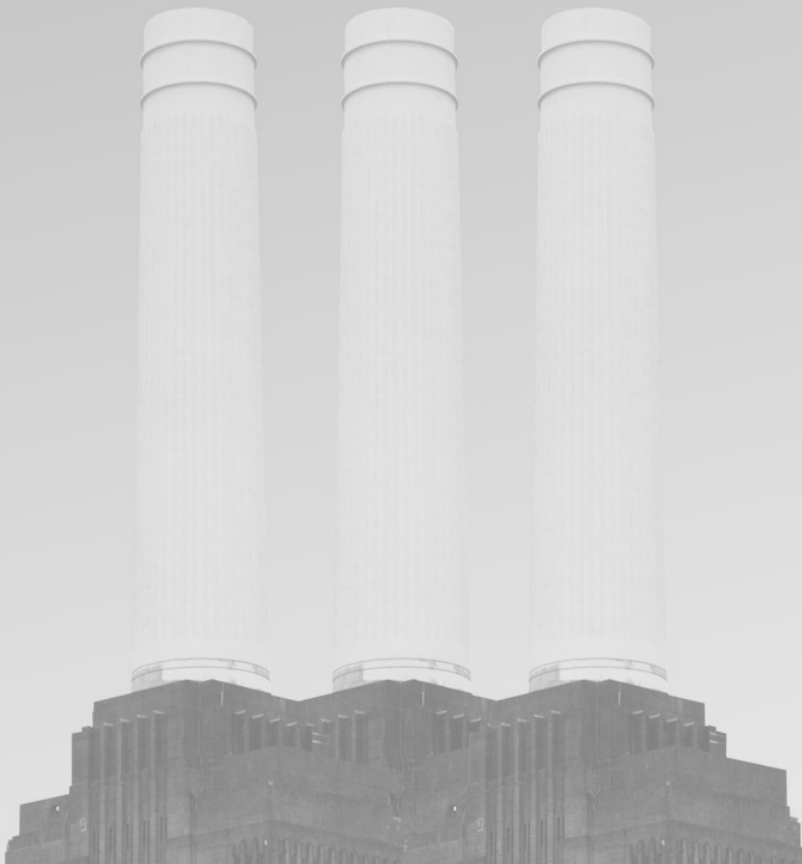


PCP



**Public-Common
Partnerships:**
Building New Circuits of
Collective Ownership

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Executive summary

This report introduces a new institutional framework for a transformative socialist politics: the Public-Common Partnership (PCP).

Whilst the era of new public-private partnerships in the UK has apparently come to an end, more than £199 billion of Public-Private Partnership (PPP) payments from the public to the private sphere are due into the 2040s. This accumulation of wealth for the few comes at the cost of deteriorating services for the many. The debt itself serves to foreclose political alternatives by tying the hands of future authorities with ceaseless repayments and the further entrenchment of market logic.

The popularity of calls for the nationalisation of utilities or services – such as energy, water, and housing – points to a widespread rejection of the marketisation of essential services. Yet straightforward state ownership through nationalisation or municipalisation, often treated as a panacea, is not the

only alternative. As well as questioning when and where centralised ownership is appropriate, we need to think about the institutional forms of ownership and governance that are most appropriate to a radical project of social transformation. What are we trying to achieve, and what institutional forms can help take us there?

Drawing on partial examples such as the co-owned energy company in Wolfhagen, Germany, we provide an outline of what we call a Public-Common Partnership (PCP). PCPs offer an alternative institutional design that moves us beyond the overly simplistic binary of market/state. Instead, they involve co-ownership between appropriate state authorities and a Commoners Association, alongside co-combined governance with a third association of project specific relevant parties such as trade unions and relevant experts. Rather than a mono-cultural institutional form applied indiscriminately PCPs should emerge as an overlapping patchwork of institutions that respond to the peculiarities of the

asset concerned, the scale at which the PCP will operate (whether it be city-region wide energy production in Greater Manchester or the commercial activity of a North London market), and the individuals and communities that will act together as commoners.

PCPs can help address challenges of political risk and economic cost, enabling more innovative and “risky” initiatives. However their real strength comes from setting in motion a self-expanding circuit of radical democratic self-governance. The aim of this circuit is to bypass the need for private financing and sidestep the mechanisms through which finance capital exercises its discipline and structures the economy. PCPs will function as a “training in democracy” and help foster a new common-sense understanding of how we relate to one another. They are a method for “taking back control” of the infrastructures and resources that underpin our collective well-being – from food markets to water basins – while increasing our collective

ability to fight for the wider structural changes in our society and economy that are so urgently needed – from a reduction in the working week to the implementation of a comprehensive Green New Deal.

This report is aimed at both policy makers and social movement actors, both of whom are essential to the implementation of PCPs. Whilst a Left Labour government could dramatically increase the potential for the rollout of PCPs, there is already scope for their implementation by progressive municipalities such as Preston and new city-regions such as the North of Tyne. If these projects are to succeed, however, they will also need the mobilisation of social movements, ranging from housing unions such as ACORN or environmental groups such as Frack Free Lancashire. These movements can help define the problems to be addressed, add pressure to change calculations of political cost, and act as seeds in the formation of the Commons Associations that will drive the creation of PCPs.

1

Introduction

In late 2018, Greater Manchester's Low Carbon Hub was tasked with evaluating seven design options for the future Greater Manchester Energy Company. Whereas a "white label" arrangement (effectively a branding and marketing exercise) had been rejected in early 2017 on the basis that the "risks far outweigh the potential benefits", Andy Burnham subsequently made the establishment of a Greater Manchester Energy Company one of the central pledges to his successful mayoral campaign. A consultancy firm had been commissioned to reassess the white label model along with six other options, against the desired social outcomes of carbon reduction, income generation, reduction of energy costs and the alleviation of fuel poverty. Whilst a handful of options performed highly against the social outcome indicators – in particular a full license or a public sector partnership – both were rejected for further consideration for two reasons: economic cost and political risk. Instead, the Greater Manchester Combined Authority looks set to pursue an "Energy Innovation Company", one that forgoes many of the more ambitious approaches to ownership and governance needed to transform our economy.

