

The diversity of property: a potential for a social-ecological transformation

The current social disparities and ecological problems require a social-ecological transformation. To be effective, this transformation must also take property relations into account. However, the complexity of these relations often impedes sustainable action. An illustration of property relations in nature conservation, legal structures, work and the role of organisational values reveals their potential for transformation processes.

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Property is a central element in modern societies and an important part of our everyday life. At the same time, the design of property varies greatly and has always been subject to remarkable changes in the context of societal transformations (von Benda-Beckmann et al. 2006). It differs greatly how property objects (e. g., land property, organisational property or the property of a simple toothbrush) and their use affect society and nature.

Generally, property can be understood as complex social relations between society members and objects (von Benda-Beckmann et al. 2006, Mansfield 2007). In this article, we build on a rather broad definition of property, which can be subsumed under the term *property relations*. This means that not only the property object itself comes into focus, but also the relation to and between the owners and other members, their values as well as the surrounding social-ecological system.

So far, the role of property for a social-ecological transformation (SET) has rarely been discussed (Degens 2021). Hence, the aim of this article is to highlight how investigating property can enrich transformation research. To disentangle the complexity of property and its relations, we describe property from interdisciplinary perspectives.

Property rights bundles in the context of natural resources

Property can be investigated by bringing the property object and the attached rights into focus. In order to investigate property in the context of natural resources, the bundles of rights approach has gained popularity. Examples for property objects are fishing stocks or land used for agriculture or forestry. Schlager and Ostrom (1992) highlight five property rights by adopting a new institutional economics perspective: access, withdrawal, exclusion, management, and alienation rights. While withdrawal rights give the rights holder the permission to use environmental resources at a given extraction rate, for example the number of trees felled per year and area, holders of management rights can change these rights of withdrawal. This leads to a change of resource use patterns due to the change of resource management practices and resource extraction rates.¹

The diversity of property regimes becomes apparent when considering that different actors and institutions can change the design of each of these property rights. For example, management rights are often limited to some extent by the state. This is the case when landowners are legally bound to specific types of land use or when minimum environmental standards (implementation of logging quotas or a ban on pesticides) are defined (Sikor et al. 2017). In contrast, management rights are more extensive the less state regulations are in place (Mansfield 2007). In the case of extensive management rights, private or public incentives can be used to trigger environmentally friendly management practices on a voluntary basis, for example in the form of payments for ecosystem services (Kaiser et al. 2021). Further-

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¹ Access rights determine who can enter the resource system, while holders of exclusion rights can decide who gets these access rights. The right of alienation is of particular interest when it comes to a change of ownership as this right allows for the sale or lease of management and/or exclusion rights.

more, the distribution of property rights among different actors is important when examining the diversity of property regimes. In the case of private property, individuals or single legal entities often possess a full bundle of these rights. Some or all these property rights can also be in the hands of communities or the state. However, the demarcations between these ownership types can be quite fluid because the distribution and design of property rights is very diverse in practice (Benda-Beckmann et al. 2006).

The question of which ownership regimes are most promising in terms of SET is controversially discussed. Private property and the belief in the high economic efficiency of these regimes is deeply embedded in Western societies and was prominently introduced in research about the sustainable management of natural resources by Garret Hardin (1968) in his famous essay *The Tragedy of the Commons*. In contrast, Elinor Ostrom, among others, challenged this predominant view by highlighting that common property regimes based on trust, cooperation and local institutions can also be very successful under certain circumstances (Ostrom 1990).

Effects of legal structures – the organisational purpose and profit rights

Ownership structures also concern organisations, including enterprises. From a legal perspective, the organisation as a legal entity owns objects as property, for example, land or machinery. At the same time, the organisation itself is owned by one or more individuals or other legal bodies (members). The relation between the different owners/members of an organisation can be seen as property relation since all of them refer to the same property object. The design of this relation – especially the members' rights and the organisational purpose – influence the relation to the organisation as well as to the property objects of the organisation. For instance, organisations where members do not possess profit rights are less likely to become insolvent than organisations that distribute profits among its members (Leuschner 2017). The right for profit is one central right within the membership of profit-oriented organisations (Bayer 2019). It varies depending on the legal form of the organisation and its purpose².

The combination of a common good-oriented purpose and no profit rights for the members is obligatory in the German non-profit law. Yet, members do not have profit rights in all enterprises – even if the organisational purpose is profit-oriented. One current example in Germany are “enterprises with bound capital”³, which refers to the concept of steward-ownership⁴. In

these cases, despite a general profit-orientation, the right for profit of individual members is denied (Sanders et al. 2021). This cuts off the usually given option to individualise the company's profits through their distribution. As long as profits stay within the enterprise, they have the potential to serve as capital of the enterprise for all actors associated with the organisation (e.g., clients, suppliers, workers).

