

# **A lack of appetite for co-operative housing? An historical exploration of the lack of co-operative solutions in the Australian housing sector.**

## **Abstract:**

Dr. Sidsel Grimstad, University of Newcastle; (Corresponding author)  
[Sidsel.Grimstad@newcastle.edu.au](mailto:Sidsel.Grimstad@newcastle.edu.au)

Ass. Pro Louise Crabtree-Hayes, Western Sydney University, [L.Crabtree-hayes@westernsydney.edu.au](mailto:L.Crabtree-hayes@westernsydney.edu.au)

Dr. Neil Perry, Western Sydney University, [Neil.Perry@westernsydney.edu.au](mailto:Neil.Perry@westernsydney.edu.au)

Dr. Emma Power, Western Sydney University, [E.Power@westernsydney.edu.au](mailto:E.Power@westernsydney.edu.au)

Ass. Pro Wendy Stone, Swinburne University, [wmstone@swin.edu.au](mailto:wmstone@swin.edu.au)

Flanagan and Jacobs (2019) call for the “long view” in housing studies to develop an historical sensitivity and to reflect on the construction of narratives around the appropriateness of housing models. The long view could potentially reveal antecedent structures that may explain why some housing models develop to the expense of others. Cole (2006) suggests that housing studies are too focused on the present and the immediate impact of current policies, and instead need to seek an understanding of the historical processes that have led to certain path-dependent institutions and solutions. He also states that historical housing studies have focused on chronological descriptions of policies, and less on critical analysis of underlying paradigms or philosophies that determine legislation and policymaking. Historical and comparative methods offer investigative forms that may contribute to explaining the ambitions and scope of current housing solutions and interventions (Jacobs, 2001; Jacobs & Manzi, 2017).

Co-operatives and mutuals have emerged as self-organised collective welfare solutions providing goods, services, security (insurance), and finance (savings/lending) (Birchall, 2013; Patmore & Balnave, 2018; Zamagni, 2017) and yet there are, with some exceptions (Jensen, Patmore, & Tortia, 2015) few studies that seek to explain why these collective welfare solutions prosper or disappear within different national contexts (Battilani & Schroter, 2012). While producer, consumer and agricultural co-operatives emerged as a response to the harsh impacts of the first industrial revolution in the UK, the construction of housing co-operatives were largely part of a post World War II reconstruction effort.

In Germany, considered the home of member-owned credit and savings societies (Birchall, 2013), legislation in the mid and late 1800s made it compulsory to invest in welfare arrangements for workers, including cooperative housing associations (Kohl & Sørvoll, 2021). In the Nordic countries, prominent and diverse co-operative housing sectors (Denmark, Sweden and Norway) emerged primarily as post World War II reconstruction efforts. Diversity in housing models was influenced by political ideologies and agencies of major collective actors, such as trade unions and cooperative movements (Sweden and Norway), social democratic parties (Norway, Denmark and Sweden) and an underlying philosophical paradigm (Denmark) (Kohl & Sørvoll, 2021; Sørvoll & Bengtsson, 2016).

In contrast to continental Europe, many Anglophone countries have insubstantial housing co-operative sectors, with a duopoly of renting or owning dominating housing choices. In the UK, for example, housing cooperatives were traditionally part of the social housing sector, which has diminished as neoliberal privatisation and rent to buy solutions have been implemented in spite of considerable opposition (Cole, 2006).

Crabtree (2018) reviewed the current state of Australia's co-operative housing sector finding that it is a similarly very small component of the overall housing system and dominated by affordable rental co-operatives established as part of the social housing system over the 1980s and 1990s. In 2017 there were over 3,200 such co-operative properties in Australia in roughly 200 co-operatives, with the majority in Victoria, New South Wales and South Australia. These often house a specific group of people such as low-income families, singles, cultural groups, or seniors that are eligible for social housing. The number of equity or ownership co-operatives in Australia is currently unknown, partly because there are no sector-specific peak bodies to represent or advocate for these housing co-operatives. Recent reviews have identified substantial impediments to growing the co-operative housing sector (Crabtree, Grimstad, McNeill, Perry, & Power, 2019; Crabtree, Perry, Grimstad, & McNeill, 2019).

