A New Moral World

The lost "socialism"

Nowadays the term socialism usually implies a command-and-control political system in which the state takes centre stage, nationalising land and other natural resources, directing manufacturing and commercial activities, and using wealth produced by the people to provide them with goods and welfare services according to their needs.

However, the original use of the term, at least in England, was very different, and indeed was wholly opposed to the notion of a dominant controlling state. The first documented use of 'socialist' in the Oxford English Dictionary is in a letter in The Cooperative Magazine, London, November 1827. There it referred to the ideas propagated by Robert Owen and his followers that society should consist of a federation of self-governing and largely self-sufficient communities: 'villages of co-operation'.

Robert Owen had originally put forward his vision of co-operative villages in 1819, in response to the devastating economic downturn that succeeded the Napoleonic wars. He proposed that society should be transformed into a series of communities, with an ideal population of 800-1,200. Each was to be self-supporting and their members would be engaged in various branches of manufacture and agriculture. There should be enough land to supply the needs of the village, and to produce a surplus allowing trade with other communities.

Owen's belief in the force of rational persuasion made him confident that capital to create the first communities would come from industrialists, landowners, parishes and counties, and groups of farmers, mechanics and tradesmen. However, the immediate reaction of the establishment was disappointing. While Owen found several influential supporters including the economist David Ricardo and Sir Robert Peel, he also encountered vehement opposition from others including Wilberforce and the Chancellor of the Exchequer. An attempt to establish a select committee to get the plan underway was heavily defeated, by 141 votes to 17.

New Harmony

In November 1824 Owen turned his sights towards America. With $135,000 of his own money he purchased an existing colony in Indiana capable of housing 800 people. New Harmony, as the colony was renamed, would become the model for a 'New Moral World'. Owen was determined that New Harmony should exert an educative force not just on its own inhabitants but on society at large. The key was to attract scientists of the highest calibre and in this Owen was remarkably successful. In 1826 William Maclure, a wealthy Scottish geologist and educationalist, sent out his private library, philosophical instruments, and collections of natural history. Accompanied by a party of eminent scientists the collection travelled to New Harmony by boat from Pittsburgh - a 'boat-load of knowledge'.

Early co-operative communities

Owen's ideas and activities in the United States stimulated a series of further experiments. Some were ill-conceived and quickly vanished, but all contributed to a growing pool of skills and knowledge. In Spa Fields in London in the 1820s Owen's followers took steps to research and measure social impacts. In 1834 a letter was published in Owen's magazine the New Moral World proposing a 'Floating Co-operative Community' which was to be moored on the Thames, where it was thought the inhabitants would be safe from the extortions of retail traders, lodging-house keepers, and gin shops. In the same year it was reported that community coffee-houses existed in London.

Owen himself suggested that the government should purchase the new railways and the land by the side of them up to six miles wide so that communities could be established as the railways developed, thus capturing increased land value for public benefit. The suggestion was, unfortunately, not acted upon.

The most promising of the early Owenite experiments was at Ralahine in County Clare. In 1831, an Irish landowner John Vandeleur persuaded an Owenite socialist Thomas Craig to establish a co-operative society on his estate of 618 acres at Ralahine in County Clare. The aims of the New System, as it became known at Ralahine, were to acquire common wealth to protect members against the evils of old age and sickness, to achieve mental and moral improvement of adults, and to educate children. A local currency, based on time credits, was introduced, and all members of the community over the age of seventeen took a share in the division of profits. The estate prospered, new machinery was bought, and the first mowing machine in Ireland was introduced.

After two years the experiment collapsed, when the landowner Vandeleur lost his possessions through gambling, and because he had retained ownership of the estate (the community paid an annual rent) the land was seized and the community was evicted. Nevertheless, Ralahine remained a beacon of hope. Seventy years later Alfred Russell Wallace praised its practice of self government: 'it was found that the most ignorant of labourers were sometimes able to make suggestions of value to the community . . . it shows that sufficient business capacity does exist among very humble men as soon as they have the opportunity of practising it.'

