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Alizée Le Moigne (University of South Bohemia, České Budějovice)

Eliška Balharová (Masaryk University Brno)

Matouš Pírek (Masaryk University, Brno)

Rosmarie Macher (Alpen-Adria-University Klagenfurt, SEC Vienna)

Magdalena Sophia Sachs (Alpen-Adria-University Klagenfurt, SEC Vienna)

## THE BUŠTA'S SAW MILL [A CZECH RURAL ENTERPRISE IN THE CONTEXT OF GLOBALIZATION AND SUSTAINABILITY]

814.529 | SE Analyzing Local Rural Systems

Dipl. Ing. Willi Haas | Dr. Simron Jit Singh



*With special thanks to Jan Bušta for showing us his personal living and working environment and for his patiently replying to all our questions.*

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## [1 Analyzing systems on a local scale: the Bušta's saw mill]

Jan Bušta is the owner of a small saw mill in Klikov, Czech Republic and was the interviewee during our research period in Františkov and its surroundings. The family-owned saw mill was considered the field of research but for our case study we also had to take into account the wider area of the region. We interviewed Jan Bušta in order to find answers to questions concerning sustainability issues. As the concept of sustainability is very broad and not easy to define, we split the term into its economic, environmental and social dimensions. However, in the course of our conversation with Jan Bušta, we had to revise our intention and focused more on socio-cultural transitions in the context of the saw mill and the whole region because this view was closer to Jan Bušta's personal perspective on the situation in Klikov. In the following chapters we therefore firstly present our informant and the research unit and conclude our analysis by discussing the different (historical) transitions we identified. The first important transition, as specified below, which shaped the functioning of the saw mill was marked by the fall of the Iron Curtain and consequently the change of state-planned economy to market economy. This development was closely linked to ownership issues and the saw mill, after being nationalized by the state during Communism, was returned to Jan who resumed business following the family tradition. Other important and more recent transitions are related to (respectively caused by) globalization processes. These transitions are characterised by an emergence of new players on the local wood market as well as changes in forest management. As these developments can be observed not only in the defined system but in the whole region, the last chapter gives an insight into their implications on a local and global scale. However, eventually the results of our case study are about major socio-cultural transitions in Klikov and how they manifest on the small-scale local level of the Bušta's saw mill thereby affecting the economic, environmental and social sustainability of the enterprise.

## [2 About our interdisciplinary research team]

Our research team consisted of six people coming from Austria, the Czech Republic, France, Germany and Portugal. Just as heterogeneous are the different academic backgrounds, even though they are rather social scientific:

Eliška Balharová, B.A. of Social and Humanitarian Work of the Palacký University, Olomouc, now a Master student of Environmental Studies at the University of Masaryk, Brno

Rosmarie Macher, B.A. of Cultural- and Social Anthropology of the University of Vienna, presently studying the Master's programme of Human and Social Ecology at the Faculty for Interdisciplinary Studies, University of Klagenfurt

Alizée Le Moigne holds a Bachelor Degree in Natural Sciences (University of Rennes 1) and is now a Master student of Ecology, participating in the Erasmus Programme at the University of South Bohemia in České Budějovice.

Matouš Pírek, B.A. of Social and Humanitarian Work of the Palacký University, Olomouc, currently studying Environmental Studies in the Master's Course at the University of Masaryk, Brno

Magdalena Sophia Sachs, B.A. of Cultural Studies and B.A. of Ethnology of the University of Leipzig, at present student at the Faculty for Interdisciplinary Studies, enrolled for the Master's

degree of Human and Social Ecology

Thanks to Rita Calvario, Ph.D. of Political Ecology (Instituto Superior de Agronomia, Universidade Técnica de Lisboa), who was part of the research group during our stay in the Czech Republic

### [3 The saw mill: a brief description of the field of research]

Our chosen research unit is a saw mill located in Klikov, a village in the region of South Bohemia, Czech Republic. In order to define a system we further delineated this field of research and decided to analyze the saw mill in its capacity as a company. The boundaries of this system thus can be drawn only along its business activities.

The saw mill's stocks include the machines and the number of people working at the mill (Bušta family members and employees) respectively the working hours, whereas the input materials (such as wood, fossil fuels and electricity) and the exports (processed wood i.e. the saw mill's products) can be defined as flows. Concerning that the system boundaries include trade at an international level and thus increasing transport distances and required materials also raises questions about hidden flows.

