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SOCIAL AND SOLIDARITY ECONOMY INITIATIVES AND LOCAL DEVELOPMENT IN PERIPHERALISED AREAS OF GERMANY AND HUNGARY

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SOCIAL AND SOLIDARITY ECONOMY INITIATIVES AND LOCAL DEVELOPMENT IN PERIPHERALISED AREAS OF GERMANY AND HUNGARY

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List of Abbreviations

CEE	Central and Eastern Europe
CR	Critical Realism
CS	Case Study
CSO	Civil Society Organisation
EAFRD	European Agricultural Fund for Rural Development
ERDF	European Regional Development Fund
ESF	European Social Fund
HCSO	Hungarian Central Statistical Offic
HEKS	*Hilfswerk der Evangelischen Kirchen Schweiz*, the relief organisation of the Protestant churches in Switzerland
LHH	*Leghátrányosabb helyzetű kistérség, "least privileged micro-region"*
Ltd	Limited Liability Company
MNE	Ministry of National Economy
NCA	National Civil Fund (Hungary)
NGO	Non-governmental Organisation
NPO	Non-profit Organisation
PAR	Participatory Action Research
SBI	Social Business Initiative
SME	Small- and Medium Enterprises
SSE	Social and Solidarity Economy
SE	Social Enterprise

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1 Introduction

1.1 Aims and motivation

Being raised in a village within the agglomeration of Budapest implied certain privileges. Both from an economic and a social point of view our village benefitted from its geographical proximity to Budapest. As the local agricultural cooperative closed down due to the restructuration of the agricultural sector, after the second half of the 1990s international companies started to move to our micro-region. Jobs became available locally again and for those who aimed to earn better salaries it was possible to commute to Budapest. Cheap property prices, good public transport and the proximity of the motorway also attracted young middle-class families to our village.

As a child, I[1] attended a public kindergarten and state school, where I had both Roma and non-Roma classmates coming from both underprivileged and (lower) middle-class families. Based on my childhood memories and experiences such as playing in the woods, biking and skating, going over to cousins or friends to play, I developed a certain romanticised picture about villages. This picture was destroyed during my first field trip organised within our rural development seminar of my *"Regional and environmental economics"* MA to remote, small villages of Northern Hungary. I saw villages where (lower) middle-class families had already moved out and where underprivileged, mainly Roma families lived. Children in these villages had very little or no access to good quality education that may have provided them a chance to break out from deep poverty. Since the regime change generations have grown up without having access to formal employment, more families in severely peripheralised villages live without electricity or a bathroom or take usury credit. I was confronted with the reproduction of deep poverty. To see the hopelessness of people living in those villages was an overwhelming experience. Before our field trips, I did not think that regional inequalities may be so immense within Hungary and how privileged I was being born in a village close to Budapest. Due to this experience I became interested in rural development.

Next to my raising interest in regional inequalities and rural development I also got acquainted and fascinated with disciplines bringing the environmental dimension into economics, such as environmental economics or **ecological economics**. While environmental economics belongs to orthodox economics and aims to bring environmental issues into decision-making through quantifying nature, ecological economics belongs to heterodox economics and it formulates a critique of neoclassical economics with an aim to contribute to a socio-political transformation. Environmental economics as a sub-discipline of orthodox economics has a limited ability to explore environmental critiques as it remains within the neoclassical framework and therefore tends to defend that paradigm (Spash 1999, 414). Biodiversity, ecosystems and the resources humans build into their culture are all something more than useful components of a welfare-generating economic system (ibid.). For this reason as an economist I position myself in ecological economics. I see ecological economics

1 Even if some writers and editors may assert that using personal pronouns and an active voice implies narcissism on the part of the author, as qualitative research, particularly ethnography demands the researcher to situate him/herself within the text, to reveal intentions and motivations, an active voice have been preferred throughout the writing of this dissertation. In addition to providing space for self-reflective writing (Kovai 2018, 37–38; Horváth and Mitev 2015, 265), personal pronouns contribute to the readability of a document too. An elaboration on the appropriateness of the personal pronoun in academic writing can be found under the following online forums about scientific writing: *https://languagetips.wordpress.com/2010/04/22/language-tips-methodologic-or-methodological-first-person-and-passive-voice-in-scientific-writing/* (last date of access on 15.08.2018) or *https://www.researchgate.net/post/Should_I_use_either_we_or_I_in_my_thesis* last date of access on 15.08.2018.)

as a transdisciplinary movement shedding light on the interdependence between nature, society and economy, therefore aiming to integrate the environmental and social dimensions to economics.

While the ecological economics we got engaged with during my university studies is built on *"deep ecologics"* and has biocentric ethics, environmental economics has anthropocentric ethics and is built on what Arne Naess would call *"shallow ecologics"*. Similarly to the ecological movement, the ecological economics movement has reached a parallel with the concerns Naess had for ecology in the early 1970s (Spash 2013, 351):

> *"The emergence of ecologists from their former relative obscurity marks a turning-point in our scientific communities. But their message is twisted and misused. A shallow, but presently rather powerful movement, and a deep, but less influential movement, compete for our attention."* (Naess 1973, 95)

Ecological economics – Spash (2013) proposes to use the term *"social ecological economics"* to emphasise its distinctiveness from orthodox economic foundations – has been able to develop more freely in Europe than in North America and has naturally evolved a socio-economic perspective, which in many ways reverts to a political economy of the past (Spash 1999, 415).

My interest rose towards the political dimension of environmental and social studies. After my MA I got inspired by **political ecology**, which focuses on the social, political and economic background of environmental challenges. A one-year-long human ecology course lead by Professor Dr. András Takács-Sánta, the director of the Human Ecology MA at Eötvös Loránd University Faculty of Social Sciences, influenced my thinking during my PhD. During this course I got engaged in understanding the current social and environmental crises[2] and in exploring the possible ways out of these crises. Rural areas appeared to be as possible and promising spaces of experimentation in building up small, strong and resilient communities that may contribute to a socio-political transformation. As a reseracher I identify myself with *"political ecology's normative commitments to social justice and its methodological commitments to place-based research"* (Blaikie and Brookfield 1987, Robbins 2004, Forsyth 2008 in Turner 2014).

Both political ecology and ecological economy (as we approached it) are epistemologically resonant with **critical realism (CR)**. CR is not itself a theory of society, but a philosophy of science, a theory of what (good) science is and does (Gorski 2013, 660). Roy Bhaskar, in whose work critical realism is grounded, provides the best available starting point for anyone interested in a post-positivist and post-poststructuralist vision of social science (ibid., 668). Critical realists believe that structures are *"real"* their effects can be demonstrated in causal connections in the material world. These structures also constrain agency, but they also simultaneously enable agency by providing the framework within which people act. Such agency reproduces or occasionally transforms the structures it occurs within (Brewer 2000, 50). For critical realists, the aim of science, both natural and social, is the identification of the structures and mechanisms which generate tendencies in the behavior of phenomena (Porter 2001, 242).

Next to feminists or marxists, critical realist ethnographers aim to emancipate certain marginalised groups too. The political agenda of empowerment is interlinked with the capability (or capacities) approach (Sen 1999,

2 Amongst the *main environmental challenges* we discussed the issue of deforestation, climate change and its effects on the intensification of the water cycle, stratospheric ozone depletion, air pollution, biodiversity declines, whether humanity will have enough food or the relationship between fresh water supply and armed conflicts. Amongst the *social background of the environmental conflicts* we touched upon the causes and consequences of biodiversity declines, the tragedy of the commons, alternative energy sources and fossil fuels.

Nussbaum 2006). Even though certain local actors of remote, small settlements might be marginalised, from the perspective of the capability approach they do have an agency. In spite of the several factors that may limit the autonomy of marginalised people, capabilities scholars recognise them as autonomous agents. Capabilities scholars understand autonomy relationally and believe that duties of protection to mitigate vulnerability must be informed by the overall background aim of fostering autonomy whenever possible (Mackenzie 2014a, 41).

Autonomy and empowerment are thus central notions of my conceptual framework, in which I am relying on a normative understanding of a multi-dimensional local development that I link to processes of peripheralisation *(see Chapter 2)*. A multi-dimensional local development approach serves as a theoretical lense to understand social and solidarity economy initiatives[3] emerging locally to counteract processes of peripheralisation. This multi-dimensional approach to local development includes not only the economic dimension, but social, political and environmental aspects too.

Through the lens of this multi-dimensional local development five case study social enterprises will be analysed (2 from Eastern Germany and 3 from Hungary). To understand the cases in depth and from the perspectives of the initiators, as well as from the perspective of their target group (often marginalised people), ethnographic methods will be applied *(see in Chapter 4)*. Accepting the basic theoretical assumption of critical realism that human action is enabled and constrained by social structures, but this action, in turn, reproduces or transforms those structures one might reject both methodological individualism and methodological situationalism. While methodological individualism might not provide a sufficient mode of explanation, methodological situationalism might provide too weak conception of structure (Porter 2001, 241). For this reason within critical realism ethnography is not used as a methodology, but as a collection of methods. Ethnographic techniques of data collection are used within the model of critical realism to investigate the nature of generative structures through examination of social phenomena (ibid., 242).

Based on semi-structured interviews, field notes and documentary analysis, the question will first be explored how *"my"* case study rural social enterprises define their challenges and mission under the conditions of peripheralisation *(see Chapter 5)*. The case studies provide an in-depth view on how peripheralisation is lived on the local level, both from the perspective of individuals and the perspective of the organisation. Through the lenses of the stakeholders of social and solidarity economy initiatives one can better understand and differentiate the multi-dimensional and multi-scalar dependencies of the inhabitants and organisations of peripheralised areas.

After having a view on how peripheralisation is manifested on the local level, the interplay between organistaional (political) autonomy and resource-mix strategies will be elaborated on. Relational autonomy and heterodox economics (inspired by Polanyi 1971a and 1971b, Laville 2014, Coraggio et al. 2015 or Gibson-Graham et al. 2013) help to map the interplay between the level of organisational autonomy and access to financial resources *(see Chapter 6)*. The ratio of market and non-market resources of the case study rural social enterprises will be analysed together with their organisational autonomy. The non-monetary resources of the case study social enterprises will be analysed through the lenses of individual and collective autonomy, as these notions help to better understand in what ways social and solidarity economy initiatives of peripheralised areas can build on the capacities of the locals.

3 There are different, sometimes conflicting agendas and narratives behind social enterprise research (Mihály 2017). In this work, social enterprise and social and solidarity economy initiatives are interchangeably used and all refer to place-based, non-profit initiatives of local development. Chapter 3.2 expands on the context of social and solidarity economy in Central and Eastern Europe.

To better understand in what ways rural social enterprises may counteract processes of peripheralisation, studying their empowerment capacity is a key issue *(see Chapter 7)*. Even if direct democracy is not reducible to a mere procedural mechanism for making decisions (eg. Bayon et al. 2010 in Asara, Profumi and Kallis 2013, 235), studying how decisions are made within a social enterprise advances one's understanding of how power is distributed within the initiative and thus in what ways the initiative is capable of empowering its marginalised stakeholders. As failures of recognition are quite typical in social relations involving domination, or inequalities of power, especially when these are inflected by gender, race, ethnicity, or disability (Mackenzie 2014a, 44), the empowerment capacities of social enterprises regarding Roma, and particularly Roma women, will be highlighted too. Roma are particularly affected by social and spatial marginalisation in many Central and Eastern European countries (for the Hungarian situation see eg. Nagy et al. 2015a and b, for the Slovakian situation see Scheffel 2005).

Finally, aspects of environmental consciousness and environmental impact will be studied on the individual as well as on the organisational level. On the individual level environmental consciuousness will be studied with regard to social exclusion and capitalist consumerism. On the organisational level the integration of environmental aims into the strategy of the initiatives and environmental considerations in their daily operation will also be reviewed *(see Chapter 8)*.

1.2 The relevance of the research

The post-socialist transformation process has resulted in a massive social and economic crisis (eg. in Leibert 2013) and an extremely polarised regional development where the *"rural peripheries"* stagnate on a low level or fall even further behind (eg. in Smith and Timár 2010, 116). Parallel to the increasing socio-spatial inequalities the faith that social economy and social enterprises may provide solutions for long-term unemployment or the reproduction of poverty is growing as well (Schomaker 2016, European Commission 2011, UNDP 2008). In addition to the provision of welfare services, local development-related services, such as water supply, public transport and electricity are expectations towards CEE social enterprises that are less or not at all expressed in a Western European context (UNDP 2008, 31). Even though the need for social enterprises is seemingly higher in the CEE in comparison with Western Europe, state, market and the third sector seem to face more serious challenges than their Western European counterparts:

- Public authorities face *"strict budget constraints"* and have *"severe shortcomings that characterize public-service delivery"* (UNDP 2008, 31).
- Third sector bears the legacy of state socialism as associations and foundations were dissolved in most countries of CEE, cooperatives were transformed into quasi-public organisations and became pillars of the newly-established economic system and new mass organisations were created top-down with the goal of promoting the interests of the totalitarian states (Galera 2009, 254; UNDP 2008, 35).
- As for market economy, *"capitalist institutions proved ill-adapted to the local economy"* and *"transition countries were hit by a recession of unprecedented severity"* (UNDP 2008, 37)

Through an in-depth study of internationally selected rural social enterprises this research aims to better understand what potential social and solidarity economy initiatives can offer in order to counteract peripheralisation. Autonomy and empowerment are key concepts in this endevour. Reviewing how contextual factors influence

individual, collective and organisational autonomy and access to financial resources may advance and differentiate the understanding of the room for manoeuvreability for rural social enterprises in local development. Shedding light on the empowerment capacity of rural social enterprises may enhance the understanding on how and to what extent rural social enterprises can contribute to the deperipheralisation of people, groups and areas.

1.3 Acknowledgements

I would like to dedicate this work to Prof. Dr. Éva G. Fekete, who was a beloved colleague and mentor for me and whose passing in April 2017 is an incredible loss. Éva was a respected and recognised researcher and practitioner of Hungarian rural development, a professor at the University of Miskolc and former head of the Northern Hungarian Department of the Centre for Regional Studies at the Hungarian Academy of Sciences. Throughout her work Éva stood for the advocacy of the socially and spatially marginalised. Participating in the Margó Case Study competition as a university student, regularly attending the Periphery Summer Schools in Irota, a remote, small settlement in Northern Hungary, or working together with her within the ICSEM project was really inspiring for me.

I am grateful to Prof. Dr. Sebastian Lentz, my academic supervisor, for his supportive and emancipatory approach on our supervisory meetings and to the insightful feedback on my research. In addition to my official supervisor I am also thankful to my research fellows and senior researchers of the RegPol² Project, especially to Dr. Thilo Lang, Dr. Erika Nagy, Dr. Judit Timár and Dr. Gábor Velkey for their valuable feedback on my work.

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2 Theorising peripheralisation and local development

To better understand the challenges of remote rural areas in structurally disadvantaged regions the concept of peripheralisation will be introduced. To overcome the challenges which are grasped through the concept of peripheralisation light can be shed on local agency and its potential in counteracting peripheralisation through creating social and solidarity economy initiatives. Social and solidarity economy is used on the one hand to inform a theoretical lense through which a form of local development can be outlined that has the potential to counteract processes of peripheralisation. On the other hand locally-emerged not-for-profit initiatives will be labelled as social and solidarity economy initiatives or as rural social enterprises (the two concepts are used interchangeably).

2.1 Peripheralisation, a multi-dimensional, self-reinforcing process

To better understand socio-spatial inequalities and regional polarisation, spatial researchers are turning to the concept of *"peripheralisation"*. While *"periphery"* is a rather static notion, with the term *"peripheralisation"*, the dynamics behind processes in which *"peripheries"* are produced through various social relations can be grasped (Kühn 2014, Liebmann and Bernt 2013, PoSCoPP 2015). While researchers who focus on peripheries are interested in remote locations or spaces with sparse populations, with the notion of peripheralisation the political, economic, social and communicative processes through which peripheries are made can be grasped. Based on this multi-dimensional approach to peripheralisation, peripheries are not only determined by geographical location or the quality of the transport infrastructure (Kühn and Weck 2013, 24), but they are also socially produced, through the processes of peripheralisation, which are driven by various actors. Peripheralisation is the result of purposive decisions and their – often unintended – side effects (Leibert and Golinski 2016, 257). Based on this multi-dimensional approach, peripheries are produced and reproduced through mechanisms of selective migration, disconnection, dependence, stigmatisation (Kühn and Weck 2013, 24) and social exclusion (Leibert and Golinski 2016). A person, a group or an area might all be subjected to the process of peripheralisation (Meyer and Miggelbrink 2013, 207).

Consequently, peripheralisation is not an independent process, but a logical consequence of centralisation (Leibert and Golinski 2016, 257). Centralisation and peripheralisation are charachterised by antithetic socio-spatial processes, such as autonomy-dependency, inclusion-exclusion, hegemony-stigmatisation, growth-decline, in-migration-out-migration of the middle-class (Kühn 2014, 375). Centralisation therefore results in the concentration of people, economic and political power and infrastructure in metropolitan regions at the expense of other, often rural regions.

2.1.1 DIMENSIONS OF PERIPHERALISATION

Based on Kühn and Weck (2013) Leibert and Golinski (2016) distinguishes four dimensions of peripheralisation, such as out-migration[4], disconnection, stigmatisation and dependence. However, the notion of social exclusion

4 Based on empirics in Hungary peripheralisation manifests not only as the selective out-migration of the middle-class population, but as the selective in-migration of rural poor. For this reason, instead of out-migration, I refer to this dimension of peripheralisation as selective migration.

is very much interconnected with dependence; Leibert and Golinski (2016) propose to look at social exclusion as a distinctive dimension of peripheralisation. Analysing social exclusion distinctively from dependence helps to better understand prepheralisation as a process of socio-spatial marginalisation. Through distinguishing social exclusion from dependence it becomes easier to look at intersectionalities and direct the focus of this research on those people and groups who are marginalised in several nexuses (based on gender, place, ethnicity or class). While stigmatisation grasps the discoursive dimension of peripheralisation, selective migration, disconnection, dependence and social exclusion grasp the material dimensions of peripheralisation.

a. Stigmatisation

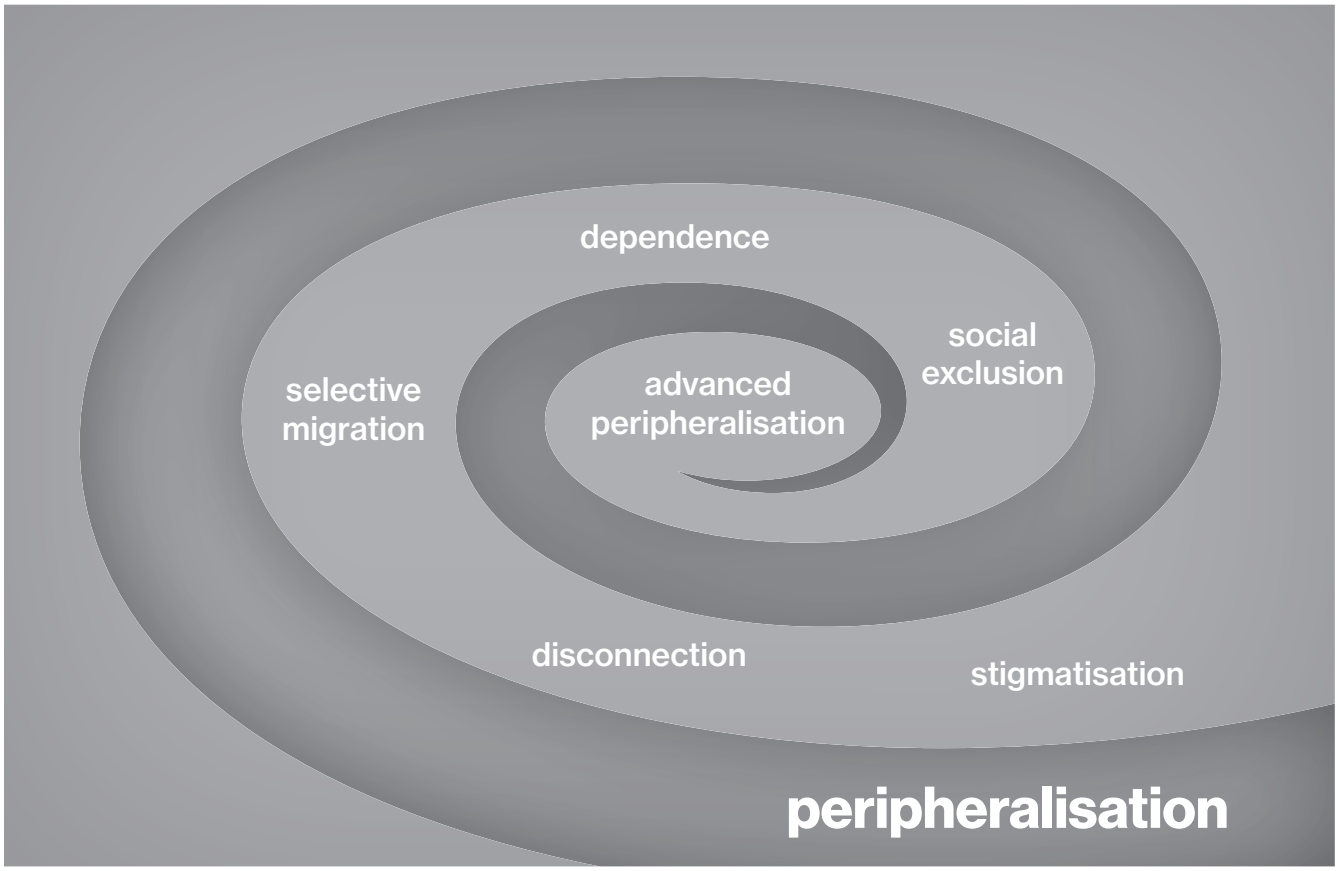
Beyond socio-economic processes, studying the way peripheries are produced one has to consider the role of negative and stereotypical images (Beetz 2008, Bürk 2013, Fischer-Tahir and Naumann 2013, Meyer and Miggelbrink 2013 and 2015, Plüschke-Altof 2017a). Areas, people and groups can all get subjected to discoursive peripheralisation (stigmatisation).

Local development research (Pike et al. 2006 and 2007) or regional development policy (Lang 2013, 2015, 176) is always normative (even if its arguments are based on empirical data) and framed by individual and collective values linked to specific understandings and conceptualisations of development, desired policy outcomes and funding priorities. *"Such understandings, conceptualisations and priorities can be seen as the results of discourses linked to particular governance arrangements which are only partly state-led."* (ibid) As perceptions of desirable forms of socio-spatial development are socially constructed and are only partially the results of rational reasoning, areas, groups and people can get subjected to stigmatisation in development discourses. In certain development discourses, through overlooking the structural processes (e.g. shrinking role of the state in infrastructure provision, economic restructuring) causing structural disadvantages, remote rural areas get stigmatised as *"declining", "backward", "lagging-behind"* or *"non-innovative"*. Koobak and Marling (2014) show that depicting peripheries as lagging behind and in need to catch up stems from a discoursively hegemonised normative development concept that translates spatial into temporal differences. This developmentalism is deeply rooted in both capitalist and socialist modernity (Plüschke-Altof 2017b, 63). Conceptualisations of development, desired policy outcomes and funding priorities shape regional policies and investment decisions. As a result, stigmatised rural villages face economic decline and the shrinking of public infrastructure.

There is a risk that the inhabitants of demographically and economically declining rural regions themselves internalise the negative perception of their villages. Feelings of being left behind and forgotten, of living in a place that has had its days can affect regional identities and lead to senses of hopelessness, a *"mental peripheralisation"* (Kühn and Weck 2013, 39) that blocks innovation and creates isolated milieus as well as increases the apathy of the population (Reichert-Schick 2013, 37 in Leibert and Golinski 2016, 264).

Stigmatisation of areas can therefore make local people think that their locality has *"no future"* and that the only way to counteract peripheralisation is to leave. Individual decisions about leaving on the micro-level and selective out-migration on the macro-level are therefore tightly interconnected with stigmatisation.

Figure 1 Mechanisms of peripheralisation



Source: Elaborated by the author, based on Leibert and Golinski 2016

b. Disconnection

Disconnection can be understood as a progressive distancing of the peripheries from regulatory systems like the state or the market based on decisions made in the centers of economic and political power (Kühn and Weck 2013, 33). Disconnection has an economic and infrastructural dimension (Leibert and Golinski 2016, 261). As an overall result of economic shrinking, finding jobs locally becomes increasingly challenging. Since in most depressed regions business density is particularly low, and only a few industries are present, more firms can use their monopsony power to restrain wages. The labour market may get to a bad equilibrium characterised by low levels of labour force participation and employment, low wages, little job search, frictions and incentive problems (Nagy et al. 2015a, 148).

Infrastructural marginalisation is reflected by the phasing out of public transport and the centralisation of public services, health care facilities, shops and employment opportunities (Leibert 2013, 106–107; Naumann and Reichert-Schick 2013, 159). In an effort to cut public spending, public authorities are less and less willing to provide non-cost-effective basic services in rural regions, while private enterprises are not interested in filling the gap left by the receding state. The shrinking quality and quantity of public service provision is often justified by demographic shrinking (demographisation). The demographisation of social phenomena is a highly persuasive mechanism (Leibert and Golinski 2016, 256), through which demographic trends are increasingly treated as inherent necessities and are used to legitimise reform proposals (Berger and Kahlert 2006, 10).

c. Selective migration

The stigmatisation of peripheral rural villages as *"backward"*, *"lagging behind"*, *"having no future"* can lead to individual decisions to leave. Out-migration is a selective process, as those people leave first, who have the financial, human and social capital to do so. The causes of selective out-migration can be rooted in the economic and infrastructural disconnection of an area. Due to the long-lasting, severe economic crisis that characterised peripheral rural areas in CEE and shrinking public infrastructure the inhabitants of these areas could access paid work only through migration. Thus on an individual level migration is considered as *"the only way out from social and spatial marginality and the existing systems of dependencies"* (Nagy et al. 2015, 149). *"Those who stay behind, join the group of those who are marginalised in various social nexuses, and become dependent on local agents and institutional practices"* (ibid.).

As a result of selective out-migration, the autonomy capacity of an area decreases as well, as well-educated, qualified young people are amongst the first to leave.

Beyond selective out-migration, cheap housing in peripheralised areas resulted in the selective in-migration of poor, dominantly Roma families in Hungary (Lennert et al. 2014). As a result of selective migration, the concentration of immobile population (the elderly, Roma people, the less educated, and the long-term unemployed) can be observed in peripheral rural areas (Leibert 2013, 115). As Roma have a higher birth rate than non-Roma, not just the ratio of elderly people but also of children (under 14) are extraordinarily high in Northern Hungary and other regions characterised by small settlements (G. Fekete 2015, 12). Often, these children (either they consider themselves Roma or society considers them as such) are born in deep poverty, and the Hungarian educational system as well as the social policies, provide little chance for these kids to break-out from poverty (Kertesi and Kézdi 2009, Ercse 2018).

d. Dependence

Dependence is the political dimension of peripheralisation and refers to a spatially organised inequality of power relations and access to material and symbolic goods (Fisher-Tahir and Naumann 2013, 18). The main message of political science theories is that *"peripheries are powerless"* (Kühn 201, 374). It is important to mention though, that a simple dualism between of centre (power) and periphery (powerlessness) neglects the variety of forms of political negotiation apparent in welfare and federal states and democracies (ibid.). The political relation between centres and peripheries on the regional level is marked by conflicts between the central and peripheral elites (ibid., 375). This conflict can have four possible outcomes: suppression of counter-elites, neutralisation, co-optation of counter elites in the periphery or successful replacement of established authorities (Friedmann 1973, 51). Friedmann grasps power through the concept of autonomy and capability: *"To have power is to exercise a measure of autonomy in decisions and to have the ability to carry out these decisions"* (Friedmann 1973, 48). As marginalised communities get limited authority in decision-making processes and consequently their capabilities to participate in decision-making are underdeveloped, the concept of autonomy and capabilities become important in discussing in what ways communities may counteract processes of peripheralisation (for an elaboration of autonomy and the capability-based approach see Chapter 2.2.2)

Based on their embeddedness into various political, cultural or ethnic contexts and historical trajectories the more and less powerful agents are in certain relations with each other and develop strategies, which shape their system of dependencies (Nagy et al. 2015a, 137). Multiple and uneven social relations that weaken integrative mechanisms and social cohesion result in marginalisation (Williams 2005, Sharp 2011 in Nagy et al. 2015a). Marginality under neoliberal capitalism *"manifests in a weak bargaining power in labour market processes and in limited access to public goods provided by the shrinking state that (re)produces poverty and makes it increasingly segmented and exclusionary"* (Nagy et al. 2015a, 138).

e. Social exclusion

The last dimension of peripheralisation mentioned here is social exclusion. It relates mainly to the protection of a certain group's social status in a way that other groups get into a deprived position (Szalai 2002). Social exclusion can be manifested in very high levels of long-term and youth unemployment, child poverty and strong dependency on transfer payments (Leibert and Golinski 2016, 262). Growing social inequalities simultaneously result in and are caused by the polarisation of the economic spatial structure, local communities losing control of their direct environment (and usually on goods connected to local space) and an increasing, widening social group, that is excluded from public services (Nagy and Virág 2015, 173).

Social exclusion is a term that fosters the understanding of peripheralisation. However, not only inhabitants of peripheralised rural areas may be affected by social exclusion. Research shows that many of the inhabitants of peripheralised areas in rural East Germany (eg. Laschewski 2009, Beetz et al. 2008, Beetz et al. 2005, Reichert-Schick 2010) and rural Hungary (Koós 2015, Kovács 2010, 2012; Dusek, Lukács, and Rácz 2014; Pénzes 2015) are socially excluded as well. Intersectionality theory, which is a newly emerging (critical) feminist approach describing the various forms of inequalities through institutional and representational dynamics (Kóczé 2011, 2), helps to better understand how certain factors, such as ethnicity, class, gender or place of residence influence marginality. In line with the intersectionality theory Szalai (2002) argues that two main types of social exclusion connected to a *"shared destiny"* can be distinguished in Hungary. A spatial social exclusion affecting people living in isolated small villages in Northeast and Southwest Hungary. These villages are the result of the unequal historical development of the Hungarian settlement structure and are hit by economic deprivation and high unemployment rate. The other type of social exclusion is ethnic-based and affects impoverished Roma, accounting for approximately 60–80 percent of the total Roma population. Roma inhabitants of isolated small villages experience social exclusion in multiple ways.

To counteract socio-spatial marginalisation, those, who are socially excluded, develop survival strategies that may further reproduce their dependencies. **"Living on benefits"** or diverse economic strategies are amongst these household strategies. As Nagy et al. (2015a, 148) argue the intermingling of socio-political peripheralisation destroyed the community networks that used to work as a *"hinterland"* supporting those who were temporarily excluded from the labour market. Therefore, a typical response from the residents living in peripheralised rural areas is to integrate relying on benefits into their strategies. Welfare benefits may be attractive in a low-employment, low-wage environment, where the net gains from looking for a job and working are modest as the fixed costs associated with them are relatively high (Nagy et al. 2015a, 148). **Informal economic strategies** are other survival strategies to overcome exclusion from economic life. Household strategies and lifestyles relying on social transfers, home production and casual jobs are gaining ground providing

alternatives to employment in the formal sector (Nagy et al. 2015a, 148). Those who cannot rely solely on formal employment to ensure social reproduction turn to diverse economic practices (Smith et al. 2008, Nagy et al. 2015a). Diverse economic practices, amongst others, include informal self-employment, domestic and other unpaid labour, and reciprocal labour (Smith et al. 2008, 298). One of the main ways in which household members attempt to secure a livelihood in the context of economic peripheralisation is through combining several jobs, a kind of *"portfolio employment"*, either in the formal economy, or through work in informal employment (ibid.). Indeed, engaging in additional and informal employment is often not a choice but is widely seen as a necessity to enable individuals to secure a living wage (Smith et al. 2008, 298).

> *"The diverse labour (...) is often rooted in the experiences of state socialism. Many of the practices—from moonlighting, to self-provisioning—developed in the shortage years of socialism, often on the legacies of earlier rural practices (Smith 2002). Yet in post-socialism, they work in articulation with newer forms of labour, liberalised welfare systems and the growing transnational worlds of work to construct a very particular set of labour processes which for increasing numbers raise questions over the ability to ensure social reproduction."* (ibid., 307)

In addition to the households' formal labour market position diverse economic practices rest on a wide range of social and economic assets—social networks, land and property, and claims on the state—which are employed in attempts to develop alternatives or complements to formal employment and integrate not only commodified labour, but also domestic and reciprocal labour. *"These practices cross the boundaries between the formal and informal, the legal and illegal, and the capitalist and non-capitalist and demonstrate the always already articulated nature of these spheres."* (Smith et al. 2008, 306) It also has to be mentioned that certain institutional structures such as the Public Work Programme in Hungary, hinder the inhabitants of peripheralised areas in combining formal and informal work. While certain forms of informal work such as moonlighting in the shadow economy may increase the dependency of the individuals, other forms, such as self-provisioning, eg. backyard farming may increase food self-sufficiency, thus individual and collective autonomy.

2.1.2 ADVANCED PERIPHERALISATION

The above mentioned dimensions of peripheralisation are interrelated and often accelerate each other's effects leading to what I call advanced peripheralisation. In contrast to Wacquant's theory of advanced marginality (Wacquant 1996, 2008), the concept of advanced peripheralisation is used in this work to emphasise that peripheralisation is relational, and among others, national welfare policies, the history of ethnic-based oppression or the ways a locality is embedded into Global Production Networks influence it as well.

Even though the post-socialist transition has resulted in the peripheralisation of remote, rural settlements in structurally disadvantaged areas of Central and Eastern Europe, peripheralisation seems to have different *"stages"*. Based on the national context it affects rural areas to a different extent. While as a result of socio-spatial polarisation processes within the rural spaces of Hungary, economic decline and ethnic exclusion produced contagious *"ghettoes"* in the last two decades (G. Fekete 2005, Smith and Timár 2010, Virág 2010), in the German context the phenomenon of a *"rural ghetto"* does not exist. The notion of advanced peripheralisation helps to underline that there are cases when socio-spatial marginalisation produces *"rural ghettoes"*, which are abandoned by the majority society, political decision-makers or by mainstream economic actors.

The uneven social, economic and territorial development in Hungary created *"internal colonies"* where disadvantaged people, within which Roma are overrepresented, were locked into a *"ghetto"*, or in other words, into socially and economically deprived spaces (Kóczé 2011, 129–130). In the Hungarian Academy, the concept of a *"ghetto"* has been imported from the American social science literature (Ladányi et al. 2004; Virág 2006). Váradi and Virág (2015, 90) applies Wacquant's definition of a *"ghetto"*: (1) The area can be clearly distinguished from the other parts of the settlement; (2) the area and people living there are stigmatised by the majority society; (3) families living in the area moved there not based-on their free decision, but due to an economic, administrative or a symbolic constraint; (4) they use a parallel institutional system, which is hermetically sealed from the majority society. The spatially separated social and institutional system of a ghetto serves on one hand the economic exploitation of the excluded group, on the other hand it protects the majority society from the contact and therefore from the symbolic dangers associated with the people living in the *"ghetto"*. As the notion of a *"ghetto"* can be stigmatising, it has several meanings and it has a different image in the United States and Hungary, the concept of advanced peripheralisation is proposed to refer to the process that Hungarian scholars labelled as *"ghettoisation"*.

2.2 Social and solidarity economy and local development

To go against the various manifestations of peripheralisation, the traditional understanding of local development needs to be questioned (Fischer-Tahir and Naumann 2013). Economic concerns, such as growth, income and employment have historically dominated local development (Armstrong and Taylor 2000). This traditional local development was commonly the subject of the top-down national spatial policy (Pike et al. 2006, 26), grounded in solid macro and micro economic theories (Crescenzi 2011). The priority of economic development leaves socio-environmental issues lagging (Winter 2016, 131) and contributes to further peripheralisation. This raises questions regarding the meaning of local and regional development, while new multi-dimensional approaches towards development arise, which include cultural, political and environmental concerns (Eversole 2014; Evans and Syrett 2007). A new approach of local development needs to be developed through which more light can be shed on the local agency. Social and solidarity economy both theoretically (alternative economic approaches, see in Laville 2014) and empirically (as social movements, such as solidarity economy or community economy see in Miller 2009) have inspired my local development approach, which can be linked to locality studies. Locality studies emerged in opposition to traditional chorology, in which the study of regions degenerated into atheoretical empiricism, the *"new"* regionalism is theoretically informed, although the status of the theory in this regard has been subject to considerable debate (Warf 1989, 178). Given the interest in issues of human agency and social structure, locality is a relevant scale to understand peripheralisation and possible strategies of counteracting processes of peripheralisation.

According to Hadjimichalis and Hudson (2007, 14), social and solidarity economy can be seen as the creator and/or occupier of a variety of spaces which are of no interest to, or which have been abandoned by, the mainstream economy and/or state. They argue that social and solidarity economy can be seen as an alternative to the mainstream, located in the interstices of and/or on the fringes of the mainstream.

> *"The social economy thus constitutes spaces for humane, cooperative and 'alternative' forms of social and economic organisation and forges links with cooperatives, community groups, NGOs and trade unions, not least those experimenting with community unionism, and other longer-established groups seeking to improve the living and working conditions of the mass of the population."* (ibid.)

In the following a normative, political project of local development will be outlined. This three-dimensional (economic, social and environmental) local development approach will provide an integrated analytical framework to better understand social and solidarity economy initiatives of peripheralised areas.

The actors of local development can be the initiators of social and solidarity economy initiatives or social enterprises. From a solidarity economy perspective, when referring to the sustainability of social enterprises it becomes important to go beyond emphasising economic risk and financial sustainability. It is important to broaden the meaning of sustainability to include social and environmental aspects (Coraggio et al. 2015, Cameron 2009, Gibson and the Community Economies Collective 2009, Gibson-Graham 2008, Graham and Cornwell 2009). An ideal social enterprise has consistent commitment towards all dimensions of sustainability, namely the economic, social and environmental.

2.2.1 ECONOMIC DIMENSION

In order to better understand the role of social enterprises in rural development one needs to go beyond a conventional understanding of the economy. Influenced by the alternative economic approaches developed by community economy and solidarity economy researchers, it becomes necessary to look at the informal economy next to the formal. The Polanyian economic approach (applied by solidarity economy researchers) is based on the two meanings of human economy, the substantive and the formal. While the formal economy is based on the logic of rational action and market system (Polanyi 1971b, 247),

> *"(...) the substantive economy derives from man's dependence for his living upon nature and his fellows and refers to the interchange with his natural and social environment. (...) The two root meanings of 'economic' have nothing in common."* (Polanyi 1971b, 243)

In order to be able to grasp the substantive dimension of the economy beyond the formal, Polanyi suggests looking at the economy as an instituted process. Human economy, as a sub-system of society, may be defined as a process of continuous material supply channeled through definite institutions (Polanyi 1971a, 19). These institutions are market exchange, redistribution (non-market) and reciprocity (non-monetary) (see also in Defourny 2014, Gardin 2014). Certain institutional arrangements (symmetrical organisations, central points and market systems) are needed for economic integration to occur (Polanyi 1971b, 251). Reciprocity behavior between individuals integrates the economy, only if symmetrically organised structures, such as a symmetrical system of kinship groups, are given. Redistribution occurs if wealth is accumulated and then redistributed from a central point (state or foundation). Market exchange, which is a widely integrative exchange pattern unique to our times, occurs in a self-regulating system of price-making markets, in which *"commodities"*, namely natural resources, labour, goods and services move at the most favourable rate (Polanyi 1971a, 19).

To reach their aims social enterprises use informal economic resources next to formal ones (Defourny and Nyssens 2014; Laville 2014; Coraggio et al. 2014; Gibson-Graham et al. 2013). To shed light on the informal or substantive economic activity and to better understand how non-profit initiatives mobilise the relevant resources, a resource-mix approach can be applied. Based on a Polanyian understanding of the economy, the resource-mix of the local initiatives can be analysed, namely the extent to which they build on market, non-market (redistributive) or non-monetary (reciprocity-based) resources. Market resources are those resources that an organisation

earns through trading, namely through producing and/or (re)selling goods or providing services. Non-market resources are those resources that an organisation has access to through redistributive bodies (foundations, central/regional state or local municipality). Non-monetary resources refer to those resources that the initiative or organisation does not pay for; typically volunteer work. Work can be paid, alternatively paid and non-paid (volunteer) (Gibson-Graham et al. 2013). Studying local resource-mix strategies and their interconnections with organisational autonomy can help to better understand what room for manouverabilty rural social enterprises have to reach local development-related aims in a given institutional context.

2.2.2 SOCIAL DIMENSION: AUTONOMY AND EMPOWERMENT

For marginalised communities it is *"often difficult to gain access to processes of political decision-making from which they may be culturally, educationally, and linguistically, as well as physically, remote"* (Amin, Cameron and Hudson 2002, 17). As Mészáros (2013, 92) puts it, even though resources can be recognised within an area (in people, nature, geographic location, infrastructure), locals might not possess or might not have access to these resources. In terms of the Hungarian situation, Mészáros argues that discussing social capital or trust is rather philosophical in a context *"where decision-makers clearly do not trust in the competences of locals"* (Mészáros 2013, 93).

The lack of decision-makers' trust in local agents' competences may justify objectionably paternalistic and coercive forms of policy intervention. Mackenzie (2014, 33) argues that many forms of vulnerability (marginality) are caused or exacerbated by political structures. For this reason the obligation to foster autonomy is a matter of social justice and that capabilities theory provides the most promising theoretical framework for articulating this claim and for promoting democratic equality (ibid.). The aim of this sub-chapter is to build up an argument, that on a personal and community level, empowerment (understood as capability development, see e.g. Kesby 2005) has a potential in counteracting the peripheralisation of people, groups and areas. Autonomy is a key concept if one aims to better understand in what ways empowerment may counteract processes of peripheralisation. For this reason individual autonomy and the capability-based approach, and collective autonomy and decision-making will be theorised, as well as the concept of solidarity. Autonomy, empowerment and the related key concepts will be then elaborated on regrading social and solidarity economy and social enterprises.

a. Theorising autonomy and empowerment

The rhetoric of **individual autonomy**, personal responsibility, and the minimal state often function to mask social injustice, structural inequality, and corrosive disadvantage shifting the onus of responsibility for redressing these problems away from the state and onto individuals (Mackenzie 2010). For this reason the libertarian conception of autonomy associated with this rhetoric should be rejected (Mackenzie 2014a, 41).

However, from a different, relational view of autonomy—understood as both the capacity to lead a self-determining life and the status of being recognised as an autonomous agent by others—is crucial for a flourishing life in contemporary liberal democratic societies (Mackenzie 2014a, 41, Veltman and Piper 2014). In this sense, autonomy is an important concept for achieving democratic equality (Mackenzie 2014a). If autonomy is understood relationally then the apparent opposition between responding to vulnerability and promoting

autonomy dissolves and, second, that duties of protection to mitigate vulnerability must be informed by the overall background aim of fostering autonomy whenever possible (Mackenzie 2014a, 41).

A **relational approach** to autonomy, suggests that autonomy should not *"be confused with isolation or separation from society"* (Fineman 2010, 260), it rather involves social and reciprocal duties to others. It is further argued that *"as desirable as autonomy is as an aspiration, it cannot be attained without an underlying provision of substantial assistance, subsidy and support from society and its institutions, which give individuals the resources they need to create options and to make choices"* (ibid.). Mackenzie (2014b) considers autonomy a multi-dimensional concept, involving three distinct but casually interdependent dimensions: self-determination, self-governance and self-authorisation. From a relational approach:

> *"(a)utonomy involves the exercise of an array of skills and capacities: cognitive capacities, such as reasoning skills and the ability to understand and process information; capacities to question and reflect critically on social norms and values; introspective skills necessary for self-reflection and self-knowledge; emotional and affective capacities required for sustaining intimate personal relationships and for social cooperation; and imaginative capacities necessary for envisaging alternative courses of action. (...) these autonomy competencies emerge developmentally and are sustained and exercised in the context of significant social relationships and, hence, that such relationships are necessary background enabling conditions for autonomy. (...) Relational theorists nevertheless argue that some social relationships and environments provide hostile conditions for autonomy. Environments characterized by corrosive disadvantage (social, political, economic, educational) or social relationships characterized by abuse, coercion, violence, or disrespect may seriously thwart the development of many of the skills and competences required for self-determination or may constrain their exercise."* (Mackenzie 2014a, 42–43)

From a relational perspective autonomy is both a *capacity* and a *status* concept and these two dimensions of autonomy are interrelated. To lead a self-determining life requires not just having the capacities and opportunities to do so, but also regarding oneself, and being recognised by others, as having the social status of an autonomous agent (Mackenzie 2014a, 44). Such failures of recognition are quite typical in social relations involving domination, or inequalities of power, especially when these are inflected by gender, race, ethnicity, or disability (ibid.). Relational theorists claim that the internalisation of non- or misrecognition can corrode the self-affective attitudes of self-respect, self-trust, and self-esteem that underpin one's sense of oneself as an autonomous agent (ibid.).

Responding to vulnerability by promoting autonomy is a matter of social justice, and the justice obligations arising from vulnerability are best understood in terms of a capabilities theory (Mackenzie 2014b, 35). Even if inhabitants of rural peripheries got marginalised they have an agency and are capable of advocating their own interests, they cannot be considered as passive recipients of development projects (Sen 1999). Sen (1992, 2009) distinguishes two components of individual well-being: functionings and capabilities. Functionings represent the various things a person is able to be and do, or the different, interrelated aspects of well-being—for example, being physically and mentally healthy, educated, safe, well-nourished, happy, respected, a participant in the social and political life of her community (Mackenzie 2014b, 49). Capabilities measure the extent of a person's substantive freedom (the opportunities and choices that are actually available to her) to achieve valuable functionings (ibid.).

According to Mackenzie (2014a), there are three main advantages of capabilities theory as the metric of equality.

> *"First, capabilities theory aims to develop a normative framework for comparative assessments of advantage and disadvantage that is attentive to human diversity, with respect to both individual differences in natural endowments, personal characteristics, and values and to the external circumstances of people's lives—their natural, social, cultural, and political environment. People's ability to convert the resources available to them into achieved functionings will vary according to these individual differences and external circumstances. (…)*
>
> *(…) capabilities theory enables a fine-grained analysis of the meaning of equality, which also enables a fine-grained analysis of the different sources of social injustice, inequality, and disadvantage within a society and their impact on people's opportunities. Sen (1992, 2009) argues that poverty is best understood not in terms of a single indicator—income—but as capability failure across a range of different indicators of well-being. (…)*
>
> *The third advantage of the capabilities metric is that it marries a focus on the importance of choice or freedom with attention to the social conditions of choice. (…) the political goal of a just society should be to enhance citizens' (combined) capabilities."* (49–51)

From a nonpaternalistic approach to autonomy (or from the perspective of democratic solidarity) it is important in any local development project to build on the strategies of the locals and make them capable of changing their situation and live with their opportunities (Gébert et al. 2016, 27). As Sen puts it: *"Greater freedom enhances the ability of people to help themselves and also to influence the world, and these matters are central to the process of development"* (Sen 1999, 18). While emphasising the importance of individual choice and freedom, capabilities theorists, like theorists of relational autonomy, are particularly attentive to the role of the social environment and social, political, and legal institutions in enabling or constraining individual freedom (Mackenzie 2014a, 51). In contrast, libertarian conceptions of choice fetishise individual choice but ignore the social contexts and determinants of those choices (ibid.). To advocate one's own interests, one needs basic skills.

Autonomy, when referred to a collectivity is intertwined with politics. For Cornelius Castoriadis (Greek philosopher, 1922–1997, a transdisciplinary scholar trained in economics, psychonalysis, politics and philosophy) **collective autonomy**, is not just limited to making one's laws, as Serge Latouche (one of the most prominent exponents of degrowth) refers, but equally importantly implies the capacity to question laws continuously (Asara, Profumi and Kallis 2013, 232). As politics is the explicit questioning activity regarding the desirable and best institutions, it can be considered the product of autonomy (ibid.). For Castoriadis, democracy is the self-organisation of society, a social regime that institutes collective forms of direct participation in **decision-making** (Asara, Profumi and Kallis 2013, 227). Therefore, according to Castoriadis, there is no compromise to be searched for between representative and direct democracy, nor is direct democracy reducible to a mere procedural mechanism for making decisions (eg. Bayon et al. 2010 in Asara, Profumi and Kallis 2013, 235).

> *"It refers to a broader social regime that institutes collective forms of decision-making, produces the subjects that internalise its values, and hence realises the ideal of a free, autonomous society, i.e. a collectivity that consciously and reflexively decides and changes its institutions."* (Asara, Profumi and Kallis 2013, 235)

Democratic solidarity links the concept of autonomy and democracy. It is a term referring to autonomous beings and the aim to preserve the conditions necessary for democratic societies (Gunson 2009, 245). Laville (2014, 106) distinguishes philanthropic solidarity from democratic solidarity.

> *"The inclination to help others, developed as a constitutive element of responsible citizenship, carries the threat of a 'gift without reciprocity' (Rand 1990), allowing limitless gratitude as the only return and creating a debt that can never be redeemed by beneficiaries."* (Laville 2014, 106)

Relations of personal dependence are promoted through philanthropic solidarity. As a result, recipients are at risk of being trapped in a permanent position of inferiority. *"In other words, this philanthropic solidarity brings with it a mechanism of social hierarchy and support for the inequality that is built into the social fabric of the community."* (Laville 2014, 106)

Philanptropic solidarity justifies paternalistic interventions, which express or perpetuate relationships of domination and inequality among members of a community or between the state and its citizens (Mackenzie 2014a, 55). As such, they involve a failure to recognise the persons who are the target of such interventions as having the status of autonomous agents. In contrast, nonpaternalistic forms of protection, in line with the idea of democratic solidarity, recognise vulnerable persons or social groups as equal citizens, but as citizens who may need targeted forms of assistance to convert resources into functionings and hence to reach the threshold level of capabilities to enable them to fully realise equal citizenship (ibid.). Such forms of assistance thus foster and promote autonomy (ibid.). In contrast with philanthropic solidarity, democratic solidarity promotes autonomy through assuming the legal equality of the people involved (Laville 2014, 106).

A democratic and socially just state has an obligation to develop social, political, and legal institutions that foster citizen autonomy (Mackenzie 2014a, Mackenzie 2014b). A democratic state is obliged to foster an autonomy-supporting culture and to ensure that social institutions—including the family, educational institutions, businesses, and social clubs—provide access to the resources and opportunities and support the kinds of social relationships that promote autonomy (ibid.). It also has to be pointed out that many kinds of vulnerability are primarily the result not of unavoidable biological processes but of interpersonal and social relationships or economic, legal, and political structures (Mackenzie 2014a, 38). As social and political structures generate some kinds of vulnerability, interventions designed to ameliorate specific vulnerabilities can be justified (and are in fact obligatory) if appropriately guided by the aim of promoting autonomy and fostering capabilities (Mackenzie 2014a, 37). Nevertheless, it is important to be alert to the way certain policy discourses of vulnerability and protection single out certain social groups as especially vulnerable, such approaches can be used to justify objectionably paternalistic and sometimes coercive forms of intervention (ibid.).

b. Autonomy, empowerment and social enterprises

Certain social enterprise scholars (e.g. Laville 2014, Coraggio et al. 2015) argue that the state has a role in (re) democratisation. According to Laville (2014, 107) democratic solidarity has two faces. One is reciprocity; it designates voluntary social relations between free and equal citizens. The other is redistribution; it designates the standards of service drawn up by the state to reinforce social cohesion and to redress inequality. The question is not to replace state with civil society, but rather combining redistributive solidarity with a more reciprocal

version of the latter in order *"to rebuild society`s capacity for self-organisation"* (Laville 2014, 108). In line with the relational approach to autonomy, a normative assumption of social enterprise scholars is that even if social enterprises receive state funding or money from private foundations or churches, they shall be able to preserve their organisational autonomy. According to Coraggio et al. (2015, 243) social and solidarity economy initiatives should not become mere implementers of government programmes nor social projects initiated by private foundations. As highlighted by Defourny and Nyssens, social enterprises are *"created by a group of people on the basis of a specific project and are controlled by these people. (...) They have the right to make their voices heard (voice), as well as to put an end to their activities (exit)"* (Defourny and Nyssens 2013, 7 in Coraggio et al. 2015, 243). Existing institutional contexts influence the extent to which a social enterprise can preserve its organisational autonomy.

Cho (2006) shared the concern that the dominant narrative of social entrepreneurship tends to give an apolitical account of social change. Defining *"social value"* or determining what lies in the collective interest of the society is that we typically have to do by a process of deliberation. This is the reason why democratic solidarity needs to be a central concept of social enterprise and social and solidarity economy. According to Coraggio et al. (2015) the desire to democratise, expressed in practice through solidarity from the ground up, that maintains and legitimises the purpose of social enterprises (Coraggio et al. 2015, 242). However, Coraggio et al. (2015) point out that even if social enterprises are often set up to protect their stakeholders from the devastating effects of the market society, they may in some cases promote domination. Fraser (according to Coraggio et al. 2015) makes the double movement (marketisation–protection) of Polanyi more complex by converting it into a triple movement (marketisation–protection–emancipation). In this theoretical framework, all social enterprises organise forms of protection, but the social enterprise in a solidarity economy perspective, additionally tries to bring together protection and emancipation. In other words, the solidarity perspective emphasises the importance of emancipation and implementing of actions leading to protection and emancipation, rather than choosing between one or the other (Coraggio et al. 2015, 243). To advocate one's own interests, one needs basic skills. For this reason the inevitable element of social enterprises shall be to eliminate such shortages in certain skills.