Australia's short 250-year-old settler colonial history means that historians are continuously grappling with the making of present-day Australian culture, society, and people (Belich, 2009; Karskens, 2010). The chaotic emergence and rapid need for institutions to regulate property and promote export-led agricultural productivity in the settler colony offers a contrast to housing origins in Europe. The settler ideology and weak or inappropriate institutions imported from the British Empire to the Australian colony may have been a factor in the insubstantial presence of a co-operative housing sector.

Rapid colonisation in Australia impacted the physical landscape, with agricultural activity and urbanisation dispossessing Indigenous peoples, but it also introduced the logic of a settler colony where individually owned land replaced complex Indigenous ownership embedded in collaborative economic activity. This was strengthened by the British colonial ambition and institutions protecting individual property rights as tradeable assets for productive purposes (Belich, 2009; Campbell, 2020; Crabtree, 2013). While the Australian penal colony was originally to be a place of dread to deter crime, after only 30 years of existence Sydney had become a place of opportunity and was "decidedly urban, unambiguously commercial and already tied into global trade and capital" (Karskens, 2010, p. 227).

However, Australia was an early adopter of co-operative ideas arriving from the UK (Rhodes, 2012) with the flow of political convicts, entrepreneurial settlers and idealistic colonial administrators (Rhodes, Heiskanen, Henry, Hytinkoski, & Koppa, 2011). These ideals included models of co-operative and affordable financing for housing, which were in high demand to avoid the "doom of a life in tenancy" as the colonial banks would not lend to low or middle-income households (Darnell, 2006).

This paper examines these historical factors as explanations for the lack of cooperative housing in Australia, and on that basis, examines current barriers and opportunities for expanding cooperatives and other forms of self-organised housing models. Findings based on document analysis of historical records around housing and housing finance in Australia suggest that a combination of settler ideology of private home ownership, weak and inappropriate legal and financial institutions (Abbott & Doucouliagos, 2001; Lewis, 1996; Thomson & Abbott, 1998), and poor experience with intentional and state-run cooperative settlements early in the colony (Hilder, Charles-Edwards, Sigler, & Metcalf, 2018; Metcalf, 1995) generated the lack of co-operative housing in Australia.

