 503-531 and idem, 'The transition in the Low Countries. Wage labour as an indicator of the rise of capitalism in the countryside, 1300-1700', *Past & Present* 195 (supplement 2) (2007) 286-303.

Partnerships. However, it appears that this liberalization process, has not always yielded the desired effect. The privatization of the energy sector, for example, has not generated the expected market effect, and is often an obstacle to the production of sustainable energy.³⁶ The emergence of care cooperatives is a direct response to the lack of affordable and accessible care, suited for specific situations, particularly in sparsely populated areas with a rapidly aging population - such as the province of North Brabant. The market does not work when there is an absence of sufficient quantities within a viable perimeter. The same principle is also quite clear from an example of the infrastructure sector: an optic-fiber cooperative was recently set up by the citizens of Heeze-Leende, a small village in Brabant, they were considered to be uninteresting by mainstream providers due to the lack of concentrated habitation. In case of the Bread Funds, the inability of freelancers to get a solid disability insurance via the commercial providers, led them to take matters into their own hands. In both cases, collective action provides a viable alternative.³⁷

Current developments of cooperatives have much in common with the previous wave of institutions for collective action: at its beginning, around 1880, the whole of Western Europe had gone through a wave of liberalization, although, this did not deliver the desired result for everyone, including many farmers and rural residents. It is from this period that many farmer cooperatives originate, including the previously mentioned *Raiffeissenkasse*. Farmers, both in Germany and elsewhere, encountered great difficulties in getting loans from mainstream banks, due to the unpredictability of their income. So, in spite of the great expectations about the functioning of the free market - both in history and today -, that market does not always make good on its promise to deliver better goods at more competitive prices.

The relationship between institutions for collective action and market forces may be called somewhat ambiguous. On the one side, institutions for collective action had to protect the individual from the market; this much is clear from the relationship between urbanization and the rise of institutions such as guilds in the early modern period, and from the explicit references to the possible adverse impact of the market that we find in regulations made by users of common land.³⁸ Commercialization of goods made with raw materials from the common land was often subject to strict regulation. There are regulations, for instance, that state that milk from cows that had grazed on the common pasture could not be sold outside the village. Also, cattle that had not spent a winter in the stables of the farm was not allowed on the common pasture. This way it was prevented that the common pastures were used for commercial milk production or fattening the cattle quickly before sale, instead of guaranteeing the basic necessities to the members. Numerous rules that placed selling the sufficiency over commercialization can be found in the preserved regulations, showing that users of common land were well aware of the potential adverse impact of commercialization on their common pastures. Freeriding, for the purpose of personal gain, with the potential of creating a 'tragedy of the commons' effect, had to be avoided at any cost.³⁹

³⁶ T. van Velzen, "Marktwerking in energiesector is overschat". Ir. Maarten van Riet pleit voor lokale coöperaties', *De Ingenieur*, June 29, 2012, 48-50.

³⁷ Website Broodfonds, 'Begint bij de basis', <http://www.broodfonds.nl> (visited July 17, 2013).

³⁸ See also the Common Rules project, in cooperation with the universities of Lancaster and Pamplona (see http://www.collective-action.info/_PRO_NWO_CommonRules_Main).

³⁹ G. Hardin, 'The tragedy of the commons', *Science* (New Series) 162 (1968) 1243-1248.

On the other hand, the increasing market integration also played a positive role at the individual level. The work of anthropologists has shown that a higher degree of contact with markets leads individuals to a higher degree of willingness to reciprocate.⁴⁰ Perhaps, it is no coincidence that precisely in the region around the North Sea, where markets developed the fastest, there was also a strikingly strong development towards these institutions for collective action. One could argue that institutionalized forms of collective action were a kind of *modus vivendi* developed to allow farmers and artisans to get the most out of the still developing market, while negating its negative effects.⁴¹ This 'moral economy' created a balance between the short-term market demand and the long-term supply from the citizens.⁴²

However, given that institutions for collective action function as a correction to an imperfectly functioning free market, does not necessarily mean that they are instruments "against" the free market. There are plenty examples of institutions, both past and present - such as the commons - that used market instruments in their daily functioning, such as pricing mechanisms to regulate the conduct of its members. There are also many examples of institutions for collective action that gave rise to new developments in the market economy.⁴³ Guilds are praised for their role in the development of human capital through their widespread apprenticeship system. Furthermore, guilds also developed the concept of a brand, as proof of a good product quality.⁴⁴ Historical cooperatives as *Vooruit* in Ghent (Belgium) - that in the past, and again recently, led joint purchase initiatives leading to a significant price advantage for members to purchase otherwise inaccessible products - can be considered the forerunners of supermarkets, which were rapidly established around the 1950s, albeit within the free market. Today we also see the development of one-off joint purchase initiatives, next to the emergence of institutionalized collective action, for example in the energy sector. Institutions for collective action are apparently not only a response to the development of the free market, but also precursors of new developments within that same market.