Two months later, Haringey Council in North London confirmed its intention to push ahead with the compulsory purchase order of the Seven Sisters market – also known as the Latin Village – which provides the livelihoods of around 80 families. Initially agreed by the previous administration before being reaffirmed by the Joe Eijofor-led council (Eijofor sits on the National Coordinating Group of Momentum, leading Haringey to be referred to as a "Corbyn Council"), the Compulsory Purchase Order (CPO) enables the demolition of the market and the displacement of traders, priced-out of a new mixed-development led

by the property firm Grainger. Despite an ongoing campaign led by market traders that includes proposals for an alternative community plan – a sort-of Lucas Plan for urban development – and the repeated condemnation of the proposed development by the UN's special rapporteurs on Human Rights, the Council maintain they are unable to halt the development without incurring prohibitive damages. Whilst there is some precedent for taking such action (Haringey previously incurred costs after cancelling a controversial PPP known as the Haringey Development Vehicle), the costs involved are estimated by the council to be "many millions of pounds"¹.

Greater Manchester Energy Company and the demolition of Seven Sisters market are profoundly divergent case studies, but when taken together they present an ideal opportunity for conceptualising PCPs. In particular, the potential of PCPs to emerge as a core element of a transformative socialist project concerned not only with the immediate redistribution of wealth and power, but the development of a self-expanding tendency towards collective self-government and the decommodification of daily life. What is fundamentally novel about PCPs is not their particular institutional form, but how they relate to one another as part of a wider circuit. Indeed, with the core emphasis of PCPs being the capitalization of collective self-governance – a process to both definancialise essential services and bring them under common democratic management – it's necessary but always insufficient to focus on the individual cases.

2

Out with
the old...

The financialised model of public procurement and service provision is in crisis. Local government have suffered central government funding cuts of almost 50% since 2010 pushing the services they provide to breaking point, leaving the financialised model near collapse². As a result, councils have been forced to privatise a whole slew of services from homelessness provision to social care and children's services. When the giant intermediary company Carillion collapsed in January 2018, the increased public scrutiny this brought on the sector eventually forced the Chancellor of the Exchequer Phillip Hammond to announce in October 2018 that no new Private Finance Initiative (PFI) contracts would be signed because "they were inflexible and overly complex." When Interserve – another of the big four intermediary firms that dominate public contracts and PFI – went into administration in March 2019 the bankruptcy of the whole model seemed clear. Yet just days later, the Ministry of Defence revealed their fire and rescue services were being outsourced to Capita. The project of privatisation continues despite its serial discrediting, the miserable groans of a zombie-neoliberalism continuing to plague us.

Although the era of PFIs having come to an end, the underpinning logic of the model deserves a closer examination. Firstly, we shouldn't kid ourselves that public-private partnerships of this sort have vanished without a trace. Although PFIs only ever formed a small part of public procurement, future payments for existing PFI schemes will continue into the 2040s, amounting to a transfer of over £199 billion from the public to the private sphere³. Yet perhaps more profound than the huge privatisation of public wealth is their deep ideological effect, acting as the "cutting edge" of a wider effort to impose privatisation and financialisation on the public sector. PFIs were in effect the vanguard in a wider project of neoliberal transformation, and they reveal much about the political reasoning that continues to prevail.

An assessment of PFIs can start from the National Audit Office 2018 report, which defines PFIs and their successor PF2s, as:

forms of Public Private Partnerships (PPPs). In a PFI or PF2 deal, a private finance company – a Special Purpose Vehicle (SPV) – is set up and borrows to construct a new asset such as a school, hospital or road. The taxpayer then makes payments over the contract term (typically 25 to 30 years), which cover debt repayment, financing costs, maintenance and any other services provided.⁴

As the State can borrow more cheaply than private investors it was always likely that PFI schemes would, over the long run, cost more than direct investment by the State. Indeed, the National Audit Office estimates they've cost between 40% and 70% more⁵. So why were these schemes invented and rolled out? The ideological cover for PPPs is provided by New Public Management theory, which argues that the private sector will always be more efficient than the public sector due to its capacity to avoid the empire-building tendency of actors within (public) bureaucracies⁶. Even taken on their own terms it seems unlikely that these "efficiencies" would outweigh the 40% and 70% increased costs of PFI schemes. However, once we begin to dig into them these "efficiencies" seem even less attractive.

The market in public procurement and PPPs quickly formed an oligopoly of massive intermediary firms – G4S, Serco, Interserve, Capita, Sodexo, Mitie and of course Carillion – every one of which has been raked by scandal. These companies grew quickly by bidding for contracts at prices below those that other companies could afford, ensuring profitability not through providing a "better value" service, but through offloading the costs onto others. Workers previously employed by the local authority got re-employed on reduced wages and

worse conditions⁷. Users of services and infrastructure continue to struggle with shoddy facilities, inflated operating costs and difficulties getting repairs done. The claimed “efficiencies” only appear as efficiencies because the real costs – such as chronic underinvestment in infrastructure, collapsing wages, short-term and zero-hour contracts, increases in waiting times, and so on – are not included in the quoted price. Instead, they reappear as negative externalities, pushed off the balance sheet and on to wider society.