## References

- Abbott, M., & Doucouliagos, C. (2001). The rise and decline of the New South Wales cooperative housing societies. *Urban Policy and Research*, 19(2), 227-242.  
doi:10.1080/08111140108727873
- Battilani, P., & Schroter, H. G. (2012). Introduction: Principal problems and general development of the cooperative enterprise. In P. Battilani & H. G. Schroter (Eds.), *The cooperative business movement. 1950 to the Present* (pp. 1-19). Cambridge: Cambridge University Press.
- Belich, J. (2009). *Replenishing the earth. The settler revolution and the rise of the anglo-world 1783-1939*. Oxford: Oxford University Press.
- Birchall, J. (2009) A comparative analysis of co-operative sectors in Scotland, Finland, Sweden and Switzerland. Glasgow: Co-operative Development Scotland.
- Birchall, J. (2013). The invention and evolution of financial co-operatives. In *Resilience in Downturn – the power of financial co-operatives,*" (pp. 5 -18). Geneva: ILO.
- Campbell, H. (2020). *Farming Inside Invisible Worlds*. Bloomsbury Collections.  
<http://dx.doi.org/10.5040/9781350120570.ch-00P>
- Cole, I. (2006). Hidden from History? Housing Studies, the Perpetual Present and the Case of Social Housing in Britain. *Housing Studies*, 21(2), 283-295.  
<https://doi.org/10.1080/02673030500484893>
- Crabtree, L. (2013). Decolonising Property: Exploring Ethics, Land, and Time, through Housing Interventions in Contemporary Australia. *Environment and Planning D: Society and Space*, 31(1), 99-115. <https://doi:10.1068/d25811>
- Crabtree, L. (2018). Self-organised housing in Australia: housing diversity in an age of market heat. *International Journal of Housing Policy*, 18(1), 15-34.  
<https://doi.org/10.1080/14616718.2016.1198083>
- Crabtree, L., Grimstad, S., McNeill, J., Perry, N., & Power, E. (2019). *Articulating Value in Cooperative Housing: International and Methodological Review*.  
<https://doi.org/10.26183/5cad6de9eb200>
- Crabtree, L., Perry, N., Grimstad, S., & McNeill, J. (2019). Impediments and opportunities for growing the cooperative housing sector: an Australian case study. *International Journal of Housing Policy*, 1-15. <https://doi.org/10.1080/19491247.2019.1658916>.
- Darnell, M. (2006). Attaining the Australian Dream: The Starr-Bowkett Way. *Labour History* (91), 13-30.
- Flanagan, K., & Jacobs, K. (2019). 'The long view': Introduction for Special Edition of Housing Studies. *Housing Studies*, 34(2), 195-200. <https://doi.org/10.1080/02673037.2019.1558592>
- Hilder, J., Charles-Edwards, E., Sigler, T., & Metcalf, B. (2018). Housemates, inmates and living mates: communal living in Australia. *Australian Planner*, 55(1), 12-27.  
<https://doi.org/10.1080/07293682.2018.1494612>
- Jacobs, K. (2001). Historical Perspectives and Methodologies: Their Relevance for Housing Studies? *Housing, Theory and Society*, 18(3-4), 127-135. <https://doi.org/10.1080/14036090152770492>
- Jacobs, K., & Manzi, T. (2017). 'The party's over': critical junctures, crises and the politics of housing policy. *Housing Studies*, 32(1), 17-34.  
<https://doi.org/10.1080/02673037.2016.1171829>
- Jensen, A., Patmore, G., & Tortia, E. (Eds.). (2015). *Cooperative Enterprises in Australia and Italy: comparative analysis and theoretical insights* Firenze: Firenze University Press, 2015.
- Karskens, G. (2010). *The Colony. The history of early Sydney* (2nd edition ed.). Sydney: Allen & Unwin.
- Kohl, S., & Sørvoll, J. (2021). Varieties of Social Democracy and Cooperativism: Explaining the Historical Divergence between Housing Regimes in Nordic and German-Speaking Countries. *Social Science History*, 1-27. <https://doi:10.1017/ssh.2021.16>
- Lewis, G. (1996). *People before profit: the credit union movement of Australia*. Adelaide, South Australia: Credit Union Services Corporation (Australia) Limited.
- Metcalf, B. (1995). *From utopian dreaming to communal reality. Cooperative lifestyles in Australia*. Sydney: University of New South Wales Press.
- Patmore, G., & Balnave, N. (2018). *A Global History of Co-operative Business*: Routledge.

- Rhodes, R. (2012). Early co-operative development in the Dominions. In *Empire and co-operation: how the British Empire used co-operatives in its development strategies, 1900-1970* (pp. pp. 145-168). Edinburgh: John Donald.
- Rhodes, R., Heiskanen, J., Henry, H., Hytinkoski, P., & Koppa, T. (2011). *British empire : the first global co-operative development agency*. Paper presented at the New opportunities for co-operatives : new opportunities for people : proceedings of the 2011 ICA Global Research Conference, 24-27 August, 2011, , Mikkeli, Finland.
- Sørvoll, J., & Bengtsson, B. (2016). The Pyrrhic victory of civil society housing? Co-operative housing in Sweden and Norway. *International Journal of Housing Policy*, 1-19.  
<http://dx.doi.org/10.1080/14616718.2016.1162078>
- Thomson, D., & Abbott, M. (1998). The life and death of the Australian permanent building societies. *Accounting, Business and Financial History*, 8(1), 73-103.
- Zamagni, V. (2017). A worldwide historical perspective on co-operatives and their evolution. In J. Michie, J. R. Blasi, & C. Borzaga (Eds.), *The Oxford handbook of mutual, co-operative, and co-owned business* (pp. 97 -113). Oxford: Oxford University Press.