If we have a look at the literature about social enterprises, governance is not necessarily a normative commitment. For EMES[5], which is an international and interdisciplinary (dominant disciplines: economics, sociology, political science and management) research network focusing on social enterprise, social entrepreneurship, solidarity economy and social innovation, an ideal type of social enterprise (or social economy initiative) is based on collective dynamics and on the involvement of different stakeholders in the governance of the organisation (Defourny and Nyssens 2014, 53). In contrast with the US schools of thought about social enterprise, such as the *"social innovation"* and *"earned income school"*, the European approach is more concerned with the governance structure of a social enterprise (Defourny and Nyssens 2010). The EMES approach promotes participative decision-making within social entreprises which contrasts with the social innovation school's emphasis on the individual social entrepreneur.

5 The acronym EMES stands for the *"EMergence des Enterprises Sociales en Europe". EMES* started as a major research project undertaken by a group of Western European scholars in 1996. The research was originally founded by the European Commission and aimed to understand the emergence of social enterprise in all the 15 EU member states that time (Defourny and Nyssens 2014, 47).

2.2.3 ENVIRONMENTAL DIMENSION

Even though the social and economic dimensions are well elaborated in the literature on peripheralisation, the embeddedness of the environmental dimension could be improved in the peripheralisation literature. By explicitly analysing the environmental dimension of social and solidarity economy initiatives and livelihood strategies of the inhabitants of peripheralised areas, this work attempts to bring aspects of environmental sustainability into the discussion about peripheralisation.

The cardinal features of the culture that dominates capitalist societies are *"based on acquisition and consumption as the means of achieving happiness; the cult of the new; the democratisation of desire; and money value as the predominant measure of all value in society"* (Leach 1993, 3). As Carrington, Zwick and Neville (2016) point out conventional (capitalist) consumption is centered around limitless economic growth:

> *"(...) capitalist consumer culture must always be excessive. That is to say that capitalism and relentless economic growth depend on the (re)production of consumption levels that always represent less than what consumers demand, and this excessive consumption is problematic to the very capitalist system it is a product of."* (Carrington Zwick and Neville 2016, 22)

Building on the Castoriadian idea and the social imaginary, Latouche calls for *"decolonising the imaginary"*, i.e. to exit from the social imaginary significations of *"economism"*, growth, development and consumerism (Asara, Profumi, Kallis 2013, 221).

> *"This is intended as renouncing 'economic science as an independent and formalised discipline' and 're-embedding the economy within the social and ecological realms' (Latouche, 2011: 75 and Latouche, 2008: 111). Latouche argues that autonomy and decolonisation of the imaginary are intrinsically linked to each other: in order to gain autonomy we need to decolonise the imaginary through a profound self-transformation."* (Asara, Profumi and Kallis 2013, 221)

Even though Latouche refers many times to a cultural and social revolution, he does not intend politics as an expression of social autonomy but as an expression of an ethics of responsibility, thus he divests it of the revolutionary potential and associates it instead with a *"common good"* of degrowth (Asara, Profumi and Kallis 2013, 233).

> *"He thereby ends up in the ambiguous if not contradictory position of a revolution being brought about by the slow movement of the decolonisation of the growth imaginary, radical yet unfolded through reforms within a system inimical to such changes."* (Asara, Profumi and Kallis 2013, 233)

The **ecological movement** can be considered one of the movements that question consumerism and tend toward the autonomy of society (Castoriadis 1997, 247). According to Castoriadis *"an autonomous society does not imply only self-management, self-government, self-institution. It implies another culture, in the most profound sense of this term. It implies another way of life, other needs, other orientation for human life"* (Castoriadis 1997, 250). For this reason Castoriadis calls to *"question the capitalist imaginary that prevails everywhere"* (Castoriadis 2010, 194).

> *"the price to pay for liberty is the destruction of the economic as central (and in fact, unique) value (...) If things continue on their present course, this price will have to be paid anyway (...) If the rest of humanity*

> *is to escape from its unbearable poverty, and if humanity in its entirety wants to survive on this planet in a steady and sustainable state, it will have to accept a good pater familias management of the planet's resources, a radical check on technology and production, a frugal life."* (Castoriadis 1997, 416–417)

Studies show that on an **individual level** higher income levels are associated with higher levels of environmental consciousness and that higher levels of education have a positive effect on environmentalism (McMillan et al. 1997). However, this does not necessarily mean that a higher level of environmental consciousness results in a lower level of resource consumption. The survey research of Moser and Kleinhückelkotten (2017) reveals that people's environmental self-identity is the main predictor of pro-environmental behaviour; however, environmental self-identity plays an ambiguous role in predicting actual environmental impacts (measured in per capita energy use and individual carbon footprints). Instead they argue that environmental impacts can be best predicted by people's income level.

Environmental consciousness is also thematised in literature about social and solidarity economy and **social enterprise**. Coraggio et al. (2015, 243) consider democratic solidarity both immediate, which is aimed at currently living social groups, and future-oriented, which includes successive generations. There is therefore a desire to, beyond fighting against inequalities and for social justice, to integrate environmental aspects in particular. From this perpective, it becomes necessary to understand how environmental aspects are integrated into the strategy of a social eneterprise. Among others, it can be studied how environmental aspects are considered in the daily operation of a social enterprise, such as in service provision, production or trading.

From an **impact-oriented perspective** it is relevant to know how social enterprises influence the environment through their production, service provision or trading. The current environmental and economic crises (eg. climate change or peak oil) provide the opportunity to move away from an integrated global economy either to a new regionalism or to a new convivial economy. Intentional localisation (which is not autarky) is advocated at grassroots level based on developing less resource-intensive yet enjoyable and fulfilling livelihoods in more localised economies (North 2010, 585). Opposed to immanent localisation, which North (2010) defines as a localisation that just 'happens' as a market economy changes over time as a result of decisions made by individual business people for business reasons; 'intentional' localisation is a normative political project, something which someone 'makes' happen (ibid., 589).

North also points out the importance of the materiality of scale. When examining global economic networks, geographers cannot argue that scale is just socially constructed: *"moving goods and services around the globe has material effects in terms of oil consumed and emissions"* (North 2010, 593). It becomes therefore important to see the extent to which the materiality of scale is considered within social enterprises.

In terms of service provision or production, the valorisation of work is one aspect that a social enterprise may consider. The EMES model identifies a *"minimum"* level of paid work an economic criterion of social enterprises. Here again, the experience of solidarity enterprises, in particular those from the popular economy (see below), requires us to take a step further by positing the valorisation of work as the common principle. The popular economy cannot be conceptualised as simple dependency on the formal economy (Coraggio et al. 2015, 241).

> *"For Coraggio (2002, 2006), popular economy is an economy of work as opposed to an economy of capital because it is implemented based on the logic of work and reproduction of life within the domestic unit."* (Coraggio et al. 2015, 241)

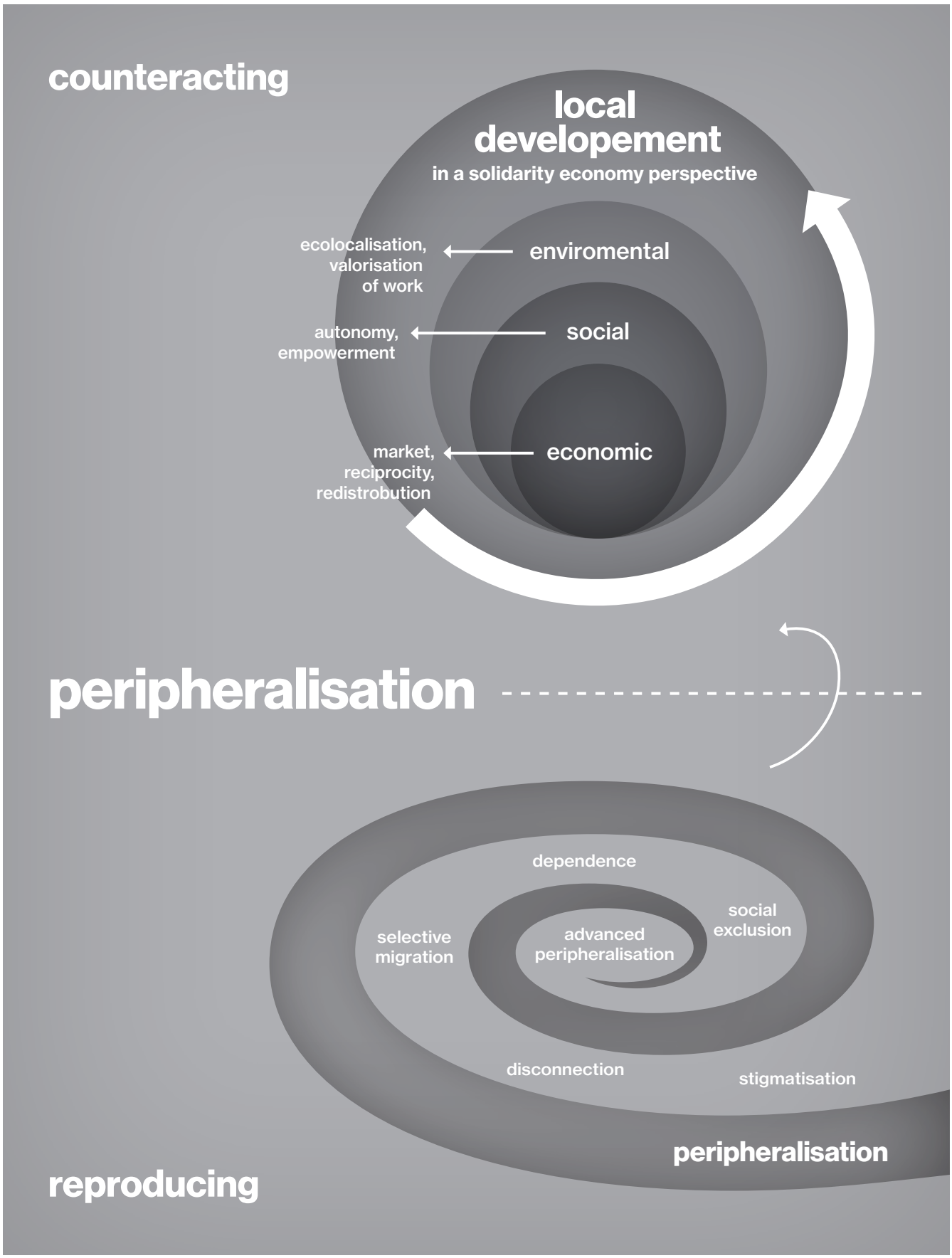
2.3 Conceptual framework and research questions

The focus of this study is the locality undergoing peripheralisation and the social and solidarity economy initiative aiming to counteract processes of peripheralisation. While focusing on the local level this study acknowledges that localities are not bound enclaves, but porous and interlinked parts of wider contexts. Therefore, this study adopts a relational approach, analysing the locality from a critical and open perspective. Peripheralisation is the central concept in this analysis. As the conceptual framework (Figure 2) shows this research aims to understand how peripheralisation is reproduced and counteracted through local action.

Peripheralisation is a process to which people, groups and areas can get subjected to. Stigmatisation, selective migration, disconnection, dependence and social exclusion are dimensions of peripheralisation that are interconnected and that accelerate eachothers effects. These dimensions play a role in the **reproduction of peripheralisation**. Household decisions, such as moving out from a settlement undergoing peripheralisation may reduce the peripheralisation of people, but considering that out-migration is a selective process, it does reproduce the peripheralisation of areas. Those people who stay in a settlement undergoing peripheralisation often rely on diverse economic strategies to survive peripheralisation. *"Living on benefits"*, which is a common survival strategy in contexts where access to formal employment is limited further reproduces the networks of dependencies in a locality. Some informal economic strategies, such as backyard farming or reciprocity-based behavior may reduce certain dependencies, while others such as illegal work may reproduce the vulnerability of the inhabitants of peripheralised areas. In case of an advanced peripheralisation endogenous resources for local development have limited availability. Processes of peripheralisation negatively influence the autonomy capacities of local agents. For this reason theorists of relational autonomy point out the importance of being attentive to the role of the social environment and social, political, and legal institutions in enabling or constraining individual freedom (Mackenzie 2014a, 51). Autonomy is a key concept in studying the potential of local initiatives to counteract processes of peripheralisation.

Local initiatives (social and solidarity initiatives or rural social enterprises) are created to **counteract processes of peripheralisation**. In praxis, these initiatives may or may not counteract peripheralisation. To better understand in what ways rural social enterprises may counteract processes of peripheralisation a normative approach of local development has been outlined. This approach towards local development integrates economic, social, and environmental dimensions.

Figure 2 Conceptual framework: Peripheralisation and local development in a social and solidarity economy perspective



Source: Illustration by the author based on the literature review

To understand the economic dimension of local development initiatives, an alternative economic approach was outlined, in which light can be shed on both the substantive and formal dimensions of the economy. A social approach acknowledges that social change can not be reached without deliberation and without the participation of the community members, thus is centered arount the concept of *"autonomy"* and *"empowerment"*. From a solidarity economy perspective, it becomes necessary to understand how environmental aspects are integrated into the strategy of a social eneterprise. It can be studied how environmental aspects are considered in the daily operation of a social enterprise, such as in service provision, production or trading. The economic, social and environmental dimensions of local development are interconnected.

The following question lies in the center of this research's interest:

In the context of peripheralisation how can social and solidarity economy initiatives contribute to local development?

To better understand the central question of this research, the following sub-questions have been developed:

(1) To what extent is the institutional context, thus autonomy on a local and organisational level interconnected with how rural social enterprises build up their resource-mix?

- In different institutional contexts to what extent do rural social enterprises build on redistributive, reciprocity-based or market-based resources?
- How does their *"resource-mix"* shape their strategies? Or how do their strategies shape their *"resource-mix"*?

(2) To what extent do rural social enterprises of differently peripheralised contexts have a capacity for democratisation/empowerment?

- To what extent is the principle of democratic and philanthropic solidarity applied within the social and solidarity economy initiative?
- Does the initiative aim to rebuild its community's capacity for self-organisation? If yes, how?
- How is power distributed within the initiative in terms of decision-making?
- What is the empowerment capacity of the social enterprise from the perspective of Roma/women?

(3) Environmental consciousness and environmental impact

- What is the relation between environmental impact and environmental consciousness on the individual level, among the stakeholders of the social enterprises?
- On the organisational level: to what extent are environmental aspects (eg. the materiality of scale, the valorisation of work) considered in the strategy and in the day-to-day operation of the social enterprise?

National, institutional, political and economic contexts influence localities undergoing peripheralisation thus the room for manoeuvreability of social and solidarity economy initiatives. Therefore, the next chapter gives an overview about the peripheralisation of localities and social and solidarity economy initiatives from the perspective of these localities.

3 Contexts: social and solidarity economy in the context of peripheralisation

3.1 Peripheralisation

This chapter elaborates on how peripheralisation manifests in the East German and Hungarian contexts. Firstly, it will be reviewed how regional inequalities developed after the regime change in the two countries. After this, Chapter 3.1.2 elaborates on how the different dimensions of peripheralisation can be interpreted in the national contexts. Building on historical and institutional differences shaping the processes of peripheralisation, Chapter 3.1.3 expands on the relational aspect of peripheralisation. Chapter 3.1.4 focuses on advanced peripheralisation, that is rather absent in Germany (a country on the centre of the global economy) and more characteristic in Hungary (a country on the semi-periphery of the global economy).

To counteract processes of peripheralisation local social and solidarity economy initiatives emerge both in Hungary and Germany, but these initiatives are shaped by historical legacies and institutional practices. Chapter 3.2 expands on the contexts of social and solidarity economy initiatives in Hungary and Germany.

3.1.1 POST-SOCIALIST TRANSFORMATION, A HISTORICAL OVERVIEW OF PERIHERALISATION

From a global perspective Central and Eastern European (CEE) countries are relatively wealthy states that enjoy political, social and economic stability, have a developed infrastructure and a qualified workforce (Leibert 2013, 105). They are still welfare states that guarantee their inhabitants a certain degree of social protection. They are members of the EU, which has an active regional policy (Schön 2006, 385), and aims at promoting social economy (European Commission 2011). However, the collapse of state socialism, the capitalist reintegration of or the transition period in CEE countries was a dramatic period of change from above (Kay et al. 2012, Smith and Timár 2010). New market ideologies and structural transformations, in particular macro-level economic and political reforms, have tended to be automatically accepted in CEE as a driving force, (re)defining rural space across the countries of the region. Transition in CEE was driven predominantly *"from outside"* through the mechanisms of financial markets, foreign direct investment and bureaucratic institutions – e.g. those of the European Union (EU), the International Monetary Fund (IMF) and the World Bank (Gowan 1995, Bradshaw and Stenning 2004, Dunford and Smith 2004, Harvey 2005, Pickles and Smith 2005, Szalai 2006 in Smith and Timár 2010, 116).

The post-socialist transformation process has resulted in a massive *"social and economic crisis"* (Leibert 2013, 106) and an extremely polarised regional development where the capital regions have more or less caught up economically with Western Europe while the *"rural peripheries"* stagnate on a low level or fall even further behind (Schön 2006, 388–389; Timár 2007, 103; Lang 2015, 173; Dusek et al. 2014, 275; Smith and Timár 2010, 118). Economic growth has tended to be spatially concentrated in core city regions, most notably the rapidly expanding capital-city regions where the model of capitalist transformation centered on the inflow of Western capital and banking investment was concentrated (Smith and Timár 2010, 118). Four of the five countries with the highest levels of subnational territorial inequality are in the post-socialist world and Hungary is amongst them (Bulgaria, Slovakia and Romania are the other ones) (Smith and Timár 2010, 118).

The post-socialist transformation has significantly influenced the spatial industry structures of the CEE countries. Due to the collapse of the socialist heavy industries and the almost complete shutdown of the extraction industries, the industrial centre of gravity has moved westwards in Hungary (Kiss 2009, 157–162 in Leibert 2013, 112). The eastern part of the old *"industrial axis"*, and especially Borsod-Abaúj Zemplén County (in Northern Hungary) which had been the *"winner"* of socialist industrialisation economically, is commonly regarded as the *"loser"* of the transformation (Leibert 2013, 112). Reunification has also changed the industrial centres of gravity in Eastern Germany, where some industries, such as wood manufacturing, engine and plant construction and—in the city of Schwedt—petrochemical, pulp and paper industry have been successfully restructured (Beetz et al. 2008, 298). Even though workplaces could have been saved through the successful restructuring of some industries, a considerable ratio of jobs have been lost in Eastern Germany too. Beetz et al. (2008, 298) show that after 1990 about 28,5 percent (Uckermark, 1991–2001) and 43 percent (Uecker-Randow, 1991–1999) of jobs have been lost due to the resructuring of the former industry.

In addition to the collapse of heavy industries the collapse of the agricultural production system also contributed to rapid and mass unemployment, particularly in rural areas. Both in Hungary and the German Democratic Republic (GDR) private land ownership was abolished during socialism. In the GDR, agricultural policy degraded farmers to dependent workers in the Agricultural Production Collectives (Landwirtschaftliche Produktionsgenossenschaften [LPG]) (Bauerkämper 2004, 133–134). LPGs of type I, however, provided refuge for established farmers (ibid., 135). LPGs of type I, where the cultivation of land took place exclusively on a collective basis, differed markedly from LPGs of type III, where land, machinery, buildings, and livestock all came under one comprehensive management. Usually, LPGs of type III were formed by former farm workers or industrial workers, while LPGs of type I were popular among established farmers (ibid., 135). Traditions and smallholder structures stayed alive even in collectives in the southern part of the GDR (ibid., 135). Rural bonds were particularly strong here (ibid., 135).

In 1989, East German agriculture was far more labour-intensive than its Western counterpart (Bauerkämper 2004, 147). The general task of the LPGs was to secure a cheap food supply for the East German population. Due in part to mandatory social services within collectives, East German agricultural businesses comprised a much larger number of workers until 1989/90 than those in the Federal Republic (ibid.). As late as 1985, 11 percent of the GDR's workforce was employed in the agricultural sector (ibid.).

Agricultural cooperatives, which were still viable in 1991 and 1992 in Hungary, were eliminated in a few months (Kovách 2012, 67). In addition to employment, agricultural cooperatives provided an opportunity for rural households to earn extra income. The cooperatives bought the products that their members produced through *"backyard farming"*. Rural households could take crops for free or on a reduced price from their cooperatives to raise animals. Backyard farming (*"háztájizás"*) was therefore a complete structure provided to rural households through agricultural cooperatives to earn extra income. In 1993 through a new regulation, the institutional framework behind *"backyard farming"* was abolished. However, some cooperatives continued to buy the products produced through small scale family agriculture, even though no statutory requirement obliged them to do it (ibid., 102).

> *"The social trap closed here: in less than a year hundred thousands of people lost their jobs, their property (which they took into the cooperative or which they were entitled through their work in the cooperative) and the opportunity to gain extra income. (...) The new, fragmented land structure, which emerged due to the compensation, was not suitable for the formation of a higher number of small family farms."* (Kovách 2012, 102)

After the collapse of the agricultural cooperatives in 1993 the poverty in rural areas started to grow in a higher rate (ibid., 102). Kovách argues that the post-socialist structural change of the agriculture (in 1992–93) was *"more rapid and effective in separating the agricultural producer from land and production means than the collectivisation itself"* (ibid., 102).

In terms of the environmental impact, both German states and Hungary saw a major trend towards agricultural modernisation already after 1945, though to a different extent (Bauerkämper 2004, 124; Fehér et al. 2014, 143). The partial elimination of small-scale farming (which continued after the regime change) and the industrialisation of the agriculture had serious environmental consequences in both German countries and Hungary (Bauerkämper 2004, 124; Fehér et al. 2014). Agricultural modernisation continued to take place after the collapse of state socialism as well.

As a result of the collapse of the socialist heavy industry, agricultural cooperatives and the shutdown of extraction industries, people with a lower level of formal education and particularly Roma (in Hungary) were amongst the first to lose their jobs. As the vast majority of the jobs filled by Roma were unskilled jobs that were no longer productive in a market economy and were eliminated, the employment of Roma dropped dramatically in the first years of the post-socialist transition, widened further afterward, and remained largely unaffected by macroeconomic conditions following Hungary's EU accession (Kertesi and Kézdi 2010, 29). Kertesi and Kézdi (2010, 12) estimate the ethnic employment gap[6] at 36–37 percentage points in 1994 and 40 percentage points in 2003. During socialism the ethnic employment gap was virtually nonexistent for men and was much smaller for women (ibid.).

The small and medium enterprises (SMEs) that employ people with a lower level of formal education in Western Europe could not solve the labour market crisis in CEE, as SMEs have been dismantled during socialism. The period after the regime change with rapidly changing regulations or high administrative burdens hindered the re-emergence of small and family enterprises (Fazekas and Scharle 2012, 6). The Hungarian government's policy on minimum wage affected small and medium enterprises negatively too. While the conditions for a positive employment effect were mostly aimed at depressed regions, through changes in minimum wage policy, spatial inequalities were rather amplified than reduced. The mandatory minimum wage, introduced in 1989 by Hungary's last communist government, related to gross monthly earnings net of overtime pay, shift pay and bonuses, is legally binding and covers all employment contracts (Kertesi and Köllő 2003, 7). In January 2001 the Hungarian government increased the minimum wage from 25,500 HUF to 40,000 HUF. One year later the wage floor rose further to 50,000 HUF. As Kertesi and Köllő (2004) argue the minimum wage hike was not in line with *"market wages"*, namely the fraction of workers paid at or near the mandatory wage floor: *"This ratio was slowly increasing from less than 1 percent in 1989, 3 percent in 1997 and 5 percent in 2000. The ratio jumped to 12.1 percent in 2001 and 17.3 percent in 2002."* Kertesi and Köllő (2004) argue that the minimum wage hike significantly increased labour costs and reduced employment in the small firm sector; and adversely affected the job retention and job finding probabilities of low-wage workers. According to Kertesi and Köllő (2004) the increased wage floor caused a wage shock, which had negative consequences for the employment levels of structurally disadvantaged regions (Kertesi and Köllő 2004, 319).

6 The ethnic employment gap refers to the differential between the rate of employment of the Roma versus the national employment rate.

3.1.2 MULTI-DIMENSIONAL PERIPHERALISATION IN EAST GERMANY AND HUNGARY

This chapter aims at comparing how remote, rural villages of structurally disadvantaged areas in Hungary and East Germany experience the five dimensions of peripheralisation.

a. Stigmatisation

Demographisation is a current discourse in German regional policy portaying selective out-migration as a *"natural"* process occuring in remote, rural areas. Such a discourse justifies the phasing out of public and economic infrastructure from remote, rural settlements.

> *"The government of the Land should communicate in ["structurally disadvantaged regions"]* that an ongoing emptying-out is inevitable in the long run. Trying to prevent it would possibly be considerably more expensive than to allow it or to even support it" (Steffens and Kröhnert 2009, 219).

Through portraying structurally disadvantaged (and often remote, rural) areas as having absolutely nothing worth preserving the demographisation discourse implicitly stigmatises areas undergoing demographic decline (Leibert and Golinski 2016, 264).

On the other hand, in the German context, the discourse about *"empty"* spaces leads not infrequently to the fact that all *"development"* is justified, be it through investment funds for windmill or biogas plants, forest owners, gigantic livestock farms, genetic enginiering test fields or conservationists (Beetz 2008, 12). The hope for a catching-up modernisation not infrequently implies a temporary, externally-run modernisation, which is unable to change structural dependencies (ibid.).

Hungarian regional policy during socialism provides an example for the interconnectedness of stigmatisation, decisions about decreasing public infrastructure (disconnection) (Meyer and Miggelbrink 2013) and selective migration. During socialism settlements under 3000 inhabitants were purposefully neglected and ideologically stigmatised as *"relicts of feudalism"* in Hungarian regional development policies (Bajmócy et al. 2007, 2, G. Fekete 2005, 484, G. Fekete 2015, 8). Two thousand seventy (2070) settlements with all of the small settlements have been graded as *"other"* (non-functional) in the National Territorial Development Policy (OTK, 1971) in Hungary. This conscious dismantling through development policies has led to inadequate infrastructure, poor living conditions, lack of employment opportunities, weak public transport which resulted in mass and rapid selective out-migration of people with a better socio-economic background already during socialism (Kulcsár 1976, Bajmócy et al. 2007) and the selective in-migration of rural poor (Lennert et al. 2014).

Beyond areas, people and groups may also get subjected to stigmatisation. Roma or poor people may often get stigmatised as *"Gypsy"* in Hungary. The word *"Gypsy"* was to be avoided in the '90s because of its' negative connotations and the politically correct word *"Roma"* became a generally accepted term (Kovai 2018, 12). Majority society considered the term *"Roma"* the *"Gypsy community's"* own term, despite it only had a meaning for the Vlach-Roma, a sub-group of the Roma speaking the Lovari language. In their language Roma means *"people"* or *"men"* (Kovai 2018, 12). Eighty percent of the Hungarian Roma population is Romungro Roma who do not speak Lovari. Within this work I use both the term *"Roma"* and *"Gypsy"*.

b. Disconnection

Access to devices of mobility (car, public transport) is a promising way through which disconnection can be grasped empirically. As a consequence of shrinking public transport, the inhabitants of rural areas are increasingly left to their own devices and have to counterbalance the downscaling of the infrastructure with more private mobility (Leibert 2013, 106–107).

> *"In the age of mass motorisation, access to a car has indispensable precondition for participating in various aspects of life. Inhabitants of disadvantaged communities without a car are increasingly at risk of social exclusion – not least because transport policies are frequently based on ubiquitous car ownership and tend to disregard the needs of people who depend on public transport. No access to a car and poor public transport impede the integration of disadvantaged social groups into the labour market and are important causes of unemployment and 'working poor' status."* (Leibert 2013, 109)

Both in Hungary and Germany public transport has been dismantled after the regime change/reunification. In many geographically peripheral small settlements of structurally disadvantaged regions public transport has been reduced to the daily school bus service, resulting in the valorisation of individual transport, mainly car ownership (Leibert 2013, 115; Beetz et al. 2008, 302, Naumann and Reichert-Schick 2013, 158). Even though fewer inhabitants of remote, rural settlements have a car both in Hungary and Germany than the country averages, car ownership is much lower in the Hungarian rural peripheries. Car ownership is rather low in Hungary even compared to Eastern European standards (HCSO 2011, 78 in Leibert 2013, 115). While only one in four inhabitants own a car in Borsod-Abaúj-Zemplén and Szabolcs-Szatmár-Bereg counties (Erdősi 2009, 167), in Uckermark or Uecker-Randow every second person owns a car[7] (BBR, 2006 in Beetz et al. 2008). Erdősi (2009, 166–168) argues that given the poor condition of many roads commuting in Borsod-Abaúj-Zemplén or Szabolcs-Szatmár-Bereg counties is not just expensive, but also time-consuming. Both Leibert (2013) and Beetz et al. (2008) agree that infrastructure development is an essential basic for the quality of life of the rural peripheries. Leibert (2013) considers poor accessibility an important explanation factor for the ongoing crisis of the rural *"problem regions"* in Hungary. Beyond public transport which contributes to shrinking public service provision, the restructuring of the retail sector contributes to an increasing economic disconnection in peripheralised areas.

The (re)organisation of consumption spaces by retailers manifested in refocusing the retailer's activities into well-off areas and resulted in a decreasing number of local shops in peripheralised areas (Nagy et al. 2015b, 143). The marginality of low-income groups, who are trapped into local markets, is reinforced through processes of retail restructuring. The physical access to goods through the formal market is therefore limited for low-income groups.

c. Selective migration

Those small settlements of rural areas that were stigmatised and consciously dismantled in state socialist regional development policies have fallen further behind since 1989 (G. Fekete 2015, 8; Kovács 2012, 581). Disadvantages (combination of infrastructural deficits, an obsolete economic structure and a lack of human

7 The car density is at 523 (Uckermark) and 513 (Uecker-Randow) cars per 1000 inhabitants, while the German average is 566 cars per 1000 inhabitants (BBR 2006 in Beetz et al. 2008).

resources) rooted in socialist development policies made it impossible to these villages to compete in a neoliberal environment (G. Fekete 2015, 9). The selective out-migration of young people and the local intelligentsia, as well as selective in-migration of marginalised groups, ageing and structural and demographic decline have started in socialism and further amplifed in the post-socialist period (Leibert 2013, 113; G. Fekete 2015, 9).

In addition to selective out-migration, selective in-migration of the rural poor, dominantly impoverished Roma, can also be observed in remote, rural villages of Hungary. In regions with a small settlement structure not just the ratio of elderly people as in German rural peripheries, but also the ratio of children (under the age of 14) is extraordinarily high (G. Fekete 2015, 12). These typically Roma children (either they consider themselves Roma or the society considers them as such) are often born in deep poverty, and the Hungarian educational system or social and employment policy provides little chance for them to break out from poverty.

Instead of looking at structural mechanisms and processes through which deep poverty is reproduced in rural peripheries, Roma people often get stigmatised in the media or in public and everyday discourses. A good example of this stigmatisation comes from high-level politics:

> *"(...) the most pressing aspect or consequence of demographic issues – beyond the fact that not enough children are born, and the society faces aging – is, those children who are born, where (in what families) they are born."* – said Zoltán Balogh, the Minister of the Ministry of Human Capacities (Papp 2014).

Due to selective out-migration and selective in-migration, the concentration of immobile population (elderly people, people of Roma ethnic minority in Hungary, undereducated, long-term unemployed) can be observed in rural peripheries (Leibert 2013, 115).

d. Dependence

The process of peripheralisation is often equated with declining formal economic activities in an area. The empirical research of Beetz (2008) however, shows a different picture. The northeastern areas of Germany are economically rather integrated, due to the demand for areas, natural resources and services (Beetz 2008, 12). Conflicts may emerge regarding who and how may use these supposedly *"empty areas"* (ibid.).

Another aspect of peripheralisation is when an area becomes abandoned by actors of formal economic power (eg. potential investors, shop-owners) and an informal economic system develops in the villages. Villages undergoing advanced peripheralisation are affected by this type of economic peripheralisation. The local society is highly polarised and dependencies are rooted in power inequalities between local elites and marginalised communities. There are the poor people who live in privation and there are the rich who make their earnings through selling credit (loan sharks) or products (informal shopkeepers) to the poor (Váradi and Virág 2015, 103). The Public Work Programme, which is in the center of Hungarian Social Policy since 2010, further strengthens inequalities of power between the local actors (see Chapter 6.3.2).

Beyond dependencies that are rooted in how a locality is (not) integrated to the global economy (global production networks) it is also important to look at peripheralised areas from a political science perspective.

The dependence of local municipalities in Hungary changed during time. While the autonomy of local communities was only formal during state socialism, after the regime change providing local autonomy became an aim of the central state and local municipalities got wide authority in making decisions about local issues (Velkey 2017, 159). At the same time the lack of freely usable financial resources and civilian capacity of the locals narrowed the room for local action (ibid.). The approach of the central state changed after 2010 and public service provision has been radically nationalised within the new local municipality system (ibid.). As a result, decision-making power on the local level and the ratio of freely usable financial resources has radically decreased and this has led to a purposefully and hierarchically organised system of dependencies (Velkey 2017, 160).

Instability in communal politics has rather increased in Northeastern Germany, where the case study rural social enterprises are located. Many communal bodies have almost lost their ability to act due to high social transfer payments, low tax revenues, misguided investments and high debt service (Beetz et al. 2008, 300). Civil society has little economic and social capital to compensate the weakness of local municipalities (ibid.).

e. Social exclusion

Welfare benefits (which are decreasing and most of them are regionally unadjusted in Hungary and many of them are flat rate) (used to) provide relative stability/security to the non-employed in Hungary (Nagy et al. 2015a, 148).

"Living on social benefits" is a survival strategy in areas affected by high unemployment in Germany too. Beetz et al. (2008) point out that social transfer payments clearly increased since 1999 in Northeastern Germany, in regions like Barnim, Uckermark (my case study SSE initiatives are from this region), and Uecker-Randow and more than 22 percent of the population received basic social care payments ('Arbeitslosengeld II') in Germany.

The Hungarian educational system, which is characterised by the process of segregation, provides a good example for the exclusion from social services. The ratio of the disadvantaged or multi-disadvantaged pupils in full-time, primary education has been rising constantly in remote, rural areas. Educational segregation is ethnic-based and geographically uneven. Roma pupils are more affected by segregation than underprivileged non-Roma pupils (Kertesi and Kézdi 2009, 983).

After a period of stagnation between 1980 and 1989, ethnic-based segregation (affecting Roma) between schools has increased considerably in Hungary (Kertesi and Kézdi 2013). The ratio of disadvantaged or multi-disadvantaged pupils in full-time, primary education has been rising constantly, and particularly in structurally disadvantaged areas of Hungary. It is the highest in the Southern Transdanubia (Dél-Dunántúl), Northern Hungary (Észak-Magyarország) and Northern Great Plain (Észak-Alföld) regions (Kertesi and Kézdi 2009). In addition to segregation being ethnic-based, it is also highly uneven (Kertesi and Kézdi 2009, 983).

The empirical studies of Nagy et al. (2015a, 144) revealed, that better-off mobile social groups of rural communities take their children to nearby towns to provide better education for them. Next to student mobility religious schools also influence processes of segregation. However, schools maintained by the church can also gain funding on a statutory basis, the religious schools are free to decide which students they enroll. This way *"more able"* pupils are often enrolled into religious schools (Bogárdi 2016, 22), while state schools remain to the less privileged.

Religious schools may also choose to enroll only Roma pupils. This is what Zoltán Balog, Minister of Human Capacities called *"segregation with love"* in a lawsuit in 2014 against a religious school that segregated Roma pupils. According to the judgement of the court, segregation is wrong in any form and with any intention (Népszava online, 2014).

3.1.3 THE RELATIONAL ASPECT OF PERIPHERALISATION

Rural areas are generally believed to be the biggest losers of the post-socialist transition in the Central and Eastern European member states of the European Union. Peripheralisation seems to affect formerly state socialist countries differently though. The example of Eastern Germany and Hungary show that peripheralisation may be relational and it's *"level"* may depend on how a locality may be embedded into the global economy.

Even though geographically peripheral areas of Western Germany are affected by demographic shrinking too (Reichert-Schick 2010), there is a difference between Eastern and Western Germany regarding how peripheralisation manifests at the local level. The processes of peripheralisation are more advanced in Eastern than in Western Germany (Reichert-Schick 2010, Naumann and Reichert-Schick 2013). In her research Reichert-Schick (2010, 165) shows that even though the Western border region, Westeifel is often described as a *"problem region" (*"*Schwächezone")*, due to its location (closeness to Luxemburg), it can benefit from migration and commution (ibid., 165) and therefore has more potential for counteracting peripheralisation than an Eastern border region (Vorpommern). West Germany is relatively wealthy and better embedded into the global economy than East Germany.

After the regime change the socialist industry collapsed and today's structurally disadvantaged regions emerged in Hungary too. Since that the socio-economic gradient between the relatively wealthy Northwest, which is well-integrated into the European urban and transport networks, and the poor, *"underdeveloped"* and unemployment-ridden East has grown dangerously in Hungary (Dövényi 2003, 48 in Leibert 2013, 111). Structurally disadvantaged areas were hit by a severe long-lasting labour market crisis (Jász and Szoboszlai 2005, 282; G. Fekete 2015, 22). The qualification level of a large part of the workforce is very low and/or outdated. The low income level and widespread poverty limit the demand for goods and services. Starting a business is in many cases a *"forced solution"* and most enterprises are consequently small family businesses constantly struggling to survive (Tésits 2007, 23–25). The official unemployment rate is largely understated, because a large proportion of the working-age population is inactive, i.e. neither working nor registered as unemployed, especially in the Northeastern regions (Észak-Alföld and Észak-Magyarország). Here long-term unemployment and its devastating social consequences (Baranyi et al. 1999, 72–74) further compromise the living conditions of the (rural) population. These circumstances have in many places led to the disintegration of the village communities (Dövényi 1997; G. Fekete 2015, 28) and in some parts of the county even to the emergence of *"regional ghettoes"*, whole micro-regions, where a large part of the population is excluded from the labour market and the educational system and is hence isolated from the rest of the country (Virág 2006, 67–68). These regions cannot become properly integrated into primary labour market processes: investors avoid them, and no new jobs are created there (Nagy et al. 2015a). Thus, the basic conditions for a sustainable endogenous development are not promising.

As a consequence of long-lasting processes advanced peripheralisation can be observed in small and remote villages of structurally disadvantaged regions in Hungary (eg. in Northern or Eastern Hungary). The smaller a settlement, the higher the out-migration and the unemployment rate, and the lower the average income per taxpayer and the average number of shops (Beluszky and Kovács 2009, 105; Tésits 2007, 8 in Leibert 2013). The low income level and widespread poverty limit the demand for goods and services (Nagy et al. 2015a). To see how geographical location or the settlements' size influences peripheralisation (or the risk of poverty), Koós (2015) has developed a rural deprivation index. Considering the aspects of housing, qualification, labour market participation, income conditions and demographics Koós (2015) identified which settlements of Hungary (with geographical location and settlement size) are at risk for multiple deprivation. The deprivation index shows that the risk of poverty is highest in rural settlements in the Northeast and Southwest and is lowest in Budapest and the Transdanubian county seats. Koós (2015, 54) pointed out that the greater the population of a settlement is and the closer it is located to a county capital, the lower the value of the deprivation indicator is. If a certain settlement is a capital of a subregion or is part of a suburbia, the deprivation indicator shows some improvement (ibid., 54).

G. Fekete (2005) argues that 5–8 percent of Hungary's small villages are affected by processes of ghettoisation. She describes these villages as follows:

> *"Close to 100 percent of active earners are unemployed. There is neither farming, nor commuting. Main sources of income include benefits, child-raising support, black labour bordering unlawfulness or outright violating the law and the depletion of the resources that are still available."* (ibid., 492)

Through a concrete example Váradi and Virág describe advanced peripheralisation in a Hungarian village:

> *"In a village with 2000 inhabitants, where ghettoisation already started theft and burglary happens on a daily basis, a high ratio (10 percent) of the local population is in jail, furthermore the settlement is characterised by drog use and an increasing number of young girls (15–17 year old) engaging in sex work. The local population is not just incapable to advocate their interests, but do not succeed with managing everyday matters either. In every street – next to the ruin houses – there is one house which is refurbished, well-decorated, protected with strong fences. The local elite lives in these houses, the ones who deal with usury, are shop-keepers or 'entrepreneurs' that build those houses that are supported by social policy ('szocpol') [thus take advantage of those in need]."* (Váradi and Virág 2015, 105).

The interviews of Nagy et al. (2015a) suggested that in the context of increasing social polarisation the local political elite was neither motivated nor strong enough to initiate reintegration processes and thus mitigate social polarisation (Nagy et al. 2015a, 145).

While in remote, small settlements of structurally disadvantaged areas of Hungary, economic decline and ethnic exclusion produced contagious *"ghettoes"* in the last two decades (G. Fekete 2005, Smith and Timár 2010, Virág 2010), in the German context the phenomenon of a *"rural ghetto"* seems to be non-existent. In Germany, mainly East German post-industrial towns and rural areas are referred to as victims of demographic shrinkage and demographisation (Reichert-Schick 2010, 153; Naumann and Reichert-Schick 2013, 145; Leibert and Golinski 2016). In contrast with the Hungarian trends former central places are generally more affected by population decline than smaller villages (Beetz et al. 2008, 298). Small regional centres, namely the middle-sized cities of Eastern Germany face higher level of demographic shrinkage than rural settlements (Lang 2013).

3.1.4 ADVANCED PERIPHERALISATION, A HUNGARIAN (SEMI-PERIPHERAL) REALITY

Roma, the largest, most stigmatised and oppressed ethnic minority of Hungary are overrepresented in remote, small settlements of structurally disadvantaged areas. The geographic segregation of Roma has a long history in Hungary. Roma started to arrive to the current territory of Hungary after the end of Hungary's Ottoman Occupation (1699). In her regulation Maria Theresa forced Roma people to settle down. Even if she prohibited Roma from settling down in segregates, the emergence of Roma streets and/or continuously built-up areas has taken place in this period of history (the second half of the 18th century) (Csalog 1984). In the beginning of the 20th century around 90 percent of the Hungarian Roma population already lived in segregates (Lennert et al. 2014, 5). Geographical segregation softened in state socialist Hungary. A decree from the ruling state socialist Party (MSZMP) ordained the elimination of Roma streets and settlements and that Roma moved into the continuously built-up area (Kocsis and Kovács 1999). Roma needed to move to reduced quality housing (*"Cs"*-s ház, Csalog 1984) built by the state or they could get a loan to buy houses. However, the loan they maximally could get was only enough to buy houses in geographically peripheral, demographically shrinking small settlements (Lennert et al. 2014, 6). Several villages in Northern Hungary (Cserehát) and Soutwest Hungary (Ormánság) reached a Roma majority in this period (Kovács 2005). A new type of segregation was observable in remote, small villages, which accumulated only the underprivileged and thus had a truncated local society. After the regime change geographical segregation started to intensify in Hungary again. In 2004 72 percent of the Roma families lived in segregates (Kemény and Janky 2004).

In today's Hungary there are special schools created to deal with Roma/poor children, social shops created for poor people, or community development programmes organised for *"them"*. As Szalai (2002, 21) argues these are institutions from the mainstream hermetically sealed, parallel existing society and therefore facilitate segregation that may escalate into *"ghettoisation"* (or what I call advanced peripheralisation). Váradi and Virág (2015, 103) consider *"ghettoisation"* a socio-spatial process that particularly affects geographically periheral small settlements in structurally disadvantaged regions.

It often happens that Roma people are not isolated within a settlement anymore, but a whole settlement becomes isolated. Families in the *"rural ghettoes"* have a low level of education and suffer from generational poverty. Members of the majority society stigmatise whole settlements/ part of the settlements and the families living there. People living in *"rural ghettoes"* got socially and spatially so far from other social strata, that moving from these *"ghettoes"* became impossible both symbolically and effectively (Ladányi et al. 2004, Váradi and Virág 2015). *"These settlements are becoming 'obsolete' for the mainstream society, as they do not provide a possibility for higher status families to build up a proper form of life. The fact that Roma families with low social status were pushed in these spaces, shows well both the isolation efforts of the majority society and the low social status of Roma families in the society"* (Váradi and Virág 2015, 103).

In villages undergoing advanced peripheralisation, poverty may be constantly reproduced and without an intervention against it, poverty evolves into privation. Within these settlements people living in permanent poverty are not capable to plan for the long-term, satisfying daily needs consumes all of their energy (Durst, 2008; Ladányi and Szelényi, 2004, 104–114; Váradi 2007 in Váradi and Virág 2015, 103). Social and solidarity economy initiatives face different challenges in differently peripheralised villages. Beyond the locality, the institutional contexts also influence the room for manoeuvrability for rural social enterprises.

3.2 Social and solidarity economy in CEE

Social and solidarity economy may be framed as an aggregation of community-based initiatives having (or not) the potential of counteracting processes of peripheralisation. In remote, rural areas non-profit, local initiatives emerge as responses to processes of peripheralisation. Some initiatives aim to develop solutions for the shrinking infrastructure (public transport, local shops and public institutions, like schools or kindergartens), while others aim to provide solutions for the challenges of economic decline and long-term unemployment, there are also some which focus on the most marginalised and go beyond purely providing employment and aim at developing the employment competencies through community building and capability development. While social and solidarity economy initiatives can be considered as counter movements of peripheralisation, they are simultaneously embedded in the institutional frameworks of the particular countries. In the following the connection between social economy and local development will be revealed in post-socialist countries, with particular attention to Hungary and East Germany.

The term *"social economy"* appeared for the first time on the European Union agenda, in the early 1990s, it was derived from the French *"économie sociale"* which was well-established in France and included cooperatives, mutual societies, associations and foundations (the then so-called *"CMAF-family"*) (Birkhölzer et al. 2015, 4). The term *"social enterprise"* appeared later; its emergence is possibly linked to the Italian *"social co-operative"* movement and to the works of the EMES network, which proposed a definition with a social as well as an economic dimension (ibid., 4–5). This term seemed to be more appropriate in the German context and appeared in the middle of the 1990s on the German agenda as Soziale Betriebe (ibid., 5). However, it was used more or less only in the context of employment measures, corresponding to what was called, in other countries, *"work-integration social enterprises"* (WISEs) (ibid.). The term Sozialer Betrieb (with some variations) had even become a legal status in the late 1990s in some German Länder (for example in Lower Saxonia), but fell into oblivion with the failure of the concept a few years later (Birkhölzer, Lorenz and Schillat, 2001).

Social enterprises gained recognition in the CEE region right after the accession of 10 new Central and Eastern European Member States. The new member states were rapidly integrated into the EQUAL Community Initiative (2002–2008) (Ferreira et al. 2019).

> *"EQUAL had a €3 billion EU budget and it recognised the potential of the social economy and social enterprises to promote employment and social inclusion and reduce inequalities in the labour market. Among its nine themes, there was the social economy with a focus on the creation of businesses and the promotion of the entrepreneurial spirit."* (Ferreira et al. 2019)

The work-integration function of social enterprise was further emphasised in the 1304/2013 Regulation of the European Parliament and of the Council on the European Social Fund for the 2014–2020 programming period. *"Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment"* is one of the investment priorities of the thematic objective *"promoting social inclusion, combating poverty and any discrimination"* (European Parliament and European Council 2013).

The first policy package developed by the European Commission to support the social economy and social enterprises was the Social Business Initiative (SBI) launched in November 2011 (European Commission 2011).

> *"The SBI aimed to contribute to develop socially innovative enterprise projects, to introduce new investment and financing models for social entrepreneurs and enterprises to support their typically hybrid funding model, and to push for greater consideration of social aspects in public procurement practices (European Commission 2011a). CEE countries were present in the SBI and a large European gathering of the social economy was organised in Slovakia in December 2017. They were represented in the consultative multi-stakeholder group on social enterprise (GECES) that included representatives from all Member States and European civil society and which aimed to examine the progress of the measures envisaged in the SBI. The SBI put social enterprise on the political agenda of the Member States, particularly in the areas of regulatory and legal frameworks, access to finance, and enhancement of recognition and visibility.*
>
> *Several CEE countries launched policy actions to support social enterprises along those three action lines."* (Ferreira et al. 2019)

Through financially supporting the work-integration function of social and solidarity economy initiatives the European Union had a significant influence on the institutionalisation of social enterprises in CEE. Before expanding on how social enterprises got institutionalised in Hungary and East Germany this chapter expands on the informal dimension of social and solidarity economy.

3.2.1 INFORMAL SOCIAL AND SOLIDARITY ECONOMY

Certain informal economic activities such as reciprocal labour (like *kaláka*[8] in Hungary) or backyard farming have been discovered by postgrowth researchers (eg. Hürtgen 2015). As stabilisers of private life and defenders of living conditions or as attempts of economic actors for localising and democratising the economy, domestic and reciprocal labour might be considered as building blocks of a postgrowth society (Hürtgen 2015, 26) or as the informal dimension of social and solidarity economy, thus having the potential of counteracting peripheralisation (Mihály 2018a).

However, reciprocal labour, such as kaláka, or domestic labour, such as backyard farming, is disappearing with the post-socialist transformation and socio-spatial marginalisation. Laki (1997 in Kovách 2012, 103–104) argues that agricultural production can less and less be a survival strategy for the unemployed in rural areas. A quarter of the unemployed that he asked did not conduct any kind of small scale agricultural activity. The others did backyard farming for their own consumption. Nowadays, many people affected by long-term unemployment do not have the knowledge for small-scale farming anymore. As Mészáros (2013, 92) puts it, even though resources can be recognised within an area (in people, nature, geographic location, infrastructure), locals might not possess or might not have access to these resources. Mészáros takes the example of land. Even if a village is surrounded by good quality land, it can happen that it is in private possession; therefore

8 Building on the traditionally strong family or neighbourhood relationships, kalákas emerged already during feudalism as a vehicle for satisfying needs through reciprocity-based economic transactions. During socialism, kalákas played an important role in the everyday life of people for whom satisfying their needs through the formal economy was a challenge. As neither the state nor the market was capable of satisfying those needs, the state tolerated kalákas, which were part of the semi-official "second economy". After the regime change and the increasing commercialisation, kaláka as a social practice started to disappear from Hungary, but it still exists today to a certain extent, e.g. in the form of family harvest, and, though in a more limited way, through building or furbishing family houses. A kaláka was not simply a reciprocity-based exchange of work: after the work was done, kaláka members often ate or celebrated together (Szabó 2008, 7 in G. Fekete et al. 2017, 16).

locals cannot make use of it. Another challenge, according to Mészáros, can be that even if resources are available (in terms of employees, infrastructure or environment) they might be so amortised, that without an intervention, in their current state they cannot provide a strong basis for local development, thus they need help (based on the principles of democratic solidarity) coming outside the region.

The currently existing civic engagement in CEE can not be understood without considering the historical legacy of state socialism.

> *"Civilian initiatives got depoliticised in state socialism. During that period even though the system softened in the 1980s, civil society associations (be them formal or informal) could only exist if their own orientations would align with the political regime's agenda. Put differently, they were instruments of the political regime. State had a monopoly in social service provision, 'volunteering' was compulsory and controlled by the central state (eg. társadalmi munka or 'social work' in Hungary). Next to 'compulsory volunteering' solidarity was not labelled as 'solidarity', but practiced in informal civilian initiatives (eg. kaláka in Hungary) or in families that were traditionally the hinterland in CEE."* (Ferreira et al. 2019)

Considering the historical legacy of state socialism, it might not be surprising, that civic engagement is clearly lower in East Germany, than in West Germany (Gensicke et al. 2009, Engagementatlas 2009). According to the research conducted by the Prognos AG, way less civilians (26,5 percent) are engaged in East Germany, than in West Germany (36,3 percent) (Engagementatlas 2009, 18). The engagement of the East German citizens is below the country average. The five *"new"* federal states and Berlin had a similarly low engagement quote in 1999 (ibid.). Since 1999, new fields of engagement, such as politics, music, social issues, health, engagement for the elderly and for the environment, emerged in East Germany (ibid., 18). The Uckermark-Barnim region, from which the two German case studies have been selected, has the lowest engagement ratio (14 percent) in whole Germany (ibid., 19). The research of Gensicke et al. (2009) show that civic engagement is particularly low in East German rural areas. This is in contradiction with the results of the Prognos AG:

> *"The engagement quote in rural areas is not only high above average, but distinctly higher than in major cities. Small settlements reach the highest engagement data."* (Engagementatlas 2009, 21)

In small settlements traditional infrastructures, in which civilians can get engaged still exist, but newer forms of engagement can not be found in these areas (ibid.).

In Hungary, the number of registered CSOs might give an optimistic picture about the state of civil society, but if we take a look at the statistics about active membership the picture gets less optimistic (G. Fekete et al. 2017). Harkai (2006) argues that around 40 percent of the Hungarian population is marginalised. Those people who were pushed to the periphery of society fear their insecure futures and put most of their energies into developing survival strategies for their everyday challenges. As per Harkai expecting these people to be societally engaged without supporting them may be unrealistic.