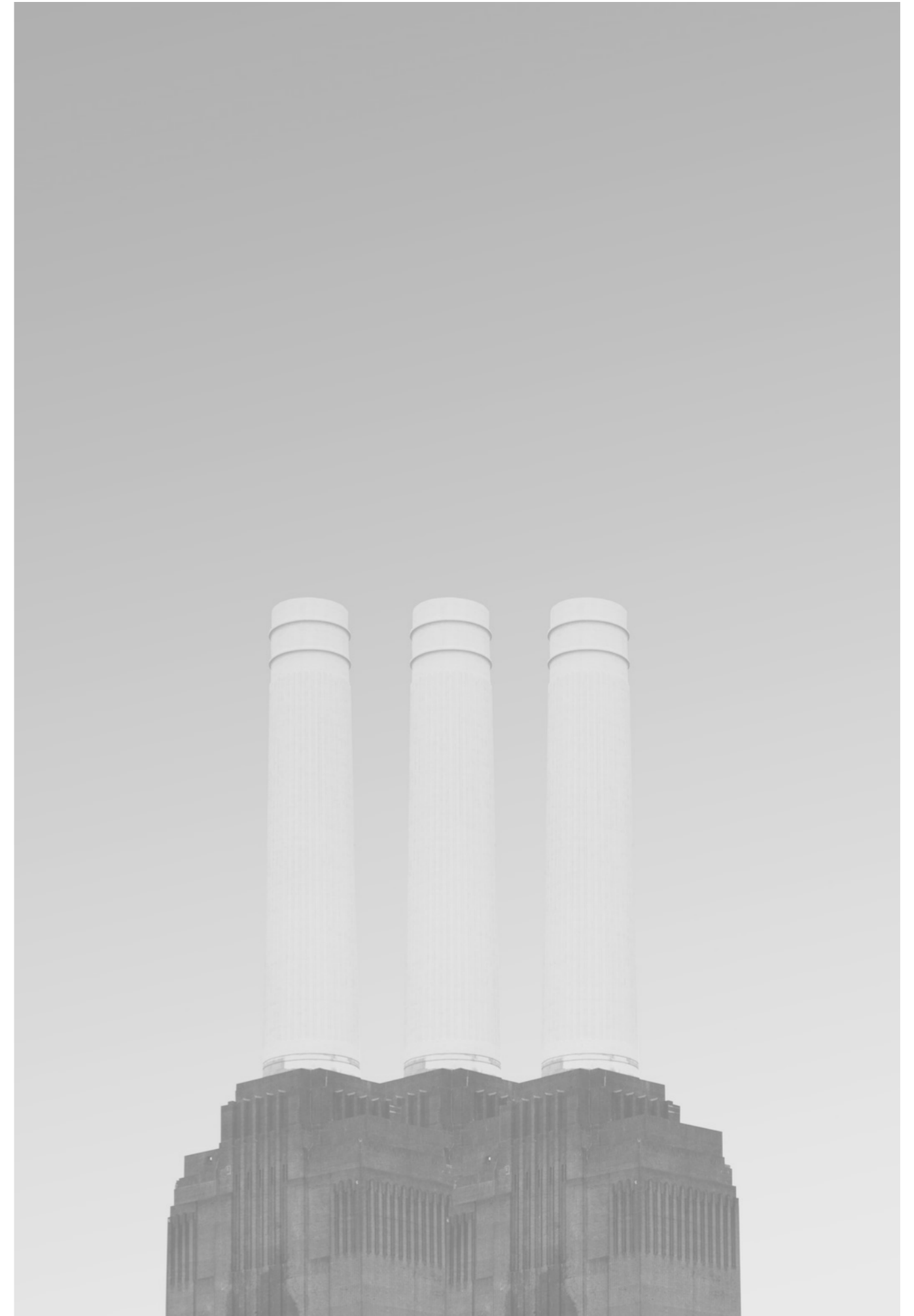
The political decision makers involved undertake a similar offloading calculation. Whilst the ideological grip of Public Management Theory has played a role, PPPs have been primarily driven by the vagaries of national accounting standards, which in practice have served to contribute a “post-democratic” rationale in which political decisions have been not only substituted, but undermined, by decision-making processes characterised by a “bottom line”⁸. Convention dictates that state investment – buildings schools and hospitals for instance – count as liabilities on state balance sheets rather than assets. Whereas PFI schemes appeared off balance sheet because private investors paid the upfront costs. This proved attractive to policy makers as it reduced the political costs attached to growing government debt. In reality, however, this reduced political cost came through offloading the increased lifetime costs of the projects onto future taxpayers (and future governments) through contracts paid off over 25-30 years. Those costs are real; a high price has and will be paid through the constriction on policy choices for future governments and municipal authorities. As Andrew Pendleton of the New Economics Foundation argues:

PFI was essentially about keeping capital investment off government books while “supposedly” transferring borrowing and project risk to the private sector... The trouble is that most public infrastructure is too important to fail...

So, while the financial risk technically sits in the private sector with PFI, if a company like Carillion is unable to meet the necessary repayments, these debts are effectively transferred to the taxpayer⁹.

The loss of democratic accountability that comes with the privatisation of the public sphere also carries heavy additional costs with many PFI contracts including “facilities maintenance” clauses subcontracted on a long-term basis. PFI companies are often paid an additional fee to monitor and oversee their own performance. As a result, only specific contractors are allowed to change or fix equipment or fittings, such as plug sockets or light bulbs. There have been serial scandalous accounts of overcharging and non-responsiveness. One hospital was charged £52,000 for a job that should have cost £750¹⁰. The prohibitive costs of taking companies to court for breach of contract means the only course of action open to disgruntled users of PFI facilities is to threaten reputational damage by “going public.”

The financialisation of the economy has produced immense concentrations of wealth for a tiny proportion of the population. The social power this implies means that simply banning PPPs, or otherwise seeking to merely reverse the financialisation the sector, is welcome yet insufficient. If we are to escape this financialised model we need institutions underpinned by different forms of political rationality, in which the “bottom line” is not used as a way to foreclose alternatives, and where the measure of “good outcomes” cannot necessarily be codified onto a balance sheet. Rather than obscuring the real costs of operations and offloading them onto wider society at the expense of social outcomes, we need a form of rationality in which the social outcomes are not just valued but are turned into common values through a process of democratic deliberation of what elements of life we truly hold dear.



3

... In with
the new

We argue that the commons can provide a direction of travel – a process, rather than an end-point, of socialist institutional transformation – that moves beyond democratic accountability into a self-expanding and ever deepening democratisation of society. Rather than simply a different form of property, commons imply “neither the resource, the community that gathers around it, nor the protocols for its stewardship, but the dynamic interaction between all these elements”. Taken together, these elements also contribute to the emergence of a “paradigm shift” that sees “commons and the act of commoning” as “a world-view”¹¹.

Commons are thus substantially different to the forms of public ownership that characterised the mid-20th century Labour Party project. As David Bollier writes, whilst commons can be formed through a multitude of alternative forms of ownership and governance, they are fundamentally:

*not the same as government because, in its ideal form, it is about the commoners owning and managing resources as directly and locally as possible. It usually entails a significant measure of participation, transparency, decentralised control and accountability – factors that are not always present when the state is managing a resource*¹².

Whilst we might include some of the cooperative and social enterprise sector as part of the commons, the legal form of the “cooperative,” “community interest company” or otherwise is not

synonymous with the commons. Just as we can’t make sense of “capital” by simply looking at the corporate form of a limited liability company, so we can’t make sense of the commons simply by looking at an individual institutional form such as a cooperative. We need to look at how value is captured and circulated, and how different institutional forms could contribute to different circuits.

Of course, cooperatives and commons have been around a long time and they haven’t yet expanded to world changing dimensions. There are material reasons for that; chief amongst them is the difficulties cooperatives encounter finding financing from the private sector. It is this problem that PCPs set out to solve by triggering a dynamic of definancialisation, that is to decrease “the role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies”¹³. Just as PFIs acted as the cutting edge of an effort to transform the very rationalities that underpinned what constitutes a “sensible” decision, so we intend PCPs to function as the cutting edge of a wider project to socialise and commonise the way we process economic decisions. The aim is to produce a self-expansive circuit of the commons, one that will bypass the need for private financing, sidestep the mechanisms through which finance capital exercises its discipline and structures the economy, and help foster a new common-sense that changes how we relate to one another and the resources and infrastructure we rely upon.

4

Common ingredients of PCPs

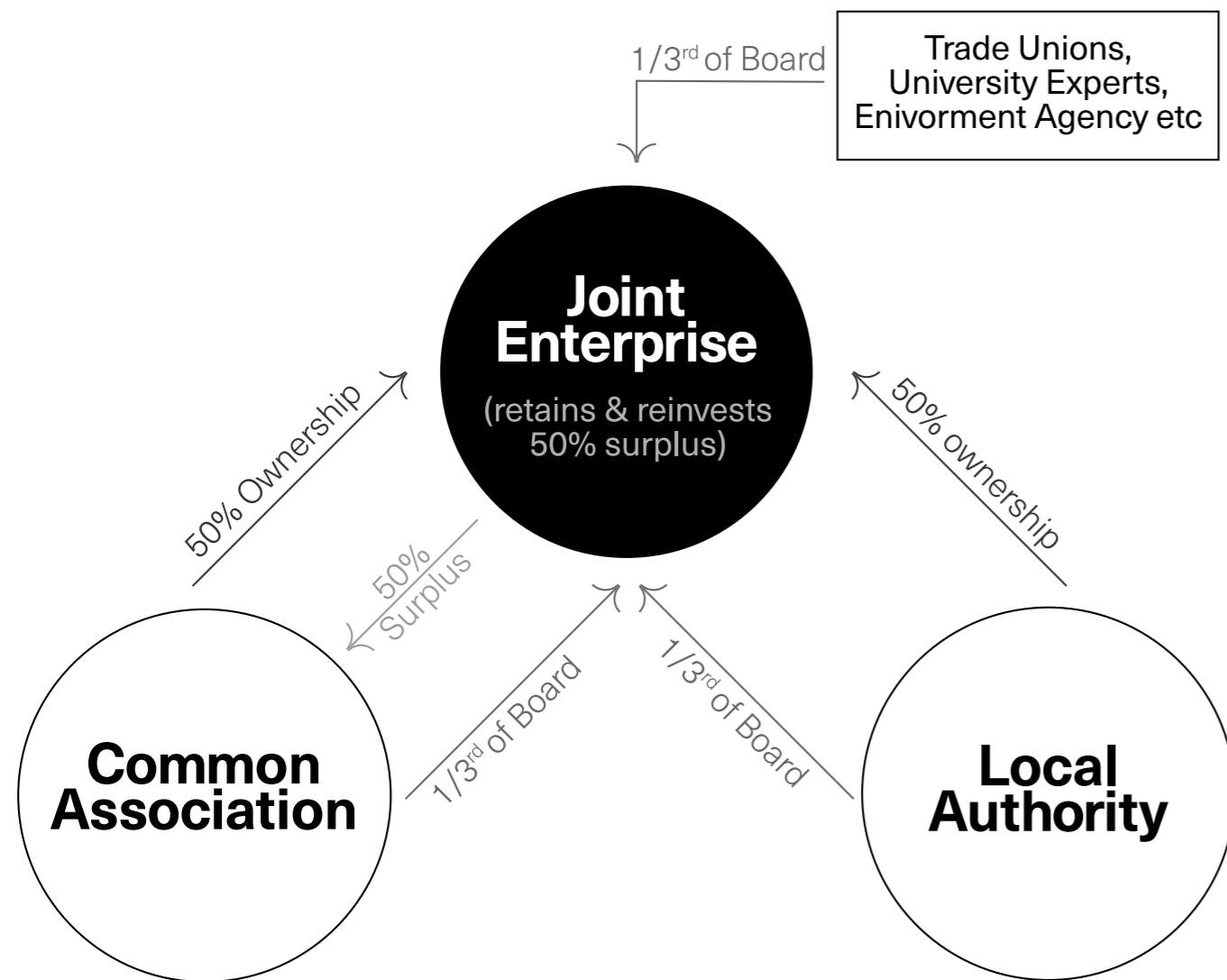
PCPs are less a fixed institutional form, but rather a series of principles and processes that need to be designed and implemented on a largely case-by-case basis. They are not limited in their application to any particular resource or asset, although there are certain areas that will be either more pressing (such as municipal energy production) or more easily implemented (such as the Seven Sisters market) than others. In practice, there are likely to be some “stock recipes” that emerge as we become more experienced in the development of PCPs, but successful implementation will invariably require a blend of technical expertise, lived experience, and place-based knowledge. Rather than a monocultural institutional form applied indiscriminately and without connection to the needs and desires of different contexts, PCPs should emerge as an overlapping patchwork of institutions that respond to the peculiarities of the asset and the scale at which the PCP will operate (whether it be city-region wide energy production in Greater Manchester or the commercial activity of a North London market), and those individuals and communities that will act together as commoner¹⁴. The very design of PCPs must therefore be a democratic one that, from the outset, considers the most effective, responsive and equitable institutional processes to facilitate us acting in common.

In spite of this, their heterogeneity, there are a handful of common ingredients that define PCPs as institutional mechanisms orientated towards the capitalisation of collective self-governance:

1— Joint Enterprise

Conventional understandings of democratic control see the state (whether that be local, regional or national) as owning the infrastructure (such as a municipal energy company), controlling who sits on the board of directors, and benefiting from any financial surplus produced by the enterprise. In this instance, the “place” of democratic activity remains located firmly in the institutions of the state, primarily through representative politics at the local/national level, in some cases coupled with processes such as the limited co-production of services or small-scope participatory budgets.

