

Good Economy – Good Enterprises

A report about 5 transition-oriented
social enterprises in Croatia



Introduction

This report is an attempt to publish in one place some of the best examples of the Good Economy in Croatia, examples of initiatives which not only started from one good idea, but evolved the idea into something that is practically sustainable in their own community.

The report is an outcome of the international REconomy project, on which ZMAG (Green Network of Activist Groups) is working together with the Transition Network.

REconomy is a new economy, transition economy for local communities resilient to global economic crisis, fossil fuel crisis and climate change. This is what (*for our local purposes, as REconomy translates terribly into Croatian!*) we named Good Economy (*in Croatian: dobra ekonomija*).



Transition into post-carbon society is a still relatively new notion in these parts of the world (Croatia and the region), but it is becoming more and more familiar.

We are redefining the word *transition* (*in Eastern Europe usually taken to mean transition from socialist to capitalist systems*), as a transition into a sustainable society, one that uses the resources only in proportion to how they can renew themselves, one in which we creatively find solutions within our own local community before we set to buy the ready-produced ones from a multinational corporation.

Transition begins with the assumption that communities themselves can most successfully find solutions to their own challenges, for a community itself is a worthy resource – one for which even unlimited fossil fuel supplies, or money, can never substitute.

There is certain stuff and there are services needed in each community. We all need food, energy, clothes, tools and so on. Each and every community needs a practical way to care for its members, and to encourage social inclusion and participative decision making.

We need sustainable building and systems for putting to use empty spaces and buildings, we need sustainable transport. We need the support for local economies in through local exchange systems, as well as some new and some old skills.

Each community in transition will need initiatives and social enterprise covering those areas. Obviously, more practical and work-intensive activities will feature in Good Economy, and less of those such as long-distance transport, packaging manufacture, or selling ad space and marketing – in Good Economy the best and irreplaceable advert is personal contact and recommendation. Our communities in transition will look differently, but at the same time somewhat familiar – for they will be "cut" to our own measure.

Good Economy is the economy that keeps the resources and value within the community, and our case studies show that quite often all that is needed is for the resources to be recognised as such.

Almost all of the initiatives featured in the report take as a starting point something that is already freely available but was not previously put to good use – it could be used bicycles and discarded clothes (usually seen as waste), or useful knowledge and skills already present within the community and gladly shared.

Some of these enterprises are limited companies, some are cooperatives, NGOs/charities or informal initiatives. Some are completely self-financed and employ numerous staff, some are entirely reliant on volunteering. This diversity is acceptable and even desirable, and the selected enterprise models are each successful in their own way.

At this moment Good Economy in Croatia is not a theory, a patent or a strategy – it is these positive initiatives' practice and reality, applicable and replicable by other communities as well.

Through this report on exemplary examples we wish to share these good ideas. Even though it is clear that in this country Good Economy is growing organically, we wish to give it an extra boost.

If you speak Croatian, you can read [the complete report in Croatian](#), with an additional 5 case studies. Contact us via [ZMAG](#).

The case studies

Here are the Top 5 Good Economy enterprises in summary, and the full case studies follow.

Humana Nova social cooperative from Čakovec employs people with disabilities and individuals from groups susceptible to social exclusion, in manufacture and selling of innovative and quality textile products made from eco-friendly and recycled materials – mostly used clothes and other textiles collected locally.

Biciklopopravljaona is a bicycle-repair project in Zagreb, running under the support od Green Action (Friends of the Earth Croatia). It secures the working space and all the tools required to repair a personal bicycle. The service runs on the DIY principle, and the use of the workshop as well as expert volunteer help, is free to all. As the workshop users acquire the repair skills, they volunteer their time on the project in turn.

Rodin let is a limited company owned entirely by the association Roda (meaning Stork; also Croatian acronym for Parents in Action), and **Rodin let** (transl. Stork Flight) manufactures and markets cloth nappies and baby accessories, as well as promotes their use. It is based in Zagreb and is locally well known as a successful and inspiring example for transition social enterprise.

Otok Krk (transl. Island of Krk) was the first community energy cooperative in Croatia. Among the co-owners are private individuals, the City of Krk, and the local utility company which features PV solar power plant on its recycling facility's roof. The cooperative aims to make renewable energy and energy efficiency equipment available to every home, institution or a company on the island.

CSA Pula connects local organic producers and the community members in the city of Pula willing to support them. The initiative includes three informal consumer cooperatives for fresh food, as well as the organic farmers' market, the first and so far the only one of the kind in the country.