A German Ashoka Fellow (a fellowship for social entrepreneurs) has a similar line of argumentation. From 51 Ashoka Fellows only 3 have been selected from Eastern Germany and my interviewee was one of them. She gives her personal perspective about civic engagement after the reunification of Germany:

> *"I was 30, at the time of the Regime Change. I was a single Mother. My daughter was 5 years old. I lost my job. There were a lot of people in my age or who were even older than me. They lost everything, a lot of women as well. For those ones who were 20, for them it [the reunification of Germany] was easier. They were still in their studies and afterwards they could go in the "free world". But for us, who already had a job, the top priority was to survive. We had to pay our rents or to take care of our children. At least for me it was like that and I am highly qualified, I have a PhD and I was teaching at the University. (...) For CSOs to exist, first the basic needs [of the civilians] need to be satisfied."* (Interview_G1, 2016)

3.2.2 INSTITUTIONALISED SOCIAL AND SOLIDARITY ECONOMY

The totalitarian states of state socialism were interested in actively discouraging the formation of civil society organisations even of seemingly innocuous sorts (Chambers and Kopstein 2006, 367). In spite of the state's aspirations youth groups, popular music clubs all over the CEE region and environmental groups in Hungary and East Germany managed to sustain their own group resources and even socialising functions (Chambers and Kopstein 2006, 368). Later, when the regimes showed weaknesses around 1989, these informal movements played a role in dismantling state socialism. The regime change in 1989 in Hungary and the the reunification of Germany in 1990 raised the questions whether civil society would develop towards state control or towards a partnership and dialogue with the state. When the East German federal states were integrated to West Germany, the already developed system of welfare provision was taken over in East Germany (Birkhölzer 2015). Even if the civic engagement in East Germany was similarly weak as in other CEE countries, there was an already developed institutional system that was introduced in the former German Democratic Republic (Birkhölzer 2015). If one looks at how the welfare state is organised in Germany, one could argue that there are platforms developed for a dialogue between state and civil society and there are examples when the state develops partnerships with the civil society. On the other hand, it can be also observed that the receding state pushes the responsibility of tackling the results of peripheralisation on the local civil society. This approach may justify the state to further recede and might put unequally high burdens on the local civil society in tackling peripheralisation.

In Hungary, the restored (or rather surviving) authoritarian hierarchies successfully hindered the emergence of civil independence and autonomy (Kövér 2015, 84). This historic legacy of the civil society was used by the Fidesz government from 2010, which practically dismissed the civil society organisations, replacing the formerly existing ones with a *"new"* set of loyalists, rooted in and grown from deeper levels of party-created and –controlled civic circles (ibid.). These organisations cannot be considered politically autonomous.

Civil society plays a rather minor role in shaping the SE field in CEE. East Germany is an exception as it had a unique development path through being integrated to an already exsisting institutional system for civil society and welfare provision. Municipality-based social enterprises are unequally supported over civilian-based social enterprises through legal frameworks, grants and subsidies in Hungary (G. Fekete et al. 2017), but in other CEE countries, such as Slovakia (Palackova 2018), Slovenia (Moskvina, 2013) or Serbia (Cvejic and Babovic 2018) as well. The main function of these social enterprises is work-integration, at the same time they might have a limited capacity for developing the (employee) skills of the most marginalised.

The historic legacy of state socialisms also influenced the attitudes towards cooperatives. Becoming a member in a cooperative was forced during state socialism and cooperatives were not autonomous, bottom-up initiatives of citizens, but institutions of the patriarchal state (Kovách 2012, 33). In CEE therefore cooperatives instead of being associated with grassroots movements or processes of participative decision-making, are considered to be institutions of the patriarchal state.

Social cooperatives, which have emerged in Hungary and Poland due to legislations in 2006 and received wide support via regional grant opportunities in Operational Programmes from the European Social Fund (Ciepielewska-Kowalik 2015, G. Fekete et al. 2017) have work-integration functions and are often municipality-based. Even though these organisations often rely dominantly on project-based funding, they are expected to tackle the complex challenges of long-term unemployment (G. Fekete 2014) and social exclusion. Due to the generous support schemes originating from the EU, the number of social cooperatives in Hungary increased from 1 in 2007 to 2490 in 2015 (Havas and Molnár 2017). The survival rate of social cooperatives set up during 2007–2009 is very low, out of 57 only 5 social cooperatives were still active in 2015 (Havas and Molnár 2017). Even though social cooperatives have experienced tremendous growth in numbers, their size and contribution to employment is not significant in Poland either. The average number of members in Polish social cooperatives is 7.5, and the average number of employees, who are not members is 2.3 (Informacja 2012 in Ciepielewska-Kowalik 2015, 16). Hungarian social cooperatives got concentrated in peripheralised rural areas, which are particularly affected by long-term unemployment. In 2012 a less autonomous, *"new type"* of social cooperatives got introduced in Hungary, in which municipalities could become officially members (G. Fekete et al. 2014). The *"new type"* social cooperatives were combined with the highly controversial workfare employment (see in G. Fekete et al. 2017). While in both Hungary and Poland social cooperatives are expected to tackle long-term unemployment, in Germany, where the welfare state is institutionally thicker, the *"social cooperative"* is only a concept, an idea of an organisation through which economic democratisation may be reached, with less expectations in regards of the employment of the socially excluded (Birkhölzer et al. 2015). The original idea behind a social cooperative is that it is set up by civilians and however, it might receive state funding for providing services to the state, it is an autonomous entity. This autonomy has been further damaged in Hungary due to an amendment coming into force in 2018 (G. Fekete et al. 2017, 25). Without the membership of local municipalities or by the central state nominated welfare organisations social cooperatives cannot exist anymore. In order to sustain their independence from the state most civically-set-up social cooperatives consider transforming to *"conventional"* cooperatives or to other legal entities, even if they lose the tax benefits provided for social cooperatives (Németh 2017).

As market income is scarcely available for non-profit initiatives in peripheralised rural areas, they might also rely on non-market (redistributive) or non-monetary (reciprocal) resources. Non-market resources (especially EU funding) proved to be of particular importance in the emergence and institutionalisation of social enterprises in CEE. After Hungary's accession to the European Union, EU Funds have taken the role of the formerly domestic Funds. Next to funding, available from the EQUAL (ESF) construction, the LEADER (EAFRD) programme (since 2001) is considered to be influential in Hungary (Füzér et al. 2005, LEADER 2011 in Kabai et al. 2012, 53) and Germany (Christmann 2013). The LEADER approach builds on the idea that spatial development measures are more sustainable if regional actors actively contribute to shaping the future of their regions (Stöber 2006, Peter and Knickel 2006 in Christmann 2013, 44) In Germany, this ideal has been confronted with a sobering reality: *"Measured by the number of supported projects, on the whole, the top priorities of LEADER have been implemented only hesitantly"*, as is the account of the First Report on the Progress of

the Development of Rural Spaces in the Federal Republic of Germany (BMELV 2011b, 46; Böcher 2003; Diller 2012, 11f. in Christmann 2013, 44). It continues by saying that *"this is due most of all to the fact that the LAG's (Local Action Groups) selection procedure is time consuming and that many questions of administrative proceeding had to be clarified in the context of implementation."* Therefore it cannot be overlooked that even if citizens' groups work out promising ideas for regional development projects, often these groups suffer from a lack of institutional embeddedness, know-how, professionalism and the necessary reputation to successfully compete for funding (ARL 2007 in Christmann 2013). LEADER has not achieved significant results in Hungary either. It had shortcomings, such as the slowness of central administration; over-regulation and the delay in contracts and later in payments (Fazekas and Nemes 2005 in Kabai et al. 2012, 53).

Non-monetary resources are often scarcely available in peripheralised areas. If we consider selective out-migration or socio-spatial marginalisation that marks remote, rural areas in CEE, one might question whether *"rural areas are characterized by strong social capital and local links"* (Defourny 2014, 32). Reciprocity behavior between individuals integrates the economy only if symmetrically organised structures, such as a symmetrical system of kinship groups, are given (Polanyi 1971a). These symmetrically organised structures are being destroyed through processes of peripheralisation. The post-socialist transformation or the capitalist reintegration of CEE has damaged the village communities of rural areas in CEE.

If we consider the processes of socio-spatial marginalisation, there is not much sign and hope of processes of *"deperipheralisation"*, but – in the case of Hungary – further socio-spatial marginalisation is foreseen. *"Under the circumstances of recentralisation and an increasingly meaningless community autonomy, it is difficult for local actors to succeed in exploring and mobilising local resources and finding a way out from the processes of marginalisation and the dependencies produced by the state interventions"* (Nagy et al. 2015a, 146). Social economy, as it is promoted in policies has little capacity to counteract these processes. The state withdraws governmental funding on a statutory basis from civil society organisations and privileges one type of local actors, the local Mayors in accessing rural development funds or governmental funding (Mihály 2018a). One of the main instruments that the Hungarian government is utilising to tackle poverty and long-term unemployment is the workfare employment which further reproduces dependencies. Workfare employment is getting to the focus of national social policies in other CEE countries too (eg. in Slovakia, see Palackova 2018).

In the socialist era after the Second World War, the formerly existing **cooperatives** were all put under state control in Hungary, whilst – under a top-down approach – a number of new ones were created, and rural smallholders and certain professionals (e.g. hairdressers) were left with little choice but to join them (G. Fekete et al. 2014). As part of the centrally planned economy cooperatives had a considerable presence in other post-socialist or post-soviet countries too. After the regime change the number of cooperatives similarly to other post-soviet countries decreased rapidly in Lithuania (Ramanauskas and Stašys 2011, 190). Similarly to post-soviet countries, most traditional cooperatives (such as rural agricultural cooperatives) declined in numbers after 1989 in Hungary, the Czech Republic and in Poland (Csáki et al. 1999, 1). The restructuration of the agri-sector has also affected people living in rural areas negatively. The collapse of cooperatives meant that people living in rural areas lost their jobs and access to local employment. In the case of Hungary they even lost an opportunity to earn extra income, as Hungarian cooperatives bought the products that their members produced through *"backyard farming"*. In addition to that rural households could take crops for free or at a reduced price from their cooperatives to raise animals that they could sell to their cooperatives later. Backyard farming (*"háztájizás"*) was therefore a complete structure provided to rural households through agricultural

cooperatives to earn extra income (Kovách, 2012, 102). With the elimination of the agricultural cooperatives, an institution also ceased to exist, which next to its economic functions fulfilled a community role through organising and providing space for cultural programmes in the village.

Considering the state socialist legacy it is not surprising that the employment potential of the cooperative sector is rather minor in CEE. Overall, between 1989 and 2010, employment in all kind of cooperatives fell by 87,5 percent in Poland (Ciepielewska-Kowalik, 2013). In Slovenia, where agricultural and forestry cooperatives dominate the cooperative landscape, together with non-governmental organisations cooperatives employed about 7,000 persons in 2010, representing 0.73 percent of all employees during the year (CIRIEC, 2012 in Podmenik, 2017).

To sum up, processes of periheralisation accelerated in Hungary and Germany after the regime changes. In both countries the post-socialist transition resulted in the peripheralisation of remote villages and small towns of structurally disadvantaged regions. However, peripheralisation is a relative phenomenon. While in remote, small settlements of structurally disadvantaged areas of Hungary, economic decline and ethnic exclusion produced contagious *"ghettoes"* in the last two decades (G. Fekete 2005, Smith and Timár 2010, Virág 2010), in the German context the phenomenon of a *"rural ghetto"* does not exist. The geographic segregation of Roma has a long history in Hungary, but uneven social, economic and territorial development characterising Hungary after the regime change accelerated the emergence of areas undergoing advanced peripheralisation, or in other words, socially and economically deprived spaces (Kóczé 2011, 129–130).

The policy interest towards social enterprises emerged in the context of increasing regional inequalities in the new member states of the European Union. While social enterprises exist within the German welfare state and a thick institutional system for third sector organisations, Hungarian social enterprises exist in a rather weak welfare state providing security for only those third sector organisations, which are closer to the state. Those social enterprises that have strong ties to the politically autonomous civil society have difficulties in the Hungarian context. The presence of informal social and solidarity economy in the conext of advanced peripheralisation is especially low due to long-term unemployment and its devastating social consequences (Baranyi et al. 1999, 72–74) leading to the disintegration of the village communities (G. Fekete 2015, 28; Dövényi 1997). Furthermore the legacy of state socialism in which civilian initiatives were oppressed still has its effect on the Hungarian and German civil society.

4 Methodology

In addition to outlining procedural rules (methods) it is important to be concerned with theories of knowledge and the nature of social reality (methodology) (Brewer 2000, 4). For this reason in the first section a relatively detailed overview will be given about how theories of knowledge influenced the development of ethnographic research. At the end of this overview, a critical realist ethnography will be introduced, as this approach provides the methodological base of this research. Moving from theories to more practical questions the case selection and comparative proceedings will be outlined as well as the methods of data collection. The last sub-chapter will provide some reflections on the potentials and limitations of the selected methodology from the perspectives of different ontologies and from the perspective of particular field experiences.

4.1 Towards a critical realist ethnography

Ethnography is one of many approaches that can be found within social research today. A consequence of this, as Hammersley and Atkinson (2007, 1) argue, is that there is considerable overlap with other labels, such as *"qualitative inquiry"*, *"fieldwork"*, *"interpretive method"*, and *"case study"*, these also having fuzzy semantic boundaries.

Ethnography is the study of people in naturally occurring settings or fields by methods of data collection which capture their social meanings and ordinary activities, in order to collect data in a systematic manner but without meaning being imposed on them externally (Brewer 2000, 6). According to Hammersley and Atkinson (2007) the following principles are characteristic of all ethnographic research:

- *"The research takes place 'in the field'; people's actions and accounts are studied in everyday contexts, rather than under conditions created by the researchers.*
- *The main ranges of sources are documentary evidence, participant observation and informal conversations.*
- *Data collection is relatively 'unstructured'. First, it does not involve following through a fixed and detailed research design specified at the start. Second, the categories that are used for interpreting what people say or do are not built into the data collection process through the use of observation schedules or questionnaires. Instead they are generated out of the process of data analysis.*
- *The focus is usually on a few cases to facilitate in-depth study.*
- *The analysis of data involves interpretation of the meanings, functions, and consequences of human actions and institutional practices, and how these are implicated in local, and also in wider contexts. The products of the research therefore are verbal descriptions, explanations, and theories."* (ibid., 3)

For the *"ordinary modes of making sense of the social world"* ethnography is often compared to journalism. However, there are important differences between journalism and qualitative research writing, based on the researcher's commitment to greater depth of thought, more sustained periods spent on investigation and a more rigorously self-critical approach (Hammersley und Atkinson 2007, 16).

Ethnography has been influenced by different theories of knowledge, such as positivism, naturalism, constructivism, subtle realism or critical realism. To clarify my ethnographic approach, I will give an overview on the development of ethnography influenced by different theories of knowledge.

4.1.1 THE SCOPE OF POSTMODERN REFLEXIVE ETHNOGRAPHY

Naturalist and humanistic ethnography preceeded postmodern reflexive ethnography. Naturalist ethnography has been developed to gain scientific authority to ethnographic research within a natural science (positivist) model of social research. Naturalism is an orientation concerned with the study of social life in real, naturally occurring settings; the experiencing, observing, describing, understanding and analysing of the features of social life in concrete situations as they occur independently of scientific manipulation. The focus in naturalism is on what human beings feel, perceive, think and do in natural situations that are not experimentally contrived or controlled. Rather than hypothesising about phenomena beforehand, there is an emphasis on experiencing and observing what is happening naturally, through first-hand contacts. Positivist ethnographic researchers aim to minimise their effect on the setting as much as possible. Stress is laid on the analysis of people's *"meanings"* from their own standpoint: the feelings, perceptions, emotions, thoughts, moods, ideas, beliefs and interpretative processes of members of society as they themselves understand and articulate them (Brewer 2000, 33).

From the 1960s there has been an intellectual attack on positivism, from interpretative sociologies, such as phenomenology and ethnomethodology (Brewer 2000, 31). A new tradition was rediscovered, which gave legitimacy to new procedural rules and thus new methods for collecting and analysing data, such as conversation analysis, or reinvented and repolarised underused ones from an earlier period, such as ethnography, documentary analysis, in-depth interviews and participant observation (Brewer 2000, 33). Humanistic ethnography is a style of ethnography that seeks to explore *"reality construction"* abilities (Brewer 2000, 22). People are seen discursive in constructivist ethnography. Humanistic ethnographers believe that people through their discourses have the capacity for language and the linguistic formulation of their ideas and possess sufficient knowledge about discourse in order to articulate their meanings. For this reason in humanistic ethnography knowledge must be inductive, in which researchers begin with particular observations, from which empirical statements are made, which may, or may not, lead on to statements of more generality. Humanistic ethnography is therefore discovery-based rather than hypothesis-based (Brewer 2000, 34). Theory is inductively developed and through humanistic ethnography it is in constant interaction with the data from that study. This theory is grounded in the actual data collected, in contrast to the theory that is developed conceptually and then simply tested against empirical data. The *"humanistic"* type of ethnography is what most people think of when they reflect on ethnography and it is what most ethnographers do when they practice fieldwork: *"getting close to the inside"*, *"telling like it is"*, *"giving an insider's account"*, *"being true to the natural phenomena"*, giving *"thick description"* and *"deeply rich"* data (Brewer 2000, 37).

A postmodern critique of ethnography rejects both the natural science (positivist) models of social research and the claims by some humanistic ethnographers that it provides *"special"* and *"privileged"* access to insider accounts of people's world-views, a view described by other ethnographers as *"naive realism"* (Hammersley 1990).

Lyotard (1979 in Brewer 2000, 24) used postmodernism as a term to describe a social condition of advanced capitalist society rather than a set of theoretical ideas. This social condition is characterised by the realisation that two great enlightened ideas (called *"meta-narratives"*) have been myths and illusions. The idea of progress and the idea of liberation is a myth as witnessed by twentieth-century genocide, and so is the idea that knowledge can be objective and truthful. The postmodern critiques of ethnography imply important claims ethnographers are able to make about their account, which is no longer a privileged description of the social world from the inside, what Greetz once called a *"thick description"* in order to emphasise its richness and depth (Brewer 2000, 25).

Postmodernists argue that there is no *"reality"* and ethnography captures only the version that the researcher selects. For this reason it is crucial to be reflexive, to adopt a critical attitude towards the data (Brewer 2000, 43).

4.1.2 CRITICAL REALISM

Critical realism is an attempt to explain the relationship between social structure and social action. Roy Bhaskar, in whose work critical realism is grounded is an Indo-British philosopher born in 1944 (Gorski 2013, 663). He first focused on *"Third World development"*, but became increasingly disillusioned with orthodox economic theory and science, and gradually turned his attention to the philosophy of science, working closely with the neo-realist philosopher, Rom Harré (ibid.).

Critical realists believe that structures are *"real"*, their effects can be demonstrated in causal connections in the material world. These structures also constrain agency, but they also simultaneously enable agency by providing the framework within which people act. Such agency reproduces or occasionally transforms the structures it occurs within (Brewer 2000, 50). For critical realists, the aim of science, both natural and social, is the identification of the structures and mechanisms which generate tendencies in the behavior of phenomena (Porter 2001, 242). However, critical realism is not the only attempt to come to terms with the complex relationship between structure and agency.

Next to critical realism there are different theories that reflect on the interaction between structure and agency in social science. Berger and Luckmann's (1971) thesis on the social construction of reality, Giddens' (1984) structuration theory, and the work of Rom Harré (1979) are notable alternatives. Bhaskar (1989b) criticises Rom Harré's model for its attempt to dialectically relate structure and action as two moments of the same process, which results in a failure to identify the radical differences between them. *"While Harré seems to accept the existence of social structures, he is rather dubious about our ability to understand them."* (Porter 2001, 242–243) Giddens' structuration theory is closer to critical realism. However, an important difference lies in the interpretation of the significance of structure. While structuration theory emphasises the autonomy of social actors, critical realism underlines the pre-existence of social forms, thus giving structure a stronger ontological grounding (Bhaskar 1978, 1983).

> *"This emphasis on structure provides a useful antitode to the micro-sociological tendencies of much ethnography."* (Porter 2001, 242–243)

However, Karl Polanyi's ontological perspective, that the presence of markets is insufficient for system integration and that all societies further require systems of reciprocity, redistribution and householding preceded Roy Bhaskar's critical realism, it can be considered as *"a spectacular demonstration and precursor of Bhaskar's notion of metacritique"* (Despain 2011, 300–301). Building on Karl Polanyi's metacrtitique of the liberal creed (see Despain 2011), one of the main aims of this research is to understand how certain social structures shape not-for-profit economic activity under processes of peripheralisation and how existing institutional arrangements (structures) influence the room for maneuverability for social enterprises and local development.

Next to critical realism subtle realism is also an attempt to overcome the postmodernist critiques of ethnography. Hammersley (1990) argues that the aim of ethnography should be to understand the perspectives of

others rather than to judge them. Bhaskar (1989a) on the other hand is explicit on his assertion that critical realism logically entails evaluation, which he sees as an imperative for social research. As social theory and social reality are interdependent (Bhaskar 1989a), social analysis may have practical consequences for society. From this perspective the evaluation that analysts put upon specific social phenomena is crucial.

4.1.3 CRITICAL REALIST ETHNOGRAPHY

The basic theoretical assumption of critical realism is that human action is enabled and constrained by social structures, but this action, in turn, reproduces or transforms those structures. Acceptance of the reality of social structures entails the rejection of methodological individualism as a sufficient mode of explanation. Similarly, methodological situationalism is seen as providing too weak conception of structure (Porter 2001, 241). For this reason within critical realism ethnography is not a methodology, but a collection of methods. Ethnographic techniques of data collection can be used within the model of critical realism to investigate the nature of generative structures through examination of social phenomena (ibid., 242).

The purpose of critical realist ethnography is *"not to idiographically illuminate small scale social events, but to use examination of human agency to shed light on the relationship between agency and structure"* (ibid., 241). For this reason it is necessary to explicitly focus research on effects of the structural phenomena (in my case: processes of peripheralisation and patterns of economic integration) that are thought to be involved. *"This concentration on structures sui generis facilitates comparative testing of conclusions drawn."* (ibid., 241)

The aim within critical realist ethnography is not primarily to describe events, but to explain why they occured. This explanation involved identifying the influence of structural factors of human agency, in this case the influence of local capabilities or local forms of economic integration and peripheralisation upon the possibilities of social and solidarity economy initiatives for local development.

A great danger of critical realist ethnography is that the events being described will be *"subverted by the transcending stories in which they are cast"* (Crapanzano 1986, 76 in Porter 2001, 242). Porter argues that the recognition that critical realist ethnography, as any other, is not written in a neutral descriptive language does not lead us to the relativist view that regards every ethnography as an invention of its author (Clifford 1986 in Porter 2001, 242). Postmodern ethnographers recognise that the participant observer's view is a view, but argue that a view is sometimes better than no view (Brewer 2000, 62).

A critical realist approach to ethnography facilitates subsequent comparative or critical work:

> *"Firstly, because the emphasis is on structural mechanisms rather than unique events, conclusions about the effects of those structures can be tested through empirical examination of events in other settings. Secondly, because the research is explicitly founded on a clearly articulated philosophical position, it is possible for critics to engage with the assumptions inherent in that position and to assess their validity. Thirdly, explicit identification of an underlaboring philosophical model enables critics to examine whether the substantive research properly utilises the theory upon which it purpots to be predicated."* (Porter 2001, 255)

4.2 Case selection and comparative proceeding

As Robert Stake remarked, *"case study is not a methodological choice but a choice of object to be studied"* (Stake 1998, 86 in Brewer 2000, 76). There is no necessary association between the *"case study approach"* and data collection via ethnography, participant observation or qualitative methods generally, nor any natural link with the objective to explore people's social meanings and reality-constituting processes. Some case studies can be quantitative and highly statistical (Hopkin 2010). Case studies do not necessarily focus on the particular at the expense of the general. Generalisability of the findings is possible with a case study, although attention needs to be given to the grounds on which generalisations are made. While not all case studies are qualitative, all ethnographic research involves case study (Brewer 2000, 76).

As the aim of this research is to understand how social and solidarity economy initiatives counteract processes of peripheralisation, it was important to apply purposeful sampling (Patton 1990) and select (1) rural social enterprises (2) from areas undergoing peripheralisation.

The case studies have been selected through a two-step case selection method. First, through relying on existing research on regional polarisation (eg. Koós 2015; Kovács 2010, 2012; Dusek, Lukács, and Rácz 2014; Pénzes 2015 in Hungary or Beetz et al. 2008, Beetz et al. 2005, Reichert-Schick 2010 in Germany) those areas have been selected that are subjected to processes of peripheralisation on a relatively high level compared to other regions in the respective country. After that, *"best practice"* social and solidarity economy initiatives were selected by examining 10 awards, 4 *"best practice"* reports, 5 networks of social enterprises and by consulting with 22 experts from the field of local development, social enterprise and social and solidarity economy.

STAGE 1: SELECTING AREAS UNDERGOING PERIPHERALISATION

The areas where the selected case study rural social enterprises are located are also in the focus of rural development policies.

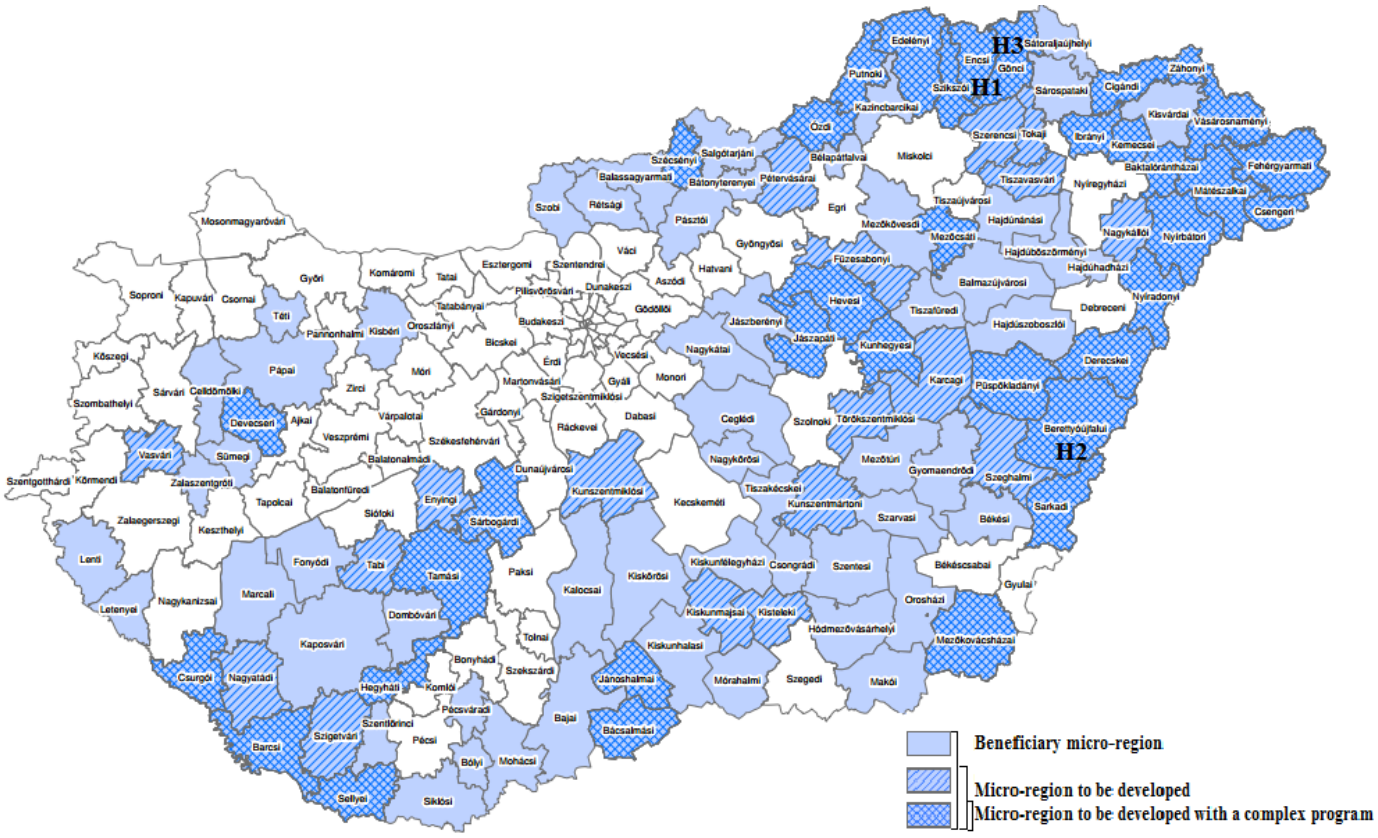
The Hungarian case study social and solidarity economy initiatives are located in micro-regions which, based on a complex indicator, were defined as facing particular socio-economic and employment challenges and are therefore *"to be developed with complex programmes"* (Government Decree no. 290/2014 (XI.26., see Map 1). The *"to be developed with complex programmes"* status brought benefits to the particular micro-regions as they were privileged in accessing EU funding, particularly in the 2007–2013 financing period (Kabai et al. 2012).

The deprivation index, developed by Koós (2015), is an alternative complex indicator aiming to support spatial planning by shedding light on those settlements in which the risk of multiple deprivations is higher than in other ones. Considering housing, qualification, labour market participation, income conditions and demographics Koós (2015) identified which settlements (with geographical location and settlement size) of Hungary are at risk for multiple deprivation (see Map 2). The case study social economy initiatives operate in settlements with a high risk of deprivation (are in the highest category, category 5 within the deprivation index).

Based on the classification of the Federal Institute for Research on Building, Urban Affairs and Spatial Development (Milbert 2015), the two German case study rural social enterprises are located in *"strongly shrinking" "peripheral"* areas (see Map 3).

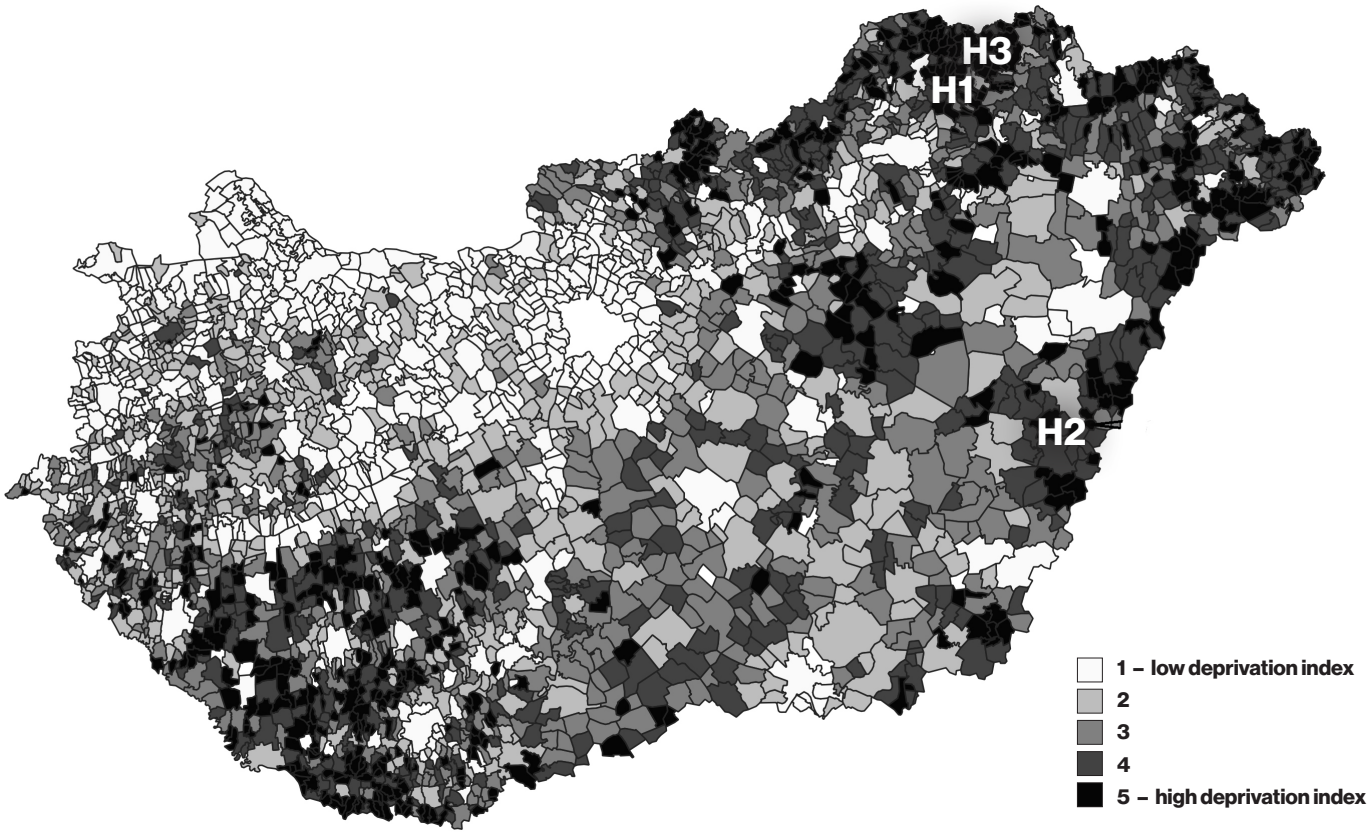
Both the Hungarian deprivation index and the German classification of shrinking and growing settlements by the Federal Institute for Research on Building, Urban Affairs and Spatial Development (2015) are based on settlements. While the deprivation index of Koós (2015) considers housing, qualification, labour market participation, income conditions and demographics, the Federal Institute for Research on Building, Urban Affairs and Spatial Development considers (1) Demographic development (2008–2013), (2) Average migration balance (2009–2013), (3) Employment development (2008–2013), (4) The development of the unemployment rate (2007/8–2012/13), and (5) The development of the number of working age population (2008–2013)[9].

Map 1 Based on the Government Decree no. 290/2014 (XI.26.) the case study rural social enterprises are located in micro-regions "to be developed with complex programmes", Source: terport.hu (TeIR)

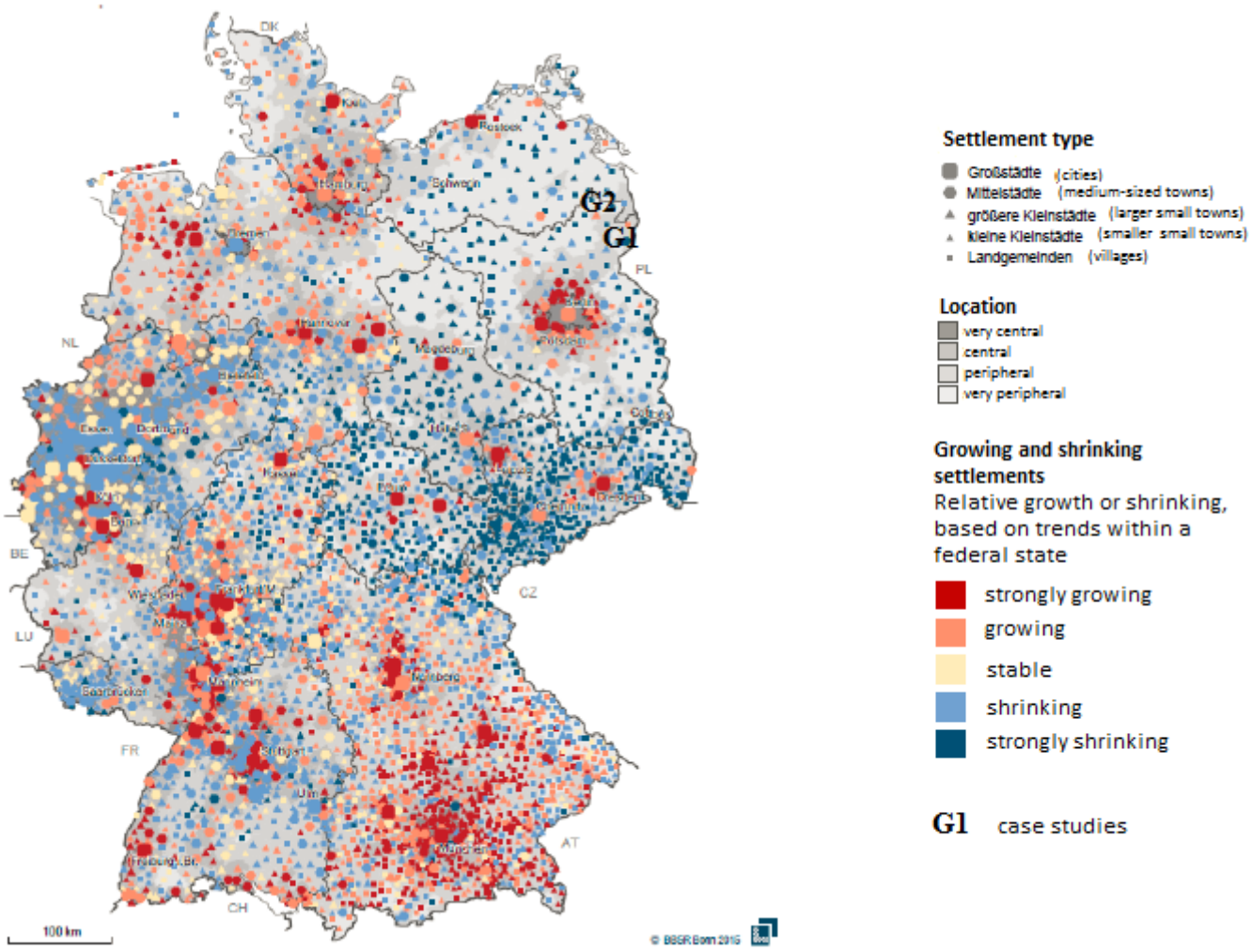


9 The classification of shrinking and growing settlements was based on the frequency of the development indicators in the lowest (<20% of all values) and upper (> 20 % of all values) quintile: (1) Strongly shrinking: 3–6 indicators in the lowest quintile, (2) Shrinking: 1–2 indicators in the lowest quintile, (3) Stable: no indicators in the lowest or highest quintile, (4) Growing: 1–2 indicators in the top quintile, (5) Strongly growing: 3–6 indicators in the uppermost quintile (Milbert 2015).

Map 2 The case study initiatives on the settlement deprivation map of Hungary, 2011
Source: Koós 2015, 64. The case study social enterprises and villages (H1, H2 and H3 indicated by Mihály) are located in an area where settlements with a high deprivation index are concentrated.



Map 3: Growing and shrinking settlements in Germany, the classification of the Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR), Source: Milbert 2015, 11



STAGE 2: IDENTIFYING RURAL SOCIAL ENTERPRISES

With a broad definition of rural social enterprise, *"best practice"* local initiatives of peripheralised areas aiming to counteract processes of peripheralisation have been selected as cases (for an elaboration on the different, sometimes conflicting definitions of social enterprise see Mihály 2017).

Contacting experts of rural development and social entrepreneurship, looking into rural development and social enterprise awards, *"best practice"* reports of local initiatives and networks of social and solidarity economy initiatives helped in identifying social economy initiatives of peripheralised areas that are widely considered as *"best practices"*.

"Best practice" initiatives have been identified through 10 rural development and social entrepreneurship awards (5 German and 5 Hungarian, for a detailed list, see Table 1) or by looking at 3 Hungarian *"best practice"* reports of promising local development initiatives and 6 networks for different social and solidarity economy

initiatives (2 Hungarian and 4 German). Additionally, 22 rural development and social entrepreneurship experts (18 from Hungary and 4 from Germany) have been approached via e-mail (9, all from Hungary), phone (2, all from Hungary) and personally (8, 4 from Hungary and 4 from Germany). Based on a working definition of a social enterprise (see the Hungarian expert sampling sheet in Annex 1) the experts have been asked to identify *"best practice"* social enterprises from rural areas of Hungary and Germany.

The sampling strategy emerged and changed through the research (see also Hammersley and Atkinson 2007, 4). As the experiences showed that experts often referred to initiatives that were included in studies for best practice rural development or were awarded by social enterprise development agencies or by Foundations and Ministries interested in rural development, less emphasis has been put on expert sampling in Germany and more on looking into awards.

Table 1 Case selection, sources for identifying rural social enterprise. Source: the author's own illustration.

Awards	"Best practice" Reports, Networks of social enterprises	Experts
DE: *"Unser Dorf hat Zukunft"*, Federal Ministry of Food and Agriculture, ***https://www.bmel.de/DE/Laendliche-Raeume/BULE/Wettbewerbe/_texte/Dorfwettbewerb_Dossier.html***	HU: Kajner, Péter et al. (Eds.) 2013. A fenntarthatóság felé való átmenet jó példái Magyarországon – [Good practices of transition towards sustainability in Hungary.]	4 Academics – Social enterprise, local development (3 DE, 1 HU)
DE: *"TAT-Orte. Gemeinden im ökologischen Wettbewerb"*, German Federal Environmental Foundation and German Institute for Urbanism (1995–2000), ***https://difu.de/node/4608***	HU: Kajner, Péter and Jakubinyi, László (Eds.) 2016. Szociális farmok létrehozása Magyarországon – Kézikönyv és fejlesztési javaslatok [Creating social farms in Hungary – Handbook and policy recommendations]	2 Academics – Social enterprise, sustainability (HU)
DE: *"Neulandgewinner. Zukunft erfinden vor Ort"*, Robert Bosch Foundation, ***https://www.bosch-stiftung.de/de/projekt/neulandgewinner-zukunft-erfinden-vor-ort***	HU: Vágvölgyi, Gusztáv; Szép, Éva. 2014. Közösségek felé. A fenntarthatósági kezdeményezések jó gyakorlatai, közösségszervezési és vezetési mintázatai [Towards communities. Good practices of sustainability initiatives, their community organising and leadership patterns]	4 Academics – Sustainability, local development (HU)
DE: *"Dorfkümmerer"*, Social Impact gGmbh and the Ministry of Labour, Social Affairs, Health, Women and Family, Brandenburg, ***https://entersocial.de/dorfkuemmerer***	HU: Hungarian Living Village Network, ***http://www.elofaluhalozat.hu/***	1 Practitioner – Advocacy for social coops (HU)
DE: Ashoka Fellows, Germany, ***https://www.ashoka.org/de/our-network/ashoka-fellows/search?fpercent5B0percent5D=field_relation_countrypercent3A76***	HU: Network of social cooperatives (Szociális Szövetkezetek Országos Szövetsége, SzoSzöv), ***www.szoszov.hu***	6 Practitioners – Community Development (HU)
HU: Ashoka Fellows, Hungary ***http://ashoka-cee.org/hungary/en/fellows-en/***	***DE: The civic forum 'Solidary Economy' (Solidarische Ökonomie), that organised the Solikon Congress in 2015, webpage: http://solidarische-oekonomie.de/index.php***	1 Practitioner – rural development (state) (HU)
HU: NESsT Portfolio and supported projects, ***https://www.nesst.org/portfolio/***	DE: The village shop network of Germany: (Wolfgang Gröll), ***http://dorfladen-netzwerk.de/***	2 Practitioners – Social Enterprise Development Agency (HU)
HU: Badur Foundation – Founded projects in Hungary, ***http://www.badurfoundation.org/previously-funded-projects/hungary***	DE: DORV Centres (Heinz Frey), ***http://www.dorv.de/zentren/index.php***	1 Practitioner – Social Enterprise Investment (HU)
HU: Sozial Marie – Prize for social innovation, Hungarian winners ***https://www.sozialmarie.org/hu/projects/winners***	DE: The CSA Network of Germany, webpage: ***https://www.solidarische-landwirtschaft.org/startseite/***	1 Practitioner – Social enterprise, local development (HU)
HU: UniCredit Lépj velünk!, Social innovation programme 2015/16, Unicredit Foundation, Supported projects, ***https://www.unicreditbank.hu/content/dam/cee2020-pws-hu/Rolunk/sajtokozlemenyek_magyar/SK0122Lepj_Velunk_eredmenyhirdetes_sajtokozlemeny_final_jav.pdf***		1 Practitioner – Sustainability, local development (HU)

As a result, three cases have been selected from those peripheralised villages of Hungary that have the highest deprivation index (Koós 2015) and two cases from Northeastern Germany, Uckermark, which is affected by peripheralisation (especially infrastructural, demographic and economic) more severely than other parts of Germany (Reichert-Schick 2010, Naumann and Reichert-Schick 2013). All the five cases are considered to be *"good practices"* for bottom-up rural development and are in geographically, economically and infrastructurally peripheral, small settlements in rural areas.

4.3 Data collection

Brewer (2000) describes ethnography as a style of research with a set of methods aiming to understand social meanings and activities of people in a given *"field"* or setting, and an approach which involves close association with, and often participation in, this setting.

> *"To access social meanings, observe behaviour and work closely with informants several methods of data collection are relevant, such as participant observation, in-depth interviewing, the use of personal documents and discourse analyses of natural language. Since ethnographic research always comprises some combination of this 'triangulation', as Denzin (1970) first termed the use of multiple methods in order to extend the range of data, is routinely a feature of ethnography."* (ibid., 59)

Participant observation, in-depth interviewing and documentary analysis have been applied and triangulated in this ethnographic case study research.

Acknowledging that design in qualitative research is an iterative process that involves *"tacking"* (Geertz, 1976, 235 in Maxwell 1996, 4) back and forth between the different components of the design, assessing the implications of purposes, theory, research questions, methods, validity threats for one another, a relatively open-ended approach (see Maxwell 1996) has been applied. After Maxwell (1996, 8) the following principles were considered in the research design:

1. To keep this research design model interactive; recognise that each of the components has implications for the other components, rather than the components having linear, one-directional relationship with one-another.

2. To change this research design in interaction with the situation in which this study is conducted, rather than simply being fixed determinant of research practice.

3. As the learning process is interactive, I also attempted to regularly engage in the design of this study as the conceptual framework, research question and empirics developed.

In terms of data collection, **expert interviews** and participation in **national workshops** on social enterprise and rural development preceeded the case selection (see Table 13 and 14 in Annex 6). After case selection, **interviews** have been conducted **with the key actors** of the rural social enterprises. The key actors of rural social enterprises also played a role of gatekeepers later, especially during the one-week-long visit (**participant observation**) that I spent within the case study initiatives. The review of the available **documents** produced about and by the case

study rural social enterprises was ongoing. Some documents (like articles or *"best practice"* reports describing the initiatives or self-descriptions on the initiatives' websites or facebook pages) were useful in preparing for the initial interviews with the key actors, while others were more important in the documentary analysis process (financial statements, strategic documents, tender applications). Making the research design explicit helped to see where its strengths, limitations, and implications can be (Maxwell 1996, 3–4).

4.3.1 INTERVIEWS

In order to gain a better understanding about the contexts, interviews have been conducted with experts of rural development and social enterprise in Hungary and Germany. After case selection interviews have been conducted with the key actors of the social and solidarity economy initiatives, as well as with other stakeholders of the initiatives, such as inhabitants of the village, service users, employees etc. Interviews with key actors were formal, semi-structured and in-depth, dominantly audio-recorded, while interviews with other stakeholders have been also informal and dominantly non-recorded. To protect the anonymity of the case study initiatives, all of the interviewees' names have been altered as well as the name of the case study initiatives and the names of the villages. All participating formal and informal interview partners contributed with a written or oral informed consent to the research. To gain a written informed consent, the key actors of social enterprises received an information sheet about the research in their mother tongue and were also asked to sign a consent form[10] (see Annex 2–5).

a. Interviews with experts

Expert interviews have been conducted prior to selecting the case study social enterprises. The aim of the expert interviews was to gain a better knowledge about the overall picture regarding local development and social enterprises in the particular country. Altogether 15 expert interviews have been conducted, 6 with experts from Germany and 9 with experts from Hungary. Almost half of the expert interview partners are female. Five are practitioners, two in the field of community development in Hungary, two in social entreprises in Eastern Germany and one in social enterprises and local development in Eastern Germany. Ten academics were among the interview partners, one lives in Northeastern Hungary and focuses on studying the processes of peripheralisation and local development, four academics are from the field of social enterprise and local development (one of them lives in Western Germany, two in Eastern Germany and one in Northeastern Hungary), two academics are from the field of sustainability studies and social enterprise research, both from Central Hungary and three of the academic interview partners have a focus in sustainable local development, all three live in Hungary.

In addition to interviews with experts (see Annex 6) this research also benefitted from a focus group discussion I lead as part of the *"Social and solidarity economy on post-socialist peripheries"* research coordinated by Éva G. Fekete, co-coordinated by Julianna Kiss and László Hubai and financed by the Hungarian Scientific Research Fund (OTKA K112928, 2015–2017). The national workshop took place in Budapest on the 26th May 2016. Twenty-three practitioners and academics participated in the half-day long workshop. The following topics have been discussed in focus groups: (1) historical legacy affecting the development of social enterprises, (2) the possible types of Hungarian social enterprises and (3) the impact measurement of social enterprises.

10 The consent forms are based on the Oxford Brookes University's guidelines for informed consent, *http://www.brookes.ac.uk/Research/Research-ethics/Guidelines-for-informed-consent/*, last date of access: 20.05.2014

The 90-minute-long discussions were organised with a World Café method, thus around six participants per table per topic discussed each of the above topics for half an hour and afterwards the participants of the discussions rotated, letting another six experts to discuss the topics building on the knowledge produced by the previous table participants, in the third round another six participants discussed one topic building on the already collected knowledge. Field notes have been taken from the focus group discussion and the discussion has been audio-recorded as well. The focus group discussion I lead elaborated on the possible types of social enterprises in Hungary, their typical activity and the possible ways of development of the different types.

I also got the chance to participate in a two-day-long stakeholder workshop with a focus on social entrepreneurship and rural areas of Germany. Among the 25 participants, there were 3 academics and 22 practitioners, mostly civilians from the field of rural development. Even though I did not take a leading role during the workshop I made field notes about my observations. The workshop discussion helped in better understanding the context of social enterprises and rural development in Germany.

b. Interviews with key actors of rural social enterprises

After contacting the key actors via e-mail or via phone an initial visit has been organised linked with in-depth, semi-structured interviews. At the first meeting the aim, timeline and background of the research have been introduced to the key actors of the rural social enterprises and less formally during the one-week-long visit to their volunteers, employees and beneficiaries. The key stakeholders have also received a one-page long information sheet of the research and a consent form formulated in their mother language, in which their permission has been asked for the audio recording of the interview and for using anonymised quotes based on the interview recordings (see Annex 2–5). Twelve interviews (6 in Germany and 6 in Hungary) have been conducted with the key stakeholders of the 5 case study social and solidarity economy initiatives[11] (see Annex 7). The interviews ran normally for 1.5 hours (the shortest interview was 30 minutes and the longest 3 hours). The interviews normally took place in formally arranged meetings out of earshot of other people. During the meetings reflexive interviewing has been applied. According to Hammersley and Atkinson (2007) the main distinction between prestructured (survey interviewers) and reflexive (ethnographic) interviewing is that when conducting reflexive interviews:

> *"Ethnographers do not usually decide beforehand the exact questions they want to ask, and do not ask each interviewee precisely the same questions, though they will usually enter the interviews with a list of issues to be covered."* (ibid., 117)

The International Comparative Social Enterprise Models (ICSEM) Project (2013-)[12], which was ongoing by the time of data collection for this research, helped me in framing the main questions for the key actor interviews. The ICSEM Project, which now involves over 230 researchers from some 55 countries all over the world, is coordinated by Prof. Jacques Defourny (Centre for Social Economy, University of Liege) and Prof. Marthe Nyssens (CIRTES, Catholic University of Louvain). The project aims to build knowledge about emerging or already well-established social enterprise models across the world, following common guidelines so as to foster international comparative analysis. As a result of the joint work of around 100 ICSEM

11 Out of 12 key actor interviews 9 were audio recorded and transcribed.

12 *https://www.iap-socent.be/icsem-project*, last date of access: on 12.06.2018

researchers a structured interview was developed between 2014 and 2015. The 35-page-long structured interview tackles the (1) General identity of the social enterprise, the (2) Type of production and mission, (3) The governance and ownership structure and the (4) Financial structure as reflected by financial statements. I became involved in the ICSEM project in 2014 and as the member of the Hungarian ICSEM team I also participated with Éva G. Fekete, László Hubai and Julianna Kiss in the ICSEM data collection, conducting altogether 30 interviews with the key actors of Hungarian social enterprises. Even if reflexive interviewing was followed within my PhD research as opposed to the structured ICSEM interviews, the experience I made within the ICSEM Project proved to be beneficial in identifying the main points of an interview guide for key actors of social enterprises.

An interview guide with a list of questions has been prepared for the initial interviews with the key actors of the case study social enterprises. Before each interview the questions of the guideline have been rethought and adapted. Although a list of questions was prepared for the interview, the interview guide was used only to make sure every topic was touched upon during the interview. It was important to follow the flow of the interview and make it more a discussion than a structured survey-style interview. The questions have been organised under 2 main and 6 sub-topics:

- The motivation of the key actors:
  - to live in the area
  - in setting up the social enterprise
- The social enterprise (inspired by the ICSEM Project, but adapted to the main questions of this research):
  - Work (typical, atypical employment and volunteering)
  - Decision-making
  - Finances (market and non-market financial resources in the *"resource-mix"*)
  - Future (How do they see the future of the initiative and the area the initiative operates within?)

Even though an interview guide was used during the interviews with a list of issues to be covered and possible questions, I aimed to be flexible and allow the discussion to flow in a way that it felt natural. The interview guide was more of a conversational agenda than a procedural directive (Holstein and Gubrium 1996, 76–78). The questions were designed to stimulate the interviewee to talk about the main topics of the interview (his/her motivation, work, decision-making, and access to finances for the social enterprise and how they saw the future of the social enterprise). The intention was to get the interview partners to talk in their own terms, hence most (but not all) of the questions tended not to be too specific, allowing for a range of possible responses. In case exact information was needed regarding the main points of the interview guide, clarifying questions were asked. I aimed to ask the questions in a way that developed the (usually, but not always one-way) conversation. I also tended to use the wording of the respondents. The interview guide was used to ensure that the topic list was covered in a way that best suited each case.

c. Interviews and informal talks with other stakeholders of the social enterprises

In addition to interviews with key actors, formal and informal interviews have been conducted with other stakeholders of the social and solidarity economy initiatives, such as Roma and non-Roma inhabitants of the village, Roma leaders, inhabitants using the services of the social and solidarity economy initiative, such

as childcare, alternative school or baby-mother club facilities or being the employees or volunteers of the initiative (see Annex 7). The interviews ranged from 30 minutes to one hour and some have been audio recorded too. My main goal here was to understand how the stakeholders saw the social and solidarity economy initiative. What effect may the SSE initiative have had on the life of the inhabitants of the village? How was living in the village, before and after the rural social enterprise? Based on my field experiences I have selected which person to talk to and the main actors of the SSE initiative were not present during these interviews.