PCPs are models of joint ownership and governance, in which the two principal parties are a state agent (such as a municipal council) and a Common Association (such as a mixed cooperative or community interest company). In the first instance, the Common Association sits on the board of directors of the joint enterprise alongside representatives of the local authorities and other organisations relevant to the operations of the PCP (which could variously include trade unions, the environment agency, consumer groups, independent experts and so on). Whilst there are numerous examples that demonstrate mixed approaches to the directorate of public utilities – such as the governing council of Eau de Paris (the Parisian water company that was brought back into public control in 2010), SEMAPA (the Cochabamban water company that was democratised following the Bolivian “water wars” in 2000) or the Sacramento Municipal Utility District (the sixth largest community-owned energy company in the US) – there are relatively few cases in which a Common Association is a key feature.



The structure of the joint enterprise produces three democratic fora:

1. The state apparatus, where the democratic act is primarily representative electoral politics;
2. The governance of the joint enterprise (comprised of representatives of the local authority, the Common Association, and parties appropriate to the joint enterprise);
3. The Common Association itself, with its own membership and independent mechanisms of participation and decision-making.

The democratic structure and membership of the Common Association is highly contingent on the nature of the joint enterprise. For example, in the German town of Wolfhagen (one of the few examples of where a Common Association sits on the board of directors), a joint enterprise energy company was established between the local authority and 264 citizens that had constituted a new cooperative – BEG Wolfhagen. Whilst membership of the cooperative was initially open to any citizen of Wolfhagen that purchased a membership share, membership of the cooperative is now open to anyone who purchases their energy from the company (and thus, in the first instance, is a consumer cooperative). In some cases such a membership structure would be relatively straightforward to replicate, such as water utility. However a community land trust, social care service or local market would demand more careful consideration of the most appropriate scale, legal form and membership criteria.

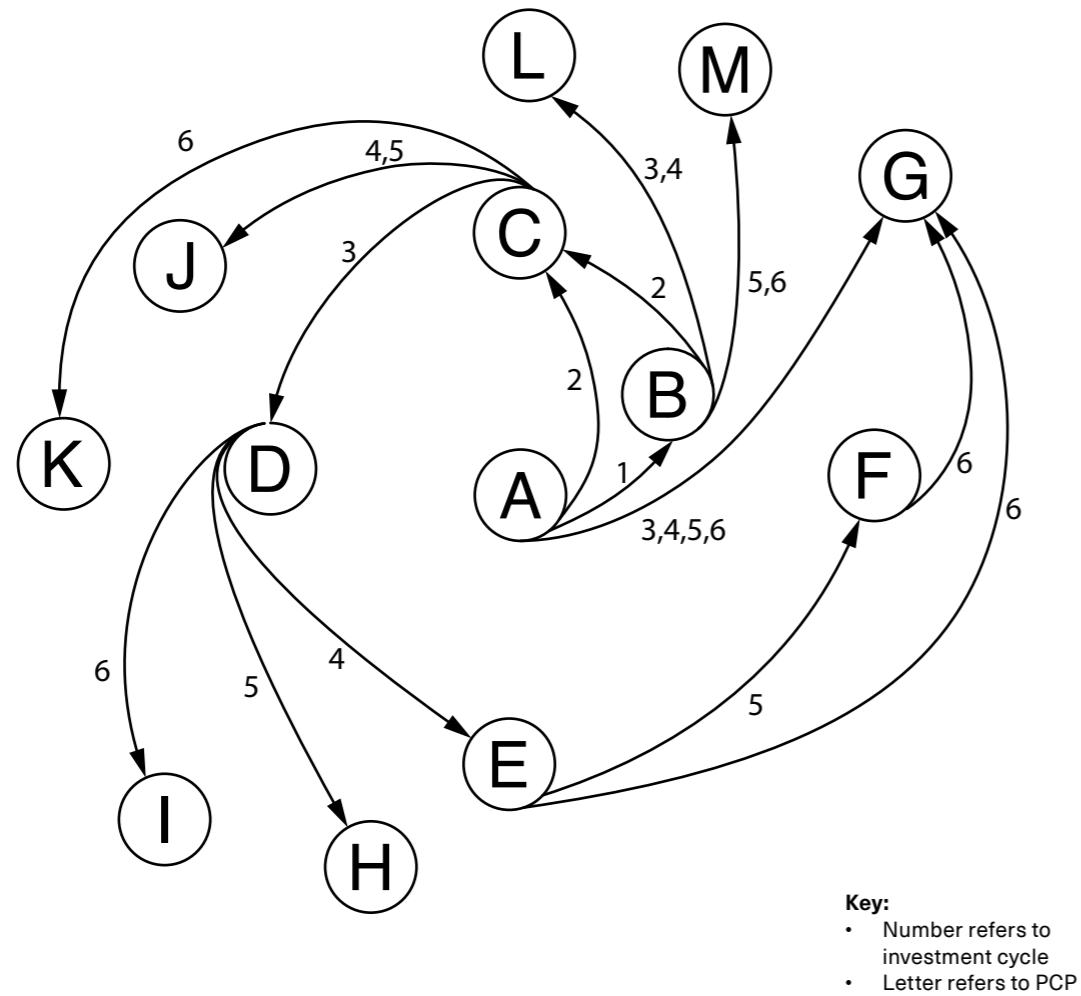
2 — Distributed Democratic Control of Surplus Value

A core feature of all PCPs is the substantial democratic control of surplus value produced through the joint enterprise. This feature is essential to the capitalisation of collective self-governance and the wider disarticulation of the state. In the first instance, a portion of any surplus is retained by the joint enterprise to be reinvested towards its operational goals (such as delivering a zero-carbon energy supply for the city, building repairs to a market, and so on), and is thus under the collective control of the board of directors (which variously will include worker representatives, technical experts, and so on, alongside the appropriate state authorities and the Common Association). Crucially however, a significant portion of surplus value would be transferred directly to the Common Association, which, through its own democratic structures, is responsible for its redistribution.

Wolfhagen's energy partnership provides some limited inspiration for this, where shareholders in the cooperative receive an annual dividend (which was around 4% in 2016), whilst the remaining funds flow into the cooperative's energy saving fund. Overseen by the cooperative's Energy Advisory Board (comprised of nine cooperative members along with one each from the local energy agency, the Stadtwerk, and the municipality), the fund is then redistributed to support strategies and initiatives for increasing energy efficiency among its members. In practice, this fund has been used towards quite modest consumer oriented goals, such as providing subsidies on the purchase of electric bikes and programmable radiator thermostats.