This form of property picks up the already existing link between no profit rights for members and a common good-oriented purpose. It may contribute to the common good by avoiding making personal profit at the disadvantage of others (Mainz 2021). For instance, profit rights encourage the pursuit of economic efficiency. Cost-efficiency through reducing salaries or using cheaper, less environmentally friendly production methods can be one way to follow this incentive.

The variety of legal structures for organisations and the possibility of adapting membership rights within given boundaries create a plurality of ownership structures. If ownership structures can be identified which support sustainable practices, this plurality can be used in favour of a SET.

Labour as property? Owning the right to make decisions

People working within organisations are of particular interest when it comes to different kinds of property relations. In this regard, relevant questions are: who holds profit rights and who has the right to make decisions? Looking at labour relations, those who have decision and ownership rights are seldom those who work for a company and keep it working on a daily basis.⁵

Workers as conscious agents have the capacity to shape their environment, which is defined as “labour agency” (Carswell and De Neve 2013). Here, it is important to consider that workers' decisions and actions are always highly dependent on and partly constrained by given legal and economic systems (Coe and Jordhus-Lier 2010) and their different sociocultural contexts (Hastings 2016). Undoubtedly, there are conventional companies that align their decisions to the well-being of “their” workers. However, despite existing protection regulations for workers, increasing precarious and insecure working conditions (Herod and Lambert 2016, Brady and Biegert 2017) as well as rising burnout rates (Neckel and Wagner 2017) show that workers' protection and well-being cannot be taken for granted.

Framed as post-capitalist practice, many scholars (e.g., Cato and North 2016, Azzellini 2016) see a high potential in democratic labour control over production processes for contributing

2 See, e.g., a German *Genossenschaft* compared to a *Verein* (vested with legal capacity) compared to an *GmbH*. Here the German legal forms are used for demonstration. The translation of the terms does not necessarily reflect the exact structure of the form under German company law.

3 In German: *Gesellschaft mit gebundenem Vermögen*.

4 For further details, please see: <https://purpose-economy.org/content/uploads/purpose-guidebook-for-lawyers10022021.pdf>.

5 As criticised from a labour geography perspective, labour is often discussed as a form of a “resource” and a “pseudo-commodity” (Hudson 2001) that underlies similar property dynamics as other resources.

to a SET⁶: by holding a double role as entrepreneurs and workforce simultaneously, workers hold sway over their own forces, time and skills, which sets a structural hurdle to treat workers as a means to an end. In consequence, workers are no longer subjected to social exploitation. Furthermore, although the produced goods and used natural resources are still part of the prevalent market dynamics, workers can directly decide on the generated surplus value and make other core decisions in the company (e.g., on production conditions, wage policies, health and safety measures) in both social and ecological regards. This central position of workers within a company allows them to intentionally act and decide conducive to a SET (suggested as “transformative labour agency”, Grenzdörffer 2021).

The role of values in property relations: a critical organisational view

Organisations are strongly dependent on the owners’, members’ and surrounding societies’ values. Embedded in the greater legal and economic system, these values are interdependent. They exist at individual and societal levels and lead to various forms of ownership (Wiefek and Heinitz 2018, Nesterova 2020). Property is indeed at the heart of organisations, however scarcely discussed by organisation studies (Bencherki and Bourgoin 2019).

Regarding current social-ecological crises, Del Fa and Vásquez (2019) pay special attention to so-called alternative organisations. These are shaped by values that challenge the capitalist system itself by aligning their mindsets and activities towards transformative change (Sletli 2019).

However, an alternative legal form determines internal structures of organisations only to some extent. Ongoing empirical studies on organic food processing enterprises show that even a foundation enterprise (hence, an alternative property structure) can exclude employees and peasant supply partners from co-determination and decision-making. The organisation can be transformed by the owners into a new ownership form, for instance to prevent the divestment to large corporations, but the new form does not transform the entire organisation per se. Another example is the diverse field of community-supported agriculture (CSA) organisations. They offer an alternative to traditional modes of production and consumption and act in line with the principles and values of the food sovereignty movement, which aims to build a just and sustainable agri-food system (Plank et al. 2020). Although CSA organisations identify themselves or are described by others as an alternative organisation they can be still owned and managed in a conventional, traditional way by a single individual not sharing any decision-making or property rights⁷.

Thus, values of alternative organisational actors can stay in contradiction to those values that are often described in the SET context. These tensions and contradictions in the context of a SET are likewise reflected by Nesterova (2021). She emphasises that even alternative organisations can reproduce capitalist and exploitative structures, which could reduce their transformative potential. In contrast, an organisation with a non-alternative form of ownership can also have a positive impact on society.

Systematising the diversity of property

As a basis for analysing the potentials of property for a SET, we need to systematise the variety of existing property structures. From the previous illustrations, we could identify some entry points for such a systematisation. The foregoing perspectives have shown that property and its diverse relations become visible in multiple forms. One example is the relationship between property objects and owners, in the context of natural resources. In this regard, the bundles of rights approach emphasises that the property rights attached to an object are seldom all-encompassing. Instead, rights are limited to some extent, which in turn restricts certain uses of the property objects. In the case of organisations, property does not only concern object-owner relations, but also the complex constellations between the owners⁸. These constellations are influenced by the legal form, how decision-making and potential profit rights are designed, and which purposes an organisation follows. Moreover, the form of property objects is important to consider. It makes a difference whether we speak of land property, of organisational property or personal property. If we consider different interpretations that individual and organisational actors assign to their property objects, we can see how they are formed and interpreted differently depending on the owners’ values and their potential “mindshifts” (Göpel 2016).

