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**ECONOMY-EUROPE:****Czechs Bank on Cooperatives for Revival**

Claudia Ciobanu

**BUCHAREST, Jan 27 (IPS) - The Czech Republic's strong heritage of cooperative movements, dating from the interwar period, is serving as inspiration for new initiatives in the post-communist era and acting as "harbingers of a new global economic system".**

In the village of Cizova (880 inhabitants), in the north-west of the country, a housing coop was established in 2000 to take advantage of a government subsidy for new dwellings available at the time. Still working today, the coop has built over 20 family houses and is working on close to 20 more.

It has played a significant role in keeping the local school running because new families coming to the village increased the number of school-going children. This is an important achievement in Central and Eastern Europe where rural schools are closing down by the day.

The coop works as a partnership between local dwellers, newcomers and the local council. Individual members (either current or future householders) have one vote for each 200 pounds (322.7 US dollars) invested in the coop, while the local council has one vote for each 20 pence (32 cents) invested. The coop offers affordable housing, provides employment for locals and brings together inhabitants of the community in a common endeavour.

Partnerships with the local authorities are an important advantage for coops in Central and Eastern Europe, explains social scientist Nadia Johanisova from Mazaryk University in the Czech city Brno, who has written a book comparing rural social enterprises in Britain and in the Czech Republic.

According to Johanisova, in Central and Eastern Europe, the pre-1989 tradition of government involvement in supporting basic rural services, though under siege in the post-communist period, is still surviving and can benefit citizen initiatives.

The comparison between British and Czech social enterprises illustrates further advantages Czech initiatives have over British ones: more equitable land and asset ownership still prevailing in rural areas of Central and Eastern Europe, lower mobility of labour and land, and the continued practice of rural skills and traditions which can potentially help shield villagers from the changing winds of the global economic system.

The Gemini Farm and Workshop in South Bohemia has used money from local farming to employ a local sculptor to restore traditional pillars consecrated to the Virgin Mary and other saints. The pillars represent important reference points for the communities. Their restoration and the farming activities have been sources of employment for locals.

Many organic farms around the country exist because young Czechs want to continue to live in the same place their parents were born and to work the land that had belonged to their families for generations.

Czech members in such social enterprises, whose views have been documented by Johanisova, express a reluctance to expand their activities.

Roman Carek, the chairman of the Cizova housing coop, spoke of the dangers of expanding these enterprises. "The local agricultural coop has 11,000 acres," he said. "It is gobbling up the smaller agricultural enterprises and getting even bigger. Centralising production, scrapping dairies in the villages. The problem is dairies were all that remained here."

Both in the Czech Republic and in Britain, members of social enterprises feel that "the small is under threat" because of national and European Union legislation tailored for big and urban businesses and because of the unfettered global market.

In Britain, Johanisova has found, the networking ability of the coop as a dynamic sector, facilitating and financing organisations, can help small actors manage threats. Her research shows that social enterprises from Western Europe and from Central and Eastern Europe can complement each other's experiences to better address common pressures.

"We are living in an exciting and scary time of a shift in the prevailing paradigm," Johanisova told IPS. "The Western Enlightenment dream (of which both capitalism and Eastern European communism are outgrowths) of eternal human material advance under the banner of reason, science and fossil fuel-powered technology is literally running out of steam."

"The momentum for change is here," the social scientist thinks. "To have a new economic system, one step is to critically review the neo-liberal ideology of free trade, economic growth, and efficiency seen only in money terms. The next step is to be pragmatic and set up real goals benefiting nature and communities directly rather than via the hazy ideal of unending growth of global production."

One practical direction of action, says Johanisova, is to give "more space, support and recognition" to local communities, small coops, social enterprises and non-monetised local exchanges. "These help fulfill people's needs, often below the GDP radar screen," she says. "Valuable inspiration here can be drawn from traditional and rural communities in the global South. In the Czech Republic and elsewhere in Europe, we can draw from the tradition of the cooperative movement."

A less known fact is that in the interwar period in the Czech Republic, 30 percent of the population were members of over 15,000 coops of all kinds, from credit unions to housing coops, from communal mills to consumers' associations. This practice almost disappeared under the assaults of totalitarian and later neo-liberal rule, explains Johanisova.

"However, there is a small renaissance of true cooperation [in the Czech Republic]," Johanisova told IPS, "and there are dedicated people working to broaden the concept of social economy."

"I believe that social enterprises have a future in both Eastern and Western Europe," she says, "because we human beings are not one dimensional, as neoclassical economic theory would like us to be. We wish not only to be paid for our work, but to see that it is meaningful and that it benefits not only ourselves but also our communities and the natural environment. And this is the natural breeding ground for social enterprise which can never be eradicated."

"If we do not embrace degrowth voluntarily, it will embrace us with a vengeance," thinks Johanisova. "The writing is on the wall: we have the oil-peak crisis, the less visible erosion of the ecosystems crisis and there is global warming."

"There are many grassroots movements working on paths to achieve long-term no growth or even negative growth without major problems (e.g., transition towns). But we also need a top-down approach, for economists and politicians to step forward and say bravely that the idea of eternal growth is bunkum. Once we agree that the emperor is naked, many people will heave a sigh of relief."

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