



# Let's talk about regenerative business

*Drawing on interviews and case studies, Anna Clayton explores the concepts underlying the regenerative business.*



Around Timbaktu's nature school.

Reviewing companies' Corporate Social Responsibility reports is part of daily life at Ethical Consumer. We are accustomed to sifting through the greenwash to identify businesses who genuinely aim to reduce their environmental and social impacts. Occasionally, we come across a business with an innovative governance structure that is striving for zero impacts. But is this enough?

In the broader context of climate change, loss of biodiversity, soil fertility, languages, culture and community life, it seems that we urgently need to shift thinking from reducing impacts and maintaining the status quo towards actively restoring degraded land and increasing the capacities of communities.

The process of healing, of regeneration, can be observed in living systems, and has inspired a number of global movements to develop design frameworks informed by nature, including the International Permaculture Movement, Holistic Land Management, and Regenerative Agriculture. Observations from living systems can similarly be applied to businesses.

## So ... what does a regenerative business look like?

Colin Baines, investment engagement manager, Friends Provident Foundation said: "[When I hear 'regenerative business'] I automatically think co-ops and other businesses with a legal structure that obliges them to operate in the best interests of the community, ideally businesses that are owned, controlled and run for the benefit of that community and seek to empower that community to address its own needs and challenges. There are loads of community energy projects that are totally reinvigorating sometimes quite deprived communities ... offering a myriad of benefits. [For example] we invest in Awel Co-op – a two-turbine project near Swansea. It generates £8,000- £9 000 a day (a working surplus) that can be put straight into addressing community needs. It wants to eradicate fuel poverty in some pit villages and it is generating thousands of pounds a day to do this."

One of the texts that has wrestled with the question of what a regenerative business would look like is Ethan Roland and Gregory Landua's 'Regenerative Enterprise'. It presents 'Eight Forms of Capital' as an alternative economic model to the current financially driven one. They argue that the amount of financial capital\*, in the world is increasing exponentially, but at the expense of the environment and people. They suggest that in addition to financial capital (profits), businesses should aim to cultivate other forms of capital, namely: social capital, material capital, living capital, intellectual capital, experiential capital, spiritual capital and cultural capital.<sup>1</sup>

Some people have concerns about these terms as they feel that calling things 'capital' implies that money can or ought to be made from them – however that is not how the words are intended to be understood in this case.

Roland and Landua define a 'regenerative enterprise' as "a venture that proactively grows and cultivates the foundational pools of social, cultural, spiritual, and living capital by providing goods and services in a way that creates net positive gains for the system as a whole."

Qualitative growth (complexity and diversity) should be encouraged as opposed to quantitative growth (increased financial profits in the hands of the few). Living capital should only be traded if in surplus (this will be determined by the bio-productivity of a location) and should not be traded if it depletes the health of the system.<sup>2</sup>

They also suggest that it is difficult for one business to cultivate all forms of capital alone. It therefore needs to form collaborative, symbiotic relationships with other enterprises (creating Regenerative Enterprise Ecosystems), that collectively cultivate multiple forms of capital. Where this ecosystem has a specific focus, it may be more likely to shift larger systems e.g. food supply chains.

Mark Simmonds from Co-op Culture says, along these lines: "[From my own experience] what you really need is regenerative economies where you have a network of regenerative businesses which together could build [multiple forms of capital] ... So that has become a bit of a focus for our work at Co-op Culture. Instead of focusing just on individual enterprises we like to think of them as part of an enterprise ecosystem ... I will give you an example, if we get approached by

a worker co-op bakery, (we have worked with a few bakeries in the past), we can work with them and help them develop their business. But we also helped out Leeds bread co-op a few years ago and, basically, we won't take the knowledge we gained and just sell it. We will, instead, pay Leeds bread co-op what we would have been paid. Which, as it's quite high pay, can really help these co-ops become more financially sustainable as well. This is based on Co-ops principle six".

## The regenerative business paradigm

Some more ideas are given by Carol Sandford, a key educator on regenerative business.

She presents seven foundational principles for the regenerative paradigm, that draw on how things work in living systems:<sup>3,4</sup>

1. Work with wholes rather than parts (e.g. consider the interactions of a whole ecosystem, not just those of a tree).
2. Engage from potential, not ideals or problems. (Problems are variations from the ideal which will vary depending on person and place.)
3. Develop systemic reciprocity rather than transactional exchange (move away from the mentality of 'I will do this for you if you do this for me' as we are all part of an interconnected system).
4. Reveal essence not typologies or categories. (Encourage and draw on what is unique about a person or place.)
5. Conceive of nested embedded life. (A worker is part of a team, which is part of a company, a local economy, a community, a national economy, a nation, and the world.)
6. Intervene at nodes, not with visioning. (What one thing can you do that will have a wider systemic effect? For example, it has been suggested that by transforming business practice to be regenerative, it could have widespread effects for global supply chains and economy.)
7. Develop the capacity of beings (human and natural) rather than attempting to manipulate or control.