In the case of PCPs, where joint capitalisation has been part of the process of establishing a joint enterprise (as discussed in the forthcoming point), any dividend should be capped at the total value of the initial stake provided by members of the Common Association (e.g. those who invested a £250 membership share would receive a maximum lifetime return of £250 plus interest on that share). More significantly – and essential to the definition of a PCP – are the restrictions and guidelines as to how the Common Association utilises the surplus. Unlike the Wolfhagen case, the principle usage of any surplus managed by the Common Association is to capitalise other PCPs without expectation of financial return.

Whether done independently or in collaboration with other PCPs, this acts (in the first instance) as a wealth transfer to support the development of other PCPs. For example, the Common Association of a GM Energy Company could help finance an Haringey-based Commons Association (with its own membership, democratic structures, and so on) in their purchase of the Seven Sisters market, supporting the implementation of their current community plan, and bringing that asset under the governance of a separate PCP.



It is this centrifugal finance dynamic that allows us to emphasise the importance of thinking of PCPs not in isolation, but as part of a self-expanding circuit. For every new PCP supported through such a process, the net capacity of the circuit increases, which in turn accelerates the capitalisation of further (and potentially more capital-intensive) PCPs. Not only is wealth transferred from one initiative to another, the wealth is transformed from “surplus value” produced through one PCP into common use value. The net effect of this is to create an ever-expanding movement of decommodification and collective democratisation, which is why we identify the underlying purpose of this circuit of PCPs as the capitalisation of collective self-governance¹⁵.

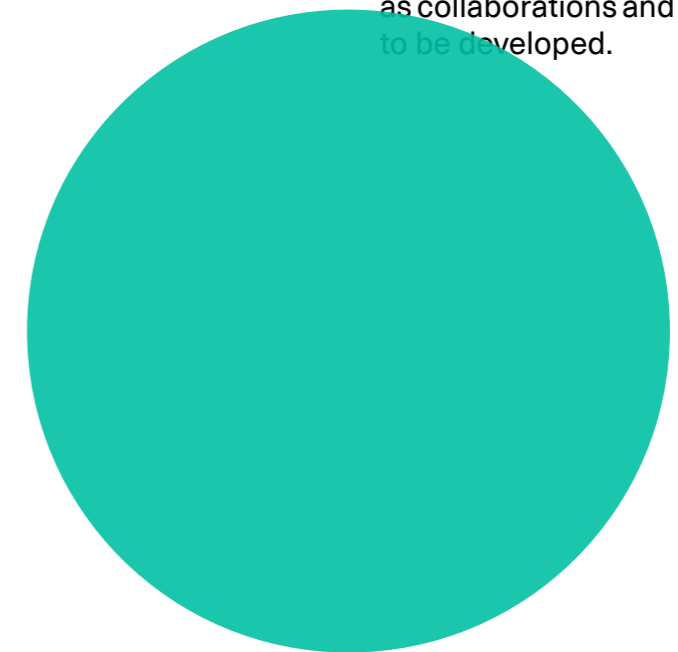
3 — Joint Capitalisation

In cases where assets are already owned by the state, joint capitalisation assets may not be necessary; for example in the case of Seven Sisters market, in which the land (owned by Transport for London) could be directly transferred into a PCP. Rather than being a necessary condition for it, there is an opportunity for joint capitalisation of a PCP, with the state-agent providing direct contributions, loans & underwriting of non-state contributions, and the common association most-likely contributing through crowd-funding, bonds and membership-shares (along, crucially, with inward capitalisation from other PCPs).

For example, the 264 citizens that established BEG Wolfhagen pursued a cooperative share offer (valued at €500 each, with a maximum of 5 per member), which raised €1.47m of the €2.3m required to gain a 25% stake in the energy company. Given the shortfall between in value between cooperative capital and the valuation of the 25% stake, the city granted the cooperative the option to gradually capitalise its stake through a loan. This further period of capitalisation took around 12 months, with the cooperative fully covering its €2.3million share by the spring of 2013. At the end of

2016, BEG Wolfhagen had 814 members – representing almost 7% of Wolfhagen’s population – with a cooperative wealth of more than €3.9 million. Now established, any new cooperative members are given a two-year period to pay for their initial share in €20 instalments, helping to broaden access to the cooperative to lower income households.

In practice, PCPs begin to address two of the determining risks confronted by the Greater Manchester Combined Authority in establishing an energy company – political risk and cost. The opportunity of joint capitalisation, especially when this comes inwards from other PCPs, has the potential to address financial barriers (such as the establishment of the energy company infrastructure, the collective purchasing of a market building, initial subsidisation of a platform taxi cooperative, the purchasing of land for a community land trust, and so on). Whether there has been joint capitalisation or not, joint enterprises also go some way to address issues of political risk. Whereas state authorities are often averse to risk-taking for fear of losing political capital – and ultimately office – joint enterprises address this through reframing initiatives as collaborations and shared experiments to be developed.



5

Harnessing productive tensions

The architecture of incentives within PCPs produces many potential tensions; the role of the joint governance structure is to ensure these tensions remain productive.

1 — Negotiation of Interests

The most obvious point of tension is between the interests and needs of those within a particular Commons Association and those outside it. Protected from the predatory discipline imposed by finance capital, those doing the work of commoning might well decide to prioritise making their own lives better. Perhaps they will decide to make the work involved more enjoyable or even work less and focus on creating favourable conditions for deliberative decision-making. We should be clear – we see this as a feature of PCPs not a bug. Breaking with the compulsion to place your own needs and desires beneath capital's need for self-expansion is what wealth transformation means.

We must create the conditions from which commoners can decide what they value most, that is to say, what they really consider wealth to consist of. Those involved are the ones who can best decide on their common values through which they wish to organise their commons and their lives. At long last people will be able to really ask: what sort of lives do we want to live? Definitions of wealth, however, cannot be constructed in isolation. Too often the wealth of some depends on hidden costs borne by either other people or natural systems. The governance structure of PCPs is designed to make this sort of privatised wealth building impossible by balancing the needs and desires generated from within a Commons Association with the wider responsibility to tend the social and planetary commons. Yet attending to the latter is not something we can simply hope will happen, like some form of weak corporate social responsibility. In PCPs, the board members must be drawn from not only the Commons Association, but

also the appropriate scale of political administration (which will often but not exclusively be municipal or regional, rather than national), and from pools of experts and stakeholders (such as the environment agency or a rank-and-file union) appropriate to the operations of the specific PCP.

