

LIVING
in the
CRACKS

For Lea

Living in the Cracks

A Look at Rural Social Enterprises in Britain and the Czech Republic

Nadia Johanisova

feasta

The Foundation for the Economics of Sustainability

in association with



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Czech diacritics ("accents" and others) are not used in the text.

The real work of planet-saving will be small, humble, and humbling, and (insofar as it involves love) pleasing and rewarding. Its jobs will be too many to count, too many to report, too many to be publicly noticed or rewarded, too small to make anyone rich or famous.

Wendell Berry

The best socialism tends to be run by hard-nosed capitalists.

Ian McNicoll



The true authors of this book are in a sense the people whom I interviewed and whose projects, ideas and experiences form its essence. The details of most are in Appendix 4. Here are portraits of a few of them (from top left, numbered according to their projects in Appendix 4: Vivian Woodell (28), Brenda Smith (34), James Pavitt (24), Hana Duskocilova (58), Douglas Murray (1), Yvonna Gaillyova (59), Danyal Sattar (6), Sue Wyllie (36), Stanislav Malik (67).

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Feasta aims to identify the economic, cultural and environmental characteristics of a truly sustainable society, to explore how our present society might acquire those characteristics and then to promote the measures required for it to do so. It has a number of self-governing working groups dealing with topics such as Climate, Communications, Money systems, Democracy, Education, Energy, Food, Health and Land and Housing. It hosts the annual Feasta lecture in Dublin, which has featured speakers such as Herman Daly and Wolfgang Sachs, and organises conferences on core issues such as economic growth, energy, food supply and land taxation. It also prepares distance-learning courses on sustainability. Its publications include *Before the Wells Run Dry* on the transition to renewable energy and the *Feasta Review* which appears every 2-3 years and reflects the thinking going on in the organisation. Both can be ordered from Green Books or downloaded from the Feasta website.

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nef is an independent “think-and-do” tank. We believe in a new economy based on social justice, environmental sustainability and collective well-being. We aim to improve quality of life by promoting innovative solutions that challenge mainstream thinking on economic, environment and social issues. We work in partnership and put people and the planet first. nef was founded in 1986 by the leaders of The Other Economic Summit (TOES) which forced issues such as international debt onto the agenda of the G7 and G8 summits. In 2002/03 nef was named UK Think Tank of the year. We are unique in combining rigorous analysis and policy debate with practical solutions, often run and designed with local people. We also create new ways of measuring progress towards increased well-being and environmental sustainability. More on all of our work from “Clone Town Britain”, to tackling climate change, reinventing the global economy and increasing well-being can be found on the nef website.

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Rosa - The Information and Activities for the Environment Association

Rosa is a small Czech charity whose aim is to inform and educate the public about environmental sustainability and paths toward living in greater harmony with nature on personal, local, regional and higher levels. It operates a “green telephone” and a library, publishes a members’ bulletin, organises discussions, workshops and field trips as well as courses in traditional crafts. It also works on regional planning issues with other local groups and the regional government. Rosa has helped set up a self-help group of people wishing to “live lightly” in the countryside and has pioneered new ideas for sustainability such as permaculture and new economics. It recently launched a pilot project to build community self-reliance using time-banks as a result of contacts with the British enabling organisation Envolve (see Appendix 4).

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FOREWORD

by Richard Douthwaite and Andrew Simms

Nadia Johanisova once told us that this book was about “businesses with a difference”. Now that we’ve read it, we have to tell her that’s only partly true. It’s mainly about people making a difference to the lives of those around them by means of running a business. Instead of people “being in business for themselves” this book is about people who are in business for society.

The wonderful characters you will meet in its pages are all running social enterprises. These are not businesses run by society but ones which bring social benefits which their operators cannot capture in the prices they charge. In economic jargon, social enterprises deliver positive social and environmental externalities on top of the goods and services they provide. This sets them in contrast to many conventional businesses which, deliberately or not, dump the costs of negative social and environmental externalities on to society, thus cutting their own costs in pursuit of “improving their bottom line.”

The fact that social enterprises cannot charge their customers (or nature) for all the good they do often means that those running them have to find subsidies to allow them to pay their way. These sometimes come from the people running the enterprises who happily take less pay than they could earn elsewhere. In other cases, private benefactors and/or the public purse give grants to supplement the enterprises’ commercial incomes. As this book shows though, the survival strategies of social enterprises go beyond the traditional subsidy/grant mentality. They include approaches such as using volunteer labour, selling direct to the public, growing one’s own vegetables, exchanging one service for another, bartering, buying and selling on a co-operative basis and sharing capital expenses.

