

CASE STUDY

Village Life Association



Where tweets come from birds

Executive summary

Village Life provides an example of a social enterprise start-up in the area of sustainable tourism in rural areas in Romania. Although still very young – the pilot project started in 2011 – it serves an increasing number of rural families which thus have an additional source of income from this form of tourism. The enterprise is funded mainly from donor support with increasing revenues from sales of services that it brokers between tourists and hosts.

Village Life is a good example of a social enterprise run with minimum staff, which affects an increasing number of families and individuals as well as communities.

Section 1: Description of the case

1.1. Context and history

In Romania, economically disadvantaged rural communities, often in isolated or mountainous regions, are highly vulnerable, facing depopulation and lack of perspective. Approximately 70% of the poorest Romanians live in the countryside, while the average income is 25% lower in rural areas as compared to the urban ones. The source of the rural income is largely limited to subsistence agriculture and cannot sustain a decent standard of living. Under these circumstances, many villagers end up as migrant workers all over Europe or are employed in low qualified jobs in the bigger cities of Romania.

In the same time, the rural environment is often culturally and naturally rich and is seen as an example of true sustainability and complete resilience by urban folks and young generations, especially in Western Europe, where this type of rural landscape is long gone. The economic and social decay is also impacting the preservation of the cultural and natural patrimony of the rural areas.

Village Life was established as a nongovernmental organisation in July 2011 with the core mission to preserve and promote the natural and cultural heritage of the Romanian village. At the moment of its debut, Village Life team was consisting in three founding members and four regular collaborators (financial adviser, community coordinator and two volunteers).

Considering the high potential for responsible travel of these impoverished rural communities and the global increasing interest in self-sufficient, close to nature lifestyles, Village Life Association initiated a rural sustainable travel program. They started in 2013 creating a network of villages set in picturesque hills and mountain areas, with forests, lakes, rivers and other natural or cultural attractions. The hosts are carefully selected according to a clear set of criteria, live in the spirit of rural traditions, in simple homes, and have a household with animals, orchards and gardens.

For a participation fee, travellers are hosted in village households where they learn and participate in daily life, the way it is traditionally lived in the countryside (i.e.: wine making, cheese making, shepherding, tending to animals, Holiday festivals, etc.); The program allows villagers to increase their revenues by capitalizing on existent resources (mainly natural and cultural patrimony) that have been neglected so far.

The social enterprise addresses economically disadvantaged families that are not experienced with tourism activities but that, with assistance, can capitalize on existing resources (their traditional household and natural and cultural patrimony of their region) and improve their standard of living.

The income generating activity proposed by Village Life Association program is open to all those that respect a minimum set of requirements and are interested in practicing this kind of tourism. They do not need to make any initial investment or have any business specific skills. Assistance and formal training are provided along the way.

The main activities of the social enterprise are:

- The development and promotion of the host families' network;
- Training on responsible rural tourism matters for the host families;
- Facilitation of the rural cultural experiences.

The program is currently working in 10 villages (4 counties: Valcea, Brasov, Arges and Harghita), but planning to extend in the coming year. Clients (tourists) are coming from all over the world: USA, Canada, Australia, India, Germany, France, UK, Sweden etc.

1.2. Life cycle

The pilot project started in the summer of 2011 focusing on community based tourism (CBT): families to preserve traditions willing to host travellers and include them in their day-to-day life for a few days.

Following the good feed-back received from both the travellers and the rural families involved, Village Life initiated a series of rural thematic events with the main purpose to bring income to rural families, with paying urban participants coming from neighbouring cities or from foreign countries. Events' themes ranged from a typical "Sezătoare" (house gathering with the purpose of different kinds of work, especially handicraft) to getting to know medicinal plants or pottery and discovering the cultural/architectural potential of the built environment. Within three events, 45 urban participants have contributed over 2000 RON, benefiting over 30 locals from 3 communities.



A modern "Sezatoare"

The member families of the future tourism program were chosen after an extensive field research in spring 2012, in close partnership with *PACT Foundation* and *Odaia Creativa* and with the financial support of *NESsT Foundation*.

In 2013, after winning NESsT's social enterprise competition, Village Life launched the community based tourism program (the SE). Since then, Village Life is part of NESsT's portfolio, having access to various trainings, SE events, advice from the board and the network, further financial support.

The tourism program started with 10 families (hosts and other service providers) in 4 villages and it extended to 17 families from 8 villages, 4 counties (Arges, Valcea,

Brasov, Harghita) through a project granted in 2014 within the "Idei in Tara lui Andrei" program developed by OMV Petrom.

