

Helping Ourselves, Success Stories in Co-operative Business and Social Enterprise

Edited by Robert Briscoe and Michael Ward

Oak Tree Press, Cork, Republic of Ireland. ISBN 1 86076 284 0. Price £20.00

and

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

By Nadia Johanisova

ISBN 1 903998 52 2. Price £9.95

Reviewed by Pauline McCleneghan, Network Co-ordinator, Northern Ireland Social Economy Agency

The two volumes under review focus on different aspects of the same phenomenon – the formation by and engagement of ordinary people in self-organising systems of economic activity aimed at addressing their own needs and/or those of their communities or community members. In *Helping Ourselves* Robert Briscoe and Michael Ward present and analyse success stories in co-operative business, while Nadia Johanisova, in *Living in the Cracks*, describes and contrasts examples of rural social enterprise in Britain and the Czech Republic. The authors in both cases also pursue similar endeavours. Briscoe and Ward wish to demonstrate that co-operatives, owned and controlled by the people who use their services, represent a radically different way of running the businesses of the world, capable of meeting economic and social need without the negative side-effects of increasing poverty and inequality, poor quality food, conflict and environmental degradation associated with conventional business activity, increasingly dominated by footloose transnational corporations. Nadia Johanisova's contribution, on the other hand, represents a quest for economic alternatives, not just to conventional business approaches but to the Communist and capital systems which, in her view, both use people as a means rather than as an end and in which the environment takes a back seat.

Briscoe and Ware are both senior lecturers in the Department of Food Business and Development at University College, Cork, Republic of Ireland, and are respectively the Programme Director and Deputy Director of the University's Centre for Co-operative Studies. The co-operative approach, they argue, is engaging the active commitment and creativity of more and more people world-wide. It is an

approach to meeting needs that gives ordinary people the chance to get involved in shaping the world they live in. And get involved they apparently do: an estimated 725 million people – a sizable proportion of the world's 6 billion inhabitants - the authors tell us, are members of the co-operatives affiliated to the International Co-operative Alliance. In the book Briscoe and Ward explore the co-operative way of doing business across a wide spectrum of activities and needs – ranging from basic needs for food, water, housing, finance, jobs, healthcare and transportation, to needs for entertaining leisure activity, and the maintenance and development of vibrant communities. In each of these areas, they endeavour to show how ordinary people around the world are finding innovative ways of addressing their needs, "with results that are proving more effective than the systems designed by big business and big government".

In the introductory chapter to *Helping Ourselves*, the authors describe what differentiates co-operatives from conventional businesses and using a 'them and us' metaphor, define the co-operative approach as a **process** based on "design for us instead of design for profit"; a process which has allowed co-operatives to create strategies that build trust, mutuality, solidarity, creativity and inclusion (social capital) and to address local and global problems in innovative ways. The implementation of the co-operative process is then demonstrated in a series of chapters written by the authors and others on: Feeding Ourselves (consumer, producer and worker co-operatives in food production and agribusiness); Financing Ourselves (Co-operative banks, Credit Unions, LETS and Time Banks); Servicing Ourselves (co-operative

and not-for profit service delivery – child care, health and social care, transportation, leisure etc); Developing Ourselves (the co-operative contribution to community development, to work integration schemes, to public utilities, housing, tourism and environmental sustainability) and Working for Ourselves (worker owned co-operatives and strategies for saving and creating jobs). Each chapter is peppered with case study examples from around the world and each chapter will form the basis of one of a series of more detailed analytical companion volumes to *Helping Ourselves*, soon to be published.

Nadia Johanisova, a university lecturer, biologist and environmental activist and a native of the Czech Republic, began her quest for economic alternatives through an exploration of local bottom-up initiatives in rural Britain – box schemes, community-supported agriculture, land trusts, credit unions, local transport schemes, ethical banking and community businesses. Her original motivation had been to learn more about these initiatives and to assess their potential applicability in her own country. However, her research into the Plunkett Foundation archives led her to identify a pre-communist and largely forgotten co-operative history in the Czech Republic and, in the light of an analysis of contemporary definitions of social enterprise, to re-examine present-day rural initiatives in her homeland. The result of these revelations is a more comparative study, based on an analysis of examples of rural social enterprise initiatives in both countries and of the differences and commonalities in social enterprise activity in the two national settings.