Another common feature of many social enterprises is that the benefits they deliver are local, going to the community or environment of a particular area. Most of the areas that benefit in this book are rural. Nadia says that this is because she lives in a rural area and has come to see the seeds of a more sustainable lifestyle there. “The people in my village are more connected to the land than the city people, but the village is being destroyed by capitalism just as it was by communism,” she says. “So in my research for the book in Britain I was looking for ways to fight back. I expected that the problem would be worse there but that there would also be more developed methods of tackling it. I tried to find out things about how to keep the local shop viable, how to get affordable housing for the locals, how to keep the public transport going and how to keep farms paying their way. The book sets out what I learned.”

The rooted, community, and rural dimensions of many social enterprises give them a huge advantage in meeting changing circumstances. During the 20th century, the market economy - powered and subsidised by the “free income” of fossil fuels expanded to take over many activities which were previously done within the community or at home. As a result, most of us found that we were better off if we sold our labour to an employer and bought the things we required rather than using our time to make them ourselves. It’s a process, or perhaps a trap,

that keeps emerging in controversies around, for example, the way that parents have to work for an employer in order to earn the money to employ someone to look after their young children, in order that they can go out to work...

The state only intervenes in our sale-of-labour arrangements if the market economy breaks down. But how will our needs be met when the supply of oil starts to contract, as it will within the next decade? Inevitably, goods supplied through the market system will cost much more because of the transport- and energy-intensive way they are made. This will cause the balance of advantage to swing in favour of local production using local resources and many social enterprises will develop to seize the opportunities that emerge. They will be far better placed to do so than either the state or large-scale commercial enterprises because they will be able to work on a smaller, more appropriate scale and mobilise resources - particularly of cheap local capital and voluntary effort - that others will be unable to touch. In the past, as the book makes clear, social enterprises were more common than they are today. We think that they will be much more common in the future, too, and that the prosperity of an area will depend on the number and vigour of those it has far more than on its commercial companies.

The full story of how both Feasta and nef - both social enterprises - became involved in this book is too long to tell here. The edited highlights are that, in the early 90s, nef helped to find part of the money that enabled Richard Douthwaite's Short Circuit to be written and that book provided a lot of the inspiration for this one. Richard, who is one of Feasta's founders, served on the committee which advised Nadia on her research, but her main adviser was Pat Conaty, a nef consultant and trustee. The thematic fit comes through nef's ongoing work on the ghost town and clone town phenomena. Feasta found the money to cover the book's printing costs and Feasta volunteers helped in the editing process.

Needless to say, both organisations are extremely pleased to be associated with the volume you hold in your hands. We believe that for a sustainable, more equitable world to be achieved, social enterprise, the so-called Third Sector, has to become more important than the other two. This book should play an important role in bringing that about.

*Richard Douthwaite
Feasta*

*Andrew Simms
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A PERSONAL INTRODUCTION AND ACKNOWLEDGEMENTS

Capitalism and Communism are twin systems... It is immaterial that they differ on where they wish to centralise their wealth - Communism in the state, and Capitalism in the hands of the most powerful plutocrats; both succeed in crushing the small individual by taking his property from him.

G. K. Chesterton



I was born in the Czech Republic, or Czechoslovakia as it was then, and have lived there for most of my life. This will naturally colour my narrative, as will the fact that I have worked as a biologist and environmental activist as well as university lecturer, and have for the last ten years lived in a small Czech village which has to some degree retained its links to land and tradition. The Iron Curtain collapsed in 1989 when I was in my early thirties, giving my generation a chance to gain ample personal experience with both the Communist and Capitalist systems. Looking at both from a combined social and green perspective, I concluded that they were disconcertingly similar in many ways: while the power in one system was held by an unaccountable and unshakeable Party and nomenclature, in the other it is increasingly being grabbed by equally unaccountable and unshakeable large financial players linked with politicians. Both systems use people as a means, not an end: in the old system the people had to bow to an all-powerful and anonymous state, in the new both people and state must bow to even more powerful and anonymous markets. While the first system was scandalously inefficient in production, the one we have now has monstrously inflated consumption, with Nature - the fields, forests, waters, climate which we depend upon for our survival - taking a back seat in both.

This report then is primarily a quest for economic alternatives - the green shoots emerging between the cracks in the pavement of latter-day Capitalism. Initially, I wanted to learn as much as I could about British local bottom-up initiatives such as box schemes, community-supported agriculture, land trusts, credit unions, local transport schemes, ethical banking, community businesses, etc., etc., and see how applicable they were to my country, especially in a rural setting. Looking more closely, I found that what can be termed rural social enterprises exist in my own country as well, and in the end a more balanced report emerged looking at both countries through the lens of social enterprise.