Once fake efficiencies via accounting tricks are blocked off by joint governance structures, and financing can be found from outside the financial sector, then the drive for efficiencies gets reframed as the reduction of total necessary work, which can only be achieved through the introduction of new technology and the reorganisation of the work process. Indeed, this is what effective governance would now mean – the effective meeting of social outcomes in line with common values. In the energy sector, for instance, the elimination of the need for quick financial returns could allow more ambitious and risky projects to be capitalised. Some guidance for such joint enterprises would have to come from outside the circuit of the commons; the planning that takes place within a PCP cannot ignore the planning taking place on a regional, national and (where the planetary commons are concerned) a global level. Yet, the structure of PCPs will allow those plans to be resolved with the local and tacit knowledge embedded in the circuit of the commons. This seems like a surer path to socially useful technological progress than relying on the whims of venture capitalists.

Individual Commons Associations are also liable to want to capitalise projects along their own supply and value chains, as this is the quickest way to disembodiment themselves from the circuits of capital. In principle, this is to be encouraged as it facilitates the formation of circuits of commons in specific sectors; yet this tendency must be balanced against the strategic needs of the wider project of socialist transformation. The ability to trigger the self-expansive dynamic of the commons will require the capitalisation

of projects most likely to produce a surplus (with energy, water, housing, and transport infrastructure being obvious starting points) and thus allow the capitalisation of further PCPs. Again, this will require an ongoing negotiation between the various participants in the joint enterprise.

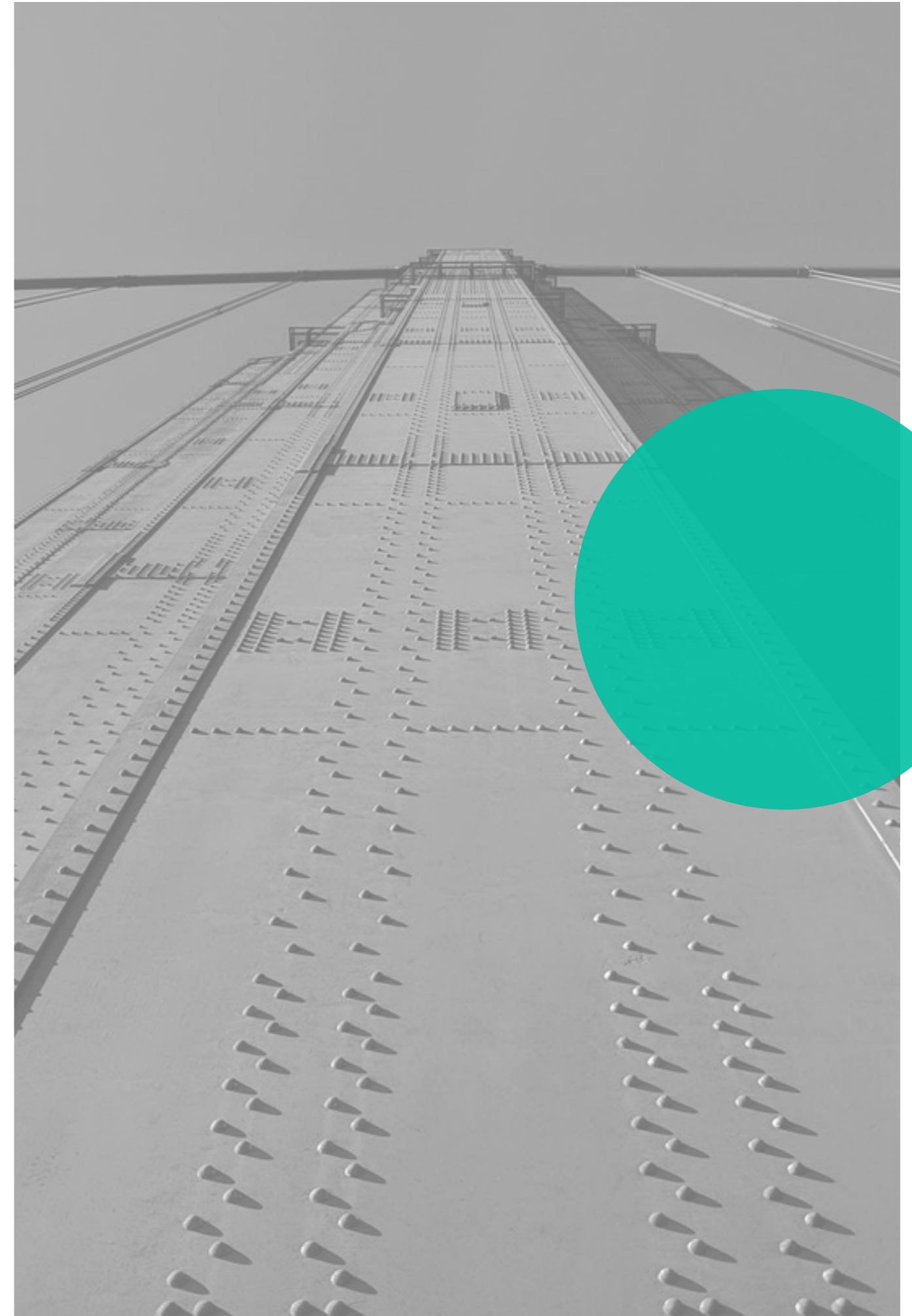
2— PCPs, social movements and social struggle

Beyond this strategic need to ensure that the circuit of the commons as a whole contains a self-expansive dynamic, there is the problem of those representatives of capital who would seek to enclose the commons and disrupt the project of transformation. PCPs are but one part in a wider eco-system of socialist transformation, however, and there are several ways in which they could help limit the power of capital. Firstly, the expansion of the commons intrinsically involves the decommodification of life, therefore shrinking both the market and public sector. Reducing people's reliance on capital for their basic social reproduction helps strengthen our hand in more direct antagonistic forms of struggle. Strikes, for instance, become eminently more winnable when many of our life-support systems – such as energy, water, housing and transport – are commonly owned and governed resources. As the commons circuit grows and encompasses more and more

of the vital infrastructure upon which our lives depend, then the ability of capital to exercise leverage through disruption becomes significantly undermined.

Such a radical democratisation of ownership and governance is thus intended to have quite a profound impact on the form and function of social movements. The institutional design of PCPs means that, rather than our relationship with infrastructure being primarily one of service-users or consumers we come to experience these services as commoners. Just as neoliberal institutional reforms looked to embed a profit-maximising logic into the very stuff of being human, so socialist institutional reforms should act as training-grounds for democracy, promoting and embedding a new common-sense of how we live collectively with one another .