Co-operative trading

The Owenite experiments gave birth to a movement of co-operative stores. In 1827 Dr William King became convinced that a co-operative shop could provide the money to finance a community, and set one up in Brighton for this purpose. This was the beginning of the co-operative shops movement. Just three years later it was reported that already 300 were operating across the country. Many of these early co-operative stores failed, but in 1844 new life was imparted into this movement by a group of 28 weavers and other working people who set up 'The Rochdale Society of Equitable Pioneers' opening a small grocery store in Toad Lane, selling only unadulterated goods. Famously, they invented a new form of business, whereby the customer became a partner in the rewards of mutual endeavour: they refused to give credit to customers, but for the first time paid them a share of profits (a 'dividend'). The Rules of the Society became a model for others, and within a decade there were nearly 1,000 co-operative stores operating on similar principles across the country. It is often forgotten that, as with the earlier co-operative stores, one of the main aims of the

Rochdale Pioneers was to create self-supporting communities, on land which they themselves would own.

Socialism re-defined

Many of the early co-operative community experiments failed, often as a result of lack of investment, weak management, and hostility from established vested interests. As a result, many social reformers looked towards action by central government rather than local communities to establish common or mutual ownership.

For some the way to achieve this was through universal suffrage and political control of Parliament. For others the route to "socialism" was through armed insurrection and mass revolution. But either way the goal was to seize power at the centre and direct the resources of the nation, through machineries of command and control. Marx and Engels wanted to use the term socialist rather than communist in their 1848 manifesto, but realised it would have created a confusion with the Owenite version, still current at the time, though soon to be overshadowed by the Marxist usage and a little later by that of the Fabians.

The Fabians constructed a model of socialism which they claimed could be achieved through a programme of nationalisation and delivery of welfare services directed by national government, with some tasks delegated to local municipalities elected by the people, but with effective control in the hands of those who knew best, the professional classes. A long way indeed from the original socialist vision that working people could live and prosper in self-governing and co-operative communities, where *they* exercised ownership and control.

An unextinguished tradition

The core concepts embodied in Owen's Villages of Co-operation were never entirely extinguished, and were revisited generation after generation across the last 150 years, in the attempts by pioneering trade unions in the Potteries and in Sheffield to create socialist land colonies, in the Land Plan and the five settlements established by the Chartist leader Feargus O'Connor in the late 1840s; in the model villages built by industrial philanthropists such as Titus Salt, George Cadbury, Joseph Rowntree, and William Hesketh Lever; in the anarchist colonies established by enthusiastic if incompetent followers of Kropotkin and Tolstoy; in Henry George's land value taxation proposals; in the visionary Garden Cities of Ebenezer Howard; in the university settlement movement which built the case for universal pensions, social work, independent advice centres, and a national health service; in the farm colonies founded by George Lansbury as an antidote to the hated Workhouse system; in the Right to Dig campaign which established a nationwide allotment movement which survives to this day; in the Land Settlement Association and the Brynmawr Experiment set up in response the Great Depression of the 1930's; in the pacifist communities during the second World War; in the community self-help social action centres of the 1970s; in the community enterprise movement embodied by development trusts from the early 1990s.[1]

[1] A History of Community Asset Ownership, Steve Wyler , DTA 2009

All of this, in all its variety, represents one continuous broad narrative, which at its heart resonates far more with the community-led, localist, co-operative model of the original Owenite socialism than with the state-led, centralist, directive model that superseded it.

Social communities of the present

So, now, as we stand again at a time of economic and social turbulence, can this tradition point us towards a newly revitalized socialising vision, and begin to define the elements of a New Moral World suitable for our time?

The experience of Locality, and the movement it represents, which includes 600 independent community organisations across the UK, suggests that there is still plenty of vigour in the two-hundred year-old Owenite ideas and values. The community organisations in membership of Locality are multi-purpose, operating in some of the poorest neighbourhoods in the country, controlled not by the state, nor by the private sector, but rather by local residents. They engage in a multiplicity of actions, encompassing health centres, sports facilities, arts programmes, creative industries, youth services, family support, advice services, education and learning, employment, business start up, micro-credit schemes, shops and pubs and post offices, affordable housing schemes, renewable energy, and so on. They operate always at a human scale, whereby the social capital which flows from the connectivity of personal relationships is combined with economic wealth creation.

This is a movement which is flourishing in both urban and rural settings, in areas of unrelieved deprivation, and also in areas where poverty and wealth are close if uneasy neighbourhours. The movement is growing rapidly: across the Locality membership there are now £750m of assets (land and buildings)in community ownership, and an enterprising culture which generates £200m earned income a year, with surpluses reinvested for social good. Operating in marginal economies abandoned by private markets, and where the public sector has, all too often, failed, these community 'anchor' organisations are demonstrating that it is indeed possible to create wealth in such communities, and keep it there.