4.3.2 PARTICIPANT OBSERVATION

Participant observation has taken place at four case study social enterprises (H1, H2, H3 and G1) the fifth case study social enterprise (G2) was not active at the time of the planned visits. As the case study is rich in information about the struggles of rural social enterprises in the context of peripheralisation, other data sources (an interview and available documents) stemming from this social enterprise is relied on in the analysis.

The field visits ranged from 3 days to 10 days. For an overview about the case study visits see Table 2 on the next page and Annex 8.

During the field visits I participated overtly in the daily lives of the social and solidarity economy initiatives, watching what happened, listening to what was said and asking questions through informal and formal interviews (from the volunteers, employees or beneficiaries of the social and solidarity economy initiative), collecting digital and material documents. In fact gathering whatever data were available to throw light on the issues that were formerly defined (such as work, decision-making, finances and the autonomy capacity of the local individuals and community), but at the same time providing space for the emerging focus of inquiry within these formerly defined fields of interest.

Table 2 Participant observation at the case study social enterprises. Source: the author's own illustration.

Case study code	Case study SE (altered name)	SE type	Village name (altered)	Dates	Length	Short description of the activities
G1	Alternative Créche and Village School	civilian-based	Kreltow	14–19. 11.2016	6 days	DAY 1–2: Work in the kindergarten. DAY 3–4: Work in the village school. DAY 5: Work in the village shop. DAY 6: Interviews with locals. Accommodation: in the co-housing project of the village, in the household of the head teacher
G2	Employment Initiative	municipality-based	Wrimlow	–	–	As the initiative got into a crisis by the end of 2016 no participant observation has taken place in Wrimlow.
H1	Organic Village Farm	municipality-based	Kispatak	10–13. 05.2016	3 days	DAY 1: Work in the village shop and the centre for handcraft activities. DAY 2: The day started in the handcraft centre and continued in the organic garden. DAY 3: Work in the manufacture, in the afternoon: visit to the village study hall (Tanoda). Accommodation: in the neighbouring village

Case study code	Case study SE (altered name)	SE type	Village name (altered)	Dates	Length	Short description of the activities
H2	Equality Foundation, Complex Development Project	civilian-based	Tarnót	02–07. 05.2016	6 days	DAY 1: The morning was spent in the alternative school of the foundation in a town close to Tarnót. Anna, the founder of the Equality Foundation presented me their work. In the afternoon we visited Tarnót, where Tibor, Anna's husband and her deputy showed me around. DAY 2: Work in the community garden and participation in the baby-mother club. DAY 3: Work in the community garden, visit to families. DAY 4: Visiting the local stakeholders of the foundation, participating in the community development programme in the afternoon. DAY 5: Work shadowing with Anikó, who is a Vlach Roma woman and a key local employee of the Foundation She organises the embroidery work for the local women. Visiting the local church, visiting the local stakeholders of the Foundation. DAY 6: Joining the work of the volunteers of the study hall (Tanoda). Engaging in learning together with local children. Accommodation: in the community centre of Tarnót, which is operated by the Equality Foundation
H3	Community Apiculture and alternative village school	faith-based	Albertháza	08–12 and 14–15. 08.2016	7 days	DAY 1: Meeting with the teachers of the village school and helping in the preparations for the arrival of the Dutch volunteers. DAY 2: Work in the apiculture. DAY 3: Day-camp with the Dutch volunteers in Nagyalmád, a village undergoing advanced peripheralisation. The *"Gypsy Mission"* of the congregation is located here. Afternoon: Work in the apiculture. DAY 4–5: Day-camp with the Dutch volunteers in Nagyalmád. Afternoon: facilitating the volunteer activity in the village kindergarten. DAY 6: Facilitating the volunteering activity in the village kindergarten. Visiting the community dairy manufacture. DAY 7: Volunteering in the village school. The common work and meals provided an opportunity to get to know the Swiss volunteers coming from the sister congregation. Accommodation: in the parochy, where the Ministers live
				04. 09.2016	1 day	DAY 8: Visiting a Sunday church service and having lunch together in the parochy.
				5–6. 08.2017	2 days	DAY 9: Conducting interviews in the Community Apiculture. DAY 10: Visiting the school and conducting interviews with the Ministers. Accommodation: in the parochy, where the Ministers live

Entering the field. During the field visits, the key actors of the social and solidarity economy initiatives that were formerly interviewed were the gatekeepers to the field. They introduced me to the employees, volunteers, beneficiaries of their initiative. My role within their initiative for the normally one-week-long stays has been formerly negotiated with them. Having a clear role made it simpler to enter the field. The stakeholders of the SSE initiatives already knew about my arrival, that I was going to work with them for a week and that I am interested in and conducting research on their initiative.

At the beginning the stakeholders of the SSE initiatives were suspicious. They did not have any former experience with researchers conducting ethnographic studies. Based on their experiences, the stakeholders of the Organic Village Farm (H1) expected me to be distant or to be an 'outsider, who observes them'. Spending the day with them and taking my share from their daily work helped me to gain their acceptance. In another case, my ability to listen helped me in getting accepted in the field even if I was not socialised in deep poverty as some of my respondents:

> *"Two participants of the baby-mother club in Tarnót thanked me for my help in handcrafts and told me that they enjoyed my company and appreciated that unlike other 'university students' I did not only talk about the university to them."* (Field notes_H2).

Building trust was possible through the work with the stakeholders of the SSE initiatives. I started the day with the employees/volunteers and finished the day with them. *"Naturally occurring"* oral accounts provided information about the setting (peripheralisation as people experience it) and evidence about the perspectives of marginalised people on the SSE initiative (especially in the Hungarian cases). Questions were asked through spontaneous, informal conversations in the course of other activities (usually during coffee breaks or during work in the gardens), as a formal interview would have made the situation uncomfortable for the local stakeholders of the SSE initiatives. The fact that I also come from a village gave me a good basis to connect to most of the stakeholders of the initiatives.

Impression management. Considering that *"the researcher's appearance can be an important factor in shaping relationships with people in the field"* (Hammersley and Atkinson 2007, 66), I paid attention to my personal appearance in terms of clothing. By the Hungarian social and solidarity economy initiatives, where I worked in different agricultural projects, such as community or organic gardens, fruit processing manufacture or apiculture, appropriate clothing was of special importance. Convenient and simple clothes made it possible to work comfortably in the field, but they also made it easier for the stakeholders of the SSE initiatives to feel more comfortable in my presence.

Recording data. Taking paper and a pen with me made the employees of the SSE initiatives suspicious. Therefore I only made handwritten notes during the day about the most important statements or observations and based on these notes and my memories, I wrote the field notes during the night in privacy on my laptop. Through these notes I recorded general impressions about the day, therefore the notes I made cannot be considered *"thick descriptions"*. As a lone observer I had to be selective about what I make notes on and what not. Those events, conversations have been recorded that provided me information, about how power is distributed within the social and solidarity economy initiative how beneficiary stakeholders (employees, participants of free time activities provided by the SSE initiative, local volunteers, children, parents) and other (non-beneficiary) stakeholders (inhabitants of the village who do not work within, are not participating in activities of the social and solidarity economy initiative) see the initiative. I am aware that my notes were influenced by my personal perspective. I accept my view as one view, but as Brewer (2000, 63) argues *"a view is sometimes better than no view"*. Voice recorders and video cameras were avoided during the field visits, as they would have destroyed the trust I built up with most of the stakeholders of the initiatives through raising the suspicion of the local stakeholders. In the case of organised formal interviews with local leaders, workforce managers, key actors of the social and solidarity economy initiatives it was possible to use a voice recorder. During the day I also carried a camera with me. Taking photos in the field helps me to recall memories and also to illustrate my field experiences. In some cases, for example accepting invitations and visiting families, who live in deep poverty, I did not feel it appropriate to take photos.

Balancing a dual role as a researcher. Participant observation involves data gathering by means of participation in the daily life of informants in their natural setting: watching, observing and talking to them in order to discover their interpretations, social meanings and activities (Brewer 2000, 59) For this reason,

> *"(t)he researcher's own attitude changes, fears and anxieties, and social meanings when engaging in and living with the people in the field form a part of the data. Data are thus not external stimuli unaffected by the intervention of participant observers (...) This reinforces Burgess's (1982, 45) view that the main instrument of data collection in participant observation is the researcher."* (ibid., 59)

Participant observers are part insiders and part outsiders. Balancing this dual role provides an opportunity to be inside and outside the setting, to be simultaneously member and non-member, and to participate while also reflecting critically on what is observed and gathered while doing so (Brewer 2000, 59). Finding the proper balance between my dual roles required consciousness. Especially during my fieldwork within the case study in Tarnót (H2), a village undergoing advanced peripheralisation. The social and solidarity economy initiative was started by an NGO in Tarnót, where most of the locals experience deep poverty and privation. During my fieldwork in Tarnót I often had the feeling that during our conversations people looked for my reactions (both verbal and non-verbal) when they talked about their everyday challenges and privation. I attempted to be open-minded and a good listener and avoid judging people from my privileged position as a member of the majority society. Listening to life-stories of people living in deep poverty, visiting them in their houses and experiencing the material and discoursive manifestations of peripheralisation through living in their village for a week was emotionally overwhelming. One of the most memorable and emotionally overwhelming experiences was having a conversation with a woman of my age:

> *"We were talking with Viki when we were sitting in the grass in front of their house and enjoyed the sun. She asked me how old I was and whether I had a boyfriend or any children and where I lived. I told her that I lived in Leipzig, I was 28 years old and single without any children. She told me afterwards that she liked to study too, but for her the children came in-between. Viki was only one-year younger than me, but we had completely different opportunities in life and therefore our lives developed in different directions. It felt unfair that while Viki got bounded to her village through her poverty and her children that she raised as a single-mother, I was free to come and leave her village at any time. I can return to my life any time, in which I am a researcher of an international project with a well-paid job, which job provides me an opportunity to study and develop myself abroad."* (Field notes_H2)

Even though I was proud of my empathy skills, for me who never experienced deep poverty, understanding people being socialised and living in deep poverty proved to be challenging. I write about this challenge in my field diary as follows:

> *"The family I spent a few hours with in the afternoon, lives in a segregated street, which is stigmatised by the village people as "gipsy street" ("cigánysor"). The family lives in deep poverty, so the day when they get their social benefits is an important day of the month. Earlier in the day, I met some of the members of this multi-generational family, Viki and her three-year-old son, Janika. They queued in front of the municipality office to get the social benefits, when a child younger than Janika got offered some sweets from a package. Janika also wanted to get some, but Viki told him not to be impolite. Later, as Viki and her family received the monthly social benefits, they bought sweets, chocolate croissants and some other food. In the afternoon I was walking in their street and as I knew Viki and her mother from the baby-mother club, they invited me to join them. They were sitting in the grass and enjoyed the sunshine. When we were talking to eachother I saw Janika with a croissant in his hand. He bit into it and threw it on the ground. No one told him not to do that and no one wanted to pick up that croissant. I also saw Viki's brothers breaking those young trees in half, which were planted in their garden through the social land projects. I wasn't sure that I did not judge them in those moments for being 'wasteful' or 'destructive'."* (Field notes_H2)

After this experience the discussions that I had with experts working with people socialised in deep poverty helped me to understand that people who live from day to day in hardship and got traumatised several ways

rarely develop long-term strategies. Their daily survival consumes all of their energy and they try to maximally enjoy the moment of abundance in which they are able to afford, and from an outsider's view waste such non-basic food as a chocolate croissant without thinking about the next day or the second half of the month.

4.3.3 DOCUMENTS

Seventy-nine documents connecting directly to the social and solidarity economy initiatives have been reviewed and analysed. Annex 9 provides an overview about these documents. To protect the case study social enterprises and their stakeholders, the documents have been anonymised.[13] The documentary analysis was useful not only to gain an initial knowledge before the key actor interviews, but also to gain an in-depth knowledge about financial and governance issues within the case study social enterprises through triangulation with data from interviews and participant observation.

To gain an initial understanding about the case study rural social enterprises desk research has been conducted, through which newspaper articles, best practice reports and scientific articles have been reviewed. The more influential newspaper articles or video reports have been shortly described in Annex 9 (document category: media representation).

Acknowledging that there is no fundamental distinction between 'virtual'; and 'real' environments in social terms (Hammersley and Atkinson 2007, 139), the online representation of the case study social enterprises was also part of the analysis. The analysed webpages (4), online stores (2), blog entries (8), facebook pages (3) and facebook groups (1) are described in Annex 9. Images released on websites or facebook pages were also taken into account in the analytical process. The founder of the Equality Foundation (H2) regularly writes a blog about their challenges and opportunities regarding their complex development project targeting Tarnót, a village undergoing advanced peripheralisation. However, the blog describes the situation of marginalised people in a very sensitive way and is important in bringing the perspectives of the inhabitants of marginalised settlements into the public debate. One of the locals raises the issue of possible stigmatisation through the blog:

> *"Anna writes this blog, which gives a really negative picture about the village in the whole country. No one wants to buy my house now, so I am stuck in the village."* (Nagyné, Field notes_H2)

Nagyné is a non-Roma woman, an ethnic Hungarian, who lives in the *"richer"* neighbourhood of Tarnót. She shared her thought about the Foundation when we met on the street, during my first field walk. More inhabitants of the village said that Nagyné used to be a loan shark. She is among the local stakeholders of the Equality Foundation too. She participated in the community development programme, which particularly focused on local women. After our first meeting on the streets of Tarnót, we also met on the community development programme organised by the Equality Foundation.

To gain information about the financial resources of the SSE initiatives, their financial statements, such as balance sheets, income statements and their annexes have been reviewed. The financial statements were either downloaded from the websites of the initiatives (H2 case), were directly received from the founders/

13 Reference to the anonymised documents includes the case study code and the document number. H1_D1 refers for example to the first document (category) of the H1 case study (the Organic Village Farm of Kispatak).

financial managers of the case study rural social enterprises (H3 and G1 cases) or were downloaded from the official commercial register[14] (in the H1 case). All the case study initiatives had more than one legal form. Next to a non-profit Ltd the Organic Village Farm has a social cooperative, the Complex Development Program of Tarnót a foundation and the Community Apiculture a school, which is now maintained by the Calvinist Church, but decisions can still be made on the local level, by the members of the congregation/Community Apiculture. The German Alternative Village School is maintained by a Parents' Association.

To better understand the organisational and governance structures of the case study social enterprises, their founding documents, certificates of incorporation or description of organisation and operational rules have been reviewed.

It was important during the documentary analysis to give documentary data due weight and proper analytic attention. Those documents that were produced by the case study social enterprises were recognised as *"social facts"*, as they are shared and used in socially organised ways (Atkinson and Coffey 2001, 256). These documents are not transparent representations of organisational routines or decision-making processes (Atkinson and Coffey 2001, 256). They are used and exchanged as part of social interactions.

4.4 Potential and limitations of the methodology

This sub-chapter aims to reflect on the potential and limitations of critical realist ethnography. The sub-chapter first addresses positivist and anti-realist critiques of the ethnographic approach. After reflecting on possible critiques of ethnography from positivist and anti-realist perspectives I will expand on my political engagement and finally I will reflect on my field experiences.

4.4.1 POSITIVIST CRITIQUES OF THE ETHNOGRAPHIC APPROACH

The main critique of ethnography from positivists is that ethnography *"falls behind the standards of science"* (Brewer 2000, 19). The natural science (positivist) model of research does not permit the researcher to become a variable in the experiment. During participant observation there is interaction between the researcher and *"researched"* through which the researcher's attitude and own experiences are also changing; this is what Francis Bacon calls *"unscientific"*.

Methods within ethnographic research are unstructured, flexible and open-ended. This, in a natural science model of research, can appear to involve unsystematic data collection, in which the absence of structure prevents an assessment of the data because differences that emerge in the data can be attributed to variations in the way they were collected (ibid., 20).

Positivist social research seeks to describe and measure social phenomena, but both description and measurement are achieved by assigning numbers to the phenomena. Ethnography also describes and measures, but while positivist social science deals with quantity and collects numerate data, ethnography deals with quality and meaning

14 https://www.e-cegjegyzek.hu/

and therefore relies on extracts of natural language (long quotations from interviews, extracts from field notes, snippets from personal documents). Positivist social researchers might find this way of data collection too *"subjective"*.

In contrast with this from a constructivist position subjectivity is unavoidable in social sciences and everything that a researcher can do is to make his/her subjectivity explicit. Maxwell (1996) describes his subjectivity as follows:

> *"My subjectivity is the basis for the story that I am able to tell. It is a strength on which I build. It makes me who I am as a person and as a researcher, equipping me with perspectives and insights that shape all that I do as a researcher, from the selection of topics clear through to the emphases I make in my writing (Glesne and Peshkin, 1992 104)."* (Maxwell 1996, 28)

4.4.2 ANTI-REALIST AND POSTMODERN CRITIQUES OF ETHNOGRAPHY

Ethnography can be criticised not only from realist but from anti-realist perspectives too. From an anti-realist perspective it can be questionned what truth-claims may a constructivist ethnography make. The double crisis of ethnography, namely the crisis of representation and the crisis of legitimation, stems from the postmodern critique of ethnography.

The **crisis of representation** challenges the claim that ethnography can produce universally valid knowledge by accurately capturing or representing the nature of the social world (Hammersley and Atkinson 2007). The crisis of representation comes from an anti-realist critique of ethnography. It describes the disillusionment surrounding the ethnographer's claim to provide a privileged and special access to *"reality"* through a *"thick description"*. *"Thick"* description was a term first used by the anthropologist Clifford Geetz in 1973, and popularised in sociology by Norman Denzin. Its origins lie within the British anthropological tradition of Malinowski, where researchers aimed to describe phenomena from the natives' point of view. In comparison with thin description, which is considered a mere description of *"facts"*, thick description or what Fetterman (2010, 20) calls *"emic perspective"*, represents a thorough account, it is a *"written representation of a culture"* (van Maanen 1988, 1 in Brewer 2000, 39). As Brewer (2000, 39) argues, thick description achieves a *"realist"* narrative of the social world from the inside. The problem according to anti-realists is that there is no independent or external reality, and the ethnographer's representation is not privileged. Thick descriptions, according to anti-realists, do not represent *"reality as it is"*, because such descriptions are selective from the various competing versions of reality that could have been produced and end up presenting a partial picture. Naive realists may tend to present themselves as theoretically neutral, building up theories in a grounded fashion (Glaser and Strauss 1967) from the data themselves. Anti-realists argue that ethnography's descriptions are theoretically naive and no different from those produced by ordinary people as part of their everyday life (Hammersley 1990, 60–65). Therefore humanistic ethnography neither adequately tests nor generates theory. A further anti-realist critique of humanistic ethnography is that the naive realist emphasis on thick description limits the ethnographer's task to that of cultural description. A chief solution offered by anti-realist ethnographers is reflexivity (Altheide and Johnson 1998, 297 in Brewer 2000, 43).

The problem is that realist ethnographers are unreflexive in that they give no attention to the social processes that underline and affect their data. They do not adopt a critical attitude towards their data, thus the strengths of their data are exaggerated and the weaknesses underemphasised. According to Woolgar (1998a, 26–27 in Brewer 2000, 43), ethnographers must locate their data in the context of the social processes that brought them about,

and recognise the limits of their representation of reality. Ethnographers shall therefore be open and explicit about the circumstances which produced the data (Brewer 2000, 43). The legitimation of realist ethnography, like all research methods, is questioned under the impulse of anti-realism and postmodernism.

If we accept that ethnographic descriptions are partial, selective, even autobiographical in that they are tied to the particular ethnographer and the contingencies under which the data were collected, the traditional criteria for evaluating ethnography becomes problematic, as terms like *"validity"*, *"reliability"* and *"generalisability"* are deconstructed. This is what Brewer (2000, 25) calls as **crisis of legitimation**. Brewer (2000, 46) argues that in their different ways *"humanistic"* and *"scientific"* ethnography were both *"realist"*. Therefore terms stemming from positivism like *"validity"*, *"reliability"* and *"generalisability"* were suggested as criteria. *"Validity"* refers to the extent to which the data accurately reflect the phenomenon under study, *"reliability"* to the extent to which measurements of it are consistent and *"generalisability"* to the applicability of the data to other like cases.

Humanistic ethnography, in contrast with the positivist model of social research is considered to have high validity but low reliability. While within humanistic ethnography a limited number of cases are investigated in-depth, within the positivist model of social research a high number of cases are investigated to the expense of an accurate description of social life. For this reason *"validity"* (or *"internal validity"*) and *"generalisability"* (or *"external validity"*) is mainly emphasised in humanistic ethnography. *"Internal validity"* is reached through the in-depth analysis of a small number of cases, while *"external validity"* is reached through sampling. The anti-realist challenge to the nature of knowledge undermines these traditional criteria to evaluate ethnographic data, since they are based on *"realist"* assumptions. Hence is the crisis of legitimation (Brewer 2000, 48).

Critical realism thus is an approach through which the anti-realist critiques of ethnography can be addressed. The empowerment of marginalised groups is something that can legitimise ethnographic research.

4.4.3 CRITICAL REALISM AND POLITICAL ENGAGEMENT

Critical realism provides space for political engagement through eg. the empowerment of certain marginalised groups. The central question of this research is how rural social enterprises may or may not empower their marginalised stakeholders. Marginalised people, such as long-term unemployed or people of Roma ethnic origin are the direct stakeholders of most of the case study rural social enterprises (5/4). The intent of this research is to understand the case study rural social enterprises from the perspectives of marginalised people, as it gives better awareness about the capacity of rural social enterprises for empowerment and more broadly to local development. It is from this perspective that the study explores what the stakeholders of the social enterprises think about the initiatives, what is important to them in connection with the initiatives or in what ways the social and solidarity economy initiatives affect their life.

However, I consider the activity of the entire case study social and solidarity economy initiatives important as they act as countermovements to peripheralisation, I can identify with my case study social and solidarity economy initiatives to different extents. Depending on the manifestations of peripheralisation, the institutional contexts and their organisational autonomy (municipality-based, faith-based and civilian-based social enterprise), their dominant philosophy about solidarity or their consciousness about gendered or racialised

structural oppression, the rural social enterprises under study have different capacities for empowerment. Thus, a certain level of distancing characterised the research process.

Even if I symphatise with participatory action research (PAR) I would not consider my research a PAR. Five different social and solidarity economy initiatives in two countries (Hungary and Germany) were in the focus of this research. I agree with Watson and Till (2010, 132) that

> *"(...) unless one lives within and is a citizen of local environments, which include particular political and social relations, as well-intentioned research framework may be neither practical, nor possible."* (Watson and Till 2010, 132)

The comparative, international perspective and the high number of cases did not allow me to become a *"citizen of the local environments"*.

Realising that the written academic materials produced through this research do not have immediate relevance to the social and solidarity economy initiatives, or their marginalised stakeholders, I chose to offer probono services to the initiatives I was working with. Developing how to give back to the social enterprises is a process though. With some initiatives it goes easier, with others it is more challenging.

Within the Community Apiculture it was easier to find a way in which I could directly be of use to the initiative. My fieldwork at the Community (Congregation) Apiculture (H3) had an overlap with the visit of the Dutch and Swiss volunteers of their sister congregations. My English and German knowledge, organising skills and experience as a camp counsellor with marginalised children helped me in finding a role in the field as well as building up a reciprocal relationship with my hosts, who were the key actors of the social and solidarity economy initiative. Arriving two days before the international volunteers and working in the apiculture with the employees was something that was appreciated in that period as work related to the bees was accumulated in the apiculture that time. Working in the apiculture provided me an important opportunity to see some everyday practices within the social enterprise too.

Volunteering in the alternative kindergarten in one of the German cases (G1) was also needed, as my hosts were short of colleagues at that time. Working in the kindergarten was beneficial from the perspective of my research as well, as I got some opportunities to talk informally with the colleagues working there and to listen to their stories about their connection to the village.

In addition to thinking about benefiting the case study social enterprises on the spot the research results of this study are also planned to be *"translated"* in a personalised stakeholder brief. A two-page long personalised summary addressed to each case study social enterprise is planned to be produced. The organisation-tailored social enterprise brief would be written in the mother tounge of each social enterprise stakeholders and would focus on the information which is useful for the stakeholders of the particular social enterprise. The summary would address the strengths and shortcomings of the case study social enterprise in a cross-country and cross-sectoral (municipality-based, civilian-based and faith-based social enterprise) comparative perspective.

4.4.4 DATA ANALYSIS AND REFLECTIONS ON THE FIELD EXPERIENCES

A qualitative data analysis software (ATLAS.ti 8) was used for the systematic analysis of all transcriptions, field notes and written documents of the case study social and solidarity economy initiatives. Even though the data was analysed with the help of data analysis software, special attention has been paid on careful, methodical, and repetitive activities. After Atkinson (2014, 62) ethnography has been considered a creative process in this research, not being dependent on the precise replication of formulaic procedures, but on a creative, improvisatory engagement with several things. Similarly to other ethnographic analysis (see Fetterman 2010, 2–3) analysis in this research both preceded and was concurrent with data collection.

The ethnographic approach within this research is in line with the original formulation of grounded theory. According to Atkinson (2014, 62) grounded theory was not a set of recipes and formula, but a general description of how any form of social inquiry can be conducted in the interests of generating new ideas, elaborating on existing ideas, and doing so through an attentive reading of data (of any sort). Even though there was a dedicated time for intense data analysis a constant interplay between data and ideas throughout the research process was aimed for (see Hammersley and Atkinson 2007, 159). Ideas were pursued to emerge from my experience in the field, and from my preliminary analytic reflections on the data.

Some social, biographical and practical contingencies will be reflected upon that helped to produce the data. In addition to appearance, which was already reflected on in the sub-chapter about participant observation, such characteristics as gender, age, race, and ethnicity may also shape field relationships (Hammersley and Atkinson 2007, 73).

As a young female researcher it might have been easier to adopt the *"incompetent"* position of the *"outsider"* or *"marginal"* person as it would have been as an experienced male researcher. Introducing myself and communicating that their initiative is a good practice and I came to learn about it and to get to know their view on it, helped me in connecting to people. Being a woman helped me to connect to key actors, who were dominantly women in the H2, H3, G1 and G2 social and solidarity economy initiatives. Participating in some particular programmes, such as a baby-mother club during my stay within H2, clothing swap (*"Kleidertausch"*), or community sauna sessions for women within G1 or in canning and sewing within H1, were easier or sometimes only possible as a woman.

As an ethnic Hungarian and as a Central and Eastern European I had different challenges and opportunities during my fieldwork within Hungary and Germany. In the case of Tarnót (H2) and Kispatak (H1) connecting to Roma people went easier, but in the case of Albertháza it was rather challenging. The Gypsy-Hungarian differentiation (see Kovai 2018) and the fragmentation within the local Roma societies was a field reality, particularly in the H2 and H3 cases. The strategies of the Hungarian case study rural social enterprises were embedded in the field realities of the so-called Gypsy-Hungarian differentiation (see Chapter 7.2.1). The attitudes towards Roma within the social enterprises influenced the extent to which I could connect to Roma locals as a non-Roma entering the field through the social enterprise.

In the H3 case the Gypsy-Hungarian differentiation divided the local society, even if the social enterprise I studied had incentives to empower local Roma. During the day, I mostly spent my time with the *"Hungarian"* stakeholders of the initiative and even if I participated in programmes explicitly organised for Roma as part of the *"mission"* of the initiative, there was limited space to engage in discussions with Roma people.

In the H2 case in which the Gypsy-Hungarian differentiation is explicitly aimed to be overcome, it was much easier to engage in discussions both with Roma and non-Roma. In this case though, the fragmentation of the local Roma society proved to be a limitation of the research. It was easier to build up a connection with the Vlach Roma families, as the local key stakeholder of the foundation is a Vlach Roma woman. It was more challenging to visit Romungro families. A longer stay would have helped, but in that case I would have been able to study fewer social enterprises.

The case of Kispatak (H1) was different from the other two cases. Here the Gypsy-Hungarian differentiation did not seem to characterise local realities. Thus my ethnicity did not seem to influence how I built connections with the stakeholders of the Organic Village Farm. At the same time locals seem to distuinguish their freetime activities from their work at the Organic Village Farm. The employees of this municipality-based social enterprise seemed to keep their distance from me more than the local stakeholders of the other case study social enterprises (H2, H3, G1). Among the four cases, where I had a field visit, this one was the shortest and the only one where I was accommodated outside of the village.

The experiences I made in Hungary regarding the struggles of civic engagement helped me to relate easier to my East German interview partners when they brought up the issues they faced in setting up their social enterprises. My interest in environmental movements helped me in connecting to most of the locals of Kreltow (G1). Being able to communicate in German was also beneficial in the field. My hosts and interview partners appreciated that I approached them in their native language.

At the same time conducting ethnographic research in Germany was more challenging than in Hungary. My contextual knowledge differs in the two countries. Even if this research benefitted from me living in Germany for three years and learning the language, I felt my contextual knowledge was unequal in the two countries of my comparison. As a result of that, this study gives a deeper understanding of certain Hungarian processes.

The comparative perspective brought potentials as well. The relational aspect of peripheralisation could have been better grasped and pointed out. In addition to that, the importance of the institutional and national policy framework when conducting research about social enterprises could also have been articulated.

To sum up, this research has a critical realist ethnographic approach through which the empowerment of marginalised people is an explicit aim. The cases are areas and initiatives, namely social and solidarity economy initiatives of peripheralised areas from Hungary and Germany. Data is collected through semi-structured interviews, participant observation and through reviewing the documents that are produced by and about the social enterprises.

5 Peripheralisation and the local scale

To better understand how periheralisation manifests in the different case study contexts first an overview will be given about the case study villages and their region relying mainly on literature about territorial inequalities. Beyond scholarly literature, the perspective of the locals also aids the understanding on how peripheralisation manifests on the local level. Finally this chapter also elaborates on how peripheralisation is seen within the social enterprises and what strategies they develop based on how they define the local challenges.

5.1 Peripheralisation: the locality and the case study profiles

In the followings the five case study social and solidarity economy initiatives and the villages in which they emerged (case study villages)[15] will be introduced. To better understand how peripheralisation manifests on the local level first a comparative overview will be given about the region and the case study villages, afterwards the case study SSE initiatives will be introduced.

The five case study villages are located in structurally disadvantaged areas. Based on the deprivation index of Koós (2015, see Map 2), all the three settlements of the Hungarian case study initiatives (including Nagyalmád, where the *"Gypsy Mission"* of the congregation of Albertháza takes place) are among the least favorable settlements in Hungary (Class 5, where 5 is the most deprived). The Government Decree 311/2007 (XI. 17) designated the economically, socially and infrastructurally most underdeveloped 33 micro regions of Hungary. The six case study villages are located in the least privileged micro-regions (see Map 1). Nevertheless, the level of peripheralisation can be differentiated in the Hungarian case study villages. Nagyalmád (H3) and Tarnót (H2) are villages undergoing advanced peripheralsiation or as Váradi and Virág (2015) would label the process of *"ghettoisation"*. Thus their inhabitants are embedded in highly unequal systems of dependencies (see sub-chapter 5.2.1 and 5.2.2). Tarnót (H2) is a small settlement in Southeastern Hungary close to the Romanian border. Here most people were employed within the agricultural sector during socialism. Tarnót may be considered as an absolute periphery, a *"zsákfalu"*, within the Hungarian transport system, as it can be accessed through a minor route. However, this minor route ends at the settlement. Kispatak (H1) and Albertháza (H3)[16] are small settlements in Northeastern Hungary, in Borsod-Abaúj-Zemplén County, where the state socialist heavy industry collapsed after the regime change. The closest major cities are Kosice (in Slovakia) and Miskolc (the center of the County). The situation of the region is described in a tender application produced by one of the case study initiatives (H3) as follows:

> *"[Albertháza and Nagyalmád, where the "Gypsy Mission"* of the initiative is located] lie in a vicinity of declining small villages that lost their central town Kassa [Kosice], which is now in Slovakia. There is a strong drive to leave the region which is characterised by high unemployment rate and the 'shift in the ethnic composition of the population'." (Project proposal 2015, H3_D1)

Both of the German cases are located in Northeastern Germany, in the Uckermark County, which is considered to be one of the most marginalised areas of Germany. In a national comparison, population densities in Northeastern Germany are very low and with a population shrinkage of 10–30 percent Uckermark is among Germany's most heavily shrinking regions (Beetz et al. 2008, 298). The age ratio (persons older than 65 years per 100 persons between 15 and 65) is 27.9 percent in Uckermark.

15 The names of the villages, initiatives or interviewees were altered.

16 Kispatak is a small settlements in the Cserehát, which is considered to be one of the least privileged areas of Hungary.

Selective migration characterises the Hungarian case study villages too, where the number of residents had already started to decrease during socialism. As a result, in 2011, Albertháza had 656 residents (42 percent fewer inhabitants compared to the number of inhabitants in 1970), Kispatak 414 (19 percent fewer inhabitants compared to 1970) and Tarnót 301 (47 percent fewer inhabitants compared to 1970) (HCSO 2011). As a result of selective out-migration and the selective in-migration of the rural poor, particularly Roma residents (for an overview see Chapter 3.1.2 c.), the three Hungarian case study villages have a high ratio of young inhabitants next to the high ratio of elderly people. Tarnót has the highest ratio of young inhabitants (under 18 years) (32 percent), compared to the villages of Northeastern Hungary (Kispatak-28 percent, Albertháza-25 percent, HCSO 2011). However, in terms of the ratio of active and inactive population, the northern villages were ahead. For every 100 active-age inhabitants, there were 87 children and elderly in Kispatak, 82 in Albertháza, and 71 in Tarnót (HCSO 2011).

The **increasing ratio of Roma inhabitants** particularly in the Northern Hungarian Region is rooted structurally and historically (see sub-chapter 3.1.4). The accumulation of Roma inhabitants can also be observed in Tarnót. Socio-spatial marginalisation has an ethnic dimension (Kovács 2010, Koós 2015, Kertesi and Kézdi 2009, Nagy et al. 2015a) in the case study villages too. Based on the census in 2011 the ratio of inhabitants that declared themselves Roma was higher in Tarnót (15 percent) and Albertháza (12 percent) than the national ratio (3.18 percent), while in Kispatak (3 percent) it was slightly lower (HCSO 2011) (see Table 1). Researchers argue that the ratio of Roma people in Hungary is significantly higher (6–6,5 percent) than the census (HCSO) shows (Kemény 2004, TÁRKI and Budapest Institute 2012). The methodology of the census has been criticised for its inaccuracy (Tar and Hajnal 2014, Bernát 2014) as ethnic identity is based on the self-declaration of the respondents. The actual social and political environment greatly influences the willingness to respond and the courage of the respondents to disclose their identity (Tar and Hajnal 2014, 493). The locally produced estimations show a much higher ratio of Roma inhabitants than the census shows. According to the Equality Foundation 70 percent of the inhabitants of Tarnót declare themselves Roma (Equality Foundation 2016, H2_D9). Dominantly Romungro and in a smaller proportion Vlach Roma people live in the village. Romungro Roma are old settlers and Vlach Roma are newcomers, moving to the village more than 10 years ago (Equality Foundation 2016, H2_D9). Middle-class, non-Roma families with children are completely missing from Tarnót. Regarding Kispatak, the locally produced data also shows a higher ratio of Roma than the national statistics. While based on census data the ratio of Roma is only 3 percent in Kispatak, the locally produced Community Intervention Plan of Kispatak estimates this ratio to be 40 percent (Monography of Kispatak 2011, H1_D4).

Table 3 Unemployment, Car Ownership and the Ratio of Roma in the Case Study Villages

	Kispatak	Tarnót	Albertháza	National rate
Unemployment rate[17]	4.35 %	9.97 %	8.99 %	6.2 %[18]
Car ownership[19]	19 %	15 %	20 %	30 %[20]
Ratio of Roma[21]	3 %	15 %	12 %	3.2 %[22]

Source: Own compilation, based on HCSO (2011 and 2014) and MNE (2015) data

17 MNE 2015

18 http://www.ksh.hu/docs/hun/xstadat/xstadat_evkozi/e_qlf027e.html

19 Own compilation based on HCSO (2011 and 2014)

20 Erdősi 2009, 166, the degree of car ownership effectively reflects the regional disparities in incomes of the population, so significant spatial differences can be observed (Erdősi ibid.).

21 Own compilation based on KSH (2011 and 2014)

22 https://www.ksh.hu/docs/hun/xftp/idoszaki/nepsz2011/nepsz_orsz_2011.pdf

As per **economic and infrastructural aspects** all the five case study villages experience(d) shrinking. The economic power of the Uckermark region, where the two German case study villages are located is low (Beetz et al. 2005), thus the region has one of the highest unemployment rates in Germany. Purchasing power is 30 percent below the German average here (Beetz et al. 2008, 300). Even if large farm enterprises continued to dominate the agricultural sector, the high degree of mechanisation resulted in a significantly diminished demand on manpower. As a result the number of employees in agriculture decreased from 11,500 to 4,000 between 1991 and 2001 in Uckermark (Beetz et al. 2008, 300). Alternative development approaches, such as organic farming, direct marketing of farm products (CSA) and ecotourism are better connected to the socio-economy of the region than production-oriented agriculture and in part they are strongly growing (Kowatsch and Fock, 2004).

Infrastructure development in Uckermark is in decline. In particular, infrastructure access in small villages gets worse, and also on the regional level infrastructure provision clearly ranges below the average of Länder and national levels (Beetz et al. 2008, 302). Public transport has dramaticly declined after the regime change in Uckermark. From the 71 railway stations, which were available in 1980, only 21 remained in 2000 (ibid.). Traffic policies have favoured the expansion and renewal of the road network, while reducing the public transportation system to basic school services (ibid.). In a comparison with Hungary, existing roads still got renovated, while car density which is below the German average (566) in Uckermark with 523 passenger cars per 1,000 inhabitants (ibid.) is still significantly higher than the average car ownership in the Hungarian case study areas (see Table 3). Many small villages of Uckermark do not have a retail shop. Apart from mobile shop services, initiatives for community retail or farm shops are rather rare (ibid.). Healthcare is provided by a fair number of hospitals, but about 20 percent of rural inhabitants need more than 25 minutes by car to reach the next hospital (Beetz et al. 2008, 302–303). Education and childcare has also significantly changed in the last 30 years. From a relatively high level during the German Democratic Republic, the supply of kindergartens and nurseries in rural areas has been cut in the 1990s. At the same time new private schools are being founded (Beetz et al. 2008, 303). The supply and demand on leisure and cultural institutions is lacking. The engagement of the local population is low in certain villages. In the same time other villages have developed a rich and multifaceted cultural life (e.g. artistic colonies, creative workshops) (Beetz et al. 2008, 303).

The only case study village where the local unemployment is lower than the national is Kispatak (4.35 percent, see Table 3). The relatively low employment data might be misleading here, as about 32 percent[23] of the active population is not employed in the primary labour market, but through the highly controversial Public Work Programme (see more about Public Work in chapter 6.3.2). Next to employment data, car ownership, which is far below the country average (Table 3), can also highlight the vulnerability and dependence of people living in the three Hungarian case study villages. The low level of car ownership[24] is problematic, if we consider the availability of public transport and local services. None of the three settlements has a train station. Public transport has been reduced to the daily school bus service in Tarnót, with 2–4 buses transporting passengers on weekdays to the micro-regional centers beyond the school bus service in Kispatak and Albertháza. In terms of local services, all three villages lack a GP (General Practitioner), Kispatak (H1) and Albertháza (H3) a post office, Tarnót (H2) even a local store or pub. The level of locally available services is the lowest in Tarnót, where car ownership and public transport is the poorest in comparison with the other case study villages. Here, only half of the houses have a bathroom and flush toilet, while in Kispatak and Albertháza, more than two-thirds of the households have[25]. Regarding the credibility of the HCSO data the Equality Foundation questions whether the data provided by

23 Own compilation, based on HCSO 2011 data and a best practice report from 2013

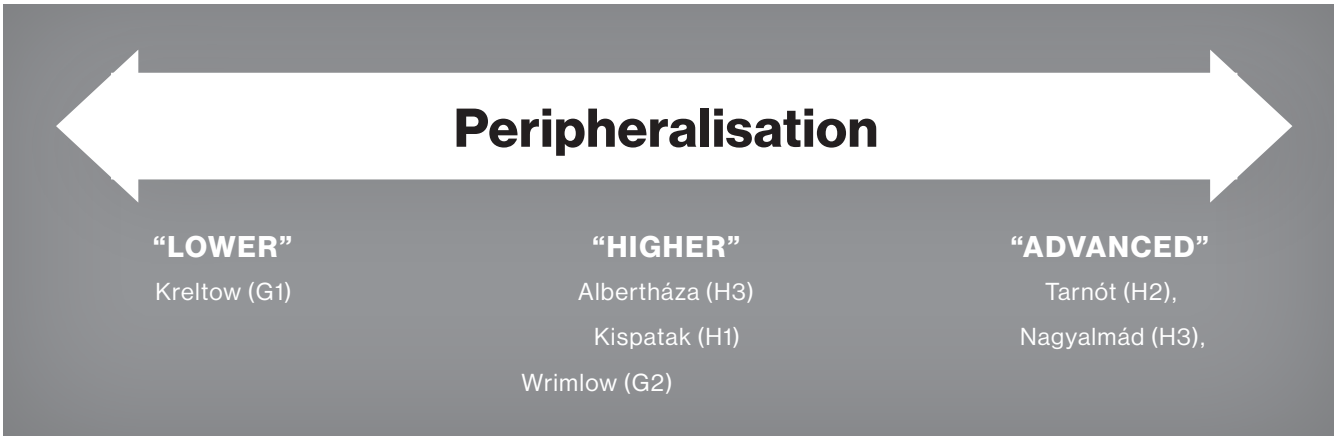
24 Car ownership is rather low in Hungary, even by Eastern European standards (KSH 2011, 78 in Leibert 2013, 115).

25 Own compilation, based on HCSO (2011) data

HCSO gives a much more optimistic picture about the villages than it is in reality. The ratio of Roma inhabitants, the educational level, car ownership, or the number of enterprises outlines a much favorable picture as the colleagues of the Foundation see it, based on their field experience (Equality Foundation 2016, H2_D9).

In a comparative perspective Kreltow (G1), where middle-class *"back to the land"* migrants concentrated, can be considered less peripheralised or undergoing lower level of peripheralisation. Wrimlow, where after the collapse of the socialist industry long-term unemployed people got concentrated, is undergoing a higher level of peripheralisation, but as the German institutional context is more favourable it is still *"less peripheralised"* as Albertháza or Kispatak. Tarnót and Nagyalmád are villages undergoing advanced peripheralisation (*"ghettoisation"*), these villages face the most serious challenges.

Figure 3 The peripheralisation of the case study villages in a comparative perspective



Source: Own estimation, based on field research

Image 1 Organic Village Farm, source: the author's own photo

The Organic Village Farm of Kispatak (case study H1) is a municipality-based social enterprise. To overcome the challenges of long-term unemployment, the local Mayor initiated an **Organic Village Farm** in Kispatak (H1). The Mayor utilised both national and EU-based public funding to realise the social enterprise. The main stakeholders of the Organic Village Farm are those long-term unemployed people who became interested in the idea of organic farming. The program began in 2012 with 25 local volunteers and the cultivation of 0.6 ha. plot; by 2015 it had grown to 3.5 ha. and 30 paid employees. In 2012, organic vegetable and fruit production were supplemented with food processing. In terms of informal civic engagement, the Mayor of Kispatak destroys the romanticised idea of a small settlement having a cooperative village community:

> *"(...) the community has broken up into several pieces (...). The ideal state of cooperation, strong village community does not exist. Neighbours virtually do not have a word to say to each other. And as I have experienced, this is the case in most villages."* (Interview H1_I1)

The Equality Foundation is a Hungarian autonomous CSO, based in a small town in Southeastern Hungary close to Tarnót, a village undergoing advanced peripheralisation. As an extension of their art-based education[26], which focuses on the integration of underprivileged, mainly Roma, children, the Foundation introduced a **Complex Local Development Programme** in Tarnót (H2) in 2009. Tarnót was purposefully selected, as a model village, to show that through a long-term Complex Development Programme centered on

26 The Equality Foundation has run an Art School since 2000, where they offer personal development and art education for underprivileged, mainly Roma, pupils. Through the application of alternative methods, the Art School succeeds in engaging the attention of children coming from extreme poverty. The main principle of the Art School is integration, therefore underprivileged children learn together with more privileged pupils.

Image 2 Community Center, source: the author's own photo

Image 3 Community Apiculture, source: the author's own photo

the capability-based approach and community development, even the most marginalised villages can be developed[27]. The Foundation offers full-time employment in their community garden and food processing manufacture or an opportunity to gain extra income through casual work (doing embroidery).

The Congregation of Albertháza (case study H3) runs two faith-based rural social enterprises that are interconnected, a Community Apiculture and a Village School. The **Community Apiculture** of Albertháza (H3) was initiated by the Calvinist Minister, who donated his bee heritage to the local Calvinist community in 2006. Originally, the apiculture of the congregation functioned in the informal economy. Based on solidarity principles, honey was produced for members by members. Due to the apiculture and the community behind it, the local school, which closed in 2008 as the local Municipality could not maintain it any longer, could reopen in 2011. Today, through the income of the Community Apiculture, the school is being refurbished and infrastructurally developed.

The **Alternative Village School** of Kreltow can be considered a civilian-based social enterprise. It is one of the private/civilian-based schools being founded by the locals in 1999 in Kreltow (G1) a small settlement in Northern Uckermark (Northeast Brandenburg). The village school is organised around the concept of sustainable education. Shortly after the reunification of Germany an organic farm has been set up in the village attracting *"back to the land"* migrants. The newcomers came both from East Germany (from East Berlin) and West Germany (eg. from Baden Wüttenberg). Their aim was to start an environmentally more conscious life in the village. They were not satisfied with the available school which had its roots in the German Democratic Republic and therefore founded a Parents' Association and an Alternative Village School and Kindergarten. The Parents' Association maintains the Village School and Kindergarten. The main aim of the alternative

27 Anna, the Founder of Equality Foundation, defines (1) education, (2) family care and (3) collaboration within institutions as the main pillars of their complex approach (an article on the Hungarian Le Monde, 2012, H2_D22).

Image 4 Village School Kreltow, source: the author's own photo

Image 5 More generational playground in Wrimlow, built by the locals engaged in the employment initiative, source: the author's own photo

school is through developing the students' creativity and critical thinking to contribute to the education of an environmentally more conscious generation. Kreltow is a village close to Wrimlow.

The between 2013 and 2015 emerging **Employment Initiative** in Wrimlow (G2), Northern Uckermark can be considered a municipality-based social enterprise. The initiative built on the experiences of the work integration programmes (ABM measures) that were available in Eatsern Germany after the reunification. The Employment Initiative was realised when a local civilian was awarded as *"Neulandgewinner"* by the Robert-Bosch Foundation, but also relied on municipality and other private sources that came from a local renewable energy company and were channelled through the municipality. A community garden, a multi-generational playground (Image 5), a village repair shop and a village shop was to be created within the employment initiative. The idea of a village shop (*"Dorfladen"*) was further developed with the strategic help of the Social Impact gGmbH that they provided through the *"Dorfkümmerer"* project. The village shop was to be opened in 2014.

To sum up, the case study social and solidarity economy initiatives are located in peripheralised small villages. See Table 4 for a comparative overview about the case study villages and social and solidarity economy initiatives. The villages are peripheralised in different ways. There is only one of the five case study villages, namely the Equality Foundation, which is embedded in a village undergoing advanced peripheralisation. However, the Community Apiculture also has programmes in Nagyalmád, which could be described as undergoing advanced peripheralisation, the village they are primarily embedded in is in Albertháza, in which peripheralisation is high, but is not at an advanced stage. The same applies to Kispatak, the village in which the Organic Village Farm emerged. The national context influences how peripheralisation is manifested therefore even though the German case study villages face peripheralisation, the process is less advanced there than in the Hungarian cases. A distinction will be made within the two German case study villages as well. Even though the two villages are located in the same region (Uckermark) close to each other, processes of peripheralisation are more advanced in Wrimlow as in Kreltow.

Table 4 Main characteristics of case study social economy initiatives. Source: the author's own illustration.

Case studies	H1 – Organic Village Farm	H2 – Complex Development Programme	H3 -Community Apiculture, school	G1 – Alternative Créche, School	G2 – Employment initiative
Location – small settlement	Northeastern Hungary (425)	Southeastern Hungary (306)	Northeastern Hungary (643)	Northeastern Brandenburg (300)	Northeastern Brandenburg (260)
Type	Municipality-based	Civilian-based	Faith-based	Civilian-based	Municipality-based/ Civilian-based
Main stakeholders	Long-term unemployed (Roma, non-Roma people)	Children, parents, who live in deep poverty (Romungro, Vlach-Roma, non-Roma)	Local congregation (90 percent), long-term unemployed, children, parents	Prents, children	Long-term unemployed
Mission	Provide **"meaningful work"** locally	Empowerment, to fight the reproduction of **deep poverty (school, work)**	Reopen **village school**, provide work locally	**Alternative school**, provide work locally	Provide **work** locally
Property	Local Municipality	Foundation	Congregation	Association	Local municipality/ Association
Legal Form(s)	Non-profit Ltd , social coop.	Foundation, Non-profit Ltd	Non-profit Ltd	Association (e.V.)	Association (e.V.)

5.2 Perceptions and responses to peripheriality in different contexts

This chapter focuses on how the different manifestations of peripheralisation are perceived by the stakeholders of the case study social enterprises. Beyond outlining household strategies which aim at surviving advanced peripheralisation the notion of counter-cultural migration will also be introduced. The main difference between the inhabitants of areas undergoing advanced peripheralisation and the counter-cultural migrants is in their level of autonomy. The locality where they live is peripheralised to a different extent as well.

5.2.1 SURVIVING ADVANCED PERIPHERALISATION

Areas undergoing advanced peripheralisation provide limited opportunities for the inhabitants. The lack of jobs in the formal economy characterise these areas where locals are forced to rely on diverse economic strategies, some of which are unlawful and further reproduce their dependencies.

The availability of jobs locally shapes individual migration strategies. As the Minister's wife points out:

> *"If these people, who are still capable of work, do not get a space for that, they either leave the settlement or loose their capability to work."* (Interview_H3_I2)

Settlements undergoing advanced peripheralisation already lost most of those inhabitants who have the capacity to independently move the settlement forward. With the accumulation of the underprivileged a truncated local society develops in settlements undergoing advanced peripheralisation. Those inhabitants that are stuck in these types of settlements are often forced to secure their social reproduction through illegal activity. The Equality Foundation has experienced *"regular thefts, burglaries in worse cases robbery, usury, sex work or black trade"* in Tarnót (Equality Foundation 2016, H2_D9). During my visit I also met people who were affected in giving or receiving usury credits or who were involved in sex work (Field_notes_H2).

The Ministers refer to illegal activity regarding Nagyalmád, where their *"Gypsy Mission"* is located:

> *"There is a high level of criminality. Prevailing alcohol problems also lead to aggressive behaviour. Somebody is in prison from each family. (...) Only a few children have relatives who work regularly or who make efforts to find opportunities to work, so these children have no model of making a living from work."* (Project proposal 2015, H3_D1)

Poor housing conditions are emphasised in villages undergoing advanced peripheralisation. The Ministers describe the situation in Nagyalmád as follows:

> *"Frequently there is no electricity and a bathroom/toilet in the house – no waste collection. The houses, rooms are overcrowded and badly heated in winter. Furnishing is insufficient (eg. no table, no chairs), the environment is not suitable for learning."* (Project proposal 2015, H3_D1)

Sharing everything one has with one's family seemed to be a coping strategy with deep poverty:

> *"I talked to Rozi [a middle-aged, Romungro woman] in the morning, who told me that she made compote, but nothing was left for the winter as 'the children ate it all quickly'".* (Rozi, Field_notes_H2)

The lack of jobs in the formal economy, illegal activities and poor housing conditions contribute to the reproduction of privation and deep poverty in areas undergoing advanced peripheralisation. Education could possibly counteract the reproduction of deep poverty, but it is highly unequal in Hungary.

5.2.2 UNEVEN ACCESS TO EDUCATION

Education together with sound, long-term social and employment policies could provide a way out of the multiple dependencies of people living in severely peripheralised areas, but the increasingly segregated Hungarian educational system is unsuccessful in decreasing inequalities. While faith-based schools receive the same funding on a statutory basis as state schools, these schools are free to be selective in their enrolment policies.

The church maintains schools in the neighbouring settlement of Tarnót too, but the faith-based school is organised in a way that underprivileged Roma children get no admission there, leading to the local state school to get increasingly segregated (Equality Foundation 2016, H2_D9). Anikó, a Vlach Roma inhabitant of Tarnót does not want to enrol her children into the state school, as it is *"almost full of underprivileged Gipsy children"* (Field_notes_H2).

The alternative village school of Albertháza is also maintained by the church. Due to the shrinking budget of the local municipality and the decreasing number of children in the village the municipality-maintained village school closed down in 2007 (Interview_H3_I1). The locals first tried to prevent the school closure. Later on, when the municipality closed down the village school, locals of Albertháza together with the Ministers decided to open a school themselves. The Community Apiculture Ltd officially founded the local school in 2011. As Albertháza is located in a marginalised region, where Roma people and people experiencing deep poverty are highly represented, the local congregation decided to set up an integrative school.