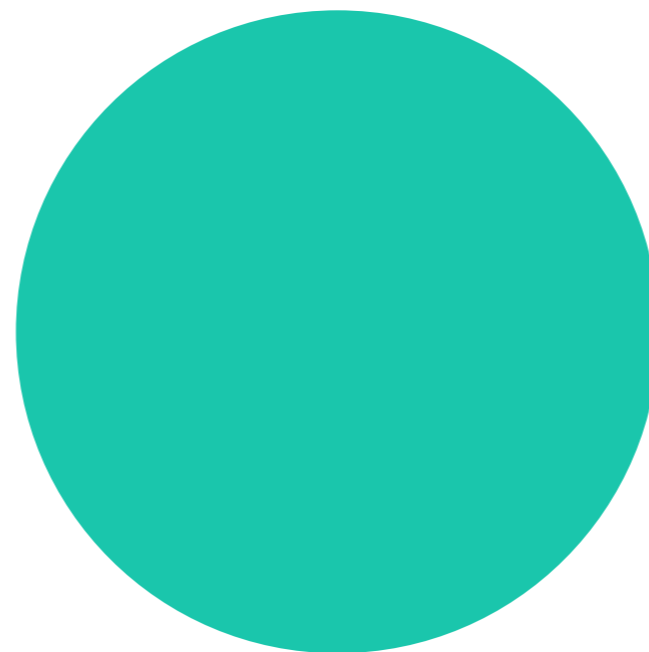
But we can go further than this and argue that participation in PCPs will also act as training in political analysis and strategic planning on a mass scale, facilitating an ever-widening portion of the population to engage in discussion of political strategy. We could say that these effects are the positive externalities that come from the operations of PCPs. Just by existing they help establish the preconditions for a more radical democratisation and disarticulation of the state.



6

How to create Public- Common Partnerships

PPPs and PFIs had a cadre of politicians, and a cadre of financiers, that were firmly committed to the financialisation of the public sector. We need our own cadre of politicians, but also a cadre of social movements, who have become convinced that the socialisation of the economy is the way to address the multiple crises of our time.



1— A Cadre of Politicians

At first these will likely be drawn from those municipal authorities willing to act as partner institutions. PCPs are an excellent mechanism through which to extend new municipalist practices in the UK, taking us beyond a politics based simply on electing “progressive” politicians through the development of distributed forms of social power. PCPs provide an opportunity to build on the excellent work done by the community wealth building movement, most famously represented in the UK by Preston City Council and supported by organisations such as the Centre for Local Economic Strategies (CLES). Strong moves in this direction are visible in Preston City Council’s interest in expanding the cooperative sector and their desire to establish a Lancashire-wide community bank aiming, in part, at financing cooperatives.

The situation would be radically changed, however, with the election of an amenable national government. Just as the UK’s National Audit Office played a crucial role in the rollout of neoliberal institutional reform, we see the case for establishing a National Office for Commoning tasked with rolling out PCP. It should be driven by the following logic: create commons where the conditions for a commons exist, but if not introduce democratic mechanisms to produce the conditions for commoning further down the line. In this way, the commons can act as anchor institutions for the task of expanding democracy.

With respect to the establishment of PCP, we could see the National Office for Commoning fulfilling the following functions:

- Research and support role in the development of PCPs, providing direct assistance to those groups (whether Local Authorities or Commons Associations) looking to establish PCPs;
- A “clearing house” for other PCPs that require inward investment, helping to identify sectors in which it would be strategically useful to establish new PCPs and inform existing PCPs of these opportunities;
- Legislative advice to national government as to what changes need to be made to help support the development of PCPs;
- Establish partnerships through helping knowledge transfer between exiting PCPs;
- Auditing PCPs through a collaborative framework that assesses the relative success of the circuit as a whole.

2— A Cadre of Social Movements

The second cadre to drive the socialisation of the economy will be drawn from active social movements motivated by specific common values. Their role in the development of public commons partnerships is two-fold. Firstly, they can act as catalysts for the formation of the appropriate Commons Association (as was the case in Wolfhagen), providing the initial “life-blood” of any project. For example, a tenants union such as ACORN – which has active groups in cities across the UK – could provide a series of “critical masses” through which to build

Commons Associations around collective housing. The anti-fracking groups that have provided strong and necessary local opposition to fossil fuel extractivist industries in areas such as Lancashire and Yorkshire are obvious candidates for developing the kernels of energy Commons Associations. The large and active membership bases of organisations such as the Ramblers Association and the British Mountaineering Council – both of which already have regional democratic structures – could provide the initial impetus for forming Commons Association connected to water-catchment areas.

Secondly, an active citizenry using social-movement tactics have proven to be the primary way through which common values are created, tested and enforced by raising the political costs of ignoring them. The most basic way this can happen is through forcing transparency onto obscured political and business decision making (such was the case of the opposition to the Haringey Development Vehicle), yet social movements can easily raise the political risk of “business as usual” through exercising the various forms of leverage developed by social movements and labour unions over the last two hundred years.

The struggle over the Latin Village market acts as an early example of this function, in which action to bring attention to the decision, as well as crowd-funding and challenging those decisions in court, has reopened public discussion of the development. The bringing to bear of political pressure appears to be changing the calculation of the political costs involved. In recompense, we should see an extended commons sector, with the decommodification and training in democracy this implies, as the basis for a massive extension of social movements and active citizenry. It is this amplificatory relationship that can set the conditions for further experimentation with socialist institutions.



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- ¹⁵ Indeed, the bedrock of neoliberal theory is profoundly philosophical, with the works of arch-neoliberals such as Gary Becker and Fredrich Hayek providing deep accounts of a certain vision of the human condition and the constitution of freedom. There is thus a clear neoliberal ontology – sometimes referred to as homo-economicus – which is both claimed to already exist as our “true” condition, but also that (paradoxically) must be endlessly promoted through economic reform. For more see Foucault, Michel. (2008). The Birth of Biopolitics: Lectures at the Collège de France 1978-1979. New York, Palgrave Macmillan; Peck, Jamie. (2010). Constructions of Neoliberal Reason. Oxford, Oxford University Press; Read, Jason. (2009). “A Genealogy of Homo-Economicus: Neoliberalism and the Production of Subjectivity.” Foucault Studies 6: 25-36.

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