### [4 Our informant Jan Bušta: a brief biography]

Jan Bušta was born in 1948 in České Budějovice. The same year the Communist Party of Czechoslovakia took power over the country. The attainment of Soviet-style socialism had also significant impact on Bušta's family. At some point the enterprise was nationalized and the family had to move from the saw mill in Klikov to České Budějovice, where his father was able to find a job. Jan Bušta has followed in his father's footsteps, who was a well educated man, and tried to receive a spot at the university. Finally, although he was not able to study the favored subject, he passed different courses, achieved the academic degree Master of Science and worked after graduation at the university until another opportunity arose. At the beginning of the nineties the old communist regime eventually collapsed and a new era characterized by democracy and free market began. Jan Bušta's father had taught his son about running the family's saw mill. Challenging as it was it was also an opportunity to restore family enterprise. Jan did not renounce his entrepreneurial spirit and in the year 1995 he bought the rest of the state-shared saw mill (including machines). Today he is still running the enterprise, representing the third generation of the family. While interviewing Jan Bušta we have discovered how hard it was to get to this point. When he started his work at the saw mill, there have already been two children to feed with only a modest income. But Jan Bušta has an inventive entrepreneurial spirit and so he established himself another business with animal breeding such as sheep breeding as second income. A rarity might be, that he furthermore breeds dachshunds (nowadays he has about thirty of them) and sells them mostly abroad. We cannot finish this biography without mentioning an unusually strong family support and persisting relationships inside the Bušta's family. His wife has supported the business by assuming the clerical. And when his father and mother became seriously ill, he took care of them.

Regarding the current difficult conditions on the wood market Jan Bušta is still indecisive how long he will keep up the saw mill business. For the future he wants at least to continue his breeding activities. But leaving Klikov is for him out of question.

## [5 The issue of sustainability within the system]

Sustainability is a differently interpreted, broad and complex concept, let alone the various understandings of it within the field of social ecology. While we tried to address sustainability issues in our interview the outcome was too vague to draw on assumptions regarding sustainability.<sup>1</sup>

In respect of the saw mill's energy-system we found out, that the saw mill's energy supply was generated by its own water power plant and almost self-sufficient until in 2004 a flood destroyed the plant. Bušta now relies increased on fossil-fuel generated energy and additionally electricity of the public power network. Concerning the high costs and Bušta's plan of retiring soon the reconstruction of the plant is not a priority issue.

Regarding the fact that the saw mill is located in a protected landscape area, we wanted to know about potential implications for Jan Bušta's business and living. But again, his answers were carefully put and it seems to us too premature to draw conclusions. Living in a protected landscape area doesn't cause him "any trouble", was the his most explicit reply to our questions.

## [6 Findings]

### [6.1 Jan Bušta's saw mill - an enterprise in transition]

What becomes obvious by listening to Jan Bušta is the significance of transitions within the system of the saw mill. By giving a brief abstract of the saw mill's history we want to present, what Jan Bušta thought of worth knowing and sharing with us.

Jan Bušta's grandfather founded the saw mill in 1917. The Bušta family ran the small manufactory, which during the 1930's became a prospering business with 60 employees until the beginning of the Communist era in 1948. Between 1951 and 1957, the saw mill was occupied and used by the Soviet Army to build the needed infrastructure along the borderline to Austria. During the 1970s, the saw mill was turned into a state-owned enterprise. The dispossessed Bušta family returned to work at the mill, but in the context of Communist Socialization, wasn't allowed to gain any profit out of the wood business. Due to the fall of the Iron Curtain in 1989 and the following Velvet Revolution the nature of ownership changed again. While the mill was restituted to the Buštas, more precisely to Jan Bušta, in 1991, the family continued to cooperate with the Czech state until 1995. In this period the saw mill faced busy times and an economically upswing caused by the re-empowerment of the locals. By resuming their activities from which they were deprived during the Communist era the locals took up forest management again, starting with the deforestation of the neglected woods. More recently the business faces different and challenging circumstances that compass global and local scales, interactions between these scales and the changing role of the state within the process of globalization.