Humana Nova Social Cooperative (Čakovec)

www.humananova.org

Humana Nova actively employs people with disabilities and other groups susceptible to social exclusion, in manufacturing and sales of quality innovative textile products made of eco-friendly and recycled materials – mostly used clothes and other textiles collected locally.



In short, what are your mission and your goals?

Our goal is to include marginalised groups into the employment market and contribute to the local community's sustainable development through donations and reinvestment of the profit into developmental programmes. To use recycled non-toxic materials in the production process, to use the resources responsibly, to educate and inform the public on the importance of reuse and choosing healthy and environmentally friendly products. Our products are a response to the real needs of the users, and woven in every thread there are the satisfaction and the well-being of our colleagues, cooperative members, the nature and the community. This is how *Humana Nova* contributes actively to the sustainable development of the local community, reduction of poverty, and safeguarding/protection of nature.

How and when did you start? What inspired you to start this enterprise? What is the structure of the enterprise?

Humana Nova is a social cooperative founded in 2011 as a part of the "ESCO – Education for Social Cooperatives" project, run by the Autonomous Centre ACT from Čakovec. The specificity of the *Humana Nova* cooperative is that among the members there are individuals and associations/NGOs who recognised the value of this initiative and the potentials of the inclusion of people with special needs and other socially excluded groups in the production of quality products in demand. The members are prepared to support the start-up activities, the work and the development of the cooperative as well as the local community, through their personal engagement, work and financial help.

How many people work in the enterprise? Employees/volunteers?

The cooperative is at the moment made up by 18 members, and we employ 16 people: of which 6 persons with disabilities, 2 members of an ethnic minority, 4 previously long-term unemployed seniors, 1 highly qualified young textile designer in her first job, 2 long-term unemployed young mothers, and an economist manager. By law we can unfortunately not keep volunteers, but through some of the cooperative members – associations for people with disabilities, occasionally we involve individuals and help them acquire work habits and the sense of belonging and value, at the same time significantly raising their self-confidence level.



Are you financially stable? Are you self-financed?

Our goal is to secure financial sustainability by mid 2014, to earn our first 75000 kuna (ca.10000€) profit by the end of 2014, and to continue investing in new technologies and the development of the cooperative. The cooperative is benefitting from the employment incentives by the Croatian Employment Centre and the co-financing for persons with disabilities by the Professional Rehab Fund, but we are a company like any other on the market, we receive no subsidies, and have to compete on the basis of price, deadlines and quality.

Localisation: are you sourcing and distributing locally?

For the production we use mainly old clothes collected within the community. As one of the few textile producers in Croatia, Čateks from Čakovec is our supplier for most other textile materials, so we can say the sourcing is local. The same is true for our distribution – in our warehouse in Čakovec second-hand clothes can be bought by the kilo, in our *Little Shop* in Koprivnica our recycled and redesigned items are for sale, while the same products are available throughout Croatia through our webshop.

How is the enterprise beneficial to the environment?

In Međimurska County, 540 tonnes of textile waste were landfilled in 2011. In 2012 we collected and found new use for 75 tonnes of textiles, clothes and shoes, through continuous donations in kind by the public, and several larger scale collecting actions we organised. For 2013, in cooperation with local utilities, we set the calendar for collections of textiles, clothes and shoes in Međimurska County; we also installed 10 containers for textiles, clothes and shoes, and those have been well received by the public. Till the end of 2013 (2012 included) we collected 190 tonnes in total. Everything we collect we can reuse, so nothing ends up in landfills – which means we have been very successful in our aim to resolve the local textile waste problem.

How is your work beneficial to the community?

The *Humana Nova* social cooperative is a social entrepreneurship leader, recognised throughout the region. The cooperative's activities have directly contributed to raising the community of tolerance and cooperation, and furthermore helped the socially excluded individuals and their families to improve their confidence and life quality. Just as the community supports us, we donate clothing to families living in poverty in the Međimurska and Koprivničko-križevačka Counties. And through our work and effort we are changing the local perceptions and the behaviour among the public – old clothes are not thrown away any more, but donated to us.

Bicikloopravljona (Zagreb)

bicikloopravljona.zelena-akcija.hr

Bicikloopravljona is a bicycle-repair project in Zagreb, running under the support of Green Action (Friends of the Earth Croatia). It secures the working space and all the tools required to repair a personal bicycle. As the workshop users acquire the repair skills, they volunteer their time on the project in turn. The service runs on the DIY principle, and the use of the workshop as well as expert volunteer help, is free to all.



BICIKLOOPRavljaona

In short, what are your mission and your goals?