These seven first principles, along with the 'Eight Forms of Capital', could be used as a starting point from which to develop a regenerative enterprise.<sup>5</sup>

## Two examples of regenerative business

### Timbaktu Collective

2017 Lush Spring Prize winner, The Timbaktu Collective, offers insight on what an ecology of multi-capital generating enterprises could look like. It has developed a network of initiatives that are reviving the rural economy of a drought-prone region in Andhra Pradesh, South India.

9,000 acres of degraded village common land has been returned to forest and grassland through grassroots reforestation efforts. Alongside this land regeneration, cultural systems have also been remoulded. Two nature schools



Around Timbaktu's nature school.



Timbaktu's wormery – one of many approaches to composting.

\*capital is defined as a valuable resource of a particular kind or anything that can enhance a person's power to work in economically useful ways.



**Women's coop meeting, Timbaktu.**

have been established, one of which is residential and for children from disadvantaged families. The schools teach the national curriculum plus organic agriculture and local cultural arts.

A women's thrift and credit system has now grown into a well-established alternative banking system. Organic farming training is offered to farmers throughout Andhra Pradesh and has resulted in a number of co-operatives being established, including a seed co-operative, a tree growers' co-operative, an organic growers' co-operative, a women's co-operative and watershed co-operatives, just to name a few.<sup>6</sup>

"Behind every tree is a story. Some were collected as seeds, and started their lives in

a nursery at Timbaktu, the organisation's central base. Trees and seeds were then taken by foot on journeys of at least five kilometers. Next came pots of water balanced on people's heads ... to water the saplings. Babies and children were brought along, tools were carried up and down the hills ... After actively encouraging plants and wildlife to return to the land, nature is beginning to look after itself. Birds are spreading seeds, and people are understanding the importance of leaving nature to evolve for itself, or at least to use it in a sustainable manner."<sup>7</sup>

## SOIL

2018 Spring Prize winner, Sustainable Organic Integrated Livelihoods'

(SOIL), delivers its ecological sanitation service to more than 6,000 people in Haiti.<sup>8</sup> Its waterless compost toilet helps to "combat cholera, create employment, boost crop yields ... sequester carbon,

**A few of SOIL's staff of nearly 100 in Northern Haiti.**

and increase resilience to climate change by allowing the ground [it is used on] to retain more water during periods of drought and stay stable in times of flooding"<sup>9</sup> As it is a container-based system, it is also easy to seal, collect and remove containers hygienically without the need for an expensive urban sewerage system.

"Participating families pay a ... monthly fee (US\$3-4) in exchange for toilet installation, maintenance, and weekly waste pickups"<sup>9</sup> Waste buckets are collected and delivered to a central depot, where they're trucked out to the countryside for composting. After nine months the organic compost is ready for use and is sold to gardeners, farmers and groups doing targeted reforestation work across the island."

## In conclusion...

Basically, there is no single answer to the question, 'what is a regenerative business?' as the philosophy of regeneration emphasises the development of unique, place-based designs that create systems that are conducive to life. But although there may be no 'best practice' models, there are many answers being developed, both through theory and practice, that can support the emergence of regenerative enterprises.



© Tony Marcelli

**References:** 1 [www.regenterprise.com/regenerative-enterprise/](http://www.regenterprise.com/regenerative-enterprise/) viewed 19/7/2018 2 <https://medium.com/@designforsustainability/co-creating-regenerative-enterprises-20d9a3bc1c97> viewed 19/7/2018 3 [https://vimeo.com/188563786?mc\\_cid=1d1ce353ea&mc\\_eid=963704e2de](https://vimeo.com/188563786?mc_cid=1d1ce353ea&mc_eid=963704e2de) viewed 19/7/2018 4 <https://theregenerativebusinesssummit.com/regeneration> 5 [www.regenterprise.com/at-the-intersection-of-money-and-meaning/](http://www.regenterprise.com/at-the-intersection-of-money-and-meaning/) viewed 19/7/2018 6 [www.timbaktu.org/25-years-of-timbaktu-collective/](http://www.timbaktu.org/25-years-of-timbaktu-collective/) viewed 19/7/2018 7 Extract from Lessons on Regeneration: The Timbaktu Collective: <https://uk.lush.com/article/lessons-regeneration-timbaktu-collective> 8 <https://www.oursoil.org> 9 [https://www.treehugger.com/bathroom-design/humble-toilet-bringing-health-and-hope-haiti.html?utm\\_content=bufferaf23f&utm\\_medium=social&utm\\_source=twitter.com&utm\\_campaign=buffer](https://www.treehugger.com/bathroom-design/humble-toilet-bringing-health-and-hope-haiti.html?utm_content=bufferaf23f&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer)