

# Housing cooperatives in Germany

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## A broad range of participative practices

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# Challenges of participation in cooperatives: the main research traditions

## affirmative

- cooperatives as participative (“democratic”) organizations
- collective authority and decision making as main features (Rothschild-Whitt 1979)
- “imperfect democracy” due to legal, market or psychological environment

## critical

- successive de-democratization in the course of the ‘de-generation’ or ‘the transformation law of Oppenheimer’
- emerging hierarchical structures, domination of managers (Gibson-Graham 2003)
- transformed, discarded practices of participation, ‘facades’ of participation (e.g. Cheney 2001)

## paradox oriented

- questioning the dichotomy between participation and ‘degeneration’
- focus on struggles, conflicts and contradictions
- e.g. Varman/Chakrabarti 2004, Hernandez 2006, Cheney et al. 2014, Flecha/ Ngai 2014

# Research interests

- What kind of similarities and differences can be observed in cooperatives of different size, belonging to different sectors?
- How is the issue of participation contextually embedded? What interlinks exist between participative practices and the historical, social and cultural context of cooperatives, as well as regarding their organizational identity?

# Methods

- Multiple-case study project of 14 co-ops (3-5 co-ops in four sectors: housing, consuming, banking, agriculture)
- Multiple sources: interviews with managers, employees and members, documents, participant observation, field notes
- Case study design (Eisenhardt 1989, Eisenhardt/Graebner 2007, Yin 2014)
- Inductive coding (MAXQDA), 4 main categories: *context, actors, identity, participation*
- Case descriptions
- Cross-case comparison / analysis

# Housing coops in Germany

- 2014: 2.8 million members, more than 1.900 housing co-ops
- German housing market today, two opposed developments: structurally weak areas vs. constant migration towards big cities and metropolises such as Berlin, Munich, Hamburg or Leipzig
- number of housing schemes for community based living has risen
- besides the traditional and huge housing cooperatives a number of smaller cooperatives founded within the last two decades
- in contrast to the conventional coops, cohousing schemes are essentially organized by the residents themselves

# Housing Cooperatives - three cases

	Case #1	Case #2	Case #3
<b>Year of Foundation</b>	1995	1954	2011
<b>Members</b>	56	~4,000	9
<b>Employees</b>	0	33	0
<b>Delegates of Members</b>	-	63	-
<b>Management</b>	3	2	3
<b>Supervisory Board</b>	10	6	-
<b>Employee Representative Committee</b>	-	3	-

# Case #1 – “houses to the people”

“This history we had, dating back to the time of squatting: ‘The houses belong to the people who are living in them’ and so on - that was the basic idea. Looking at this concept of cooperatives we have seen: ‘Alright! That’s how we can do this!’” (F1\_B: supervisory board)

- gentrification and privatization
- squatter scene, two and a half houses, 40 residents
- “core group”, district administration, consultants, private financiers, former tenants
- Community of house comrades, social awareness, background members, loose structures, “parasites” vs. community spirit

## Case #2 - *“safe and modern living paired with benefits”*

“The [...] local market is structured like that. If they don't find what they're looking for they go to another housing-coop .. or to the municipal housing association or to a private company, it doesn't matter to them. That is why you have to fulfill the demands of the market now and in the future. After all you're part of the market” (F2\_A: management board)

- several quarters throughout the city, diverse dwelling stock, difficult housing market
- service-orientation, members as “customers”
- “fit for the future”
- safe job, good working climate



## Case #3 - “*our own thing*”

“well first of all it is certainly about us. Anyway we wanted to get keen housing space for us and certainly also for a few people those we can offer shared flats or rooms” (F3\_A: executive board)

- gentrification, creative class, increasing rents, low housing prices, co-housing scene
- closed community
- freedom, self-determination, voice
- a project with friends, young and hip, low budget
- affordable housing space, co-op as vehicle

# Forms of Participation

## Case #1

“And then we convene an assembly which is slightly bigger [...] there’s around 20 people taking part and we present what we did during the last year and what is going on and above all, every two years the new bodies are elected.” (F1\_D: supervisory board)

- General Assembly
- big supervisory board
- always joint meetings of executive and supervisory board
- short election period
- much voluntary work

## Case #2

“We have a certain minimum number of delegates. We are obliged to have delegates. And they have to contribute constructively by the way. And it is really an issue, not a big one though, that you don’t find enough people and we really strive to find some.” (F2\_C: supervisory board)

- Delegates Assembly and delegates dialog
- no dividend, but refund
- complaint and information management
- In the past: physical participation and voluntary work

## Case #3

“If there is something like “we have to clear up the courtyard” (...) then we don’t have a vote on it, we just get together and make a plan. But if we have to invest money to, let’s say, renovate the staircase or to repara the drain pipes in the courtyard then, of course, it is useful to call a real assembly.” (F3\_A: executive board)

- General Assembly and organigram
- high degree of financial participation
- everybody responsible
- physical participation,
- only voluntary work

# Modalities of Participation

## Case #1

“Well, there is a formal level, but that is not the level on which we are linked together. Our everyday experience is that we simply see each other and talk to each other about everything.”

(F1\_A: supervisory board)

- informal structures of communication
- core group as decision maker
- most important decision: who moves in?
- consent orientation

## Case #2

“Or ‘is the tree fallen anyway?’ ((laughs)). Or is any planted? We sometimes say in a disparaging way “that’s the discussion of toilet lid”. [...] in the 90ies, as it wasn’t yet practiced, at the Delegates Assembly everybody tried to bring up his problems. But that’s not the purpose of the Delegates Assembly. You can only speak to the agenda.”

(F2\_A: management board)

- structured and professional communication
- management as strategist and mastermind, representatives as mediators, members as „customers“
- journal for members
- house meetings

## Case #3

“The basic idea is that actually everybody goes through all areas of the co-op at some time in order to see what responsibility is behind it and how much work ... exactly! That means, at some point, everybody should have been member of the executive board”

(F3\_B: executive board)

- rotating executive board
- communication “in passing”
- “tired from discussing”

# Barriers and Drivers of Participation

## Case #1

“This voluntary work is very demanding. And also it’s undemocratic because we can only vote for those to be in the executive board who are capable to do this job. Of course, that’s stupid.”

(F1\_B: supervisory board)

- size as barrier and driver
- individual initiative as barrier and driver

## Case #2

K: You don’t find any location ((laughs))

G: we would be forced to use the Arena ((big local venue))

K: ((laughs)) for the General Assembly, right? And when it comes to big cooperatives, it is just very common to vote for delegates

(two members of the management board)

- service orientation, qualification and size as barriers
- search for delegates as a driver

## Case #3

“Well, we used to have this principle of rotation. And soon we found out that this would cost us up to 500 Euro for the notary. And so we thought: ‘okay, to hell with it’ ((laughs)). It’s just too much. Because for this kind of money you can have a proper party, you know?” (F3\_B: executive board)

- participation takes time
- participation takes money
- participation takes energy

# Summary

- contrasting patterns of participative practices in cooperative organizations
- participation of all members and daily maintenance of participatory decision-making **vs.** participation of members as a necessary evil, more or less shaped by the management
- democratic and emancipatory elements directly referring to a declared aim to take houses off the real estate market **vs.** player of the real estate market based on a market- and service-oriented philosophy of management
- paradox role as landlord **vs.** co-op as vehicle **vs.** tendency of oligarchization
- size is important as barrier **and** driver of participation

## Contact:

“Participatory practices in cooperatives”

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