> *"(...) we visited Palermo. I do not know how well you know the Waldens. They are a small Calvinist Community. They also created a school in the '60s with the aim to integrate African refugees. (...) They knew that these children will not be able to get integrated to the local society on their own without assistance. They created a small school called Lamocce. (...) And we visited them to see how they do it. We also visited similar schools in Zürich. This was interesting, because these schools work with alternative pedagogical methods. Our plan was to create something similar."* (Interview_H3_I1)

The inhabitants of Albertháza did not want to create a large school. They started the school with 16 first grade children. They intensively focused on developing a small, open community with the initial intake of children and hoped that these children would help to socialise the new children coming every year (Interview_H3_I1).

Both the alternative village school of Albertháza and Kreltow were initiated and are operated and controlled by middle-class locals. However, while the parents contribute in Kreltow with 140 EUR/child/month to the costs of the village school (Interview_G1_I1), the parents in Albertháza would not be able to afford to contribute

financially to the existence of the school. In addition to receiving support on a statutory basis the incomes generated by the Community Apiculture cover the maintenance of the school. In the case of the Equality Foundation, 70 percent of their students are underprivileged, and the fundation receives national and EU-based public and private support to finance their operation.

The motivation to set up an alternative school was very similar in the case of the Equality Foundation and the Kreltow village school. The initiators were critical about some practices in public education. They tried to change those practices unsuccessfully. To be able to follow their emancipatory ideals in education, they initiated their alternative schools. Within the schools they initiated they gained space to experiment with alternative/reformist educational practices. The village school of Albertháza, however, has a different story. The inhabitants protested against the closure of the state school unsuccessfully, and the alternative village school was first an attempt to secure access to primary education locally, the idea to make it an integrative school came later.

Even though all the three alternative schools were set up in peripheralised settings, there are differences between the mobility strategies of the schools based on the different levels of local dependencies. There is a school bus in Albertháza financed by the apiculture as not all the parents have cars and not all the children could get to the village school by public transport (Interview_H3_I1). There is no need for a school bus in Kreltow, the parents take the children to the schools by car (Interview_G1_I3).

Children in differently peripheralised contexts have different access to education. The existence of local schools may depend on whether and how much fundig is available for locally-maintained (alternative) schools, whether the locals have the knowledge and capacity of starting and maintaining a school, or whether the institutional system makes the existence of locally-maintained schools possible.

5.2.3 COUNTER-CULTURAL MIGRATION

Analogous to the Polányian *"double movement"*, counter-cultural migration can be considered as a countermovement of selective out-migration. There is a group of middle-class people moving from cities to economically shrinking, but naturally rich rural areas, often in search of *"slower"*, *"alternative"* or *"more meaningful life"*. The closeness to nature, cheap real estate (land or house), and proximity to the natural environment might all be appealing for the *"counter-cultural migrants"*. The motivations of counter-cultural migrants or *"back-to-the-landers"* (Halfacree 2006) are linked to the search for a simpler, self-sufficient, autonomous (free from wage labour and market), close-to-nature, and ecological way of life (Calvário and Otero 2015). Counter-cultural migrants follow a critique of materialist mainstream culture, modern farming practices, and the globalization of the agri-food systems (Calvário and Otero 2015). From the perspective of *"back to the land migrants"* peripheralised rural areas are places of experimentation; they may start a CSA project (Community Supported Agriculture), deal with ecological farming or start an alternative school. *"Counter-cultural migrants"* are newcomers who might have conflicts with old settlers based on the different value systems they might have. They may develop projects or start small and medium enterprises that might counteract processes of peripheralisation in their village. The initiators of the Community Apiculture of Albertháza (H3) and the Alternative Village School of Kreltow (G1) can be considered *"counter-cultural migrants"*.

The Ministers of Albertháza (H3) are originally from Northeastern Hungary, and after studying and volunteering in Switzerland their dream was to move to a small village in Northeastern Hungary.

> *"(…) our dream was to serve in one or more small settlements in the mountains of Northern Hungary. This dream was connected to the fact that no one really wanted to come here. We have been here for nearly 12 years now and we are amongst the oldest [Ministers]. Ministers or General Practitioners only spend one or two years in the region. This is nearly true for all graduates, who arrive in these villages. Very few people stay here. In our class it was usual that people wanted to move to bigger cities or to places where the existence is more secure, without having dilemmas about whether they should buy bread or nappies for their children. For this reason the Minister's position was unfilled for six years here in Albertháza. When we told the bishop that this was our dream, he said that Albertháza is the village for us. The bishop said, 'come…no actually go over and have a look there'."* (Interview_H3_I1)

Most of the initiators of the Alternative Village School moved to Kreltow from cities of West and East Germany. People moved to the village from Trier, Rostock, Berlin or Magdeburg. It was important in building up the initiative that people being socialised in different social structures (the German Democratic Republic and the Federal Republic of Germany) moved to the village.

> *"Two women from West Germany were particularly important at the beginning. They had way more civic courage, with the Ministry (…). This for us, East Germans ('Ostler') was incredible, they were different, that was good."* (Interview_G1_I3)

The founder and former headmaster of the Alternative Village School refers to their idea to move to the village through emphasising the difference in their behaviour from the mainstream.

> *"So I studied at the Geography Faculty in Berlin as everyone else. Afterwards I completed Environmental Consultant Studies, it was Environmental Economics. And through that one can quickly come to topics such as Sustainability and personally I wanted to get out of Berlin to the countryside. And with the aim once to move out of Berlin we bought a house with like-minded people, here in Kreltow [as part of a co-housing project] where Anette [the current principal of the alternative village school] now lives. And then there were people who were dissatisfied with the state schools here and wanted to start their own school. Then once they persuaded me to become a teacher there at some point in the future. I also liked the idea. (…) I did not like the system before, so I came up with the idea of doing something different. And then we needed an idea, some concept, with which we can run our own school (…)"* (Interview_G1_I3)

The community was a crucial point in both narratives. The Ministers moved to a parochy which they opened up for the members of the congregation, and the initiators of the Alternative Village School moved to a co-housing project with a community with which they shared secular environmentalist values.

The counter-cultural migrants are a contrasting example among the comparative case studies. They do not face serious economic challenges and were free to decide in moving to structurally disadvantaged areas. They looked at the structural disadvantages and deficits as chances to realise their ideas of living slower or having an easier life. Still, in Hungary, which is a country on the semi-periphery of the global economy, counter-cultural migrants face more existential challenges than in Germany, which is in the centre of the global economy. It also has to be emphasised that in both the Hungarian and German cases the counter-cultural migrants moved to villages, where the middle-class was not completely absent. No back-to-the-land migrants moved to Tarnót, the case study

village undergoing advanced peripheralisation. In differently peripheralised contexts the question may arise how social and solidarity economy initiatives define their challenges. The next section aims to explore this.

5.3 The main challenges and mission of the case study social enterprises

Despite all the case study initiatives being located in small settlements of structurally disadvantaged areas, they define their challenges and their strategies differently. Therefore the case studies have not only been compared based on the peripheralisation of their villages, but based on how the social enterprises see the local challenges and what access they have to funding sources. To better understand how peripheralisation is seen through the lense of the social enterprises, interviews have been conducted with their key actors and their strategic documents have been consulted.

The local Mayor of Kispatak (H1) argues that the main challenge of his village is that they have lost their function, something which is typical of settlements of this size:

> *"The real function is what has disappeared for small settlements. It needs to be rethought how certain small settlements can be part of the 'blood circulation' of the national whole. (...) Their role needs to be rethought. Regional and local policy failed in local development, as it lacked perspective and lacked in giving a new function to the village and the city."* (Interview_H1_I1)

For this reason, the mission of the **Organic Village Farm** initiative is to establish a new function for Kispatak. It produces healthy and environmentally friendly organic food at reasonable prices and, through this activity, provides *"meaningful employment"* locally[28]. The concept of *"meaningful employment"* was used by the Mayor of Kispatak to point out that their project, which is mainly based on the Public Work Programme (see in Chapter 6.3.2), provides work through which the produced vegetables and fruits or the manufactured jams or drinks can be sold on the primary market. In contrast with their practice many of the products produced through the agricultural Public Work Programmes are sold for public institutions (eg. schools or kindergartens) that are maintained by the municipality (Váradi and Virág 2015, 38). In this way municipalities that often face financial challenges can reduce their costs (ibid.).

Anna Varga, the founder of the **Equality Foundation** relates their main challenges more to the integration of (mostly Roma) children coming from extreme poverty. As they have experienced in their alternative Art School, children coming from poor families of small and remote villages have little chance to be integrated into the majority society, and this is the case even if children are talented[29]. For this reason, the key actors of the Foundation felt the need to go beyond alternative education and to collaborate with parents in order to create better opportunities for their children. They decided to focus on Tarnót, a village undergoing advanced peripheralisation. Realising the special needs of people being socialised in deep poverty, the Foundation went beyond providing only workplaces for the locals. Based on a long term-strategy (20 years) they developed a Complex Local Development Programme. The capability-based approach and community development are integral parts of their Complex Local Development Programme. In order to map the challenges of the village and to build up trust with the parents of the Art School children, the colleagues of the Foundation visited local

28 Based on the interview (H1_I1) with the local Mayor, who initiated the project.

29 Web page of the Foundation, Press statement.

Image 6 Handmade needlework, presented by a Vlach-Roma woman
Source: Facebook page of the Foundation, with the permission of the Foundation and the person, who is on the photo

families regularly for a year. Providing opportunities to do paid work came only after this step.

The **Community Apiculture** (H3) was created as a self-help initiative with the purpose of endogenous community development and production for people's own use. The Minister of Albertháza and his wife, who is the Minister of Nagyalmád (a village undergoing advanced peripheralisation) and the leader of their *"Gypsy Mission"* (which is also located in Nagyalmád) play a key role in organising and motivating the community to mutual action. Due to the successful honey production, the local school was also saved. Thanks to the income stemming from the international sale of honey, the school was reopened in 2011, maintained in the first year by the non-profit Ltd of the Community Apiculture. After one year of operation, the Calvinist Church took over the role of maintaining the school from the congregation (and later in 2013 of the local kindergarten that was maintained by the local municipality). This way the Calvinist Church covers the fixed costs of the school and the kindergarten. After the Calvinist Church taking-over the maintenance of the school and the kindergarten, the income of honey production has been spent on excursions, community events, scholarships for local adolescents and the infrastructural development of the school and kindergarten.

The **Alternative Crèche and Village School** (G1) are embedded within a lively village community. Kreltow is a village in Eastern Uckermark with around 300 inhabitants. Despite of the high unemployment rates, processes of selective out-migration could not only be limited, but through the in-migration of mostly young families with children, shrinking processes could be turned back (Blog entry 2003, G1_D3). The birth rate is high in the village compared to other settlements in the region. A village shop, two restaurants, a crèche, a school, six handicraft businesses, an organic farm, a psychosocial care facility and more small businesses characterise the economic life of the village (Blog entry 2003, G1_D3). The village is also rich in cultural and community activities. They have a regionally-known Carneval, a dance group, a fishing association, a harvest feast, a fire fighters association, literature evenings, theatre projects, two rock bands, a drum group and a sport festival (Blog entry 2003, G1_D3). Most of the organisations and initiatives still exsited at the time of my field visit. One of the founders of the Alternative Village School even said, that

"I am not sure if our village is a good example for you, we are not actually peripheralised." (Marla, Field_notes_G1)

The Alternative Village School and Créche is well-embedded into this lively village community. Both local enterprises are the economic partners of the Alternative Village School and Créche, but teachers and children from the school also engage in the cultural life of the village. The aim of the Association which created and now maintains the school and the crèche is to *"adopt a child-oriented pedagogy, which enables and promotes creative and analytical thinking, to feel and decide, to judge and act responsibly. An important matter of concern is*

to promote artistic and cultural education as a life-long process in all ages." (Statute *"Satzung"* 2014, G1_D5). To consider the regional characteristics as well as the rural ones is particularly important for the initiative (ibid.). The issue of environmental sustainability is also strongly emphasised by the association (see Chapter 8.2).

An **Employment Initiative** was created in Wrimlow (G2) in Northern Uckermark, a village, which was organised around intensive sheep husbandry in state socialism. Ten thousand sheeps were kept industrially within the farm that cooperated with the agricultural cooperative of the neighbouring settlement. After the regime change the sheep farm closed down and the village experienced a severe economic and employment crisis. After the collapse of the sheep farm it became challenging for the local municipality to keep up local services. The lack of locally available workplaces led to a high level of selective out-migration which resulted in the concentration of a marginalised population affected by long-term unemployment and not capable of self-organisation. The Employment Initiative aimed to develop the employment capacities of the locals, but faced interpersonal conflicts between the Mayor and the initiating civilian. The main aim was to bring together the village community, but the initiative struggled to do so.

To sum up, peripheralisation manifests differently in the case study villages, this also leads to different household strategies. While counter-cultural migrants were free to decide where to live, the inhabitants of areas undergoing advanced peripheralisation got locked into the areas where they live now. Class, ethnicity and place of residence influence their autonomy. As a result, the autonomy of the counter-cultural migrants is on a higher level than the autonomy of the inhabitants of areas undergoing advanced peripheralisation. As the counter-cultural migrants turn structural disadvantages to opportunities in making their lives easier, they are a contrasting example amongst the case studies.

Local challenges are seen differently within the social enterprises. According to the Mayor of Kispatak (H1) the main challenge is that through modernisation small settlements, like theirs lost their [agricultural] function, and no new function developed for them. As a consequence many people left such villages and those who stayed became unemployed. As a municipality-based social enterprise, most employees of the Organic Village Farm are employed through the state-financed Public Work Programme. Fitting to the declared aim of the Public Work Programme the main aim within the Organic Village Farm is to provide work for the long-term unemployed. Similarly to other initiatives relating to the Public Work Programmes (Váradi and Virág 2015) there is no budget dedicated for social work or community development within the Organic Village Farm, neither is it voluntarily undertaken. In contrast with the Organic Village Farm, community development and social work is in the centre of attention of the Equality Foundation. Employing long-term unemployed people is deeply embedded in their community work. The opportunity to employ people within the Community Apiculture through the Public Work Programme also changed their aims. First they produced honey for community consumption, later they produced it for international (for the sister congregations) and local sales. Providing work for the long-term unemployed was also a declared aim within the employment initiative (G2), but work was invested in beutifying the village eg. through the multi-generational playground without having service provision or production. The lack of any trading activity made the initiative highly dependent on external financing. The Créche and Village School was created as an alterantive to the locally available more hierarchical state schools and kindergartens. Through a child-oriented pedagogy the main aim of the Village School and Kindergarten is to enable and promote creative and analytical thinking, responsible action in line with environmental sustainability. To realize their aims, rural social enterprises rely on various financial and non-financial sources. Chapter 6 aims to give an overview about the interaction between the funding sources and its relations to the autonomy of the social enterprises and their stakeholders.

6 The interplay between organisational autonomy and local resource-mix strategies

National contexts, geographical locations or the institutional ties of a social enterprise (municipality-based, faith-based and civilian-based social enterprise) may all influence the types of resources a social enterprise can have access to. Based on a Polányian approach to the economy three types of resources a social enterprise may utilise can be distinguished (Defourny and Nyssens 2014; Laville 2014; Coraggio et al. 2014). From this perspective next to market-based income, non-market (funding from the state or from private donors) and non-monetary resources provide a basis on which social enterprises can build. There is an interplay between the level of organisational autonomy and access to funding. Less autonomous social enterprises may gain a better access to financial resources. Before looking at the different resources a social enterprise may get access to, it becomes important to look at the historical, institutional and national contexts in which social enterprises are embedded.

6.1 Organisational autonomy and access to funding

Social enterprises are supposed to preserve their organisational autonomy even when receiving state funding or money from private foundations. According to Coraggio et al. (2015, 243), social and solidarity economy initiatives should not become mere implementers of government programs or social projects initiated by private foundations. However, national institutional frameworks influence the organisational autonomy of social enterprises. This section explores the specific ways in which the institutional framework and the political context in Hungary and (East) Germany influence the capacity of the studied social enterprises (municipality-based, faith-based or civilian-based) to preserve their organisational autonomy, and hence the extent to which the identified differences influence the capacity of such initiatives to counteract peripheralisation.

Both in Hungary and East Germany civil society was oppressed during state socialism. The totalitarian states of state socialism were interested in actively discouraging the formation of civil society organisations even of seemingly innocuous sorts (Chambers and Kopstein 2006, 367).

In spite of the state's aspirations youth groups, popular music clubs all over the CEE region and environmental groups in Hungary and East Germany managed to sustain their own group resources and even socialising functions (Chambers and Kopstein 2006, 368). Later, when the regimes showed weaknesses around 1989, these informal movements played a role in dismantling state socialism. The regime change in 1989 in Hungary and the reunification of Germany in 1990 raised the questions whether civil society would develop towards state control or towards a partnership and dialogue with the state. While in Germany rather a partnership characterises the relationship between civil society and state, in Hungary state control and authoritarian tendencies seem to be characteristic.

The reunification of Germany resulted in the assimilation of the East German (new) federal states (Länder) into West Germany. Relying on postcolonial theory Kathrin Hörschelman (2001) points out how dominant reflections on the post-unification of Germany marginalised the East German perspectives, values, norms and institutions. Institutions of the welfare state and civil society have been introduced in the former GDR

(Birkhölzer 2015). Compared to Hungary, East Germany got integrated to a country with a thick institutional system for welfare provision. Even if East Germans struggled in utilising the given framework for civic engagement, civil society was an integral part of the German welfare state. Currently, the German welfare state still provides space for dialogue and partnership with the civil actors.

The relationship between civil society and the state is charaterised by mutual distrust in Hungary (G. Fekete et al. 2017), and current governmental measures seem to be clearly anti-civilian (European Commission 2019). Here welfare provision is less institutionalised and transparent. Current developments point towards a state control rather than a partnership in welfare provision between civil society and the state. Public support mechanisms for civil society organisations lack transparency. Apart from elements of independence and impartiality that were built into the system, such as the 1 percent National Civil Fund (NCA) tax that provides a smaller ratio of the incomes of the Hungarian CSOs[30], processes of grant provisions (including EU grants) have not been transparent even before 2010 (Kövér 2015, 84). After 2010, the entire NGO self-governance and decision-making system was changed. Existing bodies of representation and self-governance that had previously made decisions independently of the government were replaced by new ones for which the allocations of seats to representatives of government bodies became dominant (Kövér 2015, 84). The newly emerging system for the public funding of CSOs provided an opportunity for the ruling Party to support those conservative, often religious (belonging to Roman Catholic and Reformed Churches) civic circles that were previously created and controlled by them (ibid., 84). The same process occurred in the case of EU Fund distribution, which is also controlled by the government (ibid.). Beyond decreasing the space for political autonomy, policies, regulations and the reorganisation of public funding made certain social enterprises, such as faith-based and municipality-based ones, to arise and manage their activities more easily than others, like the civilian-based ones. As politically independent civilian organisations were oppressed during state socialism (G. Fekete et al. 2017), after the regime change, civil society was already weak and after a revival in the 1990s became marginalised again from the provision of social services (Kinyik and Vitál 2005, Kövér 2015) as well as from development projects financed with public funds (Keller 2011; Kabai, Keller and Németh 2012). Meanwhile, faith-based organisations were strengthened through public resources (Kövér 2015) and municipality-based social enterprises have also stable access to public funding (municipality-based social enterprises are the main employers within the Workfare projects, see Chapter 6.3.2). After 2014 politically autonomous civilian organisations were openly attacked by the government. The diplomacy conflict escalating since 2014 between Norway and Hungary over the Norway Civilian Grants (see Kelemen-Varga et al. 2017) shows well how the Hungarian Government aims to extend its control over funding sources available for civilian organisations. Beyond that those funding sources that are independent from the Hungarian Government get increasingly stigmatised. According to a recently (13th June 2017) accepted law on the Transparency of Foreign Funded Organisations, those Civil Society Organisations that accept more than 20,000 EUR international funding per year have to be registered as *"foreign-funded organisations"* and make it visible on their website (G. Fekete et al. 2017). Several civil society experts and activists believe that the law is unnecessary, stigmatising and harmful, and will have negative consequences on the third sector in Hungary[30]. (For a more detailed overview of how civilian-based initiatives got increasingly marginalised in Hungary see European Commission 2019).

30 The optional 1 percent income tax donation to NGO's has proved an internationally viable system for third sector financing in Hungary. However, the focus group interviews of Kelemen-Varga et al. (2017) showed that only a few large organisations receive most of this support, while small organisations get close to nothing. Environmental and Roma issues are especially challenging topics to publicise; these organisations can not compete with more popular issues like child welfare or animal conservation (ibid.).

An unequally competitive situation[31] has developed in Hungary between church-based organisations and classic CSOs on the local level. While church-based organisations have been gaining an increasing access to public funding (see eg. the Agreement between the Vatican and the Hungarian Government[32]), the public funding of civilian organisations is increasingly unpredictable (see eg. how Hungary's Act III of 1993 has been changing).

The sectoral ties (municipality-based, faith-based and civilian-based social enterprise) influence the organisational autonomy of the case-study social enterprises and their access to funding.

The Organic Village Farm of Kispatak is a municipality-based social enterprise. It was initiated by the Mayor and the local municipality. The Organic Village Farm of Kispatak can be considered as a locally-emerged project, but through its ties to the Public Work Programme it has limited autonomy from the central state.

Even though the Community Apiculture and the Village School of Albertháza is not fully independent from the Calvinist Church, the local congregation has been able to sustain their independence from the central church and preserve community control over the village school. The Community Apiculture of Albertháza can be considered a faith-based social enterprise and benefits from the Public Work Programme as well.

Among the case study rural social enterprises, the Village School of Kreltow and the Complex Development Programme of Tarnót have the highest level of organisational (political) autonomy. They can both be considered civilian-based social enterprises. Both projects are initiated by civilians, but while both the initiators and the beneficiaries live in the village of Kreltow, in the case of Tarnót the initiators do not live in the village, but in the neighbouring town. The civilians of Kreltow (G1) were able to sustain their organisational autonomy (independence from the central state), and still did not get negatively discriminated in accessing EU funds or national funding for their projects. In contrast with this, the civilian project of Tarnót is politically autonomous, independent from the ruling Party or from the church, but this autonomy also manifests in a decreasing access to EU or national state funding and since 2017 stigmatisation by the state. As the Equality Foundation of Tarnót receives funding from international foundations too (the Open Society Foundation is among the donors), they had to indicate on their webpage that they are a *"foreign-founded organisation"* based on the recently accepted law.

To shed more light on the interplay between organisational, individual and collective autonomy and resource-mix strategies of rural social enterprises, the main resources of the initiatives will be compared based on sectoral ties, national contexts and resource types (for an overview about the comparison see Table 5).

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31 "after a revival in the 1990s": Hungary's Act III of 1993 on Social Administration and Social Services – based on principles of subsidiary and decentrialisation – stipulated that social services at the local community level were to be provided under the administrations of local governments (Kövér 2015, 85). This process of decentralisation gave local authorities a high degree of autonomy. Thes ystem was based on contractual cooperation between the local governments and the NPOs; it encouraged and motivated small organisations to provide professional services within the field of human and social services (ibid.). As a result, many hundreds of small NPO and NGO service providers were operating within the social field and were paid on a contractual basis by the end of 1990's. This way of financing changed in the 2000s. Instead of financing core costs (administration, maintenance, etc.) through independent resources (e.g. NCA, programme grants), a per-capita standard expenditure was set annually by the government and allocated to the local government within a budgetary term. As a result, humanitarian and service provider NPOs started to face serious financial challenges as they were unable to bridge the periods when budget was not provided for them.

32 To restore and remedy the losses and grievances inflicted by state socialism, an agreement was signed in 1997 between the Hungarian government and the Vatican (Kövér 2015, 85). This agreement provided a separate budgetary line of the annual government expenditure directed to the churches of Hungary.

Table 5 The resource-mix of the case study social economy initiatives. Source: the author's own illustration.

Resources		**H1** Organic Village Farm	**H2** Equality Foundation in Tarnót	**H3** Community Apiculture	**G1** Alternative Village School	**G2** Employment Initiative in the Village
Market (sales to)	Regional	To fine dining restaurants	–	To local consumers	Parents	Wanted to open a village store, but could not realise it
	National	E-store	Social e-store	–	–	–
	International	–	–	To sister congregations (CH, DE, PL, etc.)	–	–
Non-market (redistribution)	Regional governmental	–	–	–	Funding on a statutory basis	Local *"1-Euro-Jobs"*
	National governmental	Public Work (80 percent of the workforce)	–	Public Work (8 people in 2016, who work part-time at the non-profit Ltd)	–	–
	Internat. governmental	EU Grants	Swiss, Norway Grants	–	EU Grants	–
	National foundations	–	–	–	Robert Bosch Foundation	Robert Bosch Foundation, local renewable energy firm (ENERTRAG AG)
	International foundations	–	Ashoka, NESsT, Badur Foundation, OSI	HEKS	–	–
Non-monetary (reciprocity)	–	Extra working hours put in finding Grants	Local, national volunteers	Local, international volunteers	National volunteers	Local volunteers

Based on a Polányian approach, social enterprise researchers distinguish market-based, non-market and non-monetary resources of social enterprises. Market-based resources are referred to as *"earned-income"* in the literature. However, market-based income is considered to stem from the market, it will be shown through the case studies, that this type of income is not necessarily based on clear market logics, but solidarity also influence this type of incomes. Non-market resources stemming from the state or from foundations are important sources for social enterprises, as well as non-monetary sources, such as volunteering or help based on the logic of reciprocity. Chapter 6.2 and 6.3 will expand on the access to financial resources of the case study social enterprises and will link access to resources to sectoral ties and national contexts. Chapter 6.4 expands on how individual and collective autonomy influence the non-monetary resources of the case study social enterprises.

6.2 Market-based resources: earned income

"Earned income" is a term which is often referred to in the social enterprise literature (eg. Dees and Anderson 2006, Defourny and Nyssens 2010 and 2014). There is a normative assumption within a strand of social enterprise literature that Defourny and Nyssens (2014 and 2010) label as *"earned income school of thought"* according to which the (financial) sustainability of social enterprises may be reached through increasingly relying on market-based income (*"earned income"*). Dees and Anderson (2006) link this to their field experience:

> *"One motivation was the increasing interest among nonprofit organizations in finding new sources of revenue to supplement donor and government funding. (...) The second motivation was a desire amongst some business executives to promote the provision of human social services by for-profit companies."* (41–42)

Dees and Anderson refer to increasing marketisation as a natural phenomenon without reflecting on the growing moral authority of the market and on how it distorts meanings of citizenship, making rights, inclusion and moral worth dependent on contractual market value (Somers 2008). Beyond that it often happens that if one takes a closer look at the *"earned income"* of social enterprises, it turns out that it is not based on clear market logic. Therefore this chapter will give a detailed overview about the earned income of those social enterprises that produce products and have a trading activity (H1, H2 and H3). The balance sheets and income statements provide a basis for comparison.

A non-profit company (Ltd) was created in the three Hungarian cases to administer and manage formal economic activities. However, the non-profit Ltd exists in parallel with other organisational forms, i.e. Foundation (H2), School (H2, H3) and social cooperative (H1), this is the legal form which is used to administer the trading activity of the initiatives. The social cooperative of the Organic Village Farm would also be suitable to administer economic activity, but it has been inactive since its creation in 2016.

The Community Apiculture was informal in the beginning, but as overproduction occurred, for the purposes of selling, a non-profit Ltd was founded at the end of 2010. The sales they make on the local markets are administered as net sales, but their international sales for the sister congregations are administered under the *"other revenues"* in their income statement. Through their high-quality, cold-spun honey and international customers, the congregation often receives eight times more for a bottle of honey than they would get on the Hungarian market (*"Best practice"* report, H3_D15).

Table 6 Market-based income (net sales), Hungarian case study SEs.
Source: the author's own illustration, based on the financial documents of the case study initiatives.

Market-based income, net sales (thousand HUF)	2011	2012	2013	2014	2015	2016
Organic Village Farm Non-profit Ltd	Na	0	0	606	3,178	2,756
Equality Non-profit Ltd	Na	Na	0	0	3,740	5,646
Community Apiculture Non-profit Ltd	388	4,089	3,567	3,414	4,120	8,924

Among the Hungarian case study social enterprises the Community Apiculture has the most stable earned income. The market-based income of the Community Apiculture was 8,924,000 HUF, (28,913 EUR) in 2016 and 4,120,000 HUF (13,114 EUR) in 2015. It is important to mention though that the Community Apiculture sold a high ratio of its honey to its sister congregations. Their main customers are Calvinist congregations from all over the world (eg. from Poland, Germany, but dominantly from Switzerland). Solidarity-based pricing is applied with the sister congregations. The customers can decide how much to pay for the honey. Most customers belonging to the sister congergations consider buying honey as a philanthropic activity. For this reason the Apiculture receives usually higher than average prices for their international honey sales. There can be a high dispersion between the honey sales. While their Swiss customers often pay 30 CHF for a jar, their Polish customers may only be able to pay 5 EUR per jar. According to the Minister, both the Polish and

Swiss customers are important, as this whole *"enterprise"* is about community and trust (Field_notes_H3). The revenue stemming from *"selling based on donations"* is not administered as sales, but as other revenues.

Table 7 Other revenues of the Community Apiculture Non-profit Ltd.
Source: the author's own illustration, based on the financial documents of the Community Apiculture.

Other revenues (thousand HUF)	2011	2012	2013	2014	2015	2016
Community Apiculture Non-profit Ltd	2,420	17,334	17,647	27,264	19,191	22,450

The Equality Non-profit Ltd (H2) has the second highest net sales among the Hungarian case study social enterprises. It was 5,646,000 HUF (18,293 EUR) in 2016 and 3,740,000 HUF (11,905 HUF) in 2015. The earned income of the non-profit Ltd of the Equality Foundation stemmed dominantly from national sales through their charity e-store, as they call it.

The municipality-based Organic Village Farm made the smallest net sales among the case study social enterprises. It was 3,178,000 HUF (10,116 EUR) in 2015 and 2,756,000 HUF (8,929 EUR) in 2015. The majority of the Organic Village Farm (H1) vegetables are sold directly through their *"Open Garden"*[33] and they also deliver to fine dining restaurants within the region. The Organic Village Farm has an e-store and a village store as well, where mainly processed products (jams, pastes, bread spreads) are sold, as well as baskets, ornaments made by the inhabitants of the village (see Image 7). To extend their market the Organic Village Farm started to build up strategic alliances with conscious pubs in Budapest, where the purchasing power and the demand for organic products are higher.

Image 7 Village Store, source: the author's own photo

33 According to the "Open Garden Policy", from Monday to Sunday customers may buy and/or pick organic vegetables and fruit for themselves on the spot.

Table 8 Profit after taxation, Hungarian case study SEs. Source: the author's own illustration, based on the financial documents of the case study initiatives.

Net profit (thousand HUF)	2011	2012	2013	2014	2015	2016
Organic Village Farm Non-profit Ltd	Na	0	0	345	-3,838	-6,254
Equality Non-profit Ltd	Na	Na	0	-86	136	1,225
Community Apiculture Non-profit Ltd	-2,337	6,716	5,636	16,853	4,764	6,340

The profit after taxation shows a similar pattern as the data on net sales. Based on financial statements the Community Apiculture Non-profit Ltd is the most stable, followed by the Equality Non-profit Ltd. Both organisations left their profit in the initiative, in retained earnings (Financial statements, H2_D12 and H3_D11). The Organic Village Farm Non-profit Ltd made a loss both in 2015 and 2016.

Even if the Non-profit Ltd of the Equality Foundation made a net profit, Anna Varga, the founder, finds generating market income from segregated areas rather challenging. This is how she describes in her blog the challenges of gaining market-based income for their initiative[34]:

> *"I naively thought in the beginning that we could strengthen this 'pillar' [market-based income] in a way that we were capable of financing the school. Then I let this go. Later I thought it would be OK if it sustained those who work in it from the 'target group' and those few people with university degrees who coordinate it. Now, as I see how much jam or needlework bags are needed to be sold monthly for this, I would settle for sustaining the local 'target group'. Because we are progressing with them (what hard work it was to reach this point!) and they understand it better from time to time and try to produce what we request, still these are just 'products' in the store which need to be sold...which is not very simple."* (Blog entry 2013, H2_D7)

None of the 3 Non-profit Ltd companies was producing enough revenue to yield the salaries of all of its employees. The Organic Village Farm relied mainly on the Public Work Programme (see Chapter 6.3.2). Their employees are officially employed through the local municipality. The Community Apiculture relies mostly on the Public Work Programme too, their employees were mainly employed through the Calvinist Church. Beyond paid employees a high ratio of the local inhabitants were engaged in honey production on a voluntary basis as well. Most of the employees of the Equality Non-profit Ltd were financed through the Equality Foundation, which has received funding from international donors. In 2016 only the Organic Village Farm Ltd was capable of yielding salaries from the market. Two experts' salaries have been paid from the earned income of the Organic Village Farm Non-profit Ltd since 2015.

The Parents' Association of Kreltow, which has around 50 members and was created as a legal body maintaining the local village school and the kindergarten, relies partially on market-based income too. As the village school receives only two-thirds of the funding that a regular state school receives on a statutory basis in the region, the Parents' Association introduced an education fee (*"Schulgeld"*) (Interview_G1_I1 and Interview_G1_I3). The parents decided democratically about this monthly fee amounting 140 EUR/month/child in 2016. This monthly fee is a necessity and puts extra burden on the parents of the village school

34 The blog is updated weekly and describes the journey that the Foundation began in 2009, when it started the Complex Development Programme in Tarnót. The blog entries are in Hungarian and have been translated by the author of this paper.

compared to the parents of children attending a state school as the village school of Kreltow would not survive relying solely on public funding (Anonymised data source G2_D4).

None of the case study social enterprises was able to sustain its operation from market-based income. Without the support gained through the Public Work Programme (see Chapter 6.3.2.1), the Organic Village Farm and the Community Apiculture could hardly continue their production and sustain their operation based solely on market-based income. As the Equality Foundation does not benefit from the support of the Public Work Programme, it relies on non-governmental support to employ their local stakeholders. Without such a support the non-profit Ltd of the Equality Foundation would not be able to financially survive. The Community Apiculture Ltd has the highest profit after taxation. However, their main income stems from international honey sales, in which their customers consider buying honey more as donating for the mission of the Community Apiculture than getting solely engaged in market transactions.

6.3 Non-market resources: Grants and subsidies

The section above showed that formal economic activity may not be sufficient to financially sustain a social and solidarity economy initiative in peripheralised areas. For this reason, rural social enterprises depend on non-market resources as well. Non-market resources are still financial resources. The logic which links these resources is redistribution, where the central point can be the government or a foundation. Institutional ties influence the extent to which a social enterprise can have access to governmental funding or funding coming from private donors. For this reason particular attention will be paid to the sectoral ties of social enterprises (civilian-based, municipality-based and faith-based) in reviewing their access to non-market resources.

6.3.1 INTERNATIONAL GOVERNMENTAL FUNDING

International governmental funding is related to the European Union in CEE. It may be based on funding from the European Union or Funds set up by other European countries that are members of the European Economic Area (EEA) or the European Free Trade Association (EFTA), such as Iceland, Lichtenstein, Norway and Switzerland[35].

6.3.1.1 EU-based funding

EU-based funding is one of the most important financial sources of social enterprises in the European Union (see Chapter 3.2.2) particularly in CEE (see Baturina et al. forthcoming), National institutional frameworks influence which actors of the SE field (municipality-based, faith-based, civilian-based social enterprise) can have access to these sources.

The centralisation of local development in Hungary, which has been ongoing since the second half of the 1990s, had a negative impact on traditional civil society organisations (CSOs) and small- and medium enterprises (SMEs), particularly on their ability to access national and EU-based funding for local development. During

35 Switzerland is only member of the EFTA.

the first half of the 1990s, despite the weak local civil society, power distribution between civil society organisations and local governments were more equal, as local actors (CSOs and local municipalities) were treated equally in publicly-funded local development projects (Keller 2011, Kabai et al. 2012). After 1996 the central state initiated the institutionalisation of the local micro-regional collaborations. Through this process rural development institutions became more transparent and accountable for the central state, but those development initiatives that were based on the needs of a wider local society got marginalised (Kabai et al. 2012, 56) and local communities became more dependent on the central state (Nagy et al. 2015a, 144–145). Civil and municipal actors ceased to be interdependent, as the latter got privileged in terms of accessing funds for rural development or being represented in decision-making processes. Through these centralisation processes civilians got very limited authority to influence micro-regional development (Keller 2011). As Keller argues the European Commission has further amplified these centralisation processes in Hungary at the end of 1990s. The emphasis in the accession criteria for the new member states has shifted from political accountability (territorial devolution, decentralisation, integration of local municipalities and local civil society into decision-making processes) to technical accountability (safe financial transfer) (Bruszt 2007). PHARE programmes in the 2000s were aimed at the capacity-building of the central state. This further weakened the willingness of the central state officials to adapt the EU principles, such as partnership and devolution, in their decision-making processes about the distribution of development funds. As a result, instead of integrated and heterarchic governance, hierarchic governance became a norm in Hungarian rural development and development policies (Keller 2011). Due to this centralisation process, civil and municipal actors ceased to be interdependent, as the latter gained privileged access to funds for rural development and became unevenly represented in decision-making processes. This was the case regarding the LHH programme too. To overcome regional inequalities in the 2007–2013 financing period the 33 *"least privileged micro-regions"* (Leghátrányosabb helyzetű kistérség, LHH) were prioritised in accessing funding for rural development (Government Decree no. 311/2007. [XI. 17.]). However, while the programme was successful in channelling more EU funding into peripheralised areas (Kabai et al. 2012) among others it was criticised for privileging local Mayors too much over other local actors. Czike (2011, 12) argues that the first period of the LHH Programme became *"the playground of the local Mayors"* and civilians, entrepreneurs or representatives of Roma could not make their voices heard. While Mayors of villages have higher chances of accessing national (such as workfare support) and international governmental funding (such as EU funding), traditional CSOs are struggling. As a consequence, Mayor-lead social enterprises are dominant in remote, rural areas of Hungary.

To see the extent to which the Hungarian case study social enterprises had access to EU-based funding, the central administrational system for EU-based funding has been reviewed (*https://emir.palyazat.gov.hu/nyertes*). The database provides information both about ESF and ERDF funding and additionally about EAFRD funding in the 2014–2020 financial period (Széchenyi 2020). Based on this database, the only case study social enterprise that directly received funding from the European Union for realizing its aims was the Mayor-lead Organic Village Farm.

Table 9 EU-based funding directly related to the Organic Village Farm (excluding EAFRD funds in the 2007–2013 financing period).
Source: the author's own illustration, based on the https://emir.palyazat.gov.hu/nyertes database.

Beneficiary name	Grant decision date	Operation summary	Operation (expected) start and end date	Grant awarded (EUR, rounded)
Municipality of Kispatak	09.08.2010	The aim of the operation was to set up a regional organic farm with headquarter in Kispatak. As part of this agenda the operation targeted underprivileged locals and covered their training costs for organic farming. (Operational programme: TÁMOP)	01.12.2010–31.05.2012.	96,000
Municipality of Kispatak	21.03.2014	Kispatak set up a consortium with two neighbouring small settlements. The aim of this consortium was to provide an *"innovative"* training programme for around 80 locals who are affected in deep poverty and long-term unemployment. (Operational programme: TÁMOP)	01.04.2014–15.12.2015.	626,000
Social integration Non-profit Ltd	04.12.2017	The non-profit Ltd was set up in 2014 and according to its website it aims to strengthen the labour-market opportunities for underprivileged people. From national and international grants it organises and coordinates work integration programmes in underprivileged settlements. (Operational programme: EFOP)	01.01.2018–31.12.2018.	167,000
			TOTAL	**889,000**

The first tender on which the Organic Village Farm was directly planned to be built, was submitted in 2007, but did not win. The project planning continued and a new tender was submitted and accepted in 2010, within *"The catching-up of the most underprivileged micro-regions"* (LHH) programme. After winning around 96,000 EUR ESF funding (TÁMOP 5.1.1) the activity of the Organic Village Farm could effectively start in 2012, this was also the year when the Organic Village Farm Non-profit Ltd was created. The initiative involved 25 local volunteers who cultivated 0.6 ha in 2012, which grew to 3.5 ha in 2015 and 30 paid employees. In 2012, organic vegetable and fruit production was supplemented with a village shop, which is also a centre for handicraft activities, a food processing manufacture funded through a LEADER grant in 2013 (12.5 million HUF – 41,700 EUR) and a herbs processing plant funded through an ESF grant in 2014 amounting to 626,000 EUR that the Municipality of Kispatak won as a leader of a concern covering two other neighbouring villages. Just to compare an average monthly per capita income in Northern Hungary was around 300 EUR in 2016[36].

EU funds contributed to the acquisition of most of the assets of the Organic Village Farm. Since 2010, Kispatak was awarded around 900,000 EUR in EU funding for the implementation of the project. Considering how neglected small and remote settlements were in the rural development policy during socialism and after the regime change, the amount of EU funding that Kispatak had access to is justifiable. Nevertheless, it would be of particular importance to open up both project-based funding and funding on a statutory basis for social and solidarity economy actors other than Mayors. CSOs or SMEs engaging in local development initiatives should have equal access to national and international public funding. Furthermore, those settlements which are affected by advanced peripheralisation may have less financial and non-financial resources to attract EU-based funding. For example, even if Tarnót faces critical challenges in many fields, the Municipality of Tarnót did not win any EU-based tender until 2018 to develop their village.

36 Based on HCSO data, available here: *http://www.ksh.hu/docs/eng/xstadat/xstadat_annual/i_zhc014c.html*, last date of access: 25.09.2018.

Table 10 lists all EU-based funding indirectly connecting to the Hungarian case study social and solidarity economy initiatives. The table shows that the municipality-based social enterprise of Kispatak had the highest access to EU funding indirectly connected to the social enterprise.

Table 10 EU-based funding indirectly related to the Organic Village Farm. Source: the author's own illustratrion.

Beneficiary name	Location	Grant decision date	Operation summary	Operation (expected) start and end date	Grant awarded (EUR, rounded)
Together for Kispatak Foundation	Kispatak	07.11.2013	Support to increase the employment capacity of the Together for Kispatak Foundation. (Operational programme: TÁMOP, Fund: ESF)	01.03.2014–01.04.2015	27,600
Together for Kispatak Foundation	Kispatak	30.09.2009	Study hall. The aim of the project was to support underprivileged children in developing their primary school performance. A study hall was developed within the programme, in which underprivileged (*"halmozottan hátrányos helyzetű"*) children between ages 6–12 were supported by a teacher, a psychologist and a social manager. (Operational programme: TÁMOP 3.3.5/A-08/1, Fund: ESF)	01.01.2010–31.12.2011	71,900
Municipality of Kispatak	Kispatak	08.10.2013	The aim of the project was to support locals in counteracting their social, community, medical, educational and employment disadvantages. Apart from providing professional and competence development trainings for adults, the project focused on talent management for local children. The study hall building was refurbished and human resources needs of the study hall were financed from the project. (Operational programme: TÁMOP, Fund: ESF)	01.12.2013–30.11.2015	435,900
Together for Kispatak Foundation	Kispatak	07.05.2014	Study hall. The study hall supports all children from age 5 to 18 years. (Operational programme: TÁMOP, Fund: ESF)	01.05.2014–31.10.2015	98,300
Together for Kispatak Foundation	Kispatak	27.09.2016	Study hall. (Operational programme: EFOP, Fund: ESF, 85 percent)	01.09.2016–31.08.2018	100,000
				TOTAL	**733,700**

Table 11 EU-based funding indirectly related to the Complex Development Programme of the Equality Foundation. Source: the author's own illustratrion.

Beneficiary name	Location	Grant decision date	Operation summary	Operation (expected) start and end date	Grant awarded rounded (EUR)
Equality Art School	Tarnót	15.04.2015	Study hall. (Operational programme: TÁMOP, Fund: ESF)	01.05.2015–31.10.2015	40,000
Equality Foundation	Tarnót	27.02.2012	Study hall. (Operational programme: TÁMOP, Fund: ESF)	01.06.2012–31.05.2014	143,700
				TOTAL	**183,700**

Table 12 EU-based funding indirectly connecting to the Community Apiculture. Source: the author's own illustratrion.

Beneficiary name	Location	Grant decision date	Operation summary	Operation (expected) start and end date	Grant awarded (EUR, rounded)
Regional Calvinist Church District	Nagyalmád	30.09.2009	Study hall. (Operational programme: TÁMOP 3.3.5/A-08/1, Fund: ESF)	01.01.2010–31.12.2011	73,300
Calvinist Congregation of Albertháza	Albertháza	08.11.2017	The project aims to develop the professional (pedagogical methodology) and infrastructural (the refurbishment of existing buildings) capacities of the village school of Albertháza.	01.09.2017–02.11.2019	100,000
Calvinist Congregation of Albertháza	Albertháza	16.05.2017	A gym was built next to the local kindergarten through the project.	15.06.2017–30.06.2018	196,400
				TOTAL	**369,700**

Study halls, which preceeded the Organic Village Farm with 10 years and according to the Mayor were important for the development of the community were primarily financed through EU tenders (Interview_H1_I1). The local foundation (Together for Kispatak Foundation), in which the mother of the local Mayor works as a teacher, won around 297,800 EUR in 4 ESF tenders between 2009 and 2016, through which a local study hall, which was opened based on a Norway Grant could be operated. The building of the local study hall was refurbished through an ESF Grant that the Municipality won in 2013. Altogether 733,700 EUR contributed indirectly to the development of the social and solidarity economy initiative of Kispatak.

While EU-based funding was not available to directly support the employment activity of the Equality Foundation, their social enterprise indirectly benefitted from EU tenders. The Equality Foundation also maintains a study hall in Tarnót involving university students as volunteers in supporting local children in a playful way to progress in school. Their local study hall was operated through ESF Funds between 2012 and 2015. Despite of their experience and professional acknowledgement, the study hall of Tarnót did not win on the EFOP-3.3.1–15 EU tendering process that explicitly aimed at supporting the operation of study halls in 2016. According to the study of the TanodaPlatform initiative[37], which aims at facilitating networking and advocacy for Hungarian study halls, more experienced, mostly civilian-based study halls could not win on the EFOP-3.3.1–15 EU tenders dedicated to study halls (Fund: ESF).

Due to the insecure financing many study halls ceased to exist. As a survival strategy some study halls decided to turn to alternative sources, while undertaking tasks of public interest. The study hall of Tarnót followed the latter path:

> *"The fact that we did not win on the study hall tender, gave us a difficult, but a nice and creative task, because we need to find ways to finance our operation. And this is good. Good, because we can see it for a while now, that if we are not able to stand on more feet – mainly on our own feet – then we can not succeed. And this is where we made a huge mistake; we let ourselves get misguided. When we submitted our tender in 2015, we thought that we will know in March the latest whether we can receive [EU-based] funding or not. Then we were led to believe that there was a 30-day delay. Then days, weeks and months went by and now it is 23.09.2016 (...) we should not have believed that there would be a list [about the winners of the study hall tender] and we might even win."* (Blog entry 2016, H2_D23)

37 *http://tanodaplatform.hu/*, last date of access: 17.12.2018

The above blog entry from the professional leader of the study hall in Tarnót shows well the vulnerability of the Hungarian civil society and the marginalisation of civilian-based initiatives in their access to EU-based funding. The Together for Kispatak Foundation, which is interconnected with the local municipality, also submitted a tender to the EFOP-3.3.1–15 call. The Foundation won 100,000 EUR to further finance their operation, but they also found it challenging to survive during the period, when EU-based or other public funding was not available to sustain their operation (Field_notes_H1). Next to civilians and municipalities (see the 435,900 EUR funding through which the study hall of Kispatak could have been maintained), study halls are also operated by congregations.

Until 2016 Calvinist study halls were partly (in four cases and the study hall of Nagyalmád is amongst them) financed from EU funds and dominantly (in 8 cases) through HEKS, the relief organisation of the Protestant churches in Switzerland (webpage of the *"Gypsy Mission"* of the Hungarian Calvinist Church, H3_D17). Since 2013 HEKS explicitly aims at supporting Hungarian congregations in their service of Roma children and youth (ibid.). The Swiss support was mainly targeted at already existing initiatives and provided significantly smaller funding compared to the EU funding (6,700–10,000 EUR). HEKS has supported 13 congregations in developing a Roma children or youth programme and the initiative aiming at children aged between 0–5 in Nagyalmád is amongst their supported projects (since 2013).

There are two civilian-based study halls among the projects that HEKS supported. Both study halls were affected in the delayed announcement of the EFOP-3.3.1–15 EU tender results in 2015–2016 (ibid.).

At the beginning of the project, the Calvinist Community Apiculture did not benefit from any governmental grants. The Minister proudly shared that instead of relying on external help coming from the EU, the community could rely on its own local and international resources, mainly on the volunteer work of the local community (Field_notes_H3). This has changed, as soon as the Community Apiculture started to involve Workfare employees in 2013 and as soon as they applied and won two EU-based tenders in 2017. The Calvinist Congregation of Albertháza won altogether 296,400 EUR to improve its pedagogical methodology in the alternative village school, to refurbish the school building and to build a gym for the kindergarten. It has to be considered though that the initiative fits well into the governmental narratives about Christian Hungary. In line with this, the Minister couple won a governmental prize for their activity as well in 2018 from the Minister of Human Capacities.

The Alternative Village School and Créche has also benefitted from a considerable amount of EU Funding (Field_notes_G1, Interview_G1_I5). Kreltow's old barn, which is a protected landmark, was refurbished and transformed to a Créche. The barn was supplemented by an extension built in a wooden stand construction with passive house standards (LEADER Uckermark 2014, G1_D8). Through this model project financed from LEADER, the créche's capacities could be increased by 1/3, from 20 to 30 childern (Interview_G1_I4). The Créche was one of the 282 projects, which were supported in the Uckermark LEADER-Region in the 2007–2013 financing period (ibid.). Altogether 35 Million Euro Funding flowed to the region making 70 Million Euro investment possible (LEADER Uckermark 2014, G1_D8). 62 percent of the projects were realised by private actors (including civilians) and 38 by the local municipalities (ibid.). Based on the regional ESF and LEADER databases the village of Wrimlow had a very limited capacity to attract EU-based funding.

To sum up, in today's Hungary while EU-based funding is more easily accessible for municipality-based and faith-based social enterprises, civilian-based social enterprises have a challenge in accessing it. In Germany EU-based funding is also accessible for civilan-based social enterprises, but capacities to write tenders matter here as well.

6.3.1.2 EEA, Norwegian and Swiss Civilian Grants

EEA, Norwegian and Swiss Civilian Grants proved to be particularly important for civilian-based social enterprises in Hungary. As members of the European Economic Area (EEA) or the European Free Trade Association (EFTA), Iceland, Lichtenstein, Norway and Switzerland[38] provided grants for the new member states of the EU (the 10 countries that have joined the EU since 2004) with the aim of reducing social and economic disparities.

More than 150 Million EUR was available until 2016 through the Norwegian Fund in Hungary, which could have been used by civilians too. Hungary benefitted from the Swiss Fund as well with more than 130 Million CHF between 2012 and 2015, non-profit organisations could also apply to these Funds. Around 5 percent of the grants that were available for Hungary (6.5 million EUR and 6 million Swiss Francs) were targeted for non-profit organisations and distributed independently from the Hungarian Government through a consortium of Hungarian NGOs[39]. The Swiss Civil Fund (2012–2015) emerged based on an agreement between the Swiss Confederation and the European Commission in 2006 and dominantly supported the projects of civilian organisations from structurally disadvantaged areas in Northern Hungary and the Northern Great Plain (European Commission 2019). The Swiss Civilian Fund aimed at strengthening and capacity building of NGOs as well as supporting marginalised children to begin or continue their secondary education (svajcivil.hu).

> *"During the programme, 111 projects received support totaling almost 1.3 billion HUF (5.4 million CHF) in two grant rounds. From among the 102 projects supported in the NGO Block Grant, 67 were implemented in the thematic area of provision of social services with special emphasis on the social integration of Roma, and 35 in responses to environmental concerns. The small projects represented a broad diversity, but their common feature was that they were implemented for and involving people living in marginalised areas in the target regions: children and adults, villagers and city dwellers, Roma and non-Roma (...)."* (*http://svajcivil.hu/hu/in-english*, last date of access: 16.07.2018)

The NGO Programme of the EEA/Norway Grants in Hungary (2013–2016) was established with the aim to *"strengthen the development of the Hungarian civil society and to enhance its contribution to social justice, democracy and sustainable development"* (Kelemen-Varga et al. 2017, 7). In addition to online surveys sent to the applicants of the EEA/Norway Grants, the NGO programme of the EEA/Norway Grants have been evaluated through 14 focus group interviews conducted with external (independent) experts in the spring of 2016, the project evaluators and the representatives of the project promoters (by thematic areas):

> *"According to the opinions declared in the focus groups, the NGO Fund kept alive fields and generated new cells in topics that would have had no other financial possibilities except for foreign private donations. These topics stand close to (public) politics, and would definitely not be supported by the current power. 'These programs intend to teach the NGOs a function – how this can be done and how to involve others. Currently, this is not a government-compatible element.'"* [Cited from the focus group session of the evaluators.] (Kelemen-Varga et al. 2017, 18).

38 Switzerland is only member of the EFTA.

39 Ökotárs – Hungarian Environmental Partnership Foundation, as the leader, Autonomia Foundation, the Foundation for Development of Democratic Rights (Demnet) and Carpathian Foundation-Hungary.