Johanisova uses the Social Enterprise London definition of Social Enterprise, ie businesses that trade in the market in order to fulfil social aims. Typically these organisations have three common characteristics – enterprise orientation, social ownership and explicit social aims and ethical values: they are also accountable to their members and to the wider community for their social, environmental and economic impact. To this definition Johanisova adds a fourth dimension – ‘economic locations’, by which she means the use of local resources and local employment to produce goods and services for local consumers. The “relocalisation of the economy” she argues, brings such benefits as: security of employment; reduced environmental externalities; environmental and

social accountability; traceability and food with higher nutritional values; the maintenance and support of local culture, traditions, values and skills; and the empowerment of ordinary citizens.

The book is based on interviews with representatives of 71 social enterprises, 26 from the Czech Republic and 45 from Britain, the majority of which are small scale rural initiatives aimed at addressing immediate local needs. It is written in a very personalised and engaging style and tends to focus on the motivations, value systems, aspirations and feelings of the people who helped establish and are still involved in each of the projects. The ‘voices’, Johanisova reports on include a voice from the past, that of a 1930s Czechoslovakian co-operator, Ladislav Feierabend, to whom she devotes four pages of text. She uses Feierabend’s testimony on the co-operative movement in pre-war Czechoslovakia to demonstrate the long history of the co-operative movement and the resilience of the co-operative spirit and tradition. One of the social enterprise examples she cites, is the Borovna Forest Co-op, a co-operative closed in 1959 under the communist regime and re-established in 1992 under its statutes which have been kept for 33 years by its former manager. The book is filled with such stories, testifying to the commitment of ordinary people to the social enterprises they have created.

The book opens with a description of a rural social enterprise in each country and ends with a summary of the different contributory factors to the development of rural social enterprise in each national context. The British grass-roots culture of entrepreneurship, democratic governance and what she calls “sweet reasonable” are cited as powerful assets in rural social enterprise development in Britain, as well as the voluntary work ethos, networking ability, the co-operative tradition and ethical and mutual financial expertise. Important pre-requisites of a thriving social enterprise culture in the Czech Republic, on the other hand, are identified as the unwitting preservation by the Communist regime of positive features of an older society, as yet undervalued and threatened by ‘laissez-faire’ economics and the consumer culture; features such as equitable asset and land ownership; lower mobility of labour and land; the existence of numerous small village councils with a right to own land and assets, to employ staff and to exercise, to

a degree, the right of self-rule, as well as the survival of rural skills and traditions conducive to potentially greater independence from a volatile global economic system.

Johanisova also addresses some of the problems associated with social enterprise development. An insufficiently well structured regulatory framework in the Czech Republic, for example, led to the rapid development and subsequent collapse of a large number of credit unions, many undermined by the corrupt practices of their managers and the seed capital for at least one of the enterprises, Johanisova describes, was acquired through corruption. Tighter regulation emanating from the EU is having a restrictive effect on surviving credit unions and smaller enterprises in both societies are also threatened by EU regulations aimed at regulating the activities of larger private sector organisations. In the final chapter of their book Briscoe and Ward also address some of the pitfalls and dilemmas associated with the co-operative form of economic organisation – credit, finance and principal-agent problems but conclude that co-operation is the only viable alternative to the conventional way of doing business and that, working together, co-operatives have the potential to provide a

significant counterbalance to the power of investor-driven multinationals and the more socially environmentally threatening dilemmas this later form of economic organisation generates.

Both these contributions demonstrate the capacity of ordinary people to take control of their immediate environment and to address their economic and social needs in very effective, innovative and creative ways, often in the face of considerable economic and social adversity. But, the authors argue, the co-operative and social alternative path to socio-economic development offers more. It presents a genuine alternative to forms of economic organisation which favour the interests of the few over the interests of the many and it has highly positive externalities in the form of increased social solidarity, economic and environmental sustainability and greater economic and social participation and democratic engagement. In the words of Ladislav Feierabend:

The true co-operative spirit is the sound basis of every democracy and of all democratic institutions anywhere in the world.