Contrary to what the media suggest many of the current initiatives should not be considered as a response to the crisis. The new wave of initiatives was indeed already under way, in the first years of the twenty-first century, before the first signs of the crisis became noticeable. The crisis has certainly increased the discontent among citizens and created space for alternative ideas, and politicians have certainly used the crisis to their advantage. However, with the call for more affective citizenship, for more responsible, active citizens, for more Big Society, politicians seems to respond to an evolving phenomenon, thus somewhat obscuring the real cause, namely the fiasco that is private healthcare and other privatization, and the over-professionalization of the health sector and other areas, such as the energy sector, with a lack of a real commitment to sustainability from major energy suppliers. Institutions for collective action develop

⁴⁰ J. Henrich et al. (eds), *Foundations of human sociality: economic experiments and ethnographic evidence from fifteen small-scale societies* (Oxford University Press 2004).

⁴¹ De Moor, 'Silent Revolution'.

⁴² van Zanden, 'The paradox of the marks', 129. The term "*moral economy*" originates from the work of E. P. Thompson (see e.g. E. P. Thompson, 'The moral economy of the English crowd in the 18th century', *Past & Present* 50 (1971) 76-136).

⁴³ T. De Moor, 'Avoiding tragedies: a Flemish common and its commoners under the pressure of social and economic change during the eighteenth century', *The Economic History Review* 62 (2008) 1-22.

⁴⁴ B. De Munck, S. L. Kaplan, and H. Soly (eds.), *Learning on the shop floor. Historical perspectives on apprenticeship* (London/New York 2007).

themselves, and are rarely initiated by local or other public authorities, but mainly on the initiative of citizens.

While in the Netherlands legislative initiatives such as the Social Support Act (Wmo, 2007) played a role in the evolution of institutions for collective action, that same evolution also occurs elsewhere in Europe, both in countries that were hit hard by the economic crisis - e.g. Greece and Spain - and those that were not hit as hard - such as Germany. Today, Germany, for example, is the uncontested leader in the creation of local energy cooperatives. At the same time there are countries in Europe where this evolution is much less apparent. The comparison between the Netherlands and Belgium springs to mind: Belgium does not experience the same "revolution" as the Netherlands, while Belgium is at least as much burdened by the crisis. The difference lies in the welfare state of Belgium remaining firm, and in the slower - but no less threatening - privatization of public services.

In addition to the timing of the new wave of initiatives, and the fact that they can be found throughout Europe, it is also noticeable that the institutions for collective action occur both in sectors where one might expect a strong positive effect of the free market - for example, in the energy sector - as in other sectors where one should have been able to realise, with a little common sense, that a free market could have yielded little else than misery, such as in healthcare. Initiatives for collective action arise both in sectors where achieving profit is possible, and in sectors where realizing profit is either impossible, or irresponsible.

Future Opportunities and the Need for Introspection

However, the question remains: now what? Should we hope for it to simply pass by - as it did before - or are there opportunities? Answering this question relates closely to the quest for preserving the quality of life that we have reached, with its accessibility for all citizens for the - very - long term, even if we are in an economic downturn. The welfare state was a way of spreading risk among all citizens within a relatively short time span. Expanding that period is *the* challenge for the future. The question we, therefore, need to ask is not whether the active citizen - whether or not he or she is involved as a volunteer at a citizen collective - can, or should replace the welfare state. The question we should ask is whether the existence of other governance models within the current system - in which goods and services are created and/or offered by either by the government or the market - could not be complemented by other types of institutions, thus contributing to a greater institutional diversity, and, therefore, a more resilient society.

But how can one achieve that? To find that answer we can go back to the historical laboratory. Historical research into the different types of institutions for collective action - as previously highlighted - shows us that, despite the little affinity most of us still feel towards farmers, or craftsmen, there are institutional instruments that transcend the activity to which they relate, but have the potential to mediate cooperation, and avoid unnecessary, and potentially harmful competition.

The investigation of historical examples of institutions for collective action focuses on a number of aspects, such as the causes of emergence and subsequent life of institutions, how the institution was regulated to ensure cooperation, and the instruments that have safeguarded the long-term survival of many of these historical examples. If we want to address intergenerational issues we need to build institutions that span generations, and that can exist for several decades, perhaps even centuries.

History shows that this is not impossible: many of the Dutch *markegenootschappen* effortlessly bridged two centuries. A long life does not have to stand in contrast with dynamics: regulations were frequently adjusted to changing circumstances. Resilience does not necessarily require constant punitive action to the members of the collective. Our research shows that *markegenootschappen* that lasted for centuries invested more time and energy in involving their members in decision-making than in threatening with sanctions.⁴⁵ Commitment to changing regulation appears vital to keep members engaged, and aware of the need for regulation.