We want to help people repair their bike. To promote sustainable transport – with that in mind we organise some other events aside from repairing bikes, such as the yearly "Bicycle Spring Consecration".

To save the resources and promote economical use of the resources through collections and further donations of used bicycle parts. To raise public solidarity by making it easier for the members of the community to offer their services to each other for free, to share their skills and knowledge for free, etc. In the end, to help people save money.

How and when did you start? What inspired you to start this enterprise? What is the structure of the enterprise?

Bicikloopravljona is an initiative of *Green Action* (Friends of the Earth Croatia), an NGO. The main motivation was to promote sustainable transport and to promote reuse. The project started during the summer 2009.

How many people work in the enterprise? Employees/volunteers?

One person employed in Green Action dedicates a small part of his work time to managing the bike repair project. In the last 6 months one Green Action intern has also been reserving a small part of the work time for the project. There are around 15 regular volunteers as well.



Are you financially stable? Are you self-financed?

We could say that the project is financially stable, but is not entirely self-financed. We receive completely non-obligatory donations from the workshop users which suffice for the renewal and upkeep of the tool collection, as well as for regular supplies (such as tyre patches, oil etc). However, the costs of the utility bills and the rent could not be covered through these donations alone, and are paid from the *Green Action* budget. Moreover, a considerable proportion of the tools used by the bike workshop now, have been purchased for the needs of other *Green Action* projects. One professional employed in *Green Action* coordinates the bike repair project, which is also important for its success.

Localisation: are you sourcing and distributing locally?

The production (or in our case service) is entirely local. Distribution is also local. The bicycles and the old parts we collect and reuse have all been locally sourced. The tools we use are mainly not locally made, but a large proportion of them are sourced from Slovenia, so they haven't travelled far :). Other supplies such as oil or patches also cannot be sourced locally.

How is the enterprise beneficial to the environment?

We believe that the initiative encourages people to use their bikes; that it makes the repair cheaper and offers them the opportunity to learn how to do the bike repairs themselves. It prevents usable bike parts from being discarded, and quite frequently, saves entire bikes from being thrown away and wasted. Some older bicycles, much disliked by professional bike repair shops, have been put back to use in our workshop.

How is your work beneficial to the community?

People get an opportunity to receive a service, and sometimes a bike part, for free. People get an opportunity to volunteer – to help others. We believe this contributes to the improvement of social solidarity in our community.

Anything else you want to add?

We recently celebrated the 3000th repair. The workshop is open to the public every Thursday 5 p.m. to 8 p.m., no appointments are necessary, and on average we complete 20 repairs per shift.

Rodin let (Zagreb)

www.roda.hr ; webshop.roda.hr

A limited company owned entirely by the parents' association *Roda* (meaning Stork; also Croatian acronym for Parents in Action), *Rodin let* (transl. Stork Flight) manufactures and markets cloth nappies and baby accessories, as well as promotes their use. It is based in Zagreb and is locally well known as a successful and inspiring example of a transition social enterprise.



In short, what are your mission and your goals?

Roda's social enterprise's mission is to motivate the buyers to intentionally choose socially responsible producers and products whose added value enriches the community in multiple manners and returns a proportion of the value to the community; to contemplate on the impact of their choices on our health and the environment, to demotivate consumerism through the supply of the products that are repeatedly reusable, recyclable, and that can be passed on.

How and when did you start? What inspired you to start this enterprise? What is the structure of the enterprise?

Over the course of many years, due to our wish to secure a stable and continuous income for the association, a form of social enterprise has been developed that entirely follows the organisation's values, goals and the mission. The nappy project – from sewing to sales and marketing, started by turning one of *Roda*'s missions into a product – from 2004 we have been promoting the use of cloth nappies as a better option for the babies, the environment, and the parents' budget. The idea that we should start making the product we had been promoting simply imposed itself. Towards the end of 2012, out of several organisational reasons and the fact that the enterprise, by its size and its results, outgrew the legislative frame set for NGOs (*Roda* being one of them). *Roda*'s social enterprise separated into a limited company – *Rodin let*, owned 100% by the association. The aim was to enable us to reach faster and more effectively a larger number of customers with the products, services and indirectly – our activities.

How many people work in the enterprise? Employees/volunteers?

The project was conceived for unemployed mothers who could sew the nappies at home. This is why we involved our members and volunteers who could offer different skills – they designed the cuts, they sewed the nappies, and tested the new designs. However after a while, making nappies at home turned out to be a bad idea, since we could not meet our customers' expectations any more. Hence we moved the production over to a special workshop in Varaždin, which predominantly employs people with disabilities. Now we employ 2 people directly, and 4 more people in the sewing workshop, and we redirect a part of the profit to the *Roda* Association.



nove rodine majice



Are you financially stable? Are you self-financed?