Apart from the SE's main activity, in 2014, Village Life partnered with PACT Foundation in two community development projects, providing support to 16 rural communities in Southern Romania for raising awareness on issues such as environmental protection, rural tourism, agriculture, sustainable development and for increasing capacity of people to become social entrepreneurs.

Village Life's customers are mostly educated foreign travellers, aged between 26 and 45, looking for a special cultural experience in rural areas and willing to learn during their vacation about other cultures.

At the present moment, Village Life's team consists in three members: a project and SE coordinator and two strategic advisors.

1.3. Core business model



Considering the high potential for responsible travel of these impoverished rural communities and the global increasing interest in self-sufficient close to nature lifestyles, Village Life have initiated a rural sustainable travel program. They started with creating a network of villages set in picturesque hill & mountain areas, with forests, lakes, rivers and other natural or cultural attractions. Our hosts are carefully selected according to a clear set of criteria, live in the spirit of rural traditions, in simple homes, and have a household with animals, orchards and gardens.

For a participation fee, travellers are hosted in village households where they learn and participate in daily life, the way it is traditionally lived in the countryside (i.e.: wine making, cheese making, shepherding, tending to animals, Holiday festivals, etc.). The program allows villagers to increase their revenues by capitalizing on existent resources (mainly natural and cultural patrimony) that have been neglected so far.

Village Life Association's primary target market is made up of foreign and Romanian young professionals (aged 26-45) looking to reconnect with an idyllic rural environment, with land and animals, and to have an authentic cultural experience. They are highly educated professionals, live in large cities, value simplicity and authenticity, and seek encounters with people, lifestyles and cultures different from their own, are willing to support people in an economically less favourable position,

are concerned with tourism impact on the environment and value sustainability, look for regional quality food, rustic and natural designs, traditional elements.

Considering the closest alternative options to their service (agro touristic guest houses and mountain lodges), an indirect research indicated that about 20% of tourists that choose this alternative fall under their target age category, and only 30% of them would be interested in the experience of living in the house of a villager, so a primary market volume of approx. 20.000.

Village Life defines a unit of service as "one day-tourist". This means 1 tourist experiencing 1 day of Village Life. One day-tourist includes 1 night's accommodation, 1 full day's food and all activities provided by the host family. The price for one unit was calculated based on competition and on the price-quality matrix.

Village Life is not directly involved, but encourages side activities offered by other members of the community to travellers. The association's role is to inform travellers of potential activities offered by members of the community other than the host family, but do not include these services in the offer or pricing. Village Life is involved and makes arrangements for this sort of activities, but payment and delivery will be handled between the traveller and the activity provider only.

At the moment, Village Life is intermediary between travellers and hosts: the client contacts the association either by phone, by email or through the contact form on their website. As soon as they are decided on going, and reserve the trip, Village Life contacts the appropriate host family in the right village (taking into consideration their preferences) and arranges their itinerary. Clients are given directions on how to reach their destination and arrange that they get picked up by the local community. The actual village life experience is offered by the host community. At the end of each experience, the association asks for constructive feedback so that they can help host communities improve the service they offer.

Village Life informs the client (by phone, email or in person, depending on case) of all the trip's details, including transportation options for getting to destination. When everything is certain and planned-out, it's time for the client to pay.

Once a Village Life destination has been agreed on, the travellers will have to make a partial payment of 20% within 24 hours provided the reservation is made more than 7 days in advance and the rest of 80% no later than 48 hours before the trip.

For paying the hosts, service contracts between Village Life and unauthorized hosts (villagers) are signed for each trip, in the basis of the Romanian Civil Law Code, respecting legal specifications from the Fiscal Code. Through these contracts, villagers will provide "rural traditional experiences".

In terms of business model, Village Life is currently analysing the possibility of developing a more tourist friendly website with payment facilities and communication instruments to facilitate direct communication with the hosts. This platform would also promote a larger variety (in terms of quality and rural experience) of rural hosts, with the potential of increasing the financial sustainability of the social enterprise.

Village Life's main communication channels include: website, Facebook page, Instagram, YouTube and newsletter. Village Life constantly keeps in touch with

beneficiaries by phone and through annual monitoring visits. Also, the association develops an annual promotional plan to reach their target customers.

1.4. Institutional/governance structure

Village Life Association is a membership organisation and it has 3 founding members and several donors: NESsT Foundation, OMV Petrom and some private donors.