It would never have been written without the aid, support and inputs of many people, some of whom have since become good friends.

My understanding of British farming was enhanced by discussions with Tina and Phil Heathcote (Buxton, Derbyshire) John and Hilary Hoskin (Dorchester, Dorset), Peter and

Mary Thorne (Byworth, Sussex), Theresa Toomey (Brecon, South Wales), and Ruth Watkins (Hereford). Tina Heathcote not only discussed her work, but also provided much appreciated hospitality, organised interviews and served as chauffeur in an area where buses seem to run only once a week.

Amanda Daniels of the Soil Association and Kari Ward of the Countryside Agency explained the workings of their organisations to me, Sue Fowler of the University in Aberystwyth and Jules Pretty of the University of Essex discussed agriculture.

A conference of The Plunkett Foundation in 2001 on Social Enterprise in Rural Areas helped me gain contacts and I am indebted to Kate Targett for her helpfulness, expertise, efficiency and hospitality. In the Plunkett treasure trove she found for me rare old Czechoslovakian texts on co-operation and she also gave me my first practical rural social enterprise contacts. Another very useful resource in this respect was the website of the Scottish social enterprise network, Senscot.

The following people contributed to the success of my work in Britain in various ways, including help with accommodation, transport, literature, contacts, etc.: Joanne Baker, Pat Bryden, Claire Carpenter, Molly Scott Cato and Chris Busby, Polly Chapman, Laurence Demarco, Liz Haggard, Chris Hart, Ros and John Hitchens, Fergus Lyon, Sarah McGeehan, Ian and Winnie McNicoll, Sulekha Millar, Tara O'Leary, Chris Pilley, Malcolm Slessor and Jane King, Inga and Andrew Warren, Marion Wells and James Bruges, Judy and Dick Wilson, and Nuala and Stewart Young. Many others helped by answering e-mail and telephone queries and providing information and I apologise for not being able to mention them all.

In the Czech Republic, I would like to thank my student Tomas Fort who did three of the interviews, Ludmila Nemcova who discussed Czech co-ops and provided valuable literature, Pavel Seliga for information on the Romney marketing co-op, Eva Medkova and Zdenek Kucera for enlightening discussions about rural issues, and Lukas Hampl who explained about the quandary of Czech credit unions. E-mail discussions with Christophe Guene (Brussels) helped me understand the international context of that grave issue.

Returning to Britain, thanks must go to the Centre for Human Ecology (CHE) in Edinburgh for providing the base which I worked from. This included not only practical aspects such as library and Internet access, but also, equally crucially, the network of teachers and students who provided the human community one needs in a strange country. The flexible teaching approach in this highly unusual and inspiring institution of higher learning (and a social enterprise itself) enabled me to interweave my research and study in a way which I believe enhanced both. Thanks to a CHE field trip I had a chance to learn about the Isle of Eigg Trust and to spend a week breathing in the loveliness of this Hebridean island.

The new economics foundation provided technical support throughout and helped with advice, contacts and introductions, literature and expertise. Its name alone opened doors which otherwise may have remained shut. I am grateful to Ed Mayo, Thomas Fisher, Genevieve

Matthews and Steven Wraith, and particularly to Pat Conaty for his ongoing support, practical advice, clear and original thinking and in-depth discussions which helped me formulate my ideas and plans and gave me a perspective on the wider aspects of social enterprise. Pat was also a member of the project steering group and I am indebted to him and to Johnston Birchall, Richard Douthwaite and Steve Bendle for their valuable time and inputs. Many of the projects interviewed and further readings were suggested by them as well.

I am grateful to Pat Conaty, Terry Clay, Elizabeth Cullen, Richard Douthwaite and others for comments and suggestions which helped shape the final text, though responsibility for it of course remains mine. Richard has also been an invaluable guide throughout the final editing process and helped with some intricacies of the English language. Vladimir Blazek very kindly helped with proof-reading of the final text.

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My family must be thanked as well: my nephew Pavel Cermak for lugging part of my luggage home, my daughter Lea Nedomova, who shared the British adventure, for her patience, wisdom, independence and sense of humour, and her dad Jirka Nedoma for his valuable technical support and understanding throughout.

Central to the report of course are all those in Britain and in the Czech Republic who gave their precious time for interviews and whose activities, ideas and opinions form the backbone of the text. Face-to face meetings with so many committed people with a positive, practical vision of the future which they themselves were helping to shape has been a great source of learning and encouragement for me. With their permission I have included their details in Appendix 4. Please feel free to contact them, as forging links on a grass-roots level within and between our two countries was another aim of this report. I am also looking forward to any feedback you may have, so please get back to me at the address below with any comments and questions.

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