The project started with the help of the AED (Academy for Educational Development), and then while we were still working under the *Roda* Association (till 2012) the project was supported by the international organisation NESST (Nonprofit Enterprise and Self-Sustainability Team) who provided educational help and advice. Since we have become a separate company (*Rodin let*), the first year we made profit is behind us.

Localisation: are you sourcing and distributing locally?

The cloth nappies and other products we not only manufacture locally, but we select our partners exclusively among socially responsible and socially sensitive enterprises – the Protective Workshop from Varaždin, and the social cooperative Humana Nova from Čakovec. The distribution of our products is also local. Unfortunately, the textile materials needed for nappy production are extremely difficult to source in Croatia, and even with our great wish and effort we have not found a local supplier. We source most of the cloth abroad, natural materials not chemically treated.

How is the enterprise beneficial to the environment?

Our whole production output aims to motivate the customers to use natural materials, to recycle and reuse. Naturally, the cloth nappy users directly reduce the amount of waste that would otherwise be landfilled – an average baby usually leaves behind approximately 1 tonne of single-use nappies, and those nappies make up 5% of total waste in Croatia. Just a piece of data for further thought – there are 40000 newborn babies in Croatia every year...

How is your work beneficial to the community?

We inspire and motivate others to apply the socially responsible business model, and we share our skills and experience. Lately we have been working together with some educational institutions, with the aim to inform and educate young people about social entrepreneurship. At the same time, we secure paid work for people with disabilities, and a part of our profit goes back to the association *Roda* – enabling the activities which are free to the final user, the community.

Anything else you want to add?

We have done our best and are trying every day to find the cloth materials and producers in Croatia. If you know somebody, we'd be very grateful if you could connect us!

Otok Krk Energy Cooperative (Island of Krk)

<http://ezok.hr>

The renewable energy cooperative **Otok Krk** was the first community energy cooperative in Croatia. Among the co-owners are private individuals, the town of Krk, and the local utility company which features a PV solar power plant on its recycling facility's roof. The cooperative aims to make renewable energy and energy efficiency equipment available to every home, institution and company on the island.



In short, what are your mission and your goals?

Our goal is to realise as many solar energy projects as possible on the island of Krk and further away, to contribute to protecting the environment and the climate, and to Krk's sustainable development and the development of tourism activities as the main branch of the island's economy. To inspire others to use renewables in order to lessen and eventually eliminate the islanders' dependence on the disappearing and more and more expensive fossil fuels. We would like the island of Krk to become recognised on the tourist market as a destination with responsible relationship to the environment and the climate.

How and when did you start? What inspired you to start this enterprise? What is the structure of the enterprise?

The town of Krk and all the municipalities on the island entrusted the utility Ponikve to expand into the energy field and explore the possibility to generate from renewable resources as much energy as the island tends to spend. As this would be unrealistic without as many local people as possible coming on board, we came up with the idea of associating into a cooperative. This kind of cooperation would help all the island's inhabitants to install photovoltaic panels on their roofs, parking lots etc, at a significantly smaller cost more easily than before.

The cooperative's task would be to educate the locals, to assist with paperwork, to obtain cheaper loans, and later start with communal investment into energy generation from different renewables. We would also aim to secure some jobs. It immediately became clear that founding a cooperative would be a complete win situation, regarding the savings both with buying the equipment and the paperwork – we managed to reduce those expenses by 2.5 to 7 times! The cooperative was founded in July 2012, and we immediately began our activities and education work.



How many people work in the enterprise? Employees/volunteers?

There were 19 founding members, and now we are 31. We have 270+ expressions of interest from possible future members. All are volunteers, we still do not have any salaried positions.

Are you financially stable? Are you self-financed?

For now we do everything on volunteer basis, we have great plans, but unfortunately have to wait for the state regulation to call off the quotas for new solar installations.

Localisation: are you sourcing and distributing locally?

We are still not producing jointly. We have lots of individual PV system projects on our roofs – the cooperative helped with the paperwork for photovoltaics, obtaining non-returnable funds for solar water heaters, gas tanks and heating boilers running on natural gas, wood chips and pellets... One of the cooperative members, the utility company *Ponikve*, can be proud to have installed a 136.3 kW solar power plant on the roof of the local waste recycling facility.

How is the enterprise beneficial to the environment?