Starting with the spring of 2014, the Government has been harassing and threatening the fund operators and the project promoters of the EEA/Norway Grants in Hungary, first through the press and then via various state bodies. The below summary of the *"Norwegian Case"* is based on the writings of the Ökotárs Foundation published between 2014 and 2016 in the Hungarian chapter of the report on the sustainability of non-governmental organisations published annually by the United States Agency for International Development (USAID):

> *"First, the Government Control Office [GCO] carried out (at the Prime Minister's direct command) a lengthy audit and investigation (which was unlawful based upon the international agreements signed by the EEA and Norwegian Financing Mechanism Hungary) at the organizations that operate the NGO Fund, and at 58 project promoters as well. Having no opportunity for legal remediation, the given organizations were compelled to fulfill the demands of the GCO. Following this, the Prime Minister's Office accused the operators with numerous legal transgressions from embezzlement to misappropriation of funds, etc. In August they started talking about starting police investigations, which culminated into the search of the premises of the Ökotárs Alapítvány and its partners in September, and during which documents and laptops were seized. Besides, the VAT numbers of the four fund operators were suspended with reference to the lack of cooperation with the GCO. In late October the GCO published a report which was supported by facts and data only poorly, and which contained numerous severe accusations, such as misappropriation of funds and budget fraud.*
>
> *At the end of January 2015 the Court condemned the search carried out at the Ökotárs office in September 2014 as unlawful, but the harassment did not stop. In January and February the Government ordered the tax inspection to be carried out at 7 organisations funded by the EEA/Norway Grants in Hungary. No transgressions were found, and following an agreement between the governments of Norway and Hungary – which included the termination of the harassments against the operators of the NGO fund – the procedures against the organisations were closed."* (Kelemen-Varga et al. 2017, 27)

It was also raised through the focus group interviews that the EEA/Norwegian NGO Fund is amongst the last resources independent of the state and party politics.

> *"(…) it was just one of the several [resources independent of the state and party politics], but during the latest years, it has remained the only one. Specifically, this support represents a much bigger proportion in the income structure of the organizations of the target groups than, for example, the 1 percent personal income tax, and for many organizations, it meant survival itself."* (Kelemen-Varga et al. 2017, 18)

Amongst the three Hungarian case study social enterprises, the main beneficiary of the Norwegian and Swiss Civilian Funds was the civilian-based social enterprise in Tarnót run by the Equality Foundation. However, the municipality-related Together for Kispatak Foundation could also benefit from the EEA/Norway Grants NGO Programme. The Norway Grants supported the Together for Kispatak Foundation to start their study hall in 2009 (Webpage, H1_D7). The Community Apiculture did not apply for and benefit from EEA, Norway or Swiss Grants.

The Norwegian and Swiss Civilian Funds compensated for the lack of access of the Equality Foundation to EU Grants. While the Complex Development Programme of the Equality Foundation did not directly benefit from EU Grants; Swiss, EEA and Norway Grants were highly represented in the Foundation's resource-mix. The Equality Foundation received **142 103 EUR** in Swiss and Norwegian Grants between 2013 and 2016 (Non-profit reports of the Equality Foundation, H2_D27). Grants were spent on the development of the integration

model of Tarnót, e.g. combating digital analphabetism, developing household and childcare knowledge, community development, introducing a Community Center and developing self-sufficiency through backyard farming (Non-profit reports of the Equality Foundation, H2_D27).

To sum up, EEA, Norway and Swiss Grants were available for the new member states of the EU to reduce social and economic disparities. Around 5 percent of these Grants available for Hungary between 2012 and 2016 were dedicated for the development of the non-profit sector, including civilian-based social enterprises. The Civilian Funds were distributed independently from the Hungarian Government through a consortium of Hungarian NGOs[40] independent from the Hungarian Government. Starting with the spring of 2014 the government has been harassing and threatening the fund operators and the project promoters of the EEA/Norway Grants in Hungary, first through the press and then via various state bodies. The EEA/Norway and Swiss Grants are thought to be among the last sources independent from the government and Party politics in Hungary.

6.3.2 NATIONAL GOVERNMENTAL FUNDING

National governmental funding also shapes the room for manoeuvrability for social and solidarity economy initiatives. After reviewing the role of EEA, Norway and Swiss Grants in shaping Hungarian civil society it is important to emphasise that funds awarded from Hungarian state funding schemes (NCA-NEA) are lower than they were previously and the allocation mechanisms of these schemes have become more state-controlled and clientelistic (Kelemen-Varga et al. 2017, 45). From the perspective of the Hungarian case study social enterprises the Public Work Programme is particularly important. Funding on a statutory basis directed to those social and solidarity economy initiatives that fulfil educational functions proved to be important both with regard to the Hungarian and the German cases.

6.3.2.1 Public Work Programme

For dealing with the acute problem of unemployment in rural spaces, the Hungarian government shifted the focus of their social and employment policy to **public work**[41] (*"work instead of social benefits"*). Until 2009 — even up to the internationally unprecedented public work expansion — Hungary belonged to those countries who spent little on activation programmes (0.39 percent of GDP), not only in comparison with the EU average (0.54 percent), but also in comparison with Central and Eastern European countries (0.52 percent). The three most dominant programmes of activation (both by expenditure and numerical data) among Hungarian employment policy instruments are labour market training courses, wage subsidies, and the public employment system (Frey, 2002).

Among the three activation programmes, Public Employment (Workfare) is the one which explicitly aims at increasing the employment of disadvantaged people. The Programme has grown rapidly in recent years, affecting thousands of people. However, it must be pointed out that Workfare employees have different rights from those of the Labour Code. For example, by establishing the wages obtainable from public employment between unemployment benefits and the minimum wage, the government's declared aim is to motivate a return to the primary

40 Ökotárs – Hungarian Environmental Partnership Foundation, as the leader, Autonomia Foundation, the Foundation for Development of Democratic Rights (Demnet) and Carpathian Foundation-Hungary.

41 Act CVI. of 2011

labour market, and to avoid getting stuck in the Programme. However, since 2010 the significantly expanding Public Employment Programme (in 2015 it involved 212,000 people – one-quarter of the employees in the public sector participated in it) has received a lot of criticism. Beyond limiting the rights of employees the programme also increases their risk of poverty. A commonly experienced negative effect is the *"closing effect"*, i.e. participation in the Programme takes time and energy away from job seeking. Csoba and Nagy (2011) argue that, contrary to the Workfare incentives, workers in public employment are continuously settling into secure income providing public employment and only 5 percent of participants have successfully settled in the primary labour market. This is by far the worst result among active labour market instruments. Practical experience in Hungary also shows that local governments, the main local coordinators of the Workfare Programmes, are not able to provide real work for less qualified public employees, and often recruit them for pretense work. Municipalities also often lack professionally experienced social workers who would have knowledge about how to develop the working skills of people affected in long-term unemployment. The lower than minimum wage income further decreases participants' motivation and self-esteem. A Public Work Employee earns 160 EUR net per month, while the official minimum wage in Hungary was around 230 EUR net in 2016.

The support of such programmes through tendering has produced new dependencies, not just on the state-local government level (political), but also on local government unemployed residents' (personal) level (Nagy et al. 2015a, 145). The Mayor is the one who, based on *"worthiness"*, decides on the distribution of social benefits and public work in the settlement. Váradi and Virág (2015, 105) label this a new form of patron-client relationship. But while the Mayor is the *"patron"* in one person and sustaining this relationship pays him/her dividends merely in subsequent elections, for the *"clients"*, sustaining a good relationship with the Mayor is the only chance of daily survival (Durst, 2008 in Váradi and Virág 2015, 105).

Apart from local municipalities, de jure religious institutions and CSOs are also entitled to employ people through the government's Public Work Programme, allowing a reduction in employment costs, utilisation of tax relief and realisation of integration goals (Frey, 2007). Among the three Hungarian case study social enterprises all have a relationship with Public Work. While the municipality-based Organic Village Farm and the faith-based Community Apiculture benefit from the freely available workforce, the colleagues of the Equality Foundation find the locally available Workfare Programme lead by the Mayor of Tarnót counterproductive from the perspective of their Complex Development Programme.

In the case of the Organic Village Farm all operative employees are employed through public employment (from the total number of the workfare employees in the village, 25 work in the organic farm). Only the two experts in sales and gardening are employed through normal labour contracts. By providing low-paid workfare employment for about 32 percent[42] of its active population, the local municipality has become the largest employer in Kispatak[43]. However, the policy aim of public employment is to make local projects independent from public funding, activities financed through the Public Employment Programme mainly mean savings on costs for the local municipalities (Váradi 2016, 30). Even though the Organic Village Farm produces for the market and their earned income has nearly tripled in four years (from 3,000 EUR in 2012 to 8,874 EUR in 2016), 2016 was the first year when their non-profit Ltd could officially employ people through conventional labour contracts (the two experts). Since 2015 those local municipalities that plan to set up social cooperatives

42 Own compilation, based on HCSO 2011 data and a "best practice" report (H1_D10)

43 As a result, the unemployment in the village (4.35 percent) is lower than the national average (MNE 2015).

get higher support through the Public Work Programme (Váradi 2016). For this reason the Mayor of Kispatak also decided to set up a social cooperative, even if he feels it is an *"externally enforced frame"* (Interview_H1_I1).

> *"Public Work Employees are forced to set them up. The membership of the municipality is forced (…) the state interferes in fields that they should let [develop independently]."* (Interview_H1_I1)

From the perspective of the employers, who are mainly local municipalities[44], Workfare Projects provide cheap local workforce, which is a competitive advantage over organisations that do not have access to Workfare. Having privileged access to Workfare employment, local municipalities can build products and provide services at lower costs than small and medium enterprises and traditional civil society organisations. Public work employment can be problematic from the perspective of long-term unemployed people also, as people who are employed in these kinds of SSE projects are paid low wages. The fact that the beneficiaries of the Organic Village Farm must work for less than the minimal wage, affects their motivation and self-esteem negatively (Field_notes_H1).

Six Workfare employees could work for the Congregation of Albertháza through the Hungarian Calvinist Church in 2016. The Public Work employees work parallelly in the Village School, or when it is needed in the Community Apiculture. While the Public Work Programme provided *"free workforce"* from the perspective of the Community Apiculture, the colleagues of the Equality Foundation consciously decided not to employ any of their employees through the Public Work Programme. In spite of their decision, they are affected by the effects of the Workfare Programme. The vast majority of the inhabitants of Tarnót are employed in the Public Work Programme through the Municipality of Tarnót. As the Founder of the Equality Foundation argues, the Public Work Programme hinders their work of the integration of those who have been *"socialised in unemployment"*:

> *"It [Public Work] certainly put everything back. Unfortunately, this is how we, as a civil organisation focusing on creating opportunities [for the underprivileged] experience it. (…) We have been putting a lot of effort into searching for ways of employment creation in segregated areas, for those people who lack qualifications or adequate employment skills, and, if we achieve some results in some fields, we are not capable of competing against the opportunities of Public Work employment. [Unlike the government within the Public Work Programme] we are not capable either of paying more than the minimum wage, but we expect real work for it. But why would they work for us, if they are not expected to perform a fraction of our expectations in Public Work? We finance our minimum-wage jobs through tenders, as we are not able to make our business sustainable based on market income, our income just partially covers the salaries and payroll taxes. (…) and we are progressing, as we have income as well, but since the Public Work Programmes were introduced, it has become harder."* (Blog entry 2013, H2_D7)

According to Anna (the Founder of Equality Foundation), Public Work is a mistaken decision as it does not develop employee skills, such as job responsibility, taking care of working tools, planning work logically, self-motivation, endurance and cooperation[45]. As it is argued in the blog, those skills are not developed within a job, but ideally the employee possesses them already before employment. For this reason, Anna does not believe in the success of the Public Work Programme as it has been communicated within Hungary.

44 Next to local municipalities, religious institutions and CSOs are also entitled to employ people through the government's Public Work Programme (Frey 2007).

45 Public blog of the founder of Equality Foundation.

> *"[the success of Public Work] can only be real if they do not work with such [underprivileged] people, but with people who have employment experience and job responsibility. In 'underdeveloped' areas, where most of the adults were socialised on temporary employment, this [the success of Public Work Programmes] is the communication of a false image, for sure."* (Blog entry 2013, H2_D7)

The Public Work Programme is unevenly accessible for social enterprises with different sectoral ties. For civilian-based social enterprises, that may have the highest level of organisational autonomy, it is more challenging to get access to the Public Work Programme than for faith-based or municipality-based social enterprises, that have a lower level organizational autonomy and are embedded in more hierarchic organisational structures. The Public Work Programme has a very limited potential to enhance the autonomy capacities of the social enterprise stakeholders as it reinforces client-patron relationships between the local elites and the marginalised inhabitants.

6.3.2.2 Funding on a statutory basis

Educational activities are financed through a statutory basis, but different actors get different financial support from the state. Public, private (civilian) and faith-based institutions are entitled to funding on a statutory basis, but their access to funding is shaped by the public education law. For this reason a short overview will be given about funding on a statutory basis defined by the public education and other related laws in Hungary and Germany.

After processes of decentralisation following the regime change, Hungarian public education is undergoing a re-centralisation and a turn towards church-based institutions. Since January 2013, based on the Act CXC. of 2011 regulating national public education, public education (excluding kindergartens) is undertaken by the central state. This means that local municipalities are not entitled anymore to undertake the maintenance of local state schools (see in Velkey 2013, 52). The current public education system of Hungary is characterised by a hierarchic structure, a negligence of the local level in decision-making, unified criteria in financing public education and the abolition of institutional autonomy (Szilágyi 2013, 271). At the same time the government shows a clear ideological commitment towards the Church in terms of public education provision (Szilágyi 2013, 271).

Since 1989 the role of historical churches has been increasing in public education in Hungary. The new public education law (Act XXXIX. of 1993) after the regime change made it possible among others (eg. foundations or associations) to churches as well to maintain public education institutions. The ratio of church-based state schools increased by 35 percent between 2005 and 2010 (Szilágyi 2013, 273). Preceeding the centralisation of the educational system in Hungary (see Velkey 2013 and Szilágyi 2013), the financial crisis of several local municipalities might also have contributed to local municipalities handing over the maintainance right of local schools to the Church. Even if churches are entitled to the same amount of funding on a statutory basis as other institutions, church-based schools are privileged over private (including civilian-based) schools. In addition to receiving funding on a statutory basis, faith-based schools receive a contribution to their maintenance costs easier than non-profit organisations (see Szilágyi 2013, 274–275). The Civil Act (Act CLXXV of 2011 on the Freedom of Association, Non-profit Status and the Operation and Support of Civil Organisations) limited the access of civilian-based schools to funding sources. The right to get the maintenance costs of the schools from the state is among them. The tightening of the regulatory environment makes it increasingly challenging for civilian-based initiatives to participate in welfare service provision. Public service contracts

(through which the maintenance costs of a school could be financed) may be made only with those civilian organisations, that have a public benefit status, but gaining public benefit status is increasingly challenging for civilian-based initiatives (Szilágyi 2013, 275). To sum up, the after the regime change decentralised Hungarian public education system has recently been transformed into a centralised system and there is a clear ideological commitment towards historical Churches in this process (ibid., 277). In line with the above elaboration the Calvinist Congregation of Albertháza has a better access to funding on a statutory basis, than the arts-based school of the Equality Foundation run in a city close to Tarnót.

As Germany is a federal state, education is reserved for each Länder without direct federal control. Germany has a strong tradition of regional government dating back to the founding of the German Empire in 1871 (West et al. 2010). Since the reunification in 1990, the Federal Republic has consisted of 16 Länder: Ten of the former West Germany, 5 new Länder of the former East Germany, and Berlin. From the perspective of education policy the federalism reform of 2006 has been highly significant (West et al. 2010). The distribution between the federation and the Länder has changed and there has been an almost complete withdrawal of the centre from education. The 16 Länder now have essential responsibility for education policy (see Wolf 2008, Wolf and Henkes 2007).

The right to establish privately-maintained schools, which are supported and supervised by the state is expressly guaranteed by the Basic Law (Grundgesetz, Art. 7, Paragraph 4 – R1) and, to some extent, by provisions in the constitutions of the individual Länder (Lohmar and Eckhardt 2014, 33). This freedom to establish privately-maintained schools is combined with a guarantee of the privately-maintained school as an institution (ibid.). Thus, constitutional law rules out a state monopoly of education (ibid.). It has to be mentioned that privately-maintained schools have to sustain their operation from less public support as state schools. According to the Cologne Institute for Economic Research the governmental support covers only 50–60 percent of the actual costs of German privately-maintained schools. Based on their research in 2011 privately-maintaned schools in Hessen have the most challenges. Here the gap between the real costs and the costs covered by the state was 5,200 EUR per student in 2007 (Cologne Institute for Economic Research 2011). This gap was the smallest with 1,800 EUR per student in Brandenburg. Despite demonstrations this gap grew in Brandenburg by 17,65 percent in 2012 (Strang 2011).

Since the beginning of their operation the support that the Alternative Village School of Kreltow received has decreased. The former principal of the Village School remembers this time when the funding they received was reduced as follows:

> *"There were huge demonstrations in Potsdam, but it brought nothing. (…) [in Brandenburg]. (…) There are more than 100–120 schools affected by these financial issues [the reduction of the public support for the privately-maintained schools]. The Land did this to save money on the one hand, but on the other hand these privately-maintained schools are considered to be not fair competition for the state shools. It is feared that those parents who can afford it send their children to privately-maintained schools or elite schools. Such things happen, for example in Potsdam, but in our village this does not play a role. And these issues could also be solved in different ways, but they [decision-makers] do not want it."* (Interview_G1_I3)

Even though privately-maintained schools need to be more creative in funding their daily operation than state schools, there is a certain level of stability through having a stable access to funding on a statutory basis.

> *"It (the public support) is not enough, but what is good about it is, that it is flat rate. We can freely decide what we do with it. (...) We have to write all of our costs down and need to have receipts, of course, and accounting, and every three years they look at it, but we can decide for ourselves what we spend the money on. That is good."* (Interview_G1_I3)

The proportion of privately-maintained schools varies considerably from Land to Land and between the different types of schools (Lohmar and Eckhardt 2014, 33). In Brandenburg the number of privately-maintained schools is increasing since 1990 and their proportion is relatively high (21 percent) compared to other federal states (Strang 2011).

According to the Federal Statistical Office (Statistische Bundesamt 2015, 33 in Klein 2018, 380) out of 3,575 privately-maintained schools 690 (every fith) are catholic (are organised within the Working Group of Catholic Schools), every tenth school is a member of the Working Group of Protestant School Associations), and a similar ratio of schools are members of the Federal Association of German Private Schools. In addition to this, the Montessori Umbrella Organisation has around 400 members, the Federation of the Free Waldorf Schools has 237 members and the Federal Association of Free Alternative Schools has around 100 member institutions (Klein 2018, 380).

Funding on a statutory basis is of crucial importance for village schools. If the costs of a school are not covered through funding on a statutory basis then the stakeholders need to find other ways to fill the financial gap. While in the German case the parents could afford a school fee, in the case of the village school maintained by the Congregation of Albertháza the gap was filled through their social enterprise (Community Apiculture) in the first year, in the case of the Equality Foundation focusing on the least privileged families and their children, the financial gap is the highest and it is covered through non-governmental funding.

6.3.3 NON-GOVERNMENTAL FUNDING

Though to a different extent, non-governmental funding proved to be important for the German and Hungarian civilian-based social enterprises and for the Hungarian faith-based social enterprise.

6.3.3.1 International Foundations

As the Organic Village Farm has a privileged acces to EU-based funding, it does not depend on International Foundations, like the Equality Foundation, nor, to a certain extent, does the Community Apiculture. While Equality Foundation receives money from international foundations promoting social entrepreneurship (Ashoka) or market-based income strategies for rural social enterprises (Badur Foundation), the Community Apiculture, or more precisely, the local school receives funding from HEKS (*Hilfswerk der Evangelischen Kirchen Schweiz*), the relief organisation of the Protestant churches in Switzerland. Social entrepreneurship or gaining market-based income is not on the agenda of the foundation. In line with this, while the Equality Foundation reflects on its social entrepreneurial activity, the Ministers of the Community Apiculture did not refer to their initiative as a social enterprise.

Hungarian civilian-based social enterprises and Civil Society in general get into a challenging situation. While the state withdraws national public funding from traditional Civil Society Organisations it simultaneously stigmatises international non-governmental organisations providing one of the main funding sources (see Kelemen-Varga

et al 2017, 45) for CSOs. The recently accepted law on the transparency of foreign-founded organisations (LXXVI. Act of 2017) is a good example for the anti-civilian governmental measures (see European Commission 2019).

International foundations did not play a role in financing the German case study rural social enterprises. Here a national foundation was more present.

6.3.3.2 National Foundations

While national foundations did not play a role in financing the case study rural social enterprises in Hungary, a national foundation, the Robert Bosch Foundation was important for the development of both of the German case study rural social enterprises. Both the Alternative Village School of Kreltow and the Employment Initiative of Wrimlow received support from the Robert Bosch Foundation, which opened up its programme in East Germany after the Reunification of Germany in 1990[46].

The Robert Bosch Foundation played an important role in the starting period of the Village School of Kreltow. Privately-maintained schools needed to self-fund their operation for two years before being acknowledged by the Land. Without the *"generous"* (Interview_G1_I3) support of the Robert-Bosch Foundation, bridging this gap would have been extremely challenging for the Village School. Based on the Law amendment accepted in 2011 privately-maintained schools need to survive three years (instead of two) before being acknowledged and supported by the state (Brandenburgisches Schulgesetz – BbgSchulG, GVBl.I/02, [Nr. 08]).

6.4 Non-monetary resources: the capacities of the local community

Volunteering or reciprocal work has many forms. There are cases when the SSE initiative relies on it to a higher extent, while in other cases, especially in villages undergoing advanced peripheralisation, it is not an option.

Work was originally voluntary and informal within the Community Apiculture, regulated by informal rules of reciprocal relations. As the Minister described it, the only reason they could have started the Community Apiculture was that the community was still relatively strong in the village. This somewhat strong community was the basis for overcoming financial shortcomings within their initiative:

> *"We had a constraint. We did not have money and the roof of Community Apiculture (...) had just crashed. We were standing there, wondering what to do?! We took the roof tiles off and elderly ladies aged 70 cleaned them, others sorted out those (...) which could still be used. [As substitutes of the wasted roof tiles] we got the roof tiles of an old house free of charge, because we agreed to tear it down (...). This was the first time that we came together and did things around the parish ourselves. Twelve-year-old children as well as 70-year-old men participated in the recovery. (...) This was our first work [as a community]. And we were really empowered when it did not fall apart or leak. (...) Later we started to read about the history of the congregation and it became clear that communities in the past (...) actively participated in building and restoring the Church and the parish. (...)*

46 https://www.bosch-stiftung.de/de, last date of access: 07.10.2018

> *These activities [working together] strengthened our community in many ways. I have shared this story with you, so that you see that there is a basis on which initiatives can build."* (Interview_H3_I1)

The *"basis on which initiatives build"* might be grasped in the existence of reciprocal structures within a community. In Albertháza, these reciprocal structures (based on kinship and neighbourhood relations) still existed when the Ministers moved there and started the initiative with the locals. When the Equality Foundation started its Complex Development Programme in Tarnót, these structures of reciprocal relations no longer existed (Blog entry 2013, H2_D6). In line with Mészáros (2013), there were people in Tarnót who had time, but had been experiencing marginalisation (spatial and educational segregation, 'ghettoisation', lack of jobs locally, lack of resources – public transport, own car, finding a job outside the village) for such a long time that they did not have the actual capacity to initiate local development without assistance coming from outside the village.

Volunteer work can be both the premise and the result of reciprocal structures. It can be used as a tool to develop reciprocal structures in a community (case H2), but in communities where these reciprocal structures already exist, it can be easier to mobilise people to volunteer (case H3). As a means of community development, the Equality Foundation encourages the inhabitants of Tarnót to undertake *"volunteer work"*. The Foundation has developed the *"rules of local justice"*, which starts as follows: *"It is not compulsory to work together with the Equality Foundation, but we can only help [with donations for] those who help us in making the village more liveable."* (Blog entry 2016, H2_D4) Local volunteers may receive donations from the Foundation for their volunteer work (the donation is matched to the Hungarian regulatory framework). In the H3 case, the volunteer work of the congregation members was an important basis for building up the Community Apiculture. Thanks to the income gained through the volunteer work of the community in Albertháza and through the paid work of some Public Work employees, scholarships were granted to underprivileged (also Roma) children, and the infrastructure of the local school and kindergarten was developed. Volunteering by local people did not seem to be characteristic within the professionalised, *"village enterprise-like"* Organic Village Farm project, but they planned to open up for international volunteers, who would have the opportunity of learning about organic farming.

Non-local volunteers are also mobilised within the H2 and H3 cases. They are usually Hungarian university students within the Equality Foundation, who aim to develop their own teaching skills and the skills of the children of Tarnót on the spot. They do not receive any remuneration from the Foundation. Non-local volunteers usually come from outside of Hungary in the H3 case. International volunteers are members of the Swiss and Dutch sister congregations and usually come once or twice a year for a stay of one week. Volunteers participate in refurbishing the village school, decorating the kindergarten or organising camps for underprivileged (mostly Roma) youth. In the case of the Community Apiculture, international volunteers are often their donors and also consumers. Nevertheless, reciprocity determines their relationship.

> *"Our relationship is not a simple partnership with helper-helped roles, where the rich pay and the poor are grateful. Our relationship is different. We learn from each other, from each other's culture, from each other's lives. So [Hungarians learn] from the Swiss mentality, and [Swiss learn] from our love of life and spontaneity. We all listen to each other with open minds, to find out what enriches our own community."* (Interview_H3_I2)

Volunteer work also plays also an important role in both German case studies. Similarly to the inhabitants of Tarnót, the work of the long-term unemployed inhabitants of Wrimlow is compensated as well. While the *"volunteer work"* of the locals of Tarnót is compensated through donations (eg. furniture), the *"volunteer work"* of the inhabitants of

Wrimlow is compensated with a symbolic payment of one EUR/hour. The compensation is covered from the budget of the local municipality and is officially called *"volunteer work"*, but in everyday terms the locals refer to it as *"One Euro Jobs"*. The *"Wrimlower One Euro Jobs"* are not identical with the *"real" "One Euro Jobs"*[47], which are part of the German Hartz concept to increase employment and to decrease welfare costs. The aim of these working opportunities is to aid the long-term unemployed in becoming accustomed to regular work again and thus increase their chances of securing paid employment. While the *"real" "One Euro Jobs"* are only available for unemployed people, in the case of Wrimlow beyond unemployed people, housewifes or pensioners can also participate. *"Anyone who would like to be active so to speak voluntarily for the village can do that and can get an expense allowance from the Municipality."* (Interview_G2_I1) The monetary compensation of the *"volunteers"* is paid from the annual budget of the municipality and it helps to increase the cost efficiency of the municipality through exploiting the locally available labour:

> *"12,000 EUR is much less than a community worker, but still a lot of things will be done, because ten people come to work and not only one [permanent] employee, who gets sick and still needs to get paid."* (Interview_G2_I1)

In the case of the Parents' Association of Kreltow, whose stakeholders belong mainly to the middle-class, the main function of volunteering is community building:

> *"The parents should volunteer, parents volunteering [Elternarbeit] is a constant issue. Half a year ago we conducted a small research and everyone noted how much time they worked voluntarily for the school, we took the average which is 30 hours per year per family."* (Interview_G1_I1)

As the Parents' Association involves a larger community, conflicts arise that they try to solve in a way that it pleases most of the members of the Village School:

> *"There are parents who work much more than 30 hours per year and there are parents who forget that they should do parents' volunteering, or simply they did not do it. This leads to displeasure for some parents and we are in conversation. (...) Parents volunteering can be paid as well, some people do that while others do not, but it is important for a number of parents that parents' volunteering is done on a voluntary basis."* (Interview_G1_I1)

Volunteering is of crucial importance nearly within all case study SSE initiatives. The only case where it is currently practiced in a limited way is the Organic Village Farm. In both the Hungarian and German cases the volunteering of long-term unemployed people is initiated through the social enterprises and is compensated monetarily (in Wrimlow) or non-monetarily (in Tarnót). Volunteering is practiced the most often in the case of the Community Apiculture and in the case of the Alternative Village School of Kreltow. While volunteering is rather hierarchically organised in Albertháza and rooted in traditional village structures based on reciprocity, it is more democratically organised in Kreltow, but is historically less established in the village society. Beyond strengthening the local community, volunteering may also cause tensions or conflicts, especially if an initiative is organised around the idea of participative democracy (eg. in Kreltow). For this reason it is of particular importance in such initiatives to develop strategies to cope with internal conflicts.

In the case of Tarnót, Albertháza or Kreltow volunteering makes it possible for people with different class, ethnicity, place of residence or nationality to meet and interact with each other.

47 "One Euro Jobs" are officially labelled as "Working opportunities with additional expenses compensation set in § 16 Abs. 3 SGB II (Social Code, Book II) as a feature of the social welfare (§ 19 BSHG: "charitable additional work").

7 Empowerment capacity of the case study initiatives

Based on the argument that on a personal and community level empowerment (understood as capability development) has a potential in counteracting the peripheralisation of people, groups and areas, this chapter looks at how decision-making structures develop the individual and community autonomy capacities of the local stakeholders. Considering that class, gender, ethnicity or the place of residence influence autonomy capacities this chapter turns towards the most oppressed ethnic group among the Hungarian and German case studies, the Roma. Particular attention will be given to the case of Tarnót in which the Equality Foundation consciously pays attention to the gendered aspects of ethnicised socio-spatial marginality.

7.1 Decision-making structures

For researchers and practitioners working with social enterprises from a solidarity economy perspective the active participation of beneficiaries in the definition and implementation of the mission of the enterprise is essential (Coraggio et al. 2015, 243). EMES researchers see a potential for poverty reduction through setting up social enterprises in/for marginalised communities (see UNDP 2008). It must be remembered though that for marginalised communities it is *"often difficult to gain access to processes of political decision-making from which they may be culturally, educationally, and linguistically, as well as physically, remote."* (Amin, Cameron and Hudson 2002, 17) Furthermore, environments characterised by corrosive disadvantage (social, political, economic, educational) or social relationships characterised by abuse, coercion, violence, or disrespect may seriously thwart the development of many of the skills and competences required for self-determination or may constrain their exercise (Mackenzie 2014a, 42–43). In addition, to lead a self-determining life requires not just having the capacities and opportunities to do so but also regarding oneself, and being recognised by others, as having the social status of an autonomous agent (Mackenzie 2014a, 44). Such failures of recognition are quite typical in social relations involving domination, or inequalities of power, especially when these are inflected by gender, race, ethnicity, disability (ibid.) or place of residence. Considering the factors limiting individual autonomy, it can be argued that participative governance can be reached to a different extent based on the autonomy capacities of the stakeholders of social enterprises. If autonomy is understood relationally duties of protection to mitigate vulnerability must be informed by the overall background aim of fostering autonomy whenever possible (Mackenzie 2014a, 41).

From this perspective participative decision-making structures can better contribute to the development of the autonomy capacity of the local stakeholders. It has to be pointed out that only two from the five case study SSE initiatives (the Alternative Village School and Créche in Kreltow and the Complex Development Programme of Tarnót) follow the ideal of participative decision-making. The other three initiatives (the Organic Village Farm, Community Apiculture and the Employment Initiative of Wrimlow) have more hierarchic decision-making structures, based on representative democracy. The varieties of representative decision-making structures will be revealed and contrasted with the varieties of participative decision-making structures.

7.1.1 REPRESENTATIVE DECISION-MAKING STRUCTURES

Amongst the five case studies three have representative decision-making structures. As the Organic Village Farm and the Community Apiculture are rich in information about representative decision-making, this sub-chapter focuses on them and does not expand on the Employment Initiative of Wrimlow.

The decision-making structure of the **Organic Village Farm of Kispatak** may be labelled as representative. The Mayor, who is the official representative of the village, has the most power to decide. Ethnographic fieldwork in Kispatak has revealed a certain degree of hierarchy between the three branches of the initiative. The organic garden was subordinated to all other branches, such as the handicraft and sales, and the fruit and vegetable manufacture. The stakeholders of the different branches seemed to accept and reproduce this hierarchy:

> *"During a visit to the handicraft house, Marika, an employee of the handicraft and sales branch starts to describe her view of the work in Kispatak. According to her, the workers in the garden are the ones who did not perform 'well enough' to be moved from there. For that reason they had to stay in the garden. Marika does not like to work in the village garden due to the 'style' of the people. They speak ugly, she says."* (Field notes_H1)

During a visit to Uncle Jenő, who is a Roma man and a leader of the employees in the organic garden, we met his wife. His wife told us that she was able to *"get out"* of the organic garden due to her back pain. Now, her responsibility is to plant flowers in the public spaces of the village, which is a much *"calmer"* job, she said (Field notes_H1_11.05.2016). In addition to Uncle Jenő's wife, the employees in the organic garden feel that working in the village garden is a punishment for them (Field notes_H1).

Employees from all the different branches agreed that working outside of the organic garden is a somewhat privileged position. This might be problematic, as the garden is in the very heart of the Organic Village Farm project, providing jobs for half of the project employees. The tensions inside the Organic Village Farm could be curbed by providing an opportunity for people to rotate within the three different branches. Another way of easing these tensions could be to involve people more in the operation of the village farm, and later on to let them decide for themselves in which branch they would like to work.

There are two contrasting views on how certain decisions are made in the Organic Village Farm. The Mayor argues that the municipality is responsible for securing financial and non-financial resources, but they let the experts decide the professional questions (Interview_H1_I1). However, one of the two experts on the farm shared a story that contrasted with the Mayor's description of the decision-making processes:

> *"Uncle Karcsi, the professional leader of the organic garden, showed me the lavenders. They were moved a few years ago. He told me that it has been a sensitive point to him that no one asked his opinion where the lavenders should be replanted when the decision was made."* (Field notes_H1)

During my fieldwork in Kispatak I got the impression that the project is rather hierarchic and centered around the Mayor, who invests a lot of his energy into the project taking on most of the responsibilities and control over the decisions. The Mayor is the one who took the future of the village in his hand in the sense that he is the one who mainly defines the directions of local development (Interview_H1_I1).

The Organic Village Farm of Kispatak has a rather hierarchic organisational structure where the Mayor plays a key role in decision-making and where the superior role of the Mayor was more or less accepted by most of the stakeholders of the initiative. All of the institutions that surround the Organic Village Farm (Public Work Programme, the municipality as an initiator, the way the EU funding was channeled) accelerate this unequal power distribution.

The Community Apiculture of Albertháza is directly linked to the local congregation, which has a representative decision-making process too, but here there are more representatives than in the case of Kispatak. Based on the Calvinist traditions the local Congregation of Albertháza has a Presbyterian form of church government. The local congregation can be independent from the central Church to a limited extent, it is rather a community of the Church members living in one geographical location and organising their lives according to the same Church laws[48]. The Presbyterian form of church government, though not a democracy, has some democratic features in the form of Presbyteries being composed of parish representatives clerical and lay, in equal numbers, through which Ministers and congregations are answerable for their activities (Picken 2012). In the case of Albertháza, eight Presbyters have been elected from the congregation (Interview_H3_I2). The Presbyters are entitled to make decisions about the Community Apiculture or the Village School. The Presbyterian system can also be described as *"aristocratic"*, because its lay leadership used to and might still come from the leading families of the community (ibid., 61). In the case of Albertháza, more Presbyters come from richer families. One of the Presbyters of the congregation is a significant agricultural entrepreneur who supports the local congregation through his work and wealth:

> *"[the local agricultural entrepreneur] lives intensively in the congregation preparing the frames [for the bee hives] together with other Presbyters. Even if he does not have a capacity to participate in the honey extraction events [which are community events, at a bee colony, which is around 100 km away from Albertháza], he supports these events with everything he has. We go there in his car, as that is the only car which can take the honey extracting machines. If the community needs his van for 2–3 days, he gives us his van for 2–3 days. The congregation does not have its own aggregator either. He gives his own to us. (...) And our immobile apiary is right next to his land. His land is our pasture. He conducts agricultural activity on a relatively large land and he usually pays attention to plant those kinds of plants that are beneficial for the bees as well. He deals with so many plants, that he can provide continuous blossoming for the bees, so they do not need to be fed additionally during the summer."* (Interview_H3_I2)

At the same time, there are Presbyters who work as Workfare employees within the congregation. As some Presbyters (especially those who are workfare employees) are existentially dependent on the Congeragtion and on the Minister, it needs to be further studied how different power relations manifest themselves in the decision-making process of the Presbyterium. Generally, an *"aristocratic"* governance is practiced within Calvinist congregations. According to Picken (2012, 61) the *"aristocratic"* way of the Calvinist church governance can be considered as an indirect influence of Calvin himself, as he and his colleagues were all from similar backgrounds. Another reason for the *"aristocratic"* church governance could be that the Calvinist Church drew much of its strength from the emerging middle-classes of European society, particularly lawyers, merchants and later, bankers (Picken 2012, 61).

48 *http://www.presbiterkepzes.hu/?q=node/193*, last date of access: 17.07.2018

All of the current Presbyters of the congregation of Albertháza are male. The traditional men-women roles are strong in the congregation:

> *"There are only men in the Presbyterium. Two amongst them are entrepreneurs. One of them is the agricultural entrepreneur and the other one is a pensioner, who is still an entrepreneur. Thus responsible entrepreneurship/management does not have to be explained to them. (...) All women are cashiers (...). Our financial manager or trustee is a woman, the cashier of the congregation is a women and I am also part of all this as a woman. So it is not that women's opinion or role does not matter here. Or at least I do not feel that this would be the case. But these male circles, that still exist today ...they are a liberated community amongst themselves. And each of them has a family or a woman belongs to each of them. A woman, who almost manages life, but they are there together. Women's opinion matter the same way as women sit at the cashier ["deal with the money"]."* (Interview_H3_I2)

Theoretically it would be possible in the village for women to become Presbyters, but according to the Minister's wife (who is a Minister herself) local women are not particularly interested (Interview_H3_I2) to become Presbyters. Based on her argumentation women can influence decisions without officially being part of the Presbytery:

> *"None of the parties feel that they are excluded, as they can represent their thoughts whether they are part of the Presbyterium or not. (...) I do not participate in the Presbyter meetings, but I do think that each of my thoughts regarding the management of the Ltd or the Community Apiculture is represented there. But not only based on that, when we check the honey extractors with Laci [her husband, the Minister] and I tell him that this honey extractor is terribly ruined, so we can not start off with this again, we have to buy a new one and we need to look around and so on. Then I could say that he brings my thoughts to the Presbytery and my thoughts will be implemented, even if I am not a member."* (Interview_H3_I2)

> *"Or Presbyters come who are our friends at the same time and we talk about what we would need, or what we should do and our thoughts are represented [in those discussions]. So a live contact is needed. In that case one does not feel excluded. (...) If we did not meet regularly or one would not feel that his or her thoughts have weight, one could then feel excluded. Then she/he would like to take part, but the other [who is traditionally in that role] would like to stay. This would lead to a lot of conflicts then."* (Interview_H3_I2)

The representative decision-making structures detailed above differ in terms of power distribution. In the first case the Mayor of Kispatak has more power than the other locals of the village. Practically the Mayor is the one who organises and coordinates public work and additionally the one who decides on which local may work as a Public Work employee within which branch. This unequal distribution of power provided by the whole structure given by the Public Work Programme further reproduces patron-client relationships in the village (see also Váradi and Virág 2015, 105). Power is more evenly distributed in the second case, where the members of the congregation can become Presbyters. It has to be considered though that class, gender and ethnicity influences access to power. Ethnic Hungarian men are formally the members of the Presbytery even if there is a high ratio of Roma in the village. Women may influence decisions informally. Considering that the Presbyterian system is traditionally *"aristocratic"* and that more Presbyters come from richer families, while there are others who are Workfare employees within the Community Apiculture, it shall be further studied how unequal power relations influence decision-making processes within the Presbytery.

7.1.2 PARTICIPATIVE DECISION-MAKING STRUCTURES

Among the five cases two social enterprises aim explicitly to practice and develop particapitve decision-making. Even though the two initiatives are similar in terms of their participatory approach, their stakeholders are marginalized to a different extent. In the first case a complex development programme has been developed for and by the Roma and non-Roma inhabitants of a Hungarian village undergoing advanced peripheralisation (or what Hungarian researchers label as *"ghettoisation"*). Considering that through processes of peripheralisation the symmetric structures of reciprocity (Polanyi 1971b) have already been destroyed in the community, the key initiator of social and solidarity economy who is a representative of a local Foundation comes from outside of the village. In the second case, cheap land and the proximity of nature in a village of a peripheralised region of Northeastern Germany provided an attractive environment for ecologically-minded people searching for a rural alternative for their urban lifestyles. The newcomers (*"Zugezogene"*) have created an alternative village school organised around the idea of environmental sustainability. Mobilising the concepts of empowerment through a capability-based approach, the aim of this chapter is to explore in what ways participation can be realised by and for the inhabitants of villages undergoing peripheralisation. Ethnographic methods, such as participant observation, interviews with the key actors of the initiatives and documentary analysis help in better understanding how participation is reached, practiced, developed and increased in rural SSE initiatives.

The Equality Foundation aims to develop and practice participatory decision-making therefore they encourage the participation of the locals as much as possible. Developing participatory decision-making in Tarnót is not easy, as the locals are not socialised to be asked when decisions are made. The aim of the Foundation is to make the inhabitants of the village more capable of advocating their interests and to participate in decision-making. Participative decision-making is an explicit aim within the community garden, operated by the Equality Foundation, where most of the inhabitants of Tarnót work (Interview_H2_I3).

In the H2 case one of the main aims of the Equality Foundation is to develop the capacity of their *"target group"* for participation. This is – as they consider – a longer process, possibly taking 20 years.

> *"The main aim of the foundation is to empower a social group, which since generations, was not affected by the educational system or by work in the formal economy. The aim is to enable these people to organise themselves: to enable them to stand up for their life and for their community, to solve their own problems, to communicate with each other, to plan, for self-assessment or to exploit opportunities."* (Blog entry 2016, H2_D5)

Based on the motto: *"Nothing about them without them."* (Field notes_H2) the Foundation aims to involve their local stakeholders into decision-making.

One of the main platforms for involving the locals in the decision-making processes is the team meeting, which was introduced in 2013. Every official employee of the Equality Foundation, excluding those who work there as volunteers, may participate in the team meetings. The team meetings differ from the average team meetings as not just work-related issues are discussed there (Field_notes_H2). The team meeting is also used to improve the skills of the locals of Tarnót for participation. Every colleague needs to take notes about what happened in the previous week in his/her field. Anna describes a team meeting in her blog:

> *"We had a team meeting today. Every Friday afternoon we sit down and talk about the previous week. This happens in a smooth and organised way. I am looking at them. As they routinely take their little black hard-cover booklet and go through who did what, day by day. It is great to see the progress they made in this field. Sometimes I ask about some more details or I compliment on a succesful area. They are proud and happy. So am I. Some read out aloud what they wrote. Some just check their notes and talk more freely about their past week. And there are some who dictate after every single working day to their child what they did during the day, and now ask me to read it aloud what they know anyway. No one is giggling about it; we have talked about it before. And the rule is the rule. The booklet must be run, even for those who have challenges with writing. Based on their job description this is an expectation towards them.*
>
> *In such cases I really felt it was worth it. I feel as they psychologically grow stronger and stronger. I feel how their job, the responsibility of their job develops them: in everything, in purposefullness, in communication or in cooperation. I feel how they function better and better as a community. The team meeting is no longer about picking at each other. In fact, they laugh together a lot now at good things.*
>
> *We plan the next week as well. The children are leaving for a camp next week, we are discussing the organisational issues. We talk about the equipment for starting the school as well [the Foundation donates a school starting package for the children from the village yearly], everybody asks whether excercise books and pencils are arriving with the donations. And they ask about something that we have not talked about for long time now, the day trip for adults. Because they understand, of course, that we take the children on trips. But once they want to participate in such a trip as well. Because they can not get anywhere from here either. We fix the time, talk about the place and the programme.*
>
> *They are cheerful as the team meeting ends. The ones who work here as volunteers [local volunteers] are waiting outside. They have a lot of questions, they are excited about knowing what we discussed at the team meeting. Because decisions are made, the other's suggestions or requests are discussed at these team meetings. Now they understand the system that we have built up together. They understand the essence of making decisions together. They understand the role of local staff, and they are beginning to understand advocacy."* (Blog entry 2016, H2_D5)

One of the limitations of this study is that the length of my field visit did not allow me to participate on a team meeting. However, during my field visit, I had a chance to talk about the team meetings with some local stakeholders of the Foundation. Rozi, a Romungro Roma stakeholder of the Foundation appreciates that she can share her point of view in the team meeting. On the other hand, she refers to the founder of the foundation as the *"boss"* in one of our other conversations (Field_notes_H2). Rozi voluntarily offering herself in servitude resonates with Ferguson's finding. Ferguson (2013) argues that for poor black South Africans offering themselves as servants is historically rooted (see how the Ngoni state functioned) and is a form of belonging to the society and is still better as being abandoned.

> *"It seems that for poor South Africans (as for a great many other people in the contemporary world) it is not dependence but its absence that is really terrifying – the severing of the thread, and the fall into the social void."* (Ferguson 2013, 232)

Ferguson calls us, progressively thinking scholars, to do more of what our informants do, which is to deal pragmatically with (rather than just deploring) the social world we have got. And for the near-to-medium term (at the very least) that social world is one of massive and extreme inequality.

The Village School and the Parents' Association of Kreltow are organised around the ideal of grassroots democracy, in which decisions are made through the participation of as many community members as possible (Mihály 2018b). Grassroots democracy is a tendency towards designing political processes where as much decision-making authority as practical is shifted to the organisation's lowest geographical or social level[49]. Through school projects (eg. apple processing and selling cooperative) the children of the village school also practice grassroots democracy (Interview_G1_I3).

Among the five cases the decision-making process is the most sophisticated here in the Parents' Association and the Village School of Kreltow (see Figure 4). Every parent can become a member of the Parents' Association if they pay the membership fee, which is 6 EUR, and if they volunteer 30 hours a year. Both criteria have been defined by the members of the Parents' Association. The decision-making body of the initiative is the association meeting (Vereinsversammlung). Here, everyone who is present from the Parents' Association has a vote. Next to the *"one member one vote"* rule decisions are possibly based on a consensus. All of the normal members have a quasi-veto right and the principal (Vorstand) has an official veto right.

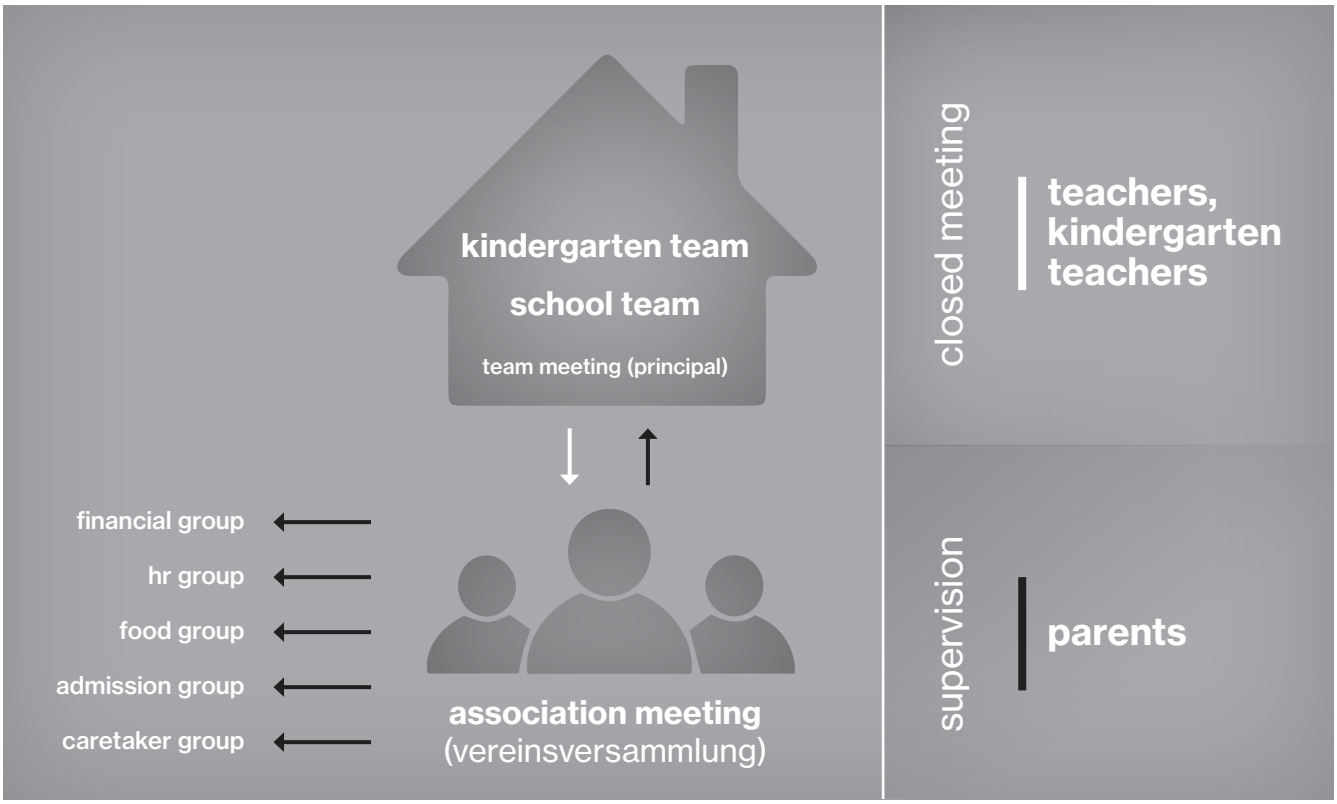
The Parents' Association makes decisions together with the teachers and kindergarten teachers. Nearly all of the teachers are also members at the association (they often are or were parents too), so they participate in the decision-making on the association's side too.

The main decision-making body is the Parents' Association (members: parents) with the Kindergarten and School Teams (members: teachers and kindergarten teachers). The official principal of the school and kindergarten participates in both the team and association meetings and delivers the information between the different institutional bodies. The parents form financial, HR, food, admission and caretaker groups and support the Village School with their work. These working groups are formed after some generally accepted rules, but they have power to decide in single cases. For example, the enrolment group in which the principal is a member has the authority to decide who can be enrolled in the school (Interview_G1_I1). The main philosophy of the alternative school and kindergarten is to let people decide what they want to get engaged in (Interview_G1_I2). One of the former members of the Parents' Association draws up their strategy:

> *"It is also our strategy, [that within our initiative] everyone does, what he/she wants. And the ones who do not enjoy doing it, do not need to do it at all. This is a good strategy. (...) Earlier I said that it is totally exhausting, that everything goes so randomly and messed up, but this is also how we work, this is how we can do it. When it has gone through the [decision-making] process, everyone is there. And if it does not come through, then it is not a good idea."* (Interview_G1_I2)

49 https://en.wikipedia.org/wiki/Grassroots_democracy Last date of access: 01.07.2018

Figure 4 Decision-making within the Parents' Association



Source: illustration by the author, based on the feedbacks of one of the main stakeholders of the village school

The teachers and parents try to work with each other very close. The feedback loop is short between the emerging challenges in the school (eg. who watches how much TV) and letting the parents know and to find a solution together. Emerging challenges are addressed and discussed with the parents (Interview_G1_I1).

The members of the School Team (all of the teachers) decide on pedagogical questions. That was a conscious decision from the beginning, as *"they have more competences in pedagogical questions"* (Interview_G1_I3).

Making decisions in a more participative way can be more challenging than only following one leader. A recent conflict showed this. The Village Kindergarten won a tender in which they could renovate one of the buildings to be the kindergarten. The community planned to build a small facility for the children, where they could play in the garden. Some parents wanted to build a little house, while others preferred a concrete snail. The decision about what should be built for the children in the backyard polarised the community. The concrete snail was voted for with around 52 percent, but some of the members of the Parents' Association could not accept it and used their quasi-veto right. Supervision followed the escalated voting in which the aim was to understand the situation and why the conflict escalated. Supervision is regular for the Parents' Association. A supervision was also organised to think about what to do, if there won't be enough children for the village school (Interview_G1_I1).

As for the future, the tendency in Kreltow might be that the school will go to a service provision direction, as earlier a lot of the teachers had their own children in the school and now they are gone and new children came from other villages. Because of this shift towards a rather service provisioning role, Philip, one of the former members of the association is afraid of the Association Meetings (Vereinversammlung) ceasing to exist

(Interview_G1_I2). Anette, the current principal is more optimistic regarding the engagement of the new parents and sees a future for the Association Meetings (Interview_G1_I1).

Peripheralisation is relational and among others national welfare policies, the history of ethnic-based oppression or the ways a locality is embedded into Global Production Networks influence it as well. While the Hungarian case study SSE initiative emerged in the context of advanced peripheralisation, the East German case study SSE initiative emerged in the context of moderate peripheralisation. Both initiatives follow participative practices, but while advanced peripheralisation destroyed the autonomy capacity of the individuals or the community, moderate peripheralisation (the proximity of nature and cheap land prices) proved to be attractive for counter-cultural migrants (*"back to the land"* migrants).

This sub-chapter aimed at answering the following question:

In the contexts of peripheralisation to what extent may participation be a reality?

In the case of advanced peripheralisation building up the capacities of the local stakeholders for participative decision-making is a long-term strategy for the Foundation, which comes from outside of the village and is the main driver of emancipation through local development. The empowerment of women and the empowerment of Roma is also an explicit aim of the Foundation.