Towards a New Moral World

Could there be a better time to question business as usual? We live at a time of mounting dismay at forms of welfare dependency, which, at great cost, keep those people who are least well off in conditions of impoverishment. At the same time there is widespread popular revulsion against corporate greed, a greed which jeopardized the whole banking system, and for which a whole generation will have to pay.

Owen's New Moral World cannot of course translate directly into our times. There needs to be a process of reinvention. But many of Owen's beliefs, in the transformative power of learning, in community self-reliance, in gender equality, in social justice combined with economic prosperity, in human-sized solutions, remain good starting points.

The recent experience of Locality and the many like-minded organisations we work with, suggests that the elements of a New Moral World for our times, may include, in part at least, the following:

Capitalising the poor through community ownership of assets

Transferring assets from public and private ownership into community ownership, through independent community vehicles, using associative and mutual models, "can when properly directed and organised, capitalize both civil society and the bottom 10 per cent of society which currently has negative net wealth."[2] The introduction of a Community Right to Buy and a Community Right to Build, in the 2010 Localism Bill, is a step in the right direction. The scale of future asset transfer is likely to range from the very small to very large, from village pubs to the port of Dover, from the corner shop to the Humber Bridge. Furthermore, the popularisation of asset ownership though Community Share issues, enabling citizens, including those on low incomes, to have a direct financial and ownership stake in the assets which matter most in their neighbourhoods, holds great potential, as recent work by Co-ops UK and Locality suggests.[3]

Transformation through community enterprise

At present, slash-and-burn cuts in public services are hitting disadvantaged communities hardest, leaving great numbers of people with neither the support they need nor the opportunity they crave. Leaving aside the debate about whether the speed of public spending cuts is motivated by political ideology or economic necessity, the forward agenda needs to be focused far more on *transformation*. How can we engage with the ideas, creativity, and the practical and entrepreneurial skills of communities, of user groups, and indeed of those public servants and people in the business world who are capable of being mobilized for public good – to change how things are done for the better, even within limited resources? Combining the best of business (its inventiveness, its responsiveness to customer demand, its ability to grow markets, its focus on return on investment) with the best forms of social action (the engagement of whole communities, dealing with people on their own terms, making a stand against discrimination and social injustice) is what distinguishes the most successful community-based social enterprise. This is the transformative business model of the future.

A new social contract with the financial sector through community re-investment

In the United States the Community Reinvestment Act has created, in effect, a social contract between the banks and the people, requiring banks as part of their licence to operate to provide finance and other services equitably to all sections of the community, or if not to make amends through support for credit

[2] To Buy, to Bid, to Build: Community Rights for an Asset Owning Democracy, Steve Wyler and Phillip Blond, Nesta and ResPublica, 2010.
[3] See http://www.communityshares.org.uk/

unions, social lenders and the like. This has produced a flow of $3trillion from banks to the poorest communities in the United States. It is a disgrace that there is not something equivalent in the UK, and it is difficult to see how there can be an acceptable social settlement until this is achieved.

Communities in control, and a new role for national government

What would the world be like if power, resources, and decision-making were really to be decentralised to the local, to the neighbourhood level? At present it is perhaps too easy to dismiss local decision-making, particularly at the level of parish councils and neighbourhood forums, as incompetent, narrow-minded, and prone to social intolerance. But if the local assembly, in whatever form it takes, really mattered, would communities really leave things to the petty and mean-spirited, or would those who can command a broader vision and bring greater competence come to the fore? Certainly, the experience of Locality, in some of the most challenging communities across the country, is that the more that power and resources are devolved, the more the latter is likely to be the case. Moreover, if there really was localism, then the role of national government could be defined far more narrowly, above all to serve as a *final* safeguard, if all local efforts fail, against abuses of power, threats to individual liberty, dangers to public safety, or unbridled corporate greed.

This agenda is not the exclusive property of the Right nor the Left, and indeed within all the main political parties there are some people who would enthusiastically support these ideas, and others who would bitterly oppose them.

Would it be easy to accomplish these changes? No, of course not. Those who own the nation's assets, who occupy the centralising institutions, who make decisions and control resources, will not relinquish them simply in response to rational argument, as Robert Owen discovered two hundred years ago. It will require extraordinary political leadership, combined with a mass mobilisation of ordinary citizens, to create the necessary movement for change.

And yet, as we have seen in recent years and across the world, dramatic changes can and do take place. The current Government has set some wheels in motion, with the Localism Bill, with the decision to train 5,000 community organisers, for example. Our task now is to maintain momentum, keep the pressure on, and help people understand that a New Moral World is indeed possible.

By Steve Wyler, Chief Executive, Locality
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