It is clear that the harmful CO₂ emissions are being cut by the local energy generation from renewables, for we are less dependant on fossil fuels, and less energy is wasted in transport. The energy cooperative is making an even bigger impact on the environmental and climate protection by inspiring the island's inhabitants to install renewable energy systems independently.

How is your work beneficial to the community?

This is a good example of a local authorities and a utility company coming together with private individuals, with the same goal. The cooperative helps the community members save money while investing in renewable energy systems, but particularly important here are also the interconnections within the community and the sharing of knowledge and information. We are in the process of preparing the paperwork for an energy educational centre, which would focus on renewable energy sources, energy efficiency, sustainable building and sustainable transport, water savings and waste sorting, as well as provide charging stations for electric bikes and cars.

Anything else you want to add?

We aim to become the first island, as well as the first region in Croatia that is energy independent and with zero CO₂ emissions.

CSA Pula (Pula)

www.solidarna-pula.com

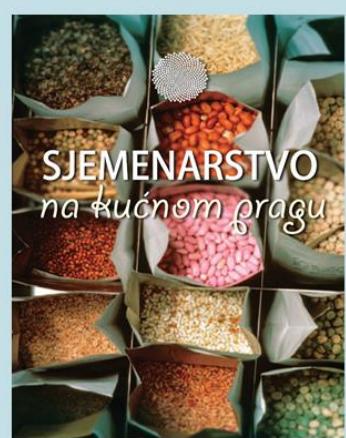
CSA Pula connects local organic producers and the community members in the city of Pula willing to support them. The initiative includes three informal consumer cooperatives for fresh food, as well as the organic farmers' market, the first and so far the only one of the kind in the country.



AUTOR: GRUPA AUTORA
Grupe solidarne razmjene



AUTOR: SUNČANA PEŠAK
Održiva potrošnja



AUTOR: SUNČANA PEŠAK
Sjemenarstvo

In short, what are your mission and your goals?

The mission of our CSA group is to keep the chain of immediate sale/buy of agricultural products as short as possible. Our goals for the immediate future could be defined as follows: to explore the legal issues in more detail and find a lawyer; to research which products we still do not have on offer and arrange the collaboration with the producers; to organise themed events on our organic market according to seasons; to introduce practical workshops for the group members; to start open-door events at the farms; to secure a free veggie box for our jobless members, in return for help on the farms.

How and when did you start? What inspired you to start this enterprise? What is the structure of the enterprise?

Our CSA group is an informal citizens' initiative, and everything started with the project Fine Threads of Local Development run by ZMAG Association (Green Network of Activist Groups). From the beginning of the first group which started in 2012 till today, a large number of members have been involved in the CSA Pula organisation, and they have given their everything to create the system we have today.

We have also had support from the City of Pula they let us use a public space that a long time ago was planned for a marketplace but never took hold as such, before now. We could say that our members are activists aiming to revive the use of public spaces with the intention of increasing the social capital and the benefits for the community, as this activity provides an added value for this part of the city. In fact, everything followed logically since the organic producers were not particularly visible with their produce on the main Pula market, their produce swamped by all kinds of fruit and vegetables of dubious origin sold on the stalls around them.

Through starting the organic market, on one hand we wanted to make the food shopping easier for

the locals who looked for organic produce, and at the same time to become prominent as the only city in Croatia so far with an organic food market.



How many people work in the enterprise? Employees/volunteers?

There is no fixed number, it depends on current needs; but there are between 5 and 10 volunteers at any given time. No employees, but the community supported buying of produce supports several local growers and producers.

Are you financially stable? Are you self-financed?

This year we've agreed the group budget for the 1st time, we self-finance for all the current needs.

Localisation: are you sourcing and distributing locally?

The vegetables, honey, grains and essential oils are entirely local; the fruit is sourced from Slavonia (a region to the north-east), since there are no organic fruit growers in our area. Some other stuff we can't find locally either (eg. organic seeds), so we occasionally make trips to Italy. As for the distribution, it is local and reaches up to 120 km from our farm units.

How is the enterprise beneficial to the environment?

One of the impacts of our CSA is certainly the promotion of organic agriculture and food justice on the market, as well as advocating for the local development – in the sense that we encourage the redefinition of the word "development". The development we advocate for should really lead to sustainability, and not entail the massive and inefficient exploitation of natural resources at the expense of both the present-day and future generations' quality of life.

How is your work beneficial to the community?

We want to develop communication skills, trust and cooperation among the local community, for we believe that these precisely are the foundations and basic preconditions for a community. This encouragement of the cooperation on how to create a more just and a more sustainable food system has been shown to strengthen the community socially and economically, and to prevent the traditional relationships and values on the local market from being forgotten.