In the case of moderate peripheralisation, the key stakeholders of the social and solidarity economy initiative are amongst the inhabitants of the village. They moved to the village as *"counter-cultural migrants"* (*"back to the land"* migration). Based on the field evidence it can be argued that in case of moderate peripheralisation local agents have a capacity to start SSE initiatives and to empower themselves through that (Mihály 2018b). In case of advanced peripheralisation, even if local inhabitants have an agency, they need professional assistance from a development organisation. It is, however, of particular importance that the development organisation follows the philosophy of democratic solidarity or has a capability-based approach. Without such assistance it would be naïve to expect agents of severely peripheralised areas to set up and run social and solidarity economy initiatives themselves. At the same time it would be also wrong to think that without local knowledge (for example the knowledge of surviving in conditions of deep poverty) *"developers"* could reach long lasting results (Mihály 2018b).

7.2 Empowerment of Roma (women)

Among others (eg. age and gender) ethnicity influences vulnerability (Barz 2007). Nearly 80 percent of Roma live in formerly state socialist countries of Central and Eastern Europe (Kertesi and Kézdi 2011, 5). Roma are the largest, most stigmatised and oppressed ethnic minority of Hungary. In addition to discoursive peripheralisation Roma people are subjected to material peripheralisation too. A high ratio of the Roma population lives in remote small villages of structurally disadvantaged areas, such as Northeast and Southwest Hungary (Pénzes, Tátrai and Pásztor 2018, 22). As Nagy et al. (2015b) argue, next to being on the periphery of the society Roma people get spatially marginalised too. As they have limited access to good quality education or work, it is unlikely that they could break-out from poverty and from their marginalised situation. This work aims to understand the empowering capacity of rural social enterprises from the perspectives of Roma too.

As the Hungarian case study rural social enterprises are located in peripheralised rural areas Roma were amongst their stakeholders. However, not all of the case studies aimed explicitly to empower Roma and not all of them are capable of fully overcoming the Gypsy-Hungarian differentiation (Kovai 2018).

7.2.1 THE EMPOWERMENT CAPACITY OF RURAL SOCIAL ENTERPRISES: A PERSPECTIVE OF THE ROMA

Dominant discourses see the marginalisation and exclusion of Roma as a result of their own problems with morality and cultural traditions (Kóczé 2015, 95). Accordingly, they suggest that the structural problems they face today must be addressed and solved by the Roma themselves. *"Being Roma"* overlaps with a rather disadvantageous class position (Kovai 2018, Stewart 2001), rooted in the state socialist social policies, and particularly coming from the *"assimilation promise"*. Being *"Roma"* was considered not as an ethnic status, but as a condition, a collection of social disadvantages that would be eliminated through wage work and public policies, such as education and the eradication of segregation (Kovai 2018, 16). After the regime change and the following economic crisis, the employment opportunities in structurally disadvantaged areas were limited, in particular for Roma people. This fact and the still prevailing assimilation promise encouraged people to abandon their *"Gypsyness"*, promoting the idea that *"being Roma"* was shameful, and thus attaching degrading and insulting meanings to it. While *"Hungarianness"* has been associated with value and something that can be openly admitted, *"Gypsyness"* on the contrary, has been associated with shame, poverty and worthlessness (ibid.).

The ratio of Roma is significantly higher in Northern Hungary than the rest of the nation, and the far-right Jobbik[50] is strongly supported in this region, where **Kispatak (H1)** is also located. Despite these facts, the Gipsy-Hungarian differentiation[51] does not seem to prevail in this village. The products manufactured by Roma and non-Roma are sold equally in the village store, and Roma are represented in the leadership of the Organic Village Farm. Also, both Roma and non-Roma participate in the garden activities that require manual work, as well as in the center for handicraft activities and the food processing manufacturing where skilled workforce is utilised. The Mayor of Kispatak does not advocate a division of the village into Gypsy-Hungarian factions (Field_notes_H1); rather he genuinely seeks to provide better opportunities for all citizens:

> Basically, the problems here in Kispatak and in rural areas generally occur not along this line of rupture [Gipsy-Hungarian differentiation]. Moreover, recently, undersocialisation, lagging behind, livelihood challenges also affect larger settlements and are not exclusively related to the Roma. (...) And that´s why I think it can be problematic if the Roma-programs are announced that way in the name of *"catching up"*. I believe this is not an ethnic-based question anymore. (Interview_H1_I1)

Even if the Mayor of Kispatak seems seeking to provide better opportunities to all citizens of Kispatak, he is unreflective about the general structural mechanisms creating increasing inequalities between Roma and non-Roma people, such as uneven access to education or to the labour market (Interview_H1_I1). His definition of Roma is in line with the assimilation promise of socialism, he refers to *"catching up"* as something, which used to be an ethnic-based question in the past, but recently, due to the processes of peripheralisation,

50 Jobbik is the second largest party in Hungary with strong nationalist radical, antigypsyist narrative.

51 Rooted in the assimilation promise the local societies are divided into Gypsy-Hungarian fractions. This differentiation is enforced both by the "Gypsy" and "Hungarian" inhabitants (Kovai 2018).

affects everyone who lives in small settlements in structurally disadvantaged areas. Fitting into the neoliberal logic the Mayor puts the responsibility of *"lagging behind"* on the marginalised individuals. He compares the older generation to a tree with strong roots and the recent generation to a worm without any roots. While for him a tree symbolises stability and morality the worm symbolises weakness and immorality (Interview_H1_I1). The main motivation of the Mayor to help the locals comes from a philanthropic solidarity. He does not delegate decision-making power to the community members (Field_notes_H1). The empowerment capacity of the Organic Village Farm is limited as the initiative is completely dependent on the Mayor, and as local development is envisioned to be achieved through patronising rather than emancipating means.

In contrast, the **Complex Development of Tarnót (H2)** is explicitly aimed at overcoming the division of the village into Gypsy-Hungarian factions. The initiative is targeting a village in which the ratio of Roma is 15 percent according to official statistics (own compilation based on HCSO 2011 and 2014) and 70 percent according to the estimation of the Equality Foundation (Equality Foundation 2016, H2_D9). Tarnót is inhabited by Romungro and Vlach Roma families and it is a case that shows well the fragmentation within the Roma minority. Romungro and Vlach Roma identities substantially diverge, and hence the relationship between them constitutes an element of internal conflicts in the village (Field_notes_H2).

The relationship between Romungro and Vlach Roma has been historically conflictive, leading in Tarnót to a fragmented Roma society. Although the *"core"* Romani culture of Romungro (or Hungarian Roma) were practically diluted through the deliberate policy of the Habsburgs (Kóczé 2011, Hancock 2015), Romungro populations are still regarded as *"Gypsies"* by larger society on the basis of appearance, dress, name, occupation and neighborhood, and are treated accordingly (Hancock 2015). In contrast, Vlach Roma vigorously maintain their language and culture (Hancock 2015). In trying to understand the conflicts between Romungro and Vlach Roma, Engebrigtsen (2007), Scheffel (2005) and Kovai (2018) point out that since the Gypsy identity can be lived mainly through kinship, Gypsies outside the kinship usually appear as *"others"*, being different in their *"Gypsyness"* from *"us"*.

Zsiga, a Vlach Roma man, the leader of the Roma Self-Government, described the tensions between Romungro and Vlach Roma people.

> *"(…) we have achieved their respect (the Romungro Roma) through fights. They have a large population here and it disturbed them that other Roma came here. The tension was there every hour, every day. We fought a lot with eachother. And we (the Vlach Roma family) could overcome the Romungros."* (Interview_H2_I4)

Tensions between Romungro and Vlach Roma were also observable during my field work:

> *"Rozi, a Romungro Roma woman, an employee of the Foundation made a deal with an elderly non-Roma man to buy his used fridge from him. When Rozi's son came to pick up the fridge with a wheelbarrow, the old man withdrew from the deal. As we found out, meanwhile, Zsiga offered a higher price for the fridge. Another colleague Marcsi later on, when we stayed on our own, said she thinks Zsiga got a down payment from his workfare salary, as 'the Mayor is afraid of him'."* (Field_notes_H2).

The Equality Foundation has been strategic in employing both Romungro and Vlach Roma together with *"Hungarians"*. It explicitly aims for community building, to reduce local tensions. Zsiga, who worked six months for the Foundation remembers the situation as follows:

> *"To be honest aunty Anna reduced the tensions between Romungro and Vlach Roma. Probably we became more accepting with each other, you know? Because it is true that where we were, there could not be other Roma. (...) Aunty Anna helped me a lot in letting other 'nationalities' into my private sphere. She helped me to break down my extremism. (...) I considered myself a leader for 43 years, they helped me to accept other people's, other 'nationalities' opinion too. I am going to baptise one of the children of another 'nationality' [Romungro Roma] next month. I know this will help to erase this [conflict] (...). We used to think that Vlach Roma are 'superior' (...). I did marry a woman that speaks the language [Lovari], but I won't expect the same from my children, you know?"* (Interview_H2_I4)

Struggles rooted in the Gypsy-Hungarian differentiation have prevailed among the employees of the Foundation too and escalated mostly between Marcsi, an ethnic Hungarian and the Vlach Roma employees. Marcsi moved to Tarnót from Romania for cheaper housing around 20 years ago. She lives in difficult housing conditions; although having one bathroom in her house, which is considered something luxurious in the village. To overcome shortcomings in money at the end of the month she has a pre-pay electricity meter like many other families in the village. The Equality Foundation helped her to acquire it from the electricity service provider. In spite of living in such conditions and of needing support from the Foundation, Marcsi differentiates herself from the *"Gypsies"*. She uses *"I"* and *"they"* when she talks about her fellow Gypsy inhabitants: *"they do not know this" "they are not used to this"* (Field_notes_H2). Anikó, a Vlach Roma colleague of the Foundation, finds it disturbing that *"Marcsi is unable to fit in to our working community. She thinks she is superior to us."* (Anikó, Field_notes_H2). While the relationship between Marcsi and other Vlach Roma colleagues of the Foundation is highly conflicted, her relationship with Rozi, a Romungro Roma colleague of the Foundation is more harmonious as it embeds to a hierarchical client-patron relationship, which rests on the *"assimilation promise"*. Rozi, who follows the strategy of assimilation, accepts her inferior position in this relationship (Field_notes_H2).

The Equality Foundation is conscious about the Gypsy-Hungarian differentiation and aims to identify and reduce structural inequalities. They recognise the agency of marginalised Roma and non- Roma inhabitants of the village, but are also conscious about how uneven access to education or labor market can influence marginality. Their local development project is based on democratic solidarity. They aim to develop the autonomy capacities of the marginalised inhabitants of Tarnót through a capability-based approach and by being conscious about the community and its internal fragmentations.

In contrast with the Equality Foundation, the stakeholders of the Congregation of Albertháza are limitedly conscious about the Gypsy-Hungarian differentiation. While some of their strategies explicitly aim to integrate Roma into the majority society, they implicitly advocate the division of the region into Gypsy-Hungarian factions with some of their actions.

The Congregation of Albertháza has aimed to integrate Roma into the majority society by providing an opportunity for Roma children to enroll in their alternative (religious) school. Thirty percent of the children enrolled in the village school come from a difficult family situation, mainly from Roma families. In this case, some success stories have emerged, including one of a Roma girl who managed to study with the financial and moral support of the Congregation of Albertháza (Interview_H3_I2). However, along with these positive examples, to the inside of the Congretation, the Gypsy-Hungarian differentiation often characterises the interactions between the *"Hungarian"* and the *"Gypsy"* members.

They are separated both discursively and geographically. The Community Apiculture is based in Albertháza, and is rooted in a solidarity economy project in which members of the Calvinist congregation work on the production of honey for self-consumption. Young locals as well as elderly, but not the Roma, are members of the local congregation. The Community Apiculture is interconnected with the Roma people in the neighbouring village, where they run a religious *"mission"* in which among others, religious education and leisure activities are offered for Roma children.

Even though the volunteers of the congregation have good intentions with their *"mission"*, as representatives of local educational and religious institutions, some of them get engaged in discourses blaming Roma for not being hard-working enough (Field_notes_H3). In an official project application, the Congregation of Albertháza missed to identify structural reasons behind the challenging situation of Roma children living in Nagyalmád and rather referred to the responsibility of the individual and the micro-society:

> *"Motivation to learn is low due to the low level of schooling of the parents, negative attitude to school, and a different culture and system of values. Previous years have shown a gradual positive shift in the attitude of those who attend our programmes."* (Tender application, H3_D4)

As representatives of local educational and religious institutions members of the Congregation of Albertháza overlook the legacy of the assimilation promise and the shortcomings of the Workfare employment, which has been in the focus of the Hungarian social and employment policy since 2008 and fits well into discourses blaming Roma for not being hard-working enough:

> *"We are in the community hall with uncle Gyula, who is a teacher in the local school and Reverend Máté, who runs religious education in the school. A young Roma mother, who used to be a pupil of uncle Gyula, arrives to the hall. Uncle Gyula asks how it is going for her now. The woman shares with us that she used to work in the Public Work Programme of the municipality, in which they only needed to show up and sign the paper. She said it was a good job, but the problem is that it is over for a month now. Uncle Gyula and Reverend Máté meaningfully looked at each other then at me. When the woman left, Máté commented on the situation: 'Can you see? This is the problem here.' I felt that Reverend Máté and uncle Gyula judge the young woman for her 'laziness', without considering the shortcomings of the workfare employment as a policy for the reintegration of the unemployed or the lack of jobs available locally."* (Field_notes_H3)

In another case a young female teacher seemed to overlook the segregative education system in Hungary that provides little chance to Roma children to escape poverty and apparently put the responsibility of not being able to read on a primary school-age child:

> *"As children arrived to the church right after the day camp they received the written songs for the church service. A volunteer (who is a teacher at the alternative village school run by the Community Apiculture) distributed the lyrics for the church service and asked a child, who looked about 7 years old whether he could read. As the child was hesitant the teacher directly (and seemingly judgingly) said him that he should already be able to read at this age."* (Field_notes_H3)

Participating in camp organisers' meetings I had the impression that even if the volunteers of the Community Apiculture, who in this case were mainly teachers, have a good intention and even if unlike some other

teachers in the region they do turn to Roma children, some of them do discriminate Roma children and consider them *"uncivilised"*, as not being on the same level with them (Field_notes_H3). Such discourses overlook the structural disadvantages Roma are facing, such as educational segregation and the Public Work Programme, which is characterised by a client-patron relationship.

During an event in Northeastern Hungary I got the opportunity to talk to a non-Roma female, young state school teacher, who also teaches Roma Ethnography. Her narrative fits well to the Gypsy-Hungarian differentiation and shows how fast a teacher can burn out due to the infitesimally low salaries they get, the enormous amount of professional work that they are expected to do for developmental work in addition to teaching children coming from deep poverty and due to – in her case – the hierarchic, non-democratic way of school management:

> *"The primary school in Albertháza is a 'segregated' school, an 'island for non-Roma children', where teaching is possible. Roma children are not a minority in the region anymore, they are dominant there and non-Roma children became the minority."* (Teacher from Northern Hungary, Field_notes_H3)

However, the Congregation of Albertháza could counteract the peripheralisation of the village on both a discursive and material level by making the village attractive to middle-class families, through setting up the Community Apiculture or opening their Village School, their relationship with the local Roma is more patronising than emancipating. Without being more conscious about the Gypsy-Hungarian differentiation and the structural oppression of Roma this initiative is only capable to counteract the peripheralisation of ethnic Hungarians. Their *"Gypsy Mission"* is based on philanthropic solidarity and does not recognise Roma as autonomous agents, who are capable to overcome structural inequalities through a capability-based development. Thus, aside from certain examples (scholarship for Roma), the Community Apiculture reproduces the marginality of the Roma.

The Gypsy-Hungarian differentiation introduced by Kovai (2018) proved to be a useful theoretical framework through which not only the case study villages, but the relation of the case study social enterprises to the local Roma society could be better understood. Among the three Hungarian case study SSE initiatives, the Mayor of Kispatak did not seem to divide his village into Gypsy-Hungarian factions. It has to be mentioned that he did not reflect on the ethnicised oppression of Roma either. Even though the Congregation of Albertháza aims to turn towards Roma people, based on the ethnographic findings the Community Apiculture seems to often reproduce the Gypsy-Hungarian differentiation on the local level and it contributes to maintain the marginalisation of the Roma both socially and spatially. It also has to be mentioned that 30 percent of the pupils of their Village School come from an underprivileged situation, a high ratio of this 30 percent from Nagyalmád, where most of the children are of Roma ethnic origin. Even if Roma are represented within the school, it would also need to be further studied whether the school provides space for the children for practicing their Roma identities or it rather expects them to assimilate. Based on some talks with the teachers of the village school and observing their discussions the second scenario might be more likely. The only initiative which consciously tried to counteract the Gypsy-Hungarian differentiation is the Equality Foundation. Based on formal and informal interviews with the locals the Foundation seems to progress in counteracting the Gypsy-Hungarian and Gypsy-Gypsy differentiation on the local level, which escalated very much before the activity of the Foundation in the village. Beyond being conscious about the Gypsy-Hungarian and Gypsy-Gypsy differentiation, the Equality Foundation is also conscious about the racialised and gendered systemic oppression of Roma women.

7.2.2 A GENDERED ASPECT: THE EMPOWERMENT OF ROMA WOMEN

The marginalisation of Roma and Roma women can be better understood through the critique of neoliberalism. Sypros Themelis (2016) argues that the post-socialist transition or as he frames the *"capitalist reintegration of Eastern Europe has had devastating effects for the Roma, who, even before the transition, used to belong to the most vulnerable section of the working class in economic, cultural and political terms"* (Themelis 2016, 7). Themelis points out that there is a biopolitical border between white and racialised working/underclass to prevent class solidarity among the subordinated precarious populations in Europe (Kóczé 2016, 46). Instead of solidarity and defending the public institutions and demos, the system covertly promotes the racialisation and collective scapegoating of Roma to polarise revolt against neoliberal structural oppression (ibid.). As a result, Roma men are subjected to an ethnic gap and Roma women are subjected to both an ethnic and a gender gap in education and in employment.

The 2011 Roma Pilot Survey UNDP/WB/EC shows that the educational position of Roma women is lower in comparison with Roma men and non-Roma women (Kóczé 2016). The level of education of Roma women, particularly the total number of years spent in school is lower than for non-Roma women and Roma men (Cukrowska and Kóczé 2013). Based on the research sample in the age-group of 16–64, Roma men spent on average 6.71 years in education, while Roma women 5.66 years (ibid.). The respective data for the non-Roma age group are: men on average 10.95 years and women 10.7 years. The gender difference in the total years of education is higher in the Roma group (ibid.). Non-Roma women spend nearly twice as many years in education as Roma women (10.7 and 5.66 years respectively). Similarly, Roma men spend 61 percent of the time in education of what non-Roma men do (the same proportion for Roma women is 53 percent) (ibid.).

In addition to an ethnic gap, Roma women are subjected to a gender gap in employment as well. Kertesi and Kézdi (2010, 11) argue that by 1994, Roma employment in Hungary was below 30 percent among men and at 17 percent among women, and in 2003, employment of Roma men was at a mere 32 percent, and employment of Roma women remained at 17 percent. Based on the study of Kertesi and Kézdi (2010) the number of children plays an important role for women, but the geographical location explains little of the gap once education is controlled for. The gap in hourly wages between Roma and non-Roma is about one-third for both men and women, and at least half of it is explained by educational differences (Kertesi and Kézdi 2010, 6). The FRA report[52] shows some interesting data concerning Romani women's employment status. The report states that the proportion of women who are involved in paid work is equal or even higher than Romani men in the Czech Republic, Hungary, and Slovakia. In Hungary, 32 percent of Romani women aged 16 and above are in paid work compared with 26 percent of Romani men (Kóczé 2016, 48). As the FRA report does not specify the nature of the paid work, the difference between formal and informal employment remains invisible (Kóczé 2016, 48). In post-socialist countries the economic and social structural conditions and situational possibilities coalesce to give rise and support to economic practices that are illegal or unregulated by the state (Morris and Polese 2014 cited by Kóczé 2016).

Empowerment is a possible way to reduce the ethnic and gender gap. However, discourses on empowerment can not only emerge from capabilities theory, but from neoliberal approaches as well. As Kóczé (2016 forthcoming cited by Kóczé 2016) argues neoliberal discourses on empowerment miss to challenge racialised and gendered structural oppression, even some feminists reframe and address these structural issues as an individual

52 http://fra.europa.eu/en/publication/2013/analysis-fra-roma-survey-results-gender, last date of access: 15.08.2018

self-liberating and regulating project. The mechanism of *"end of welfare"* or *"welfare dependency"* becomes coded as *"empowerment"* in relation to Romani women in CEE (Kóczé 2016, 51). According to Kóczé (2016, 51) certain NGO programmes build on the logic of the neoliberal state that mainly privatises and philantropises social service. Promoting Roma community and individual responsibility without addressing structurally racialised and gendered oppression can not be a socially sustainable strategy (ibid.). As Kóczé (2016, 51) argues, instead of recreating e.g. self-responsible Romani mothers, it would be important to problematise the role of the government.

Intersectionality theory may advance an understanding of the situation of Roma women living under the conditions of advanced peripheralisation. Intersectional discrimination is named by activists, the *"double exclusion"* (gendered, ethnicised) and domination by both Romani patriarchal and non-Romani political and economic regimes (ibid.). Feminist intersectional theories have been recently enhanced to include class as a third category, hence the multi-tier *"race-class-gender"* approach becoming a decisive concept in gender equality discourse (Kóczé 2011, 54). A comparative quantitative assessment of the living conditions of Roma in Central Europe showed that the probability of being poor was higher for Roma than non-Roma, irrespective of educational achievement and employment status (Ringold and Tracy 2002, Emigh and Szelényi 2001 cited by Kóczé 2011, 73). However, the category of 'Romani women' is not homogenous. Roma women who are undereducated, married at a young age, have more than one child, are unemployed and live in rural areas face a higher risk of poverty and social exclusion than Romani women, who are better educated, have one or no children, earn income, or live in urban areas (Kóczé 2011, 73–74). *"Following from this, it is quite conceivable that Romani women who experience the highest levels of absolute poverty also face greater gender-related vulnerability in their own communities."* (Kóczé 2011, 74)

Many women of Tarnót experience both poverty and gender-related vulnerability. Many of them are affected by domestic abuse and some of them are involved in sex work. Some women and girls of Tarnót were trafficked to Germany and forced for sex work (Field_notes_H2). Kóczé (2011, 83) calls for an intersectional approach to better understand the complex nature and violence against Roma women.

> *"Since the early 1990s, women and girls have been trafficked from Central and Southeast European countries to work as forced prostitutes in the European Union. To treat this as merely a function of gender discrimination, while ignoring the ethnic, geo-political-economical and class dimensions of the problem would ultimately result in inconsistent analysis of its root causes, effects and would not yield appropriate measures. At the least, identifying the countries of departure gives an indication of the degree of gender discrimination and the political economic situation of the given country. Nevertheless, it is important to identify, for instance, why women from certain countries and from certain regions of their country make up the majority of forced sex workers in the EU countries."* (Kóczé 2011, 83)

Aggressive verbal communication and physical aggression characterises the life in many families of Tarnót (Equality Foundation 2016, H2_D9). As the colleagues of the Equality Foundation report, women also become victims of domestic abuse:

> *"Many times, we are aware of their domestic abuse, we often see how tensions of privation are lowered on them, and we also feel that in this case they are left to themselves."* (Equality Foundation 2016, H2_D9).

A key challenge is the inherited socialisation:

> *"Those girls whose mothers have chosen abortion instead of contraception, do not find interrupting their pregnancy problematic. The daughter of those women whose father sent them out every night to "go out and earn money" turn to prostitution as well. Those girls whose mother has never worked in employment before, but was a full-time mother in ever-growing families, would not do otherwise. Those girls whose mother tolerated slaps in the face, will endure domestic abuse without a word."* (Blog entry 2017, H2_D24)

The Equality Foundation is among those organisations that acknowledge racialised and gendered systemic oppression of Roma women. The organisation problematises the role of the government, while focusing on the capacity-building of their stakeholders, amongst them Romani women living in deep poverty. Without identifying themselves as a Roma feminist organisation, the Equality Foundation has consciously focused on women as partners in local development. The reasoning behind their decision is connected to the role women play in the social reproduction of their households.

> *"(...) on one hand, women can be better involved in the interest of their children, and on the other hand women are expected to cope with the crises within the family, they are expected to give food for the family, and ensure the everyday organisational part of family life. They are also stronger in keeping contact with each other, and are ready for compromises, can better be influenced emotionally than men."* (Equality Foundation 2016, H2_D9)

One year of problem mapping and 7 years of field work preceded the two-year-long, focused community development programme in Tarnót. As part of problem mapping, the colleagues of the foundation visited the families to understand them better. The regular meetings have helped to build up trust (Field notes H2, Equality Foundation 2016, H2_D9). Finding, positioning and training the key person from the village, who is a Vlach Roma woman, was an important step in the community development process (Equality Foundation 2016, H2_D9).

> *"Through our family visits it became clear that we can build better on women (...) in Tarnót. They were more open, and we were able to build up a more intimate relationship with them. It also helped that they were happy to participate in craft activities. For this reason we have been relying on them in regards of the development of the village."* (Equality Foundation 2016, 29, H2_D9)

As craft activities (mainly embroidery) provide an extra income for the participants, non-Roma, mainly elderly and some middle age women who live under the subsistence level got interested in earning extra income as well. In spite of the initial hostility, working together has developed the relationship between Roma and non-Roma:

> *"The earlier hostile tone has been replaced by something which is based on mutual respect: The respect of the self and the respect of the other."* (Equality Foundation 2016, 30, H2_D9)

To address the local manifestations of the ethnic and gender gap shaping employment realities of Tarnót, the Foundation trained the locals in a needlework technique. Through needlework (embroidering the drawings of their children), the women of Tarnót could get access to paid work and extra income (Interview H2_I1, Field_notes_H2). Building on the success of the needlework programme and the long-term presence of the Foundation, the Equality Foundation also started a community garden with fruit processing manufacture (opened in 2016). Due to both public and private financial support, including international Foundations (Non-profit report of

Image 8 Handmade wooden boxes decorated with the children's art, Source: Facebook page of the Foundation

the Foundation, 2015, 2016, see H2_D27), the Equality Foundation was able to employ 7 people from the village, belonging to Romungro, Vlach-Roma and non-Roma ethnic groups. Anna, the founder, hopes to extend such a Development Programme, which, if it could be adapted to other villages undergoing advanced peripheralisation, would have the potential to provide opportunities for the real integration of the excluded social stratum.[53]

The targeted community development programme of the Equality Foundation (funded through the Norway Grants) took place between 2014 and 2016 in the village. The Foundation selected 30 women as partners within the community development project. Young, senior, newcomer, indigenous villagers, Romungro, Vlach Roma and non-Roma women participated in the programme. Based on the problem map, the Foundation has identified fields which connect to the local women the most, and based on their collectively developed beliefs hinder change the most. Together with the 30 women from different social backgrounds the Foundation formulated three modules of community development. The modules build on each other and go from the *"easier"* to the *"more challenging"*: (1) Household knowledge, (2) Conscious family planning and childcare, and (3) Development of skills, knowledge transfer and supportive cooperation in the field of domestic violence (Equality Foundation 2016, 33, H2_D9). While the module on *"household knowledge"* addressed more the development of collective autonomy through bringing together the local women having different ethnic and socio-economic background, the module on family planning and domestic violence addressed more issues of individual autonomy.

53 Statement of the founder in an online available video

Image 9 A Vlach Roma and a Romungro Roma woman working together in the fruit and vegetable manufacture of the Equality Foundation. Source: Facebook page of the Foundation, the photo is used with the approval of the Foundation and the people who are on the photo

Addressing domestic violence proved to be the most challenging field:

> *"The field in which we have not succeeded so far as the problem is rooted more deeply than we thought is sthrenghtening the women's status in the family through the community. We do have to work on this in the future, because it is important for girls not to incorporate the behavioural pattern that accepts aggression, and boys should not incorporate the role of an aggressor."* (Equality Foundation 2016, 75–76, H2_D9)

From the three Hungarian case studies the Equality Foundation is the only one which reflects on the gendered and ethnicised systemic oppression of Roma women. Their community development can be considered as the practical application of empowerment through considering intersectionalities. They brought together women of different age, socio-economic background, kinship and ethnicity. The colleagues of the Foundation also aim to reflect on their power position based on their gender, ethnicity and socio-economic status. The founder of the Equality Foundation is convinced that she, as an ethnic Hungarian, can not come and tell the locals how to live in Tarnót, because she never has experienced deep poverty and ethnic-based discrimination (Field_notes_H2).

To sum up, from the five case studies only two initiatives (H2, G1) aim explicitly at participative decision-making. Within the three other rural social enterprises decisions are made through representatives of the community. In the case of the Organic Village Farm (H1), only one representative, the Mayor has the most power to make decisions, while in the case of the Community Apiculture (H3) the community representatives, the 8 Presbyters and the Minister have the institutionalised right to make decisions for the community. Local Roma and women

are not members of the Presbytery. The wives of the Presbyters may influence decisions through informal channels. While there are members in the Presbytery from better-off socio-economic as well as from more challenging socio-economic backgrounds, it should be further studied to what extent class position influences decision-making power. Those projects that aim at participative decision-making may be considered contrasting cases. On the one hand they are embedded in differently peripheralised villages. On the other hand in terms of their most actors the initiators of the Parents' Association of Kreltow come from the middle-class, while the most actors of the Equality Foundation in Tarnót come from a challenging socio-economic background. Among the five case studies the initiative in Tarnót and the one in Kreltow have the highest potential to improve the individual and collective autonomy capabilities of the locals. As the initiators in Kreltow already have a relatively high individual and collective autonomy, they are capable of running a sophisticated decision-making process based on the principles of grassroots democracy. Conflicts arise as a natural consequence of heterarchic governance, but there are strategies developed within the initiative to dissolve those conflicts. While Tarnót is to be developed through a participatory approach as well, here most of the locals experience a relatively high socio-spatial marginalisation, therefore their individual and collective autonomy is relatively low. As a consequence, their decision-making procedure focuses on developing the autonomy capacities of the local stakeholders. Although the Equality Foundation acknowledges all inhabitants of Tarnót as autonomous agents, it is conscious of the fact that environments characterised by corrosive disadvantage (social, political, economic, educational) or social relationships characterised by abuse, coercion, violence, or disrespect may seriously thwart the development of many of the skills and competences required for self-determination or may constrain their exercise (Mackenzie 2014a, 42–43). This is the reason why the Equality Foundation plans for the long-term. The development of individual and collective autonomy of the inhabitants of Tarnót can only be developed step by step.

Considering that class, gender, ethnicity or the place of residence influence autonomy capacities, this chapter turned towards the most oppressed ethnic group among the Hungarian and German case studies, the Roma. The Gypsy-Hungarian differentiation introduced by Kovai (2018) proved to be a useful theoretical framework through which not only the case study villages, but the relation of the case study social enterprises to the local Roma society could be better understood. The only initiative which is conscious of the Gypsy-Hungarian differentiation is the Equality Foundation (Mihály 2019). Based on formal and informal interviews with the locals the Foundation seems to progress in counteracting the Gypsy-Hungarian and *Gypsy-Gypsy* differentiation on the local level, which was escalated in the village prior to the activity of the Foundation. Beyond being conscious about the fragmentation of the local society the Equality Foundation is also conscious of the racialised and gendered systemic oppression of Roma women. Their community development can be considered as the practical application of empowerment through considering intersectionalities. They brought together women of different age, socio-economic background, kinship and ethnicity. The case of Tarnót shows that even if organisations undertaking a capability-based empowerment have promising results, their existence is quite insecure (Mihály, forthcoming). In the context of anti-civilian governmental measures the Equality Foundation fights for finding a way to finance their operation.

8 Environmental considerations

The environmental aspects have been brought into the literature about peripheralisation to a limited extent. By explicitly analysing the environmental dimension of social and solidarity economy initiatives and livelihood strategies of the inhabitants of peripheralised areas, this work attempts to bring aspects of environmental sustainability into the discussion about peripheralisation. The chapter looks at environmental consciousness on the local level considering individual livelihood strategies and community dynamics. On the other hand, environmental consciousness has also been studied on the level of the social enterprise considering the daily operation of the SE and its mission.

8.1 Environmental consciousness on the local level

Environmental consciousness is studied through two contrasting examples of peripheralisation. In the case of Kreltow, the counter-cultural migrants have a higher individual autonomy, they are highly educated, are active in the environmental movement and have a stable economic situation. The inhabitants of Tarnót live in a village undergoing advanced peripheralisation. They did not have access to good quality education and their economic situation constantly challenges them.

There are life situations when social needs get prioritised over environmental considerations. Deep poverty is one of those life situations. Anna Varga describes a case in which the daily survival under conditions of housing poverty and extreme cold weather overwrites long-term strategies, such as environmentalism:

> *"Flammable components of the furnitures disappeared towards the end of the week. Mainly in those households where there are no men who could collect woods. Wardrobe doors, shelves have disappeared and sleeping mattresses are kept on bricks...the bed frame or bed legs gave a few hours of warmth to the children. Then the new problem comes, that there is no appropriate environment for raising children, but this is secondary now. (...) Every flammable material goes to the stove, whether it is rag, used shoe, plastic or any kind of rubbish. 'Green' aspects get subordinated in these contexts, the direct protection of life is more important than health-damaging effects in the long run."* (Blog entry 2018, H2_D25)

Even if daily survival strategies overwrite environmental consciousness, studies show that resource consumption, measured in ecological footprints are smaller in poorer countries than in richer ones (Kollmuss and Agyeman 2002) or in poorer households than in richer ones (Csutora et al. 2011). Due to a lower purchasing power, poorer households have lower levels of consumption too. This, however, does not mean that underprivileged people would not aim to consume more. On the contrary, to counteract social exclusion consumerism can be a strategy for people living in deep poverty. As Carrington et al. (2016) point out it is consumption through which an individual defines him/herself within society:

> *"When faced with the question 'what does society demand from me?' we no longer feel the need to answer in grand terms of ideological categories. The interpellative call today is a different one, perhaps best described as a constant and deeply personal injunction to enjoy, be true to yourself, truly express yourself, find yourself, be authentically who you are, and so on. (cf. Zizek, 2009). It is a form of constant, but more subtle,*

> *ideological interpellation that directly mobilizes the endless process of self-recreation through consumption (Zwick and Cayla (eds.), 2011)."* (Carrington et al. 2016, 30)

Even if a family from Tarnót is not able to pay the electricity bills, they might have an LCD television (Field_notes_H2). A Vlach Roma man living in Tarnót buys high quality branded shoes and clothes for his children (Field_notes_H2). Posessing a car, a mobile phone, a television or branded clothes is similarly a status symbol as in other social strata. The difference here is that the possession of these status symbols might be prioritised over satisfying basic needs such as improving the basic housing conditions or paying the electricity bills. Thus, the inhabitants of villages undergoing advanced peripheralisation do not necessarily meet the expectations of the majority society to live without *"luxurious"* products and being in need in the same time. The need to feel integrated into the society which defines itself through consumption is higher than environmental considerations.

As consumption is through which we define ourselves within society, it is a higher level of individual autonomy through which one could free him/herself from the ideology of capitalist consumerism. Or as Latouche argues autonomy and decolonisation of the imaginary are intrinsically linked to each other: in order to gain autonomy we need to decolonise the imaginary through profound self-transformation (Asara, Profumi and Kallis 2013, 221).

Among the five case study villages, the newcomers of Kreltow have the highest level of environmental consciousness. They are middle-class ethnic Germans, both men and women (but women took a leading role in setting up the initiative), mainly coming from urban environments (from both East and West Germany). Their main motivation to move to the countryside from the city was rooted in their involvemenet in the ecological movement of that time:

> *"We were all influenced by Rudolf Bahro [a philosopher from East Germany, who engaged in grassroots democracy and issues of environmental sustainability[54]]. (...) He had an Institute of Social Ecology at Humboldt University and has lectured for a few years there, his lectures were free for everyone and his lecture hall was always completely full. (...) [He argued that] our current system is mainly based on [economic] growth and that was not different during socialism either (...). And he was also thinking about how society could look like without this endless growth? And many found that fascinating. (...) a lot of people at his lectures resonated with the idea of moving to the countryside and have a different kind of life there and so on. We resonated with this idea too."* (Interview_G1_I3)

Inspired by the East German philosopher a group of 17 people, among them 9 children, set up a co-housing project in the village of Kreltow. They mostly moved to the village from East Berlin (Blog entry 2003, G1_D3). Many of the initiators of the Alternative Village School (used to) live in the co-housing project.

The relationship between the old settlers and the newcomers was not always free of conflicts. Conflicts rose based on different values, norms related to environmentalism and urban lifestyles.

> *"(...) clearly there were certain forms of dissensions between the alternatively-thinking newcomers and the old settlers. (...) if the lawn is not mowed it is considered as a gesture against the establishment from the perspective of the 'alternatives', for them it means that one does not want to be so compliant with the norms,*

54 https://en.wikipedia.org/wiki/Rudolf_Bahro Last date of access: 01.07.2018

> *while others [the old settlers] consider it as pure provocation: 'he/she does it to annoy me'. Or, 'he/she can not be a good person, if he/she has such a neglected lawn'. Or, 'what about their home when their garden looks like this?'"* (Interview_G1_I3)

Even if the village *"was a symbol of fierce conflicts ten years ago"* (Blog entry 2003, G1_D2) *"people slowly got to know each other, the prejudices are partially still there, but they are partially reduced too, or are not taken so seriously anymore"* (Interview_G1_I3).

8.2 Environmental consciousness on the organisational level

The four active case study social enterprises can be grouped based on the extent to which environmental consciousness is integrated into their strategies and daily operation. Environmental aspects are integrated into the strategy of the Alternative Village School of Kreltow most explicitly. The village school of Kreltow has a strategy on sustainable education, in which environmental aspects play a crucial role. Several founders of the school participated in the environmental movement. Michi, the former headmaster of the school studied environmental economics and he knew the concept of sustainable education, he is one of the key actors bringing the concept of sustainabilty to the school (Interview_G1_I3).

The Kreltow Village School has an environmental strategy on two levels. On the one hand they aim to make the children more economical with the resources they use, on the other hand they aim to develop their social competences (empathy with other people or other living creatures, teamwork, cooperation, being open for other cultures, conflict management) (Educational Concept 1997, G1_D1). In line with Agenda 21, these are all competences that may help them to be able to tackle the challenges in the future. Michi and other founding parents wrote the sustainable education strategy together. A group of parents also visited other alternative schools. Sustainable education is explicitly formulated in the educational strategy of the Alternative School of Kreltow. Even if other reform schools have a similar approach they do not label it *"sustainable education"*.

However, the Congregation of Albertháza (H3) does not have an explicit strategy on environmental sustainability, they utilize a high amount of reciprocal work within the community and they also pay attention to moderation and resource efficiency within their projects. Increasing the environmental consciousness of the congregation members is a declared aim of the Community Apiculture too. Their forest school or the baby-mother club are used as platforms to discuss environmental challenges and the role of the individuals or communities to counteract these challenges (Interview_H3_I1 and I2).

Ecological farming is an aim and a unique selling proposition for the Organic Village Farm of Kispatak. However, environmental aspects are compromised to reach higher production. To increase their productivity they heat the glasshouses, which is a relatively energy-intensive strategy in the cold months (Field_notes_H1). On the other hand, locals learn about organic farming in the Village Farm and apply this knowledge in their garden. It is argued by the Mayor that since the Organic Village Farm was set up more people started backyard farming again. Those households I visited in Kispatak did backyard farming (Field_notes_H2).

Ecological farming is also an aim at the community gardens of Tarnót, but *"if it is necessary"* they apply certain chemicals (Interview_H2_I3). Nevertheless, they aim to use as less chemicals in the garden as possible (ibid.).

The Equality Foundation focuses on counteracting the reproduction of deep poverty in the village. Even if their project has a stronger social than environmental focus, they aim to bring environmental aspects into their initiative. To tackle housing poverty and heating challenges in the village the Equality Foundation is considering to buy a briquette machine in order to be able to produce cheap, environmentally conscious heating material for the inhabitants of Tarnót (Blog entry 2018, H2_D25).

> *"The basic idea came from one of our colleagues from Tarnót, who suggested that we should exchange our manual briquette machine to a mechanical one, with which we would be able to produce denser briquette, which is also sold in the shops. This idea was further developed as others started to think about it too. (...) This is how it sounds now: underprivileged people would help underprivileged people. (...) the idea of 'poor people help poor' makes sense in impoverished areas, in small villages lacking building yards, where firewood needs to be transported from other settlements. (...) if the small plant is built locally on local agricultural waste, people can buy heating material there weekly or even daily, below the market prices, as there are no transport costs. This arrangement is great help for those who live in small villages without building yards. It has other benefits as well. It creates workplaces for a few people, suppresses waste incineration and illegal tree collection. It is based on local assets; local needs and is socially sensitive. Our local 'justice system', which is adopted by the local community, can regulate who can have access to the heating material."* (Blog entry 2018, H2_D25)

From an **environmental impact-oriented perspective** it is relevant to know how social enterprises influence the environment through their production, service provision or trading. Moving goods and services around the globe has material effects in terms of oil consumed and emissions. This is what North (2010, 593) labels as the materiality of scale (see Chapter 2.2.3). Reflections on the **materiality of scale** have the potential to influence the environmental impact of an initiative. Opposed to immanent localisation, which North (2010) defines as localisation that just *"happens"* as a market economy changes over time as a result of decisions made by individual business people for business reasons; *"intentional"* localisation is a normative political project, something which someone *"makes"* happen (ibid., 589).

Consciousness about the materiality of scale is the strongest at the Village School of Kreltow (G1) and the Community Apiculture (H3). Both initiatives follow what North (2010) calls intentional localisation. With their new project the Congregation of Albertháza (H3) strives for increasing their self-sufficiency. They want to open a community restaurant in the near future, which would secure food for all the children and elderly people in the three villages in which the Minister couple serves the local congeregations. As food production and consumption stays local, the community (social) aims of the congregation are in line with environmental aspects.

Reality is contested in the case of the Community Apiculture. While there is clear consciousness about intentional localisation within the planned community restaurant, the main income of the Community Apiculture stems from international honey sales. It has to be mentioned that through international honey sales money becomes available to develop a peripheralised village from money available in countries of the economic core (eg. Switzerland).

The village school of Kreltow attracts children locally. Most of the children are from Kreltow and the surrounding villages. To overcome the decreased public support, the village school introduced a school fee and it also grew in size, they now have around 55 children.

Instead of growing further, they would rather support other villages to initiate their own village school:

> *"Melinda: Under the pressure that a lot of children want to get enrolled into the village school have you considered to grow further (…)?*
>
> *Michi: We have thought about it, but have decided not to. (…). Actually people in other places need to organize themselves to establish their own school."* (Interview_G1_I3).

The Village School of Kreltow was also inspired by Rudolf Bahro, the philosopher who criticized the growth-centrism on which both state socialism and the current capitalism is dependent. This is how one of the founders of the school frames this issue:

> *"Our ˙current system is based on growth and interest and it was not different in the socialist times either, it was exactly the same rubbish. And he was the one who thought about how a form of society could look like which gets by without this endless growth. And a lot of people found this fascinating. And slowly this will also be a topic nowadays, now you read about it, hear about it or see it on the television more often, but 15 years ago nearly no one spoke about it, but he did."* (Interviw_G1_I3)

Intentional localisation is followed through the procurement strategy of the school. The Village School and Créche pays the village pub for their catering services and the school also has a cooperation agreement with the village store. Indirectly, the members of the Parents' Association have also played a role in saving the village store. Michi, one of the founders of the village school remembers to the period which was critical for the village store:

> *"She (the shopkeeper) wanted to close the village store in the 2000s because she simply did not earn anything with it. And then we talked, a lot of people thought about it, what can we do? We made a survey. Since then she changed the store supply. You can get organic butter, organic cheese, organic milk and organic coffee. A larger supply of organic stuff and since then there are more people who do their shopping there. So now as a matter of principle I buy the basic things there, even though it would be a bit cheaper to buy them in [the town nearby]. I find it great that we still have this local store here. She does not really make much money, but by having the store she gets by."* (Interview_G1_I3).

Intentional localisation is reached through certain projects, such as the biobriquette project, within the Equality Foundation too. The self-sufficiency of the village is interrelated with social considerations and it has increased with the community garden project. Next to being sold to the locals, a considerable ratio of the produced fruits and vegetables get processed in the fruit and vegetable manufacture and gets sold on the Hungarian market dominantly through the social webshop.

The Organic Village Farm of Kispatak (H1) follows immanent localisation. Due to economic considerations they dominantly sell their products to local fine dining restaurants. They have a webshop too, they are also open to bring their products to Budapest, but they do not export their products.

To sum up, there are life situations when environmental considerations get subordinated to more pressing challenges such as heating in the winter. Nevertheless, studies show that poorer households have a smaller economic

footprint than richer households. The difference prevails even if better-off households bring the environmental dimension into their daily decisions. Environmental footprint is therefore interconnected with the level of consumption. Our society is dominated by the ideology of capitalist consumerism. As a consequence inhabitants of villages undergoing advanced peripheralisation aim to counteract their socio-spatial marginalisation through consumption. The comparison between Tarnót and Kreltow shows that only individuals with a higher level of autonomy are capable of *"decolonizing their imaginary"*, namely questioning capitalist consumerism and developing ethical consumption practices.

Environmental issues were addressed more in those social enterprises where the stakeholders have less pressing daily challenges and are in a better-off economic situation. However, the example of the Equality Foundation planning to set up a biobriquette machine in Tarnót together with the locals shows that there is a way in which social challenges can be tackled through environmentally conscious strategies.

9 Summary and conclusions

The comparative critical realist ethnography was a challenge and a potential of this research. Therefore, before expanding on the theoretical implications it is important to give an overview about the limitations and potentials of the methodology. Beyond theoretical implications some policy recommendations could also have been formulated.

9.1 Limitations and potentials of the methodology

Applying comparative critical realist ethnography was an exciting, but challenging endeavour. Five social and solidarity economy initiatives emerging in six villages undergoing peripheralisation (Kispatak – H1, Tarnót – H2, Albertháza and Nagyalmád – H3, Kreltow – G1 and Wrimlow – G2) served as case studies. The international comparison (Hungary and Germany) and the relatively high number of cases limited the depth of the ethnographic field work.

Participatory observation worked well in the civilian-based and faith-based social enterprises (the H2, H3 and G1 cases). These were the initiatives where I stayed for the longest time and where I was accommodated by the stakeholders. As the local stakeholders were mostly used to volunteers it was relatively easy to get accepted within these three social and solidarity economy initiatives.

Such an in-depth research could not have been realised at the municipality-based social enterprises. However, the Mayor of Kispatak was really welcoming; the local stakeholders were not used to an *"outsider"* working with them in the case of the Organic Village Farm (H1). The employees of the Organic Village Farm seemed to keep their distance from me more than the local stakeholders of the other case study social enterprises (H2, H3, G1). As the Employment Initiative of Wrimlow was not active at the time of my planned visits participant observation did not take place at this initiative. Considering that the case study in Wrimlow is rich in information about the struggles of rural social enterprises in the context of peripheralisation and local development, other data sources (an interview and available documents) stemming from this social enterprise were relied on in the analysis. The lack of participatory observation and its short length (it was only 3 days in the case of the Organic Village Farm) clearly limited the depth I could reach in my overview about these two municipality-based social enterprises. In the same time these two cases delivered important information, about why and how local agents struggle to counteract peripheralisation.

Even if participatory observation worked well in the H2, H3 and G1 cases I faced challenges of gaining knowledge about certain marginalised groups. In spite of visiting several Vlach Roma, ethnic Hungarian and Romanian Hungarian households in Tarnót (H2) I did not manage to visit Romungro Roma households. To represent the Romungro Roma voices I mostly relied on my conversations with Rozi, a Romungro Roma colleague of the Equality Foundation. Even if I built up connections with the Workfare employees of the Community Apiculture (H3), the international volunteers and I met with the Apiculture's Roma stakeholders, I did not get a chance to get into a deeper conversation with the Community Apiculture's Roma stakeholders from Nagyalmád. Beyond opening various doors, entering the field through the Ministers made it challenging to visit local Roma families during my visit in Albertháza. The local realities of Gypsy-Hungarian differentiation (Kovai 2018) and

the fact that I entered the field through the *"Hungarians"* might have influenced negatively the trust, I could have built up with the Roma of Nagyalmád in the case of staying in the field for a longer time.

In the case of the Alternative Village School of Kreltow marginalised people were to a lesser extent among the stakeholders of the initiative. The village pub or the village shop are maintained by the old settlers of Kreltow. Even if the old settlers of Kreltow experienced socio-spatial marginalisation after the change of the regime, they can be considered to be marginalised to a lesser extent as the Romungro Roma inhabitants of Tarnót or the Roma stakeholders of the Community Apiculture.

Regarding the international scale, conducting ethnographic research in Germany was more challenging than in Hungary. Even if this research benefitted from me living in Germany for three years and learning the language, I felt my contextual knowledge was higher in Hungary. As a result of that, this study gives a deeper understanding of certain Hungarian processes.

The international comparison brought potentials as well. The relational aspect of peripheralisation could have been well grasped and pointed out. In addition to that, the importance of the institutional and national policy framework when conducting research about social enterprises could also have been articulated.

9.2 Theoretical implications: the capacity of social and solidarity economy in counteracting peripheralisation

Peripheralisation is a process which a person, a group or an area might all be subjected to (Meyer and Miggelbrink 2013, 207). Stigmatisation, selective migration, disconnection, dependence and social exclusion are dimensions of peripheralisation that are interconnected and that accelerate each other's effects. In case of advanced peripheralisation endogeneous resources for local development have very limited availability.

Local initiatives (social and solidarity economy initiatives or rural social enterprises) are created to counteract processes of peripheralisation. These initiatives may, but not necessarily do counteract peripheralisation. To explore in what ways rural social enterprises may counteract processes of peripheralisation this study relied on a normative approach of local development, integrating economic, social, and environmental aspects too.

9.2.1 ECONOMIC CONSIDERATIONS: AUTONOMY AND LOCAL RESOURCE-MIX STRATEGIES

If one aims to understand rural social enterprises one needs to go beyond the formal dimension of the economy. An alternative economic approach was outlined, through which light can be shed on both the substantive and formal dimensions of the economy. Based on this alternative economic approach the market, non-market (redistributive) and non-monetary (reciprocal) resources of a social enterprise can be distinguished.

9.2.1.1 Organisational autonomy and access to financial resources

In line with the relational approach to autonomy, a normative assumption of social enterprise scholars is that even if social enterprises receive state funding or money from private foundations or churches, they should be able to preserve their organisational autonomy. As highlighted by Defourny and Nyssens, social enterprises are *"created by a group of people on the basis of a specific project and are controlled by these people"* (Defourny and Nyssens 2013, 7 in Coraggio et al. 2015, 243). However, it should be pointed out that existing institutional contexts influence the extent to which a social enterprise can preserve its organisational autonomy.

The post-socialist development between the state and civil society influences the institutional context for social enterprises. Even if the reunification of Germany resulted in the assimilation of many East German institutions into West Germany, compared to Hungary East Germany got integrated into a country with a thick institutional system for welfare provision. Even if East German voices were marginalised and they struggled to use the given framework for civic engagement, civil society was an integral part of the German welfare state. Currently, the German welfare state still provides space for dialogue and partnership with the civil actors. The relationship between civil society and the state is charaterised by mutual distrust in Hungary (G. Fekete et al. 2017) and current governmental measures seem to be clearly anti-civilian (European Commission 2019). Here welfare provision is less institutionalised and transparent. Recent developments in Hungary point towards a state control rather than a partnership in welfare provision between civil society and the state. Public support mechanisms lack transparency in Hungary, resulting in an insecure environment for civilian-based social enterprises. An unequally competitive situation has developed between church-based organisations and traditional CSOs on the local level. While church-based organisations have been gaining increasing access to public funding (see eg. the Agreement between the Vatican and the Hungarian Government), the public funding of civilian organisations is increasingly unpredictable (see eg. how Hungary's Act III of 1993 has been changing).

The current Hungarian government shows authoritarian tendencies, when it limits funding sources for civilian-based initiatives. Such a context leads to municipality-based and faith-based social enterprises to blossom over civilian-based ones. However, these organisations are embedded in centralised structures and they often envision development through patronising means. Even if rural social enterprises are created to ease social tensions in peripheralised areas, they have the potential to reproduce the marginality of Roma or long-term unemployed people within the local society. Civilian-based initiatives have more potential to create spaces of empowerment, but as they are harder to control and may formulate critiques about social policies, they are purposefully *"silenced"* by the state. Social enterprise researchers need to reflect on the underlying structural processes resulting in municipality-based or faith-based social enterprises to blossom over civilian-based ones.

It can be concluded that the German institutional framework is more supportive with civilian-based social enterprises than the Hungarian one. The civilian-based alternative school has a secure financial status. They sustain their operation mainly from public funding (which is lower for private schools in Brandenburg than for state shools) and to a smaller extent from school fees that they receive monthly from the parents of the children. Compared to the German alternative village school the Hungarian civilian-based alternative school (sustained by the Equality Foundation in the town close to Tarnót) has a multiply difficult situation. Due to the changes in the regulatory framework it is becoming increasingly challenging for civilian-based schools to get access to funding on a statutory basis and compared to church-based schools to get their maintenance

costs funded from public sources is increasingly difficult for them. Maintaining the civilian-based alternative school from a school fee is not an option in the Hungarian case either, as their target group comes mainly from a challenging socio-economic situation.

The work-integration role of social enterprises is on the agenda of the European Union (European Parliament and European Council 2013). In the same time mainly project-based funding is available through ESF Funds for social enterprises fulfilling work-integration roles. In countries having relatively weak welfare states (like in Hungary or in many other CEE countries) EU-based funding significantly influences the development of the SE field (see Baturina et al. forthcoming). In these countries work-integration social enterprises are created and funded on a project basis, but are often struggling to survive from the market when their funding ends. In countries with a more stable welfare state, like Germany, several types of institutions fulfil a work-integration role. However, the withdrawal of the state from financing do influence social enterprises with a work-integration role negatively in Germany as well (Birkhölzer 2015).