An understanding of the necessary ingredients to create resilient, sustainable institutions out of the current initiatives is an absolute necessity for the future. There are plenty of examples of institutions for collective action that perish, cooperatives that don't last or eventually give up the cooperative form. For instance, how could the housing cooperatives become the often dysfunctional corporations that they often are today? We also need to ask whether the effect of business success and the subsequent growth in market share and number of consumers is not detrimental to the cooperative nature of a cooperative. A large scale does not only bring more profit, but also increases risks: some cooperatives - Rabobank in the financial sector, and Achmea in health insurance - are among the largest companies in the Netherlands. A cooperative such as FrieslandCampina has every right to call itself a global contender. The question we must ask ourselves is whether companies of this size - with activities at home and abroad - can continue to maintain their cooperative principles in the longer term. How to deal with scale under the influence of globalization? How to mitigate the impact of globalization on stakeholder participation, and compensate for the declining social capital? These are huge challenges that the "old" cooperatives - formed in the second wave - face today.

A very recent example from Flanders, the Arco-bank, shows that cooperatives are not insensitive to 'the lure of capital', often with devastating consequences. It was not only in this cooperative that the actual associates had no idea of earlier decisions, many of them did not even know they were members of a collective, or what that entails.⁴⁶ Intensive involvement of members in decision-making is one of the original principles of the nineteenth-century cooperative movement, but nowadays, in many cases it is no longer a priority. At the same time we see that some companies do not honor the principles of the cooperative. Some even abuse the fact that especially in the Dutch context it is an extremely flexible company form. In the Netherlands establishing a cooperative association has a number of advantages that can bypass certain disadvantages of a *BV* (private limited liability company) - such as the inflow of capital, withdrawal of profit from the company for less favorable taxes, or facing the hassle of registering shareholders.⁴⁷ Pseudo-cooperatives that take advantage of these benefits often don't survive very long, but do not do the image of 'the cooperative' any good.

⁴⁵ T. De Moor and A. Tukker, Participation versus punishment. The relationship between institutional longevity and sanctioning in the early modern times (case studies from the East of the Netherlands) (Unpublished paper for the Rural History Conference 2013, Bern, August 19-22, 2013).

⁴⁶ See among others Website Nieuwsblad.be, "'Arco was misleidend op nooit geziene schaal' Deminor snoeihard voor manier waarop ACW coöperanten bedotte' (version March 15, 2013), http://www.nieuwsblad.be/article/detail.aspx?articleid=DMF20130314_00504695 (visited July 17, 2013).

⁴⁷ van Bekkum and Griffioen, *Coöperatie+*, 17.

Another concern that is regularly mentioned, is the risk of a new form of inequality in society where participation in institutions for collective action is only accessible to very articulate, socially strong, and sufficiently wealthy citizens. Recent data collected by the Dutch *Sociaal Cultureel Planbureau* (The Netherlands Institute for Social Research) pierce the illusion that public services offered by the government today are accessible to everyone equally, and are used with equal intensity.⁴⁸ However, the demand from citizens is also uneven: some just need more care than others. In more local institutions closer to the supply and demand, it is easier to counter freeriding and the overconsumption of care. Moreover, the current alternative – privatization – is by definition a curtailment of public services, and it is highly questionable whether this can simply be reversed.

Clearly, considering the past millenium, there is a need for a more balanced relationship between market, state, and institutions for collective action, and that the latter must be able to operate as a full governance model, albeit with the necessary introspection for the future. More institutional diversity would be an asset, and can provide more resilience in times of crisis. This is an aspect that particularly has not come forward in the current debate on care cooperatives. The current debate in the Netherlands about active and affective citizenship has been very lively, but also rather diffuse. The current trend is still called a response to the crisis. Perhaps the many initiatives on sharing existing goods that are more focused on limiting costs than on production of goods and services can be seen in the light of the crisis. But in my opinion, the basis for the new cooperatives in healthcare, energy etc. was laid a few decades ago with an acceleration of the privatization of these sectors.

In countries such as the Netherlands, today's debate is confounded by the uncertain status of citizens in this story: what is expected of him or her in "the new model": a role as a volunteer, or as an employee, or employer in, for instance, a cooperative? Does the burden of caring for those dependent on care also lie with "active" citizens - with a job - or only with "available" citizens - without a job? Furthermore, there is confusion about the type of service and production that would qualify for the new model. Because of the plans of the government to pull back from the provision of public services, the debate focuses almost entirely on care. The feasibility of energy collectives, for example, is rarely discussed, while in institutional form these initiatives are very similar. The debate on the role of the citizen is thus greatly reduced to questions about what we are willing to do with our spare time, while the variety of sectors where we see institutions for collective action indicates that the debate should rather focus on institutional innovation, and how through institutional innovation solidarity can be made less indirect and more palpable. Attention should be directed to the question of how the functioning of such institutions over the very long term can be optimized without affecting the specificity of the approach that varies from collective to collective.

⁴⁸ The report *Minder voor het midden. Profijt van de overheid 2007* by the *Sociaal en Cultureel Planbureau* (SCP, The Netherlands Institute for Social Research) from 2011 shows that the middle incomes benefit slightly less from public facilities such as child care, public transport, education, housing benefit, or museum visits than can be expected, while the higher incomes clearly benefited more. See E. Pommer *et al.*, *Minder voor het midden. Profijt van de overheid 2007* (Den Haag 2011).

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