At the moment, the decisions within the SE are taken by the entire team, meaning paid coordinator and the strategic founding members. Village Life works as a nongovernmental organisation, which means that all the revenues are reinvested in the responsible tourism program (activities according to the strategy, administrative costs for the network, co-financing for projects etc.)

Operational decisions are taken at the level of the employees based on the advice of the person responsible for the respective matter. Strategic decisions are taken at the level of the board of directors that meet in Skype conferences whenever it is necessary.

The main process is the formal one of an NGO, with General Board meetings or Extraordinary Board meetings, completed by monthly meetings or technical ones (can be established spontaneously). Beside the 2 strategic advisors (founding members), a long-term partner is the NESsT organisation, that supports Village Life with advice or facilitates contacts within their network on specific topics to be addressed, and supports financially in order to implement the strategy.

The beneficiaries of the responsible tourist program have some influence on the decision-making process, though not participating in person to the meetings yet. During the calls, periodically visits or through the meetings enabled by some projects, the hosting families are offering feed-back on the tourism program or express their needs and concerns, information that afterward is taken into consideration in the decision making process.

1.5. External relations

There is little communication or collaboration with the local administrations of the rural areas/villages where Village Life is active, partly because of the political context in Romania, yet the reluctance of the local institutions towards other alternatives for rural development.

1.6. Economic data

The 2014 turnover in USD (sales of product and service) was around 17000 USD, with 0 profits. The association estimates that in the 4 years after inception, Village Life has the possibility to become self-sustainable through the tourism program.

Since Village Life's inception, they attracted approx. 40.000 USD capitals from various institutional donors, sales of their service and private donations for either the start-up of the SE or activities in support of the tourism program (promotion, sample experiences). They accessed funds through: Social Impact Award prize, School of Leaders (CEE Trust), NESsT market research grant, NESsT competition grant. In addition, they managed budgets in two other projects in partnership with PACT Foundation, apart from the SE. Most of the funding opportunities were accessed by

applying to open calls of the organisations that had them available. Village Life's employees write the funding request, according to the needs of the business.

Over 70 families benefitted from higher annual incomes (as a result of their direct or indirect involvement in Village Life's travel program) and over 22 families gained experience in the hospitality field through hosting and guiding travellers. The income of the most active families in the program increased with approx. 20% in the last year.

Over 500,000 people from all over the world have been made aware of Romanian responsible village travel and Romanian rural traditions.

1.7. Policy environment

At the moment of Village Life inception, there was no specific legislation regarding SE's or community based tourism. As far as there is known at the moment, there is a legislative proposal for establishing the concept/ the form of operation for a rural family as a host through "traditional housing". The proposal is still pending approval and no further details are available.

The hosting families are either unauthorized, therefore the legal framework is kept under the Romanian Civil Law contracts, providing "rural traditional experiences" or authorized as hosting private persons.

Section 2: Analysis of the case

2.1. Impact analysis

The families involved in the tourism program have increased their awareness on why is it important to protect the natural and cultural patrimony around them. In one of the villages Village Life works with, a foreign language class for adults was established at the initiatives of one of the hosts. The community-based program contributes to filling the gap between what the villager can offer and what the city person needs.

Throughout the project, Village Life wants to informally educate and point out opportunities, by facilitating exposure of the rural beneficiaries to good practice examples and creating connections with sources of know-how. The social enterprise stimulates community involvement and participation in decision making processes, believing that, even if top-down approaches have their role, bottom-up approaches to problem-solving work better in the long term.

Village Life educates for environmental awareness and in general, sustainable rural development in all its dimensions (including education on topics like sustainable farming, green architecture or traditional landscape preservation; education for rural parents and children etc.).

Being such a young SE, Village Life is still working on setting good foundations for their social business, so the impact is not yet very clear to be measured. A good indicator of the SE's impact might be the growing number of families involved in the program, from 10 families in 4 villages in 2013, to 17 families from 8 villages in 4 counties (Arges, Valcea, Brasov and Harghita) in 2015.

2.2. Looking towards the future

The social enterprise's goal is to reach the break-even point in the coming 2 years.

The social enterprise will become the main source of financing for Village Life. The profit will be reinvested in raising the quality of the service offered by providing training and raising the living conditions of the hosts. Any surplus will be invested in achieving the broader objective of preserving the traditional rural environment through new projects that will help the communities to sustainably increase and diversify their economic activities.

Additional material

Web: <http://www.villagelife.ro>

YouTube: www.youtube.com/user/villagelifero

Facebook: www.facebook.com/villagelife.ro

Instagram: www.instagram.com/romania.village.life

Flickr: www.flickr.com/photos/village-life

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