Based on our perspectives, we provide the following entry points to uncover some of the complex and interconnected property relations:

- overarching (legal) regulations of property objects;
- ownership structures (e.g., decision and profit rights and their distribution);
- role of values.

These preliminary entry points can serve as a basis for finding linkages between different constellations of property relations and sustainable practices as well as the development of new property structures. >

6 Democratic working structures can take very diverse forms and shapes, such as employee-owned firms, worker cooperatives, or worker-recuperated companies (Grenzdörffer 2021).

7 An extensive survey is currently conducted by the German CSA Network and scientists (one of whom is co-author of this article) to address the lack of an accurate picture of the movement and its actors.

8 For example, individuals, communities, private companies, non- or for-profit oriented organisations or governmental entities as owners of property objects.

Uncovering the linkages between property and sustainable practices

Research shows that the privatisation of land and the related alienation rights can facilitate the exploitation of natural resources through the appropriation of land by large private companies. In the Dry Chaco in Argentina for instance, a study indicates that land owned by extra-local private agents leads to much higher deforestation rates compared to local non-private agents (Faingerch et al. 2021). In contrast, alienation rights are seldom possessed by communities (Ostrom and Hess 2007). Generally, Ostrom emphasises the great potential of land and resource systems owned by communities due to the inclusion of local knowledge, trust, and cooperativeness (Ostrom 1990). However, her research also reveals that the success of common property regimes depends on particular circumstances as described by the design principles for a successful management of common pool resources. These principles, for example, include clearly defined rules, effective monitoring and sanctioning mechanisms, and clearly defined boundaries of the resource system. Thus, neither common nor private property structures do guarantee a sustainable use of resources per se. Instead, a more nuanced view is needed on the similarities, overlaps, and differences of private and common property structures.

Against this background, our interdisciplinary perspective shows that property relations and their linkages to sustainable practices go beyond a private-common divide, and uncovers the complexity of the underlying property structures.

For example, organisations possessing land differ regarding their legal forms, purposes as well as the distribution of profit and decision-making rights. In turn, this can affect the actual use of the land itself. Furthermore, the extent to which workers take part in decision-making processes influences the possibilities for (transformative) labour agency. Regarding linkages to a SET, this opens gateways to treat labour as more than pure human resources, which shifts the focus to dignity rather than functionality. Additionally, values determine how organisations and their members handle their (collective) property objects, how decision-making processes are framed, or how profits are distributed, and thus the legal structure. Thereby, so-called alternative organisations in the agri-food system shows that a certain legal framework, while important, does not guarantee a more social-ecologically just outcome alone. Rather, the outcome highly depends on the people and organisations implementing it and the context-specific values: the change of property structures over time needs to be considered. For example, property structures can have a long, stable history or may be subject to abrupt changes due to, for example, policy interventions or ownership changes. Especially in the context of a SET as a longer-term process of two to three generations

(cf. Ostrom 1990), successful handover processes of ownership and the transfer of achievements to the next generations are crucial.

Further needs and potentials for social-ecological transformation research

In order to analyse the transformative potential of property, it is necessary to identify synergies between different elements of property, such as the proposed entry points as well as areas of tensions and contradictions. Besides a multi-perspective analytical approach, the approach of transformative and action-based research (Hölscher et al. 2021) can contribute to create new forms of property by taking transdisciplinary research methods into account. An illustration of the potential of including many stakeholders (e.g., entrepreneurs, scientists, politicians) in the development of new forms are the previously mentioned companies with bound capital⁹. While further research is needed, especially on the aspect of the linkage of such a legal form to a SET, this example shows how new forms of property can be developed by the co-creation of knowledge between practitioners and scientists.

Finally, there is the remaining challenge of defining informative criteria for the assessment of social-ecological outcomes in general, and in particular, of diverse sets of property relations. Within the discussed contexts, we could gain a glimpse on the potential of a more nuanced view on existing and yet-to-be-developed property structures for a SET. To continue on this path, future interdisciplinary research is needed, as is already in progress.¹⁰

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⁹ The result of this development is that a new legal form for companies with bound capital is included in the new coalition agreement of the German government: www.bundesregierung.de/breg-de/service/gesetzesvorhaben/koalitionsvertrag-2021-1990800 (p. 30). For further insights on the development, please see: www.gtreu.org/de/was-wir-tun.

¹⁰ For example, the recently launched German Collaborative Research Centre *Structural Change of Property* (Jena and Erfurt): <https://sfb294-eigentum.de/en>.

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