Jan Bušta told us the history of the family's saw mill by pointing out political and social changes in history. In the following we adapt this offered structure to frame socio-economic and socio-cultural transitions to describe the main dynamics in the observed system. Thereby our focus lies on the last

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<sup>1</sup> Furthermore, as our Czech colleagues suggested, the term sustainability was not used in the interview for it is associated with politics and not very popular. To talk about a subject without explicitly naming it obviously has an effect on the course of a conversation.

historical transition after the fall of the Iron Curtain when Jan Bušta took over the saw mill business after years of privatization. We especially point out this phase in which our informant acquired the ownership of the family business and therefore was able to give us detailed information.

## **[6.2 After the fall of the Iron Curtain: the saw mill in the network of local wood suppliers and the emergence of new players in the course of increasing globalization]**

With the fall of the Iron Curtain the production conditions at the saw mill had to be adapted to new circumstances which did not play a significant role during the era of the communist protectionism. In these upcoming years after Socialism, the local people of the Klikov area laid claim to their former forest and its resources and also assumed simultaneously the responsibility for its management. Concerning this "redevelopment" after the regressing times of Socialism the saw mill was an important economic contact point for wood processing integrated in a local network of individual based wood suppliers. Up to the present most of the material is imported from local partners and suppliers from South Bohemia into our system of interest. But besides economic activities on a local scale the opening of the borders implied an extension of the spatial boundary of economic activities to a global scale. This extension as a consequence of increasing globalization brought to the stage new global actors which competed with the local businesses. As a result the saw mill's products now are mostly exported to Austria, Germany and Japan as they generate higher revenues when sold abroad. On the other hand trade structure changed dramatically and was integrated into a neoliberal market where prices are regulated through demand and supply. Suddenly the saw mill had to face the competition with international enterprises. While, in the first years this led to an improvement of Bušta's enterprise, the increasing presence and importance of bigger international companies in the Czech wood business resulted in the local business' inability to compete. Ultimately, Jan Bušta can not keep up with the low prices and new modes of production and will retire soon.

The financial crisis is even tightening this economic situation. The shrinking amount of material output of the system saw mill is underlining the decrease in business. While the saw mill exported 6.000 to 7.000 m<sup>3</sup> of wood in the beginning of the 1990's nowadays only 1.000 m<sup>3</sup> of wood are processed. Furthermore the offered broad variety of wooden products changed into the specialization on wooden pallets. According to Jan Bušta these recent trends affect the whole wood manufacturing sector on a local scale. The Bušta's saw mill is one of the last long-established saw mills of the region that has not yet declared its close-down.

## **[6.3 Changes in forest management: new global actors versus local expertise]**

The biggest and most crucial impact on the enterprise and its workload since the Communist expropriation is the driver globalization. New global actors, namely multi-national enterprises, compete with small local businesses on a neoliberal global market. This transition is not only reflected in market-terms, but also the forestry management and the use of local resources.

According to Jan Bušta only 15 to 20 percent of the forests around Klikov and Suchdol are owned

by privately. Jan Bušta himself owns approximately 50 hectares of land. Apart from a small area of communal owned forest, the Czech state own and administers the largest share of the local forests. More frequently this state-owned woods are leased to international companies. Jan Bušta faces these arrangements with skepticism and is particularly concerned about the way the commercial companies manage the forests, differently from the locals, who are more familiar with the specific conditions of the region.

In the interview Jan Bušta did not explicate the reasons for his thesis in detail but he ascribes the big international companies a highly profit-orientated short-term thinking to the detriment of the ecological condition of the forests. Without himself using the term sustainability he mentioned factors that we interpret as necessary requirements for a sustainable forestry, at least from an ecological understanding.

Considering the transition from Socialism to a parliamentary democracy and its implications for the saw mill business we can identify at least two major players that restructured the observed system. While the relatively new international competitors changed the economical and ecological conditions since 1989, the Czech state presents a continuous protagonist who's acting always has been and still is shaping Jan Buštas enterprise to a high degree.

## [7 Outside the system]

In the above chapters we tried to outline the most important findings from our encounter with Jan Bušta and our time in Klikov. We did so by defining a system – the saw mill- and its boundaries, which confine the business, the people involved and the flows and stocks within. As we described, most obvious to us are the transitions the saw mill underwent and is still undergoing. These transitions are inseparable from Klikov's specific history which compassed not only the politics of the communist regime and the time during the Iron Curtain, which had major implications on the area of Klikov in particular and thus for Jan Bušta and his enterprise. The following events of the fall of the Iron Curtain and the Velvet Revolution profoundly changed the whole country (politically, socially and economically) and must not be underestimated.