Concerning the work-integration functions of the Hungarian social enterprises, municipality-based social enterprises dominate the Hungarian SE field. In line with state aspirations (see Hamza et al. 2018 about how municipality-based social enterprises are explicitly privileged in certain local development tenders), the case study Hungarian municipality-based social enterprise had a much better access to EU-based and national public funding than the civilian-based initiative. In addition to this the explicitly anti-civilian governmental measures seriously threaten the political autonomy of the civil society and the existence of civilian-based social enterprises in Hungary.

9.2.1.2 Individual and collective autonomy, the non-monetary resources of social enterprises

Under conditions of peripheralisation social and solidarity economy initiatives can decreasingly build on **non-monetary resources**, such as strong communities with reciprocal behavior or in other words, social capital. Those who are able to, leave the settlements (selective out-migration). Thus, socially excluded groups, such as people of Roma ethnic origin or people living in deep poverty accumulate in peripheralised areas (socio-spatial marginalisation). With the acceleration of peripheralisation it becomes doubtful that *"rural areas are characterized by strong social capital and local links"* (Defourny 2014, 32). Reciprocity behaviour between individuals integrates the economy only if symmetrically organised structures, such as a symmetrical system of kinship groups or strong neighbourhoods, are given. These symmetrically organised structures are being destroyed through peripheralisation. The post-socialist transformation further marginalised village communities and has weakened the social capital of CEE rural peripheries, or in other words damaged the collective autonomy of village communities. The marginalisation of rural communities means not only weak embedding into global flows, but also having little or no power to change the existing institutional contexts and social practices imposed upon them by the state (Nagy et al. 2015a, 146). *"Under the circumstances of recentralisation and an increasingly meaningless community autonomy, it is difficult for local actors to succeed in exploring and mobilising local resources and finding a way out from the processes of marginalisation and the dependencies produced by the state interventions"* (Nagy et al. 2015a, 146).

Social enterprises can develop and be developed based on the capacities of the local community (*"local social capital"*). *"Local social capital"* might be grasped in the existence of reciprocal structures within a community. In Albertháza, these reciprocal structures still existed when the Ministers moved there and started the initiative

with the locals. When the Equality Foundation started its Complex Development Programme in Tarnót, a village undergoing advanced peripheralisation, these structures of reciprocal relations no longer existed (Blog entry 2017, H2_D2). In line with Mészáros (2013), there were people in Tarnót who had time, but had been experiencing marginalisation (educational and territorial segregation, lack of jobs locally, limited access to public transport and car) for such a long time that they did not have the actual capacity to initiate local development without assistance coming from outside the village.

9.2.2 SOCIAL CONSIDERATIONS: AUTONOMY AND EMPOWERMENT

Autonomy and empowerment were key concepts of the theoretical elaboration of the social dimensions of local development and social enterprise. Autonomy was defined through a relational approach. It was argued that environments characterised by corrosive disadvantage (social, political, economic, educational) or social relationships characterised by abuse, coercion, violence, or disrespect may seriously thwart the development of many of the skills and competences required for self-determination or may constrain their exercise (Mackenzie 2014a, 42–43). It was also pointed out that to lead a self-determining life requires not just having the capacities and opportunities to do so but also regarding oneself, and being recognised by others, as having the social status of an autonomous agent (Mackenzie 2014a, 44). Such failures of recognition are quite typical in social relations involving domination, or inequalities of power, especially when these are inflected by gender, race, ethnicity, disability (ibid.) or place of residence. Considering the factors limiting individual autonomy, it can be argued that participative governance can be reached to a different extent based on the autonomy capacities of the stakeholders of the social enterprise. If autonomy is understood relationally duties of protection to mitigate vulnerability must be informed by the overall background aim of fostering autonomy whenever possible (Mackenzie 2014a, 41). Autonomy is not only an important concept from the perspectives of the stakeholders of social enterprises (collective and individual autonomy) but from the perspective of social enterprises (organisational/political autonomy) too.

9.1.2.1 Through decision-making

The potential of participative decision-making is recognised by social enterprise researchers as a vehicle to empower marginalised people (Defourny and Nyssens 2014, Coraggio et al. 2015). However, participative decision-making is not an explicit aim amongst all rural social enterprises. From the four case studies only two initiatives (H2, G1) aim explicitly to achieve participative decision-making. Within the two other projects decisions are made through representatives of the community. In the case of the Organic Village Farm (H1), dominantly one representative, the Mayor has the power to make decisions, while in the case of the Community Apiculture (H3) the community representatives, the 8 Presbyters and the Minister (who are all male) have the institutionalised right to make decisions for the community. The two civilian-based social enterprises, that aim participative decision-making, (G1 and H2) are embedded in differently peripheralised contexts. In the case of advanced peripheralisation (H2) help comes outside of the village, from a development organisation. Building up the capacities of the local stakeholders for participative decision-making is a long-term strategy for the Foundation, which explicitly focuses on the empowerment of Roma and women. In case of moderate peripheralisation (G1) local agents, amongst whom counter-cultural migrants are overrepresented, have a capacity to start their SSE initiatives without help coming from a development organisation (Mihály 2018b). Even if inhabitants of areas undergoing advanced peripheralisation have an agency, they

need professional assistance from outside. It is, however, of particular importance that the development organisation follows the philosophy of democratic solidarity and has a capability-based approach. Without such assistance it would be naïve to expect agents of severely peripheralised areas to set up and run SSE initiatives themselves. At the same time it would be also wrong to think that without local knowledge (for example the knowledge of surviving in conditions of deep poverty) *"developers"* could reach long lasting results (Mihály 2018b).

Beyond emphasising the importance of participative decision-making of SSE initiatives, Hadjimichalis and Hudson (2007) see their potential in providing an alternative to mainstream local development (2007, 111). However, if we consider the level of civic engagement, the capability of people in peripheralised areas to become active citizens and the space provided by post-socialist states to actors of civil society in rural areas of CEE, we might get pessimistic about the room for maneuvrability of social and solidarity economy to provide an alternative to mainstream local development, in other words to counteract processes of peripheralisation. For this reason a normative commitment towards social and solidarity economy should be integrated into research or policy making (Hadjimichalis and Hudson 2007). As remote, rural areas are being peripheralised since the regime change but sometimes even longer, people living in these villages need long-term, strategical support in rebuilding their capacities to participate in the fields (labour market, decision-making) from which they have been excluded for a long time. The normative commitment of social and solidarity economy and local development could be to rebuild the capacities of the socio-spatially marginalised people to become active citizens. As Coraggio et al. (2015) argue, local initiatives should not become mere implementers of government programmes nor social projects of private foundations, but rather created and controlled by a group of people or a civil society organisation. A capability-based development is inevitable for the inhabitants of peripheralised areas to make them able to set up and run civilian initiatives. In such a project it should be also considered, that the way underprivileged groups are imagined by CEE politicians and policy makers often does not fit with the capability-based approach. In terms of the Hungarian situation *"decision-makers clearly do not trust in the competences of locals"* (Mészáros 2013, 93).

Next to the participative, the **political** dimension of social and solidarity economy should be emphasised as well. The case of Tarnót (advanced peripheralisation, civilian-based social enterprise) or Kreltow (moderate peripheralisation, civilian-based social enterprise) shows that it would be an oversimplification to claim that social change could be achieved without causing debate, tensions or social disharmony (Dey and Steyaert 2010, Cho 2006). The role of bottom-up initiatives in community-centered local development is to participate in the formulation of public issues according to a political approach that recognizes the role of public spaces in which citizens can express their concerns and ask their questions. Local initiatives can influence methods of public action, while being simultaneously standardized by public authorities (Coraggio et al. 2015, 245).

In terms of decision-making the civilian-based social enterprises have the highest potential for empowerment, as these initiatives can be created from the bottom, without being embedded into centralised structures (state, church). Flat hierarchies provide space for more political/organisational autonomy, but only those civilian-based initiatives have a higher potential for empowerment, whose philosophy is in line with democratic solidarity and capability-based development. In the same time, as civilian-based initiatives are less embedded into centralised structures such as the municipality-based and faith-based ones, their access to funding sources is also more limited.

9.1.2.2 Empowerment of Roma (women)

The central aim of this research was to bring in the perspective of the Roma (women) in better understanding the ways rural social enterprises may counteract peripheralisation. Even if Roma people are amongst the stakeholders of the rural social enterprises, the initiatives differ in their capacity to empower them. The Gypsy-Hungarian differentiation (Kovai 2018) proved to be beneficial to better understand this question. While all the initiatives aimed at counteracting certain aspects of peripheralisation, not all explicitly aimed to empower the Roma through emancipating means. The Mayor of Kispatak utilizes his institutional embeddedness to gain funds to counteract the peripheralisation of his village. This project fits well with the agenda of the Public Work Programme in providing work for the socially and spatially marginalised locals of the village.

The Mayor made progress in counteracting the economic and infrastructural disconnection of the village through realizing the Organic Village Farm project. Roma people are among the team leaders in the project, but the initiative cannot be considered a project of empowerment, as it became completely dependent on the Mayor, who envisions local development to be achieved through patronizing rather than emancipating means.

The Complex Development Program of Tarnót is explicitly aimed to develop the autonomy capacities of the locals. To overcome the division of the village into Gypsy-Hungarian factions, their initiative purposefully employs Romungro and Vlach Roma, as well as non-Roma people. Their initiative is the only one among the Hungarian cases aiming to provide space for participative decision-making. Without identifying themselves as a Roma feminist organisation, the Equality Foundation has consciously focused on women as partners of local development. The reasoning behind their decision is connected to the role women play in the social reproduction of their households. The project succeeds in counteracting certain dependencies and mechanisms of social exclusion through building bridges between different Roma and non-Roma employees, but there are deeply-rooted tensions at the local level, which can only be overcome in the long run.

Despite undertaking some promising practices (e.g. scholarships for Roma, or providing opportunities for some Roma children to study at their alternative village school), the Congregation of Albertháza reproduces the division of the locality into Gypsy-Hungarian factions. Even if the Roma live in Albertháza, they are not members of the Calvinist Congregation of Albertháza. The Roma in the neighbouring village are subjected to the *"mission"* of the congregation. Their congregation develops parallel to the one in Albertháza and the members of the Community Apiculture also come as volunteers to their village. Even if the Village School in Albertháza is successful in addressing the infrastructural disconnection of their village they seem to struggle with addressing certain mechanisms of dependency and social exclusion. Both the municipality-based (Organic Village Farm) and the faith-based social enterprise (Community Apiculture) have a limited empowerment capacity as they are embedded in hierarchical structures and local development is envisioned in them through rather patronising than emancipating means. The municipality-based and faith-based social enterprises are similar in the sense that they both have limited capacities in transforming the relationship between the local elite and the marginalised inhabitants.

The empowerment capacity is the highest in the civilian-based social enterprise (belonging to the Equality Foundation). This is the only initiative that acknowledges the ethnicised (and gendered) structural oppression of Roma (women) and makes it explicit that in order to be able to empower Roma an initiative needs to have a long-term strategy and needs to work together with the institutional system.

9.2.3 ENVIRONMENTAL CONSIDERATIONS: ENVIRONMENTAL CONSCIOUSNESS AND ENVIRONMENTAL IMPACT

From a solidarity economy perspective, it becomes necessary to understand how environmental aspects are integrated into the strategy of a social eneterprise. It can be studied how environmental aspects are considered in the daily operation of a social enterprise, such as in service provision, production or trading. The economic, social and environmental dimensions of local development are very much interconnected.

Intersectionality theory helps to understand field experiences regarding the environmental consciousness of the local actors. There are life situations, when social needs get prioritised over environmental considerations. Deep poverty is one of those life situations. For example the daily survival under conditions of housing poverty and extreme cold weather overwrites long-term strategies, such as environmentalism.

Due to a lower purchasing power, poorer households have lower levels of consumption too. This, however, does not mean that underprivileged people would not aim to consume more. On the contrary, as our society is dominated by the ideology of capitalist consumerism, to counteract social exclusion consumerism is seen as a strategy towards social integration for people living in deep poverty. The comparison between Tarnót and Kreltow shows that only individuals with a higher level of autonomy are capable of *"decolonizing their imaginary"*, namely of questioning capitalist consumerism and develop ethical consumtion practices. Environmental activists need to reflect on their power position, which is rooted in their class, gender and ethnicity (or whether their country is on the centre, semi-periphery or periphery of the global economy).

In line with the intersectionality theory, the level of environmental consciousness is the highest among the newcomers of Kreltow, who are middle-class ethnic Germans, both men and women (but women took a leading role in setting up the initiative), mainly coming from urban environments (from both East and West Germany). Their main motivation to move to the countryside from the city was rooted in their involvement in the ecological movement of that time. Based on the high environmental consciousness of the inhabitants of Kreltow it becomes clear why environmental aspects are the most explicit within their initiative.

9.3 Policy implications for local development and social economy policies

Social and solidarity economy initiatives undertaking work-integration roles need to make long-term strategies for which a stable small scale public financing is a crucial element.

Resources from **redistributive** sources, such as grants and subsidies (especially those which are based on EU Funds) and the institutionalisation of social and solidarity economy (eg. laws on social cooperatives in Hungary and Poland)have significantly increased the number of organisations within the social and solidarity economy. However, social and solidarity economy, as it is currently institutionalised, has very little to counteract the peripheralisation of rural areas in CEE. In the context of austerity measures, the state reduces funding on a statutory basis for civil society organisations and, in many CEE countries, privileges only one type of local development actors, the local Mayors in accessing rural development funds, which (except in East Germany, which is rather on the centre of the global economy than on the semi-periphery and where the local state contributes significantly to rural development) are mainly EU-based (see Baturina et al. forthcoming).

Public work, which is increasingly becoming a tool of labour market integration in CEE countries (such as in Slovakia or Hungary) increases the dependency of most of the inhabitants of peripheralised areas.

In the institutionalisation of social and solidarity economy, work-integration social enterprises got a particular role. It would help if work-integration social enterprises would be embedded in a long-term, capability-based social policy. Receiving stable tax benefits and funding on a statutory basis, instead of project-based funding, work-integration social enterprises could reach much better results in counteracting processes of peripheralisation. The challenges of peripheralised areas can only be tackled with a long-term strategy, for which a certain level of financial security must be a part of.

When it comes to access to public and private funding, organisational autonomy should be secured.

In a democratically organised society, legal institutions should ensure that social enterprises can preserve or develop organisational autonomy even if they accept resources from public or private donors. If those legal institutions do not exist within a country, non-governmental funding or funding directly channelled through eg. the European Union can preserve a certain level of civilian autonomy.

All organisations benefitting from public sources should be transparent.

All organisations including civilian-based, church-based and municipality-based social enterprises need to be transparent. In addition to civilian-based social enterprises it would be important to see how much money social enterprises receive from public and private sources. The transparency of how many workfare employees a social enterprise employs could considerably be improved in Hungary. Church-based organisations could also improve their transparency on how much donation they receive from their international and national partners. Regarding the transparency of distributing EU-based funding the Hungarian online database[55] was very useful. Compared to the Hungarian database the transparency of EU-based funding on the settlement level could be considerably improved in Germany.

Funding sources especially public funding sources should be transparent and independent of the ruling government.

Processes of grant provisions (including EU grants) need to become more transparent in Hungary. Existing bodies of representation and self-governance need to be transformed in a way that they can make decisions independently of the government. A specific way of doing that would be to allocate less than half of the seats in the decision-making body of the National Civilian Fund (NCA-NEA) to representatives of government bodies (Kövér 2015, 84). In that way, the allocation mechanisms of the National Civilian Fund (NCA-NEA) schemes could become less state-controlled and clientelistic (Kelemen-Varga et al. 2017, 45). The 1 percent National Civil Fund (NCA) tax that provides a small ratio of the incomes of the Hungarian CSOs is a good example for the (re)democratisation of public funding in Hungary.

55 https://www.palyazat.gov.hu/tamogatott_projektkereso, last date of access: 15.08.2018

Policy-makers' approach towards people of peripheralised areas needs to change.

Existing policy rhetoric considers local communities as *"backward", "poor", "non-innovative"* settlements in need of assistance and help designed by the central government (Cebotari and Mihaly 2019). While none of the existing policies states this explicitly, the way in which policies are formulated and implemented shows this type of understanding. It is therefore important to shift from helping rural communities to providing the environment for development. Decision-makers need to realize that local stakeholders in remote, rural areas are not only powerless victims of peripheralisation, but they can be activated through a capability-based approach (Gébert et al. 2016). Policies that aim to encourage local development must provide and encourage locally-led development initiatives instead of *"offering"* solutions or help from the central government. Once labelled as *"in need of help"*, communities become passive actors incapable of innovating and developing on their own. Instead of offering help in a patronising way, decision-makers must focus on providing the best enabling environment for local communities to deploy their full potential and engage in locally-led development projects.

At the same time, decision-makers also need to admit that people in peripheralised areas had different possibilities to develop their autonomy capacities which enabled them to become active citizens. They often had access to lower quality education or after the collapse of state socialism, did not have access to formal employment at all, thus were socialised in deep poverty. Decision-makers do not reflect on the capability-dimension of autonomy, when policy expectations towards people are much higher than they are currently able to meet. For example in social cooperatives participatory decision-making is expected from the cooperative members, but if people are not used to be asked when decisions are made, they might not practice participatory decision-making even if the institutional frames are given for that. The capabilities of people to become active citizens need to be developed, before expecting them in policies to apply participatory decision making with confidence without being socialised in an environment in which their opinions matter. An increasing authority should be given to local actors with a parallel development of their autonomy capabilities. The mandatory membership of the local municipality (or by the state accredited charity) further increases uneven power relations within Hungarian social cooperatives and can further reproduce patron-client relationships on the local level.

Local development policies need to be re-democratised.

At the same time policies need to be democratised too. If decision-makers are to involve people in policy-making, they need to make it easier for people of peripheralised areas to understand them or to participate more in making decisions about them(selves). The policy-makers or the state need to take a proactive role and encourage people to participate and money should be invested in civilian projects that focus on making people capable of participation. Making people capable of being active citizens is a long-term strategy, but the peripheralisation of these spaces was long-lasting too. The damage is already done. Generations grew up without having a word when it came to decisions about local development or without having a job or seeing their parents or grandparents work in the formal economy. Those who stayed or became *"locked into"* peripheralised areas got affected by learned helplessness, therefore decision-makers need to think in long-term strategies. Furthermore, as Roma are overrepresented in peripheralised villages, decision-makers need to reflect on and act against the structural oppression of Roma as well.

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Annex 1

Expert sampling sheet (HU)

A közösségi vállalkozások szerepe a vidékfejlesztésben

Kedves Válaszadó!

Disszertációmban a közösségi vállalkozások vidékfejlesztésben játszott szerepét vizsgálom. Közösségi vállalkozás alatt olyan közösségi alapú társadalmi vállalkozást értek, amelynek **lokális fókusza** van, egy **helyi közösségért** vagy helyi közösség által lett létrehozva, termékei eladásával vagy szolgáltatásai nyújtásával jövedelmet termel és létrehozói a **közösség fejlesztését/szervezését** kiemelten fontosnak tartják.

Kutatásomban a célzott mintavételt alkalmazom. Magyar szakértők – így az Ön - válaszaira alapozva a magyar vidéki közösségi vállalkozások egy mintáját szeretném felépíteni. Ebből a mintából fogom később kiválasztani azon közösségi vállalkozásokat, amelyek kulcsszereplőivel interjút készítek majd.

Kérem gondolja végig, milyen falvakban létrejött közösségi alapú vállalkozásokat (helyi kezdeményezéseket) ismer Magyarországon? Ezek közül melyik az a három, amelyet a legsikeresebbnek tart?

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

Ismer valakit, aki további információval rendelkezhet a magyar vidéki közösségi vállalkozásokról? Megnevezné?

_____

_____

Köszönöm, hogy válaszaival segíti a magyar közösségi vállalkozások jobb megismerését!

A kutatásról ezen a linken tájékozódhat: http://www.regpol2.eu/researchers/

Elérhetőségem: Mihály Melinda, mihaly@socialimpact.eu, +36 70 602 4210

Annex 2

Information sheet (HU)

Tájékoztató / Information sheet

Ezennel meghívom Önt és a helyi kezdeményezését a

"Milyen szerepet játszhatnak a szociális és szolidáris gazdaság kezdeményezései a vidékfejlesztésben? – Esettanulmányok Magyarországról és Németországból/

What is the role that Social and Solidarity Economy initiatives can play in rural development? – Cases from Hungary and Germany"

című kutatásban való részvételre. Mielőtt azonban döntene a kutatásban való részvételéről, fontos, hogy megértse a kutatás célját és a részvételének feltételeit. Ezért kérem figyelmesen olvassa el ezt a tájékoztatót. */ You and your initiative are being invited to take part in a research study. Before you decide whether or not to take part, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully.*

Mi a kutatás célja? */ What is the purpose of the study?*
Ezen kutatás célja megérteni azt, hogy hogyan járulhatnak hozzá a szociális és szolidáris gazdaság kezdeményezései a vidékfejlesztéshez. Ennek érdekében a 2014. Szeptember 1-jétől 2017. Szeptember 1-jéig tartó kutatásban öt helyi kezdeményezést vizsgálok meg etnografikus módszerek (félig strukturált interjúk, résztvevő megfigyelés és dokumentumelemzés) *segítségével. / The purpose of the study is to understand how social and solidarity economy initiatives of peripheralized rural areas in Hungary and Germany can contribute to rural development. The research runs from 01.09.2014 to 01.09.2017. With an ethnographic approach (semi-structured interviews, participant observation and document analysis) five case study Social and Solidarity Economy initiatives are being investigated.*

Miért szeretnék, hogy részt vegyek a kutatásban? */ Why have I been invited to participate?*
Azért választottam ki az Önök kezdeményezését, mert az több jelentésben is szerepelt, mint az alulról jövő vidékfejlesztés "jó gyakorlata", illetve a szakértőkkel folytatott konzultációim során többen is hivatkoztak az Önök kezdeményezésére, mint "jó gyakorlatra". */ I have chosen your initiative because it has been awarded or mentioned in studies/ by experts as a good example.*

Kötelezően részt kell vennem a kutatásban? */ Do I have to take part?*
Nem, az Ön, illetve az Önök kezdeményezésének a kutatásban való részvétele teljesen önkéntes és bármikor dönthet(nek) úgy, hogy nem kíván(nak) a továbbiakban a kutatásban részt venni. */ Your participation in the research is entirely voluntary and you can withdraw from the research at any time.*

Ki szervezi és finanszírozza a kutatást? */ Who is organising and funding the research?*
A kutatás az IfL – Leibniz Regionális Földrajzi Intézet (Lipcse, Németország) *koordinációja alatt futó, "Socio-economic and Political Responses to Regional Polarisation in Central and Eastern Europe" (RegPol²)* projekt egyik alprojektje, *amely az Európai Unió finanszírozásával valósulhatott meg. / The research is being conducted in the frame of the project "Socio-economic and Political Responses to Regional Polarisation in Central and Eastern Europe" (RegPol²), coordinated by the Leibniz Institute for Regional Geography, Leipzig/ Germany. The project received funding from the People Programme (Marie Curie Actions) of the European Union's Seventh Framework Programme FP7/2007-2013/ under REA grant agreement n° 607022.*

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Köszönöm! */ Thank you!*

Annex 3

Information sheet (DE)

Welche Rolle können bottom-up, gemeinwohlorientierte Initiativen in der Entwicklung des ländlichen Raums spielen? – Fallstudien aus Ungarn und Deutschland

What is the role that Social and Solidarity Economy initiatives can play in rural development? – Cases from Hungary and Germany

Sie sind eingeladen an dieser Studie teilzunehmen. Bevor Sie eine Entscheidung über Ihre Teilnahme an dieser Studie treffen, ist es wichtig für Sie, dass sie verstehen warum die Studie durchgeführt wird und was sie beinhaltet. Lesen Sie dafür bitte die folgenden Informationen. */ You are being invited to take part in a research study. Before you decide whether or not to take part, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully.*

Was ist der Ziel der Studie? */ What is the purpose of the study?*
Das Ziel der Studie ist zu verstehen welche Rolle Initiativen der Sozialen und Solidarischen Ökonomie in der Entwicklung des peripherisierten ländlichen Raums spielen können. Mit einem Ethnographischen Ansatz, das heißt halb-strukturierte Interviews, teilnehmende Beobachtung und Dokumentanalyse, möchte ich diese Frage begreifen. Fünf Fallbeispiele (zwei aus Deutschland und drei aus Ungarn) werden in dieser Studie untersucht. Der Zeitraum der Studie ist von dem 01.09.2014 bis zu dem 01.09.2017 */ The purpose of the study is to understand how social and solidarity economy initiatives of peripheralized rural areas in Hungary and Germany can contribute to rural development. The research runs from 01.09.2014 to 01.09.2017. With an ethnographic approach (semi-structured interviews, participant observation and document analysis) five case study Social and Solidarity Economy initiatives are being investigated.*

Warum bin ich eingeladen teilzunehmen? */ Why have I been invited to participate?*
Ihre Initiative wurde gewählt, weil sie eine Auszeichnung erhielt, in einer anderen Strudie erwähnt wurde oder von Experten als ein gutes Beispiel für bottom-up Entwicklung des ländlichen Raums genannt wurde. */ I have chosen your initiative because it has been awarded or mentioned in studies/ by experts as a good example.*

Muss ich teilnehmen? */ Do I have to take part?*
Nein, Ihre Teilnahme ist freiwillig und Sie dürfen jederzeit von der Studie zurücktreten. */ Your participation in the research is entirely voluntary and you can withdraw from the research at any time.*

Wer organiziert und fördert die Forschung? */ Who is organising and funding the research?*
Die Forschung wird im Rahmen des Projekts "Socio-economic and Political Responses to Regional Polarisation in Central and Eastern Europe" (RegPol²) durchgeführt und von dem Leibniz Institut für Länderkunde in Leipzig koordiniert. Gefördert wird sie durch die People Programme (Marie Curie Actions) ITN Projekt der Europäischen Union */ The research is being conducted in the frame of the project "Socio-economic and Political Responses to Regional Polarisation in Central and Eastern Europe" (RegPol²), coordinated by the Leibniz Institute for Regional Geography, Leipzig/ Germany. The project received funding from the People Programme (Marie Curie Actions) of the European Union's Seventh Framework Programme FP7/2007-2013/ under REA grant agreement n° 607022.*

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Danke! */ Thank you!*

Annex 4

Consent form (HU)

HOZZÁJÁRULÁSI NYILATKOZAT / CONSENT FORM

A projekt címe / project title:
Milyen szerepet játszhatnak a szociális és szolidáris gazdaság kezdeményezései a vidékfejlesztésben? – Esettanulmányok Magyarországról és Németországból/

What is the role that social and solidarity economy initiatives can play in rural development? – Cases from Hungary and Germany /

Name, position and contact address of Researcher:
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Email: mihaly@socialimpact.eu

Elolvastam és megértettem a fent megnevezett tanulmány információs lapját és lehetőségemben állt kérdések megfogalmazására / *I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.* ☐

Megértettem, hogy a kutatásban való részvételem önkéntes és bármikor dönthetek úgy, hogy mégsem vennék részt a kutatásban. / *I understand that my participation is voluntary and that I am free to withdraw at any time, without giving reason.* ☐

Beleegyezek a kutatásban való részvételbe / *I agree to take part in the above study.* ☐

	Igen / *Yes*	Nem / *No*
Beleegyezem az interjú hangrögzítővel történő felvételére. / *I agree to the interview being audio recorded*	☐	☐
Beleegyezem az interjúból származó anonimizált idézetek publikációkban történő felhasználására / *I agree to the use of anonymised quotes in publications.*	☐	☐

Interjús partner:

Név: _____ Születési év/hó/nap _____

_____	_____	_____
Lakcím	Dátum / *Date*	Aláírás / *Signature*
Mihály Melinda		
Kutatató / *Name of Researcher*	Datum / *Date*	Aláírás / *Signature*

Annex 5

Consent form (DE)

ITN RegPol²

EINVERSTÄNDNISERKLÄRUNG / CONSENT FORM

Projekt Titel / project title:
Welche Rolle können Initiativen der sozialen und solidarischen Ökonomie in der Entwicklung des ländlichen Raums spielen? – Fallstudien aus Ungarn und Deutschland /

What is the role that social and solidarity economy initiatives can play in rural development? – Cases from Hungary and Germany /

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Email: mihaly@socialimpact.eu

Please tick box

Hiermit bestätige ich, dass ich die Informationen über die Studie gelesen habe und mir die Möglichkeit Fragen zu stellen angeboten wurde. */ I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions.* ☐

Ich verstehe, dass meine Teilnahme in dieser Studie freiwillig ist und ich jederzeit ohne Begründung zurücktreten darf. */ I understand that my participation is voluntary and that I am free to withdraw at any time, without giving reason.* ☐

Ich bin damit einverstanden, an dieser Studie teilzunehmen. */ I agree to take part in the above study.* ☐

Please initial box

	Ja / *Yes*	Nein / *No*
Ich bin damit einverstanden, dass eine Tonaufzeichnung der Interviews gemacht wird. */ I agree to the interview being audio recorded*	☐	☐
Ich bin damit einverstanden, dass anonimisierte Zitate in Publikationen verwendet werden. */ I agree to the use of anonymised quotes in publications.*	☐	☐

TeilnehmerIn / *Name of Participant*	Datum / *Date*	Unterschrift / *Signature*
ForscherIn / *Name of Researcher*	Datum / *Date*	Unterschrift / *Signature*

Annex 6 Expert interviews

Table 13 List of individual expert interviews. Source: the author's own illustration.

Interview	Expertise	Date	Length (rounded)	Country	Gender	Documentation	Audiorecorded
Expert 1	Academic – Sustainability, local development	23.05.2016	45 min	HU	f	field notes	Yes
Expert 2	Practitioner – Community Development	16.03.2016	45 min	HU	f	field notes	Yes
Expert 3	Practitioner – Community Development	24.02.2016	120 min	HU	f	field notes	No
Expert 4	Academic – Sustainability, local development	18.02.2016	90 min	HU	m	field notes	No
Expert 5	Academic – Social enterprise, local development	11.10.2016	90 min	HU	f	field notes	No
Expert 6	Academic – Sustainability, local development	15.08.2015	30 min	HU	m	field notes	No
Expert 7	Academic – Social enterprise, local development	02.06.2016	90 min	DE	m	field notes	Yes
Expert 8	Academic – Social enterprise, local development	01.06.2016	120 min	DE	m	field notes	No
Expert 9	Practitioner – Social enterprise, local development	13.01.2016	60 min	DE	m	transcribed	Yes
Expert 10	Academic – Social enterprise, local development	25.01.2016	90 min	DE	m	field notes	No
Expert 11	Academic – Social enterprise, sustainability	25.03.2016	90 min	HU	m	field notes	No
Expert 12	Academic – Social enterprise, sustainability	25.03.2017	90 min	HU	f	field notes	No
Expert 13	Practitioner – Social enterprise, Eastern Germany	05.02.2016	45 min	DE	f	transcribed	Yes
Expert 14	Academic – Peripheralisation, local development	31.10.2014	90 min	HU	f	field notes	No
Expert 15	Practitioner – Social enterprises, Eastern Germany	11.01.2016	120 min	DE	m	field notes	No

Table 14 List of participant observation on national workshops about social enterprise and rural development. Source: the author's own illustration.

Event	Description	Date	Length (rounded)	Country	Documentation	Audiorec.
Social and Solidarity Economy on Post-Socialist Peripheries – National workshop	1 focus group discussion (length 90 min) led by the author, 23 participants	26.05.2016	half-day long WS	HU	field notes	Yes
Design Thinking Workshop – Social Entrepreneurhip in rural areas	19 participants, participant observation	16–17.05.2016	2-days-long WS	DE	field notes	No

Annex 7 Case study interviews

Table 15 Formal interviews. Source: the author's own illustration.

Code	Description	Alias	Role	Date	Length (rounded)	Documentation	Audiorec.
Interview_G1_I1	female, middle aged, principal of the village school, member of the Parents' Association (Kreltow)	Anette	key stakeholder	15.11.2016	110 min	transcribed	yes
Interview_G1_I2	male, middle aged, former member of the Parents' Association (Kreltow)	Philipp	key stakeholder	15.11.2016	60 min	transcribed	yes
Interview_G1_I3	male, middle aged, former principal of the village school, member of the Parents' Association (Kreltow)	Michi	key stakeholder	17.11.2016	60 min	transcribed	yes
Interview_G1_I4	female, young, leader of the kindergarten (Kreltow)	Hanna	key stakeholder	14.11.2016	40 min	transcribed	yes
Interview_G1_I5	female, middle aged, responsible for the finances of the village school, member of the Parents' Association (Kreltow)	Marla	key stakeholder	17.11.2016	50 min	field notes	no
Interview_G1_I6	female, elderly, shopkeeper in Kreltow	Rosa	key stakeholder	18.11.2016	30 min	field notes	no
Interview_G1_I7	male, young, (sustainable) agricultural entrepreneur, parent	Otto	local	18.11.2016	30 min	transcribed	yes
Interview_G2_I1	female, elderly, civilian of Wrimlow	Marta	key stakeholder	07.10.2016	145 min	transcribed	yes
Interview_H1_I1	male, young, Mayor	Sanyi	key stakeholder	23.03.2016	145 min	transcribed	yes
Interview_H2_I1	female, elderly, founder of the Equality Foundation (Tarnót)	Anna Varga	key stakeholder	02.05.2016	60 min	field notes	no
Interview_H2_I2	male, elderly, employee of the Equality Foundation (Tarnót)	Tibor Varga	key stakeholder	02.05.2016	30 min	field notes	no
Interview_H2_I3	female, young, leader of the community garden in Tarnót, lives in the neighbouring town	Szandi	key stakeholder	04.05.2016	35 min	transcribed	yes
Interview_H2_I4	male, middle aged, leader of the Local Roma Municipality	Zsiga	Local	06.05.2016	60 min	transcribed	yes
Interview_H3_I1	male, young, minister of the Calvinist Congregation in Albertháza, official representative of the community apiculture	László	key stakeholder	23.03.2016	25 min	transcribed	yes
Interview_H3_I2	female, young, minister of a Calvinist Congregation in the neighbouring village of Albertháza, active in the community apiculture	Réka	key stakeholder	23.03.2016	120 min	transcribed	yes

Table 16 Informal interviews. Source: the author's own illustration.

Case	Alias	Description	Role within the SSE initiative	Documentation
H1	Marika	An elderly, ethnic Hungarian woman.	Works within the handicraft and sales branch of the Organic Village Farm. She is one of the Public Work employees.	Field_notes_H1
H1	Uncle Jenő	An elderly Roma man.	A team leader in the organic garden. The Mayor asked him to become an official member in the village social cooperative.	Field_notes_H1
H1	Uncle Jenő's wife	An elderly non-Roma woman.	She used to work in the organic garden, but by the time of my visit she could „get out*" and now deals with planting flowers in the public spaces of the village.*	Field_notes_H1
H1	Uncle Karcsi	An elderly non-Roma man.	The professional leader of the organic garden.	Field_notes_H1
H2	Anikó	A Vlach Roma woman. The sister-in-law of Zsiga.	Anikó is the key stakeholder of the Equality Foundation. Among others she organizes the local work for the embroidery.	Field_notes_H2
H2	Zsiga	A Vlach Roma men, the president of the local Roma Minorities Self-Government.	He is now a Public Work employee, but used to work abroad. He was also a colleague of the Equality Foundation for 6 months.	Field_notes_H2
H2	Viki	A 28-year old mother, living in the „gypsy street*" („cigánysor") of Tarnót.*	Attends regularly the baby-mother club of the Equality Foundation. Does embroidery and also participated in the community development programme of the Equality Foundation, which aimed at empowering the women of Tarnót.	Field_notes_H2
H2	Janika	The 3-year-old son of Viki.	Participates on the baby-mother club with Viki and his grandmother.	Field_notes_H2
H2	Rozi	A middle-aged, Romungro Roma woman.	She is a regular employee of the Equality Foundation. She has also participated in the community development programme of the Equality Foundation, which particularly focused on the empowerment of local women.	Field_notes_H2
H2	Marcsi	An elderly ethnic Hungarian woman, moving to Tarnót from Romania. Cheap housing and the proximty of the border was important for her and her husband when they moved to Tarnót around 15 years ago.	She is a regular employee of the Equality Foundation. She also participated in the community development programme of the Equality Foundation, which aimed at empowering the women of Tarnót. Before working for the Foundation Marcsi used to run the local shop.	Field_notes_H2
H2	Nagyné	An elderly, non-Roma woman, an ethnic Hungarian, who lives in the *"richer"* neighbourhood of Tarnót. According to more locals she used to give usury credits.	She participated in the community development programme of the Equality Foundation, which particularly focused on local women.	Field_notes_H2
H3	Reverend Máté	A young reverend, ethnic Hungarian. He and his wife aim to stay in the region.	Reverend Máté and his wife study to become Ministers. They applied to do service in Albertháza, because they found the community (and religious) life motivating here.	Field_notes_H3
H3	Uncle Gyula	A middle-aged, ethnic Hungarian.	A teacher in the village school of Albertháza. He also teaches in the neighbouring village, Nagyalmád.	Field_notes_H3

Annex 8 Participant observation

Abbreviations:

- CS – Case Study
- SE – Social Enterprise

Table 17 Field visits and participant observation at the case study rural social enterprises. Source: the author's own illustration.

Case study	CS SE (altered name)	SE type	Village name (altered)	Dates	Length	Short description of the activities	Accommodation	Document code
G1	Alternative village school	civilian-based	Kreltow	14–19.11.2016	6 days	DAY 1–2: Work in the kindergarten. DAY 3–4: Work in the village school. DAY 5: Work in the village shop. DAY 6: Interviews with locals.	in the co-housing project of the village, in the household of the head teacher.	Field_notes_G1
G2	Playground and village shop	munici-pality-based	Wrimlow	–	–	As the initiative got into a crisis by the end of 2016 no participant observation has taken place in Wrimlow.		–

(turn page for the Hungarian case studies)

Case study code	Case study SE (altered name)	SE type	Village name (altered)	Dates	Length	Short description of the activities	Accommodation	Document code
H1	Organic Village Farm	municipality-based	Kispatak	10–13.05. 2016	3 days	DAY 1: Work in the village shop and the centre for handcraft activities. DAY 2: The day started in the handcraft centre and continued in the organic garden. DAY 3: Work in the manufacture, in the afternoon: visit to the village study hall (Tanoda).	in the neighbouring village	Field_notes_ H1_Kispatak
H2	Equality Foundation, complex development	civilian-based	Tarnót	02– 07.05.2016	6 days	DAY 1: The morning was spent in the alternative school of the foundation in a town close to Tarnót. Anna, the founder of the Equality Foundation presented me their work. In the afternoon we visited Tarnót, where Tibor, Anna's husband and her deputy showed me around. DAY 2: Work in the community garden and participation on the baby-mother club. DAY 3: Work in the community garden, visit to families DAY 4: Visiting the local stakeholders of the foundation, participating on the community development programme in the afternoon. DAY 5: Work shadowing with Anikó, who is a Vlach Roma woman and a key local employee of the foundation. She organises the embroidery work for the local women. Visiting the local church, visiting the local stakeholders of the Foundation. DAY 6: Joining the work of the volunteers of the study hall (Tanoda). Engaging in learning together with local children.	the community centre of Tarnót, which is operated by the Equality Foundation	Field_notes_ H2_Tarnót

Case study code	Case study SE (altered name)	SE type	Village name (altered)	Dates	Length	Short description of the activities	Accommodation	Document code
H3	Community Apiculture and alternative village school	faith-based	Albertháza	08–12 and 14–15.08.2016	7 days	DAY 1: Meeting with the teachers of the village school and helping in the preparations for the arrival of the Dutch volunteers. DAY 2: Work in the apiculture. DAY 3: Day-camp with the Dutch volunteers in Nagyalmád, a village undergoing advanced peripheralisation. The „mission" *of the congregation is located here. Afternoon: Work in the apiculture. DAY 4–5: Day-camp with the Dutch volunteers in Nagyalmád. Afternoon: facilitating the volunteer activity in the village kindergarten. DAY 6: Facilitating the volunteering activity in the village kindergarten. Visiting the community dairy manufacture. DAY 7: Volunteerin in the village school. The common work and meals provided an opportunity to get to know the Swiss volunteers coming from the sister congregation.*	in the parochy, where the Ministers live	Field_notes_ H3_Albertháza
				04.09.2016	1 day	DAY 8: Visiting a Sunday church service and having a lunch together on the parochy.		Field_notes_ H3_Albertháza
				5–6.08.2017	2 days	DAY 9: Making interviews in the Community Apiculture. DAY 10: Visiting the school and making interviews with the Ministers.		Field_notes_ H3_Albertháza

Annex 9 Anonymised data sources

Table 18 Anonymised data sources. Source: the author's own illustration.

Code	Documentary source description	CS	Date	Format	Pages	Information about	Last date of access
G1_D1	Educational concept of the alternative village school of Kreltow.	G1	1997	educational concept	30	self-representation, offline	na
G1_D2	Introduction of the village co-housing project in Kreltow.	G1	2003	blog entry	1	online representation	28.07.2017
G1_D3	A description of the village written by the inhabitants of the Kreltow co-housing project.	G1	ca. 2003	blog entry	1	online representation	28.07.2017
G1_D4	Project presentation, introducing the alternative village school and kindergarten of Kreltow. The document was prepared by the colleagues of the association, which maintains the village school.	G1	na	Ppt	10	self-representation, offline	na
G1_D5	Founding document („Satzung*") of the association maintaining the village school. (The date indicates the last modification of the founding document.)*	G1	2014	founding document	3	organisational/ governance issues	na
G1_D6	„Unser Dorf hat Zukunft*" – Introducing the winners of the awards. Kreltow is among the winners. To protect the anonymity of the case study SE, the date of the award is purposefully not specified.*	G1	na	article	ca. 60	media representation	na
G1_D7	The webpage of the alternative village school and kindergarten of Kreltow is addressed to both members of the parents association and ad-hoc visitors of the webpage. Next to a general introduction, through which the founding document of the school and kindergarten are downloadable, important dates for the parents and children are also listed. Facebook is not used by the parents association for communication purposes. Financial statements are not available on the webpage.	G1	na	webpage	na	online representation	17.06.2018
G1_D8	Leader Uckermark (Lokalen Aktionsgruppe Uckermark e.V.) information book.	G1	2014	book	28	online representation	07.10.2018
G2_D1	Municipality journal covering Wrimlow. Wrimlow has a local swimming pool maintained by the municipality. The article calls for civilian suipport to save local swimming pool, as the municipality struggles to maintain it due to shortcomings in their budget.	G2	2016	article	1	media representation	22.05.2017
G2_D2	Renewable Energy Company invests to the village of Wrimlow.	G2	2006	article	1	media representation	22.05.2017
G2_D3	Nordkurier article about the planned village shop of Wrimlow.	G2	2013	article	2	media representation	11.05.2017
G2_D4	The description of the sheep farm in Kreltow. (Lehr- und Versuchsgütern)	G2	2011	article	8	scientific representation	19.06.2017
H1_D1	Balance sheets, Organic Village Farm 2012, 2013, 2014, 2015, 2016	H1	2012–2016	financial statements	15	financial issues	na
H1_D10	A description about the Community Apiculture in a „best practice*" report.*	H1	2013	book	300	scientific representation	10.06.2018
H1_D2	Income statements of the Organic Village Farm 2012, 2013, 2014, 2015, 2016	H1	2012–2016	financial statements	5	financial issues	na
H1_D3	Supplementary annexes of the simplified annual reports, 2012, 2013, 2014, 2015, 2016	H1	2012–2016	financial statements	5	financial issues	na
H1_D4	A monography on Kispataks past, present and future, written by locals, amongst others the current Mayor.	H1	2011	book	207	self-representation, offline	na
H1_D5	Balance sheet and income statement, Organic Village Farm Non-profit Ltd 2016	H1	2016	financial statement	4	financial issues	na
H1_D6	Videos, photos and news are available on the facebook page of the Organic Village Shop.	H1	na	facebook page	na	online representation	17.06.2018

Code	Documentary source description	CS	Date	Format	Pages	Information about	Last date of access
H1_D7	The Organic Village Farm of Kispatak has a webpage which is linked to their online store. Official documents (eg. financial statements) are not available though on this webpage.	H1	na	webpage	na	online representation	17.06.2018
H1_D8	Certificate of incorporation, Organic Village Farm Non-profit Ltd , https://www.e-cegjegyzek.hu	H1	2018	certificate of incorporation	8	organisational/ governance issues	na
H1_D9	Certificate of incorporation, Organic Village Farm Social Cooperative, https://www.e-cegjegyzek.hu	H1	2018	founding document	6	organisational/ governance issues	na
H2_D1	Public benefit reports, Equality Foundation. (Official document) 2011, 2012, 20113, 2014, 2015, 2016	H2	2011–2016	public benefit report	48	financial/ social issues	06.02.2017
H2_D10	Balance sheets and income statements, Equality Non-profit Ltd 2014, 2015, 2016	H2	2014–2016	financial statements	10	financial issues	na
H2_D11	Supplementary annexes of the simplified annual reports, Equality Non-profit Ltd 2014, 2015, 2016	H2	2014–2016	financial statements		financial issues	na
H2_D12	Decision about the use of profit after taxation Equality Non-profit Ltd 2015, 2016	H2	2015–2016	financial statements	2	financial issues	na
H2_D13	An article on Abcug (https://abcug.hu/) describing the work of the Equality Foundation.	H2	2015	article	20	media representation	11.09.2017
H2_D14	The webpage of the Equality Foundation. The charity online store is integrated to the webpage of the Foundation. The financial and other official documents and documents produced by the Foundation are easily downloadable from the webpage.	H2	na	webpage	na	online representation	17.06.2018
H2_D15	A closed facebook group exists with 168 members. The group was created for and by the women of Tarnót in 2014. Anikó, the local gatekeeper of the Equality Foundation was often posting in the webpage during my field visit.	H2	na	facebook group	na	online representation	17.06.2018
H2_D16	The Equality Foundation also has a facebook page. News and achievements of the children of the alternative school maintained by the Foundation are dominantly shared here.	H2	na	facebook page	na	online representation	17.06.2018
H2_D17	Project presentation, introducing the arts-based school and the complex development project of Tarnót by the Equality Foundation. The document was prepared by Anna Varga, the founder of the Equality Foundation.	H2	2017	ppt	61	self-representation, offline	na
H2_D18	An article in the Hungarian edition of the Le Monde Diplomatique introducing the work of the Equality Foundation in Tarnót.	H2	2012	article	19	media representation	14.01.2017
H2_D19	Founding document, Equality Non-profit Ltd , belonging to the Equality Foundation	H2	2017	founding document	9	organisational/ governance issues	na
H2_D2	Blog entry by Anna Varga, the founder of Equality Foundation. The blog entry approaches regional inequalities from the perspective of a village undergoing advanced peripheralisation. Keywords: state focus, deep poverty, deprivation, cold weather, heated stadions	H2	2017	blog entry	6	online representation	13.01.2017
H2_D20	Founding document Equality Foundation	H2	2018	founding document	13	organisational/ governance issues	na
H2_D21	Organisational and operational rules, Equality Foundation (SzMSz)	H2	2017	organisational and operational rules	7	organisational/ governance issues	na
H2_D22	An article on the Hungarian LeMonde (http://www.magyardiplo.hu/) describing the work of the Equality Foundation.	H2	2012	article	8	media representation	18.09.2016
H2_D23	Blog entry by the professional leader of the study hall of Tarnót.	H2	2016	blog entry	1	online representation	12.07.2018

Code	Documentary source description	CS	Date	Format	Pages	Information about	Last date of access
H2_D24	Blog entry about the role of the women in the village.	H2	2017	blog entry	1	online representation	01.08.2018
H2_D25	Blog entry about heating challenges and possible solutions in the village.	H2	2018	blog entry	1,5	online representation	01.08.2018
H2_D27	Non-profit reports of the Equality Foundation 2010, 2011, 2012, 2013, 2014, 2015, 2016	H2	2010–2016	financial statements	14	financial issues	10.06.2018
H2_D3	Blog entry by Anna Varga, the founder of Equality Foundation. The blog entry evaluates 2016 from the perspective of civilian initiatives and marginalised villages. Keywords: state, civilians, resources, deep poverty, future plans.	H2	2017	blog entry	2	online representation	13.01.2017
H2_D4	Blog entry, by Anna Varga, the Founder of Equality Foundation. The blog entry describes one of the conflicts between the Equality Foundation and a family from Tarnót. Keywords: distractions, developmental work, the lack of social competencies, parental background.	H2	2016	blog entry	2	online representation	24.05.2017
H2_D5	Blog entry, by Anna Varga, the Founder of Equality Foundation. The blog entry describes the importance of the capability approach in developmental work in marginalised settlements. Keywords: empowerment, capability development, workplace provision, work competencies	H2	2016	blog entry	6	online representation	24.05.2017
H2_D6	Blog entry, by Anna Varga, the Founder of Equality Foundation. The blog entry describes the progress made by the inhabitants of the village. Keywords: progress, community, work	H2	2013	blog entry	8	online representation	23.05.2017
H2_D7	Blog entry, by Anna Varga, the Founder of Equality Foundation. The blog entry describes the challenges the Equality foundation faces regarding their access to financial resources and their strategy in developing the working competencies of the locals. The public work is also thematised in the document. Keywords: integration, work morale, segregate	H2	2013	blog entry	3	online representation	23.05.2017
H2_D8	The assets of the women of Tarnót. The book was produced as part of the community development project of the Equality Foundation and was financed by the Norway Civilian Grants. The book can be downloaded from the website of the Foundation.	H2	2016	book	80	self-representation, offline	na
H2_D9	Community development, a methodology. The book was produced as part of the community development project of the Equality Foundation and was financed by the Norway Civilian Grants.	H2	2016	book	103	self-representation, offline	na
H3_D1	Project proposal for a village development programme in Nagyalmád, where the mission of the congregation of Albertháza is. The project proposal was prepared to HEKS, an international development agency for evangelic projects.	H3	2015	tender application	7	self-representation, offline	na
H3_D10	Balance sheet and income statement of the Community Apiculture Non-profit Ltd 2011, 2012, 2013, 2014, 2015	H3	2011–2015	financial statements	15	financial issues	na
H3_D11	Decision about the use of profit after taxation Community Apiculture Non-profit Ltd 2011, 2012, 2013, 2014, 2015, 2016	H3	2011–2016	financial statements	6	financial issues	na
H3_D12	Supplementary annexes of the simplified annual reports, Community Apiculture Non-profit Ltd 2011, 2012, 2013, 2014, 2015, 2016	H3	2011–2016	financial statements	18	financial issues	na
H3_D13	The facebook page of the Community Apiculture. The facebook page is addressed mainly to the calvinist congeragtion of Albertháza, but is accessible from outsiders too. Community events are often organised, or photos and videos are shared here.	H3	na	facebook page	na	online representation	17.06.2018

Code	Documentary source description	CS	Date	Format	Pages	Information about	Last date of access
H3_D14	The Non-profit Ltd of the Community Apiculture has a webpage together with the municipality of Albertháza. Financial statements and the founding documents are not available on this webpage.	H3	na	webpage	na	online representation	17.06.2018
H3_D15	A description about the Community Apiculture in a „best practice" *report.*	H3	2013	article	300	scientific representation	10.06.2018
H3_D16	Information about the HEKS on an official Wepage of the Hungarian Calvinist Church.	H3	na	webpage	1/2	online representation	11.07.2018
H3_D17	The webpage of the „Gypsy Mission" of the Calvinist Church.	H3	2016	webpage	5	online representation	12.07.2018
H3_D18	An article about the challenges study halls face due to the delay in the announcments of results of the EFOP-3.3.1–15 EU tenders.	H3	2016	webpage	5	online representation	12.07.2018
H3_D19	The webpage of a local municipality, informing the local inhabitants that their study hall can continue to exist due to a support received from HEKS.	H3	2015	webpage		online representation	12.07.2018
H3_D2	A video introducing how the Minister of Albertháza organised the alternative village school. The video can be found on the „Gypsy Mission" webpage of the Calvinist Church. http://ciganymisszio.reformatus.hu/ The Hungarian Calvinist Church has a „Gypsy Mission" since 2013.	H3	2014	video	na	media representation	na
H3_D20	The webpage of the Nagyalmád study hall, introducing the colleagues of the project.	H3	na	webpage	1	online representation	12.07.2018
H3_D3	An article about the Community Apiculture on the website of the Hungarian Calvinist Church.	H3	2013	article	2	media representation	
H3_D4	„Védőháló a családokért" (EFOP-1.2.1–15), project application. The tender application describes the current community projects of the congregation and those ones that they plan for the future.	H3	2016	tender application	20	self-representation, offline	na
H3_D5	Founding document of the alternative village school of Albertháza. (Written in 2011, last modified in 2017)	H3	2017	founding document	8	organisational/ governance issues	17.06.2018
H3_D6	Project description: Community restaurant and centre. The document describes the idea of a community centre and restaurant, which planned to be built in Albertháza by and for the local congregation.	H3	ca. 2015	project description	2	self-representation, offline	na
H3_D7	Founding document of the Non-profit Ltd Owned by the congregation of Albertháza.	H3	2015	founding document	12	organisational/ governance issues	na
H3_D8	General ledgers extract, Non-profit Ltd , Community Apiculture, 2013, 2014, 2015	H3	2013–2015	financial statements	9	financial issues	na
H3_D9	Balance sheet and income statement, Community Apiculture Non-profit Ltd 2016	H3	2016	financial statement	5	financial issues	na