A proper local study requires defining a system and its boundaries. Still for us the task of thinking and analyzing only within these boundaries was hard if not to say impossible. Concerning all the things Jan Bušta told us that are not part of the defined system but still had and have an influence on his life – personally and business-wise – we want to use this chapter to discuss some of the aforementioned transitions in a broader context. In our opinion these developments that affect(ed) not only our subject matter, but the whole village, need to be mentioned to present a more adequate picture of the present situation in Klikov. Even beyond that, some of these transitions reflect upon national and global dynamics.

Recently, the village structure of Klikov is changing drastically. Its population is ageing and according to Jan Bušta almost eighty percent of the village's inhabitants are retired. Meanwhile the younger population of Klikov is migrating to the cities, which in turn is caused by a lack of job opportunities in the area. A development that, as we discussed before, can also be found within the system of the saw mill. While in the 1930's Jan Buštas grandfather had sixty employees, the number decreased constantly. Today the Bušta enterprise employs two people, working there part-time. Aside from economic assumptions that can be made from these numbers of employees, we



understand these numbers as a significant socio-cultural indicator of the saw mill's importance as employer of local people.

However, the transition of the employment situation refers to a general trend, not only on a local and national but on a global scale. Like many rural areas Klikov is faced by a shrinking economy forcing local businesses to close down. This in turn leads to a tendency of decoupling of labor and living, that can be observed nearly worldwide. While most of those still living in Klikov now commute to nearby cities to work, more and more people from the cities are interested in second homes for vacation or their retirement. Some of this new newly arrived people even use their second residence as an additional source of income, by taking up once traditional pottery or practising agriculture. Even Jan Bušta established himself a second supplement income with dachshund breeding, a business he conducts internationally, selling his dogs to buyers from South America and other distant places. At the same time local tradition has great value in the life of Jan Bušta. Besides his retirement-plans and the recent developments, the saw mill today represents a well established enterprise and allegory for local tradition in Klikov. As not sustainability, but local tradition was the dominant issue for Jan Bušta, we understand the maintainance of the same as one of the most important functions of the saw mill. We think these dynamics change the socio-cultural and socio-economic life of the village and thus the observed system. Developments outside this system therefore to us seem as relevant as the mere quantitative analysis of its stocks and flows.

## [8 Reflections on the research in an interdisciplinary and international team]

Our first attempt of analyzing a local rural system unknown to us was in many ways highly challenging. It required an intense teamwork considering the tight timeframe for preparing the interview and its analysis. Furthermore, an overcoming of disciplinary boundaries and an interdisciplinary approach was necessary to encounter the saw mill as our system of interest regarding the fact that the research method namely an interview was preseted by the course instructors. During the preparation of the interview with Jan Bušta we compiled a catalogue of questions that was supposed to lead to the perception about sustainability of our informant and to the evaluation of the saw mill as a sustainable system. But in the situation of actual conversation with Jan Bušta we needed to abandon our concocted questions which were mainly based on socio-ecological concepts for example analyzing stocks and flows of material and energy. Because of some taciturn answers of Jan Bušta to our questions we had the impression that we accosted him with a topic that is unusual for him and only slightly affecting his life. Accordingly the outcome of the interview concerning analyzing sustainability issues is perhaps not as satisfying as wished. But once we took the question in consideration what seemed the most important to Jan Busta the analyzing and structuring of the collected data became more precisely. We felt that Jan Bušta wanted us, who never consiously experienced Soviet times, to understand which especially historical transitions influenced the saw mill and furthermore the whole situation of the village Klikov.

Meeting and interviewing Jan Bušta went surprisingly well. The interview was conducted in Czech by Matouš Pírek and Eliška Balharova. Matouš did a great job in translating the answers simultaneously into English.

Summarizingly the days in Klikov and the following cooperation were a helpful experience in

practical research. Even though we felt in the beginning to be plunged in the deep end, we practiced applying usually theoretical socio-ecological concepts to a real research field and to weigh what a single interview can accomplish and what it can't regarding the research question.