



## THEMATIC GUIDE NINE

# **Social Innovation** **AND** **Sustainable Rural** **Development**



# EURACADEMY ASSOCIATION

EUROPEAN ACADEMY FOR SUSTAINABLE RURAL DEVELOPMENT

## THEMATIC GUIDE NINE

### **Social Innovation and Sustainable Rural Development**

EURACADEMY THEMATIC GUIDE SERIES

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**EURACADEMY ASSOCIATION**

**The European Academy for Sustainable Rural Development**

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**THEMATIC GUIDE NINE**

**Social Innovation and Sustainable Rural Development**

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## PREFACE

**E**uracademy Association is a pan-European, non-profit membership organisation devoted to capacity-building of rural communities in Europe. The Association brings together planners, researchers and practitioners of rural development from a host of European countries. A Summer Academy on a theme pertinent to sustainable rural development is organised every year in a different location; also, a Thematic Guide is published every year on the same theme as the Summer Academy. In addition, the Association organises conferences, undertakes research and coordinates EU-funded projects with a view of building up a body of knowledge on sustainable rural development. These activities aim to prompt lifelong learning opportunities amongst members of rural communities, by using a variety of educational means.

This is the Ninth Thematic Guide in the Euracademy series. It was used as a reference tool in the Ninth Summer Academy, held in Karhulanvaara, Suomussalmi, Finland from 27th June – 4th July 2010. The Ninth Summer Academy was organized by Euracademy Association in co-operation with Lönner Institute of Kajaani University Consortium, LAG Living Kainuu Leader and the municipality of Suomussalmi. The Ninth Summer Academy was funded by Rural Policy Committee of Finland (YTR). This Thematic Guide was revised in the light of the discussions in the summer academy, enriched with examples brought in by participants, and published. It aims to provoke the reader's thinking on topics as:

- Social Innovation
- Social welfare and social movements in rural context
- Economic change and community planning
- Rural entrepreneurship and its potential to exploit social innovativeness
- Governance as a tool for supporting Social Innovation
- Communities as resources and beneficiaries of social innovation

For Euracademy Association, this issue is part of the broader challenge of **sustainable rural development**. It inevitably cross-relates to, or overlaps with, themes of previous Summer Academies:

1. Developing Sustainable Rural Tourism
2. Information Society and Sustainable Rural Development
3. Diversification of Rural Economies and Sustainable Rural Development in the Enlarged Europe
4. Social Capital and Sustainable Rural Development
5. Education and Lifelong Learning for Sustainable Rural Development
6. Culture and Sustainable Rural Development
7. Sustainable 2020 for Rural Environment in Europe
8. Sustainable Agriculture and Rural Development: an integrated approach

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# Part I: General Reflections on Social Innovation

## CHAPTER 1.

### *What is Social Innovation?*

#### *Introduction*

1.1 In 2006 the Nobel Committee awarded the Grameen Bank and its founder, Muhammad Yunus, the 2006 Nobel Peace Prize "for their efforts to create economic and social development from below."  
([http://nobelprize.org/nobel\\_prizes/peace/laureates/2006/press.html](http://nobelprize.org/nobel_prizes/peace/laureates/2006/press.html)).

1.2 The background for this award has been a social invention that has been put into practice. The invention - providing micro-credits in a system of solidarity lending - is social in its character. That is *a change of a social practice, new interlocking expectations (social roles), new routines or a new common behaviour*. There is not necessarily a new technology required. However, a new technology may help to put a social invention into practice or make a social invention necessary.

1.3 Muhammed Yunus' main idea was to grant micro-credits to very poor women. Borrowers are required to be a member of a small group (usually a maximum of five) and each borrower is solely responsible for repayments. The group does not give any guarantee for a loan, however they are only given the money when supported by the group. The Bank does not grant further credit to any member of the group, if a borrower defaults. Thus, social control of the group is very high, and, in practice, group members serve as a backup, when an individual is unable to repay their debt. Thus, the group is sharing the risk with the bank, and an individual becomes creditworthy rather independently from their financial situation. Credibility is based on trust among group members and the social reputation of an individual within the group. Also, only very small loans are given (micro-credits). This is acknowledging the fact that poor people often only need small amounts of money to substantially improve their income.

1.4 To turn this social invention into a social innovation more is required- the invention has to be applied. In this sense, Muhammed Yunus, has acted as *a social entrepreneur*, a person, who has translated an idea or vision into practical action. Social entrepreneurship is closely related to the concept of social innovation. Sometimes it is used almost synonymously. However, the ways in which social innovations spread, differ, and it is not

always possible to link a particular innovation to individuals.

1.5 The Grameen Bank itself represents a social venture. There is a common view that social innovations are tightly connected with the existence of such social ventures or enterprises. Thus, social invention is an element of so-called third or voluntary sector activities. Many theorists question this view though. Social innovations may even take place in the public or private sector. Furthermore, in modern societies social innovations are often characterised by cooperation of actors in all three sectors. However, a new social practice can be considered as a social innovation when it has become a common social practice.

1.6 Thus, it has to be institutionalised in some way. *Institutionalisation* may take different forms, such as a formal procedure or even a new legislation, the creation of new organisational structures (such as a social venture) or an observable common practice, a practical norm within a collective (a community or a society).

1.7 Social innovation means that a social invention is applied and institutionalised in practice in one place, but even further that it is also adopted elsewhere. Through *adaptation* of a new practice in various social contexts a variation becomes an innovation. A social innovation is an element of a general social change rather than just a distinct cultural pattern of a single community or society. However, unlike technological innovations, elements of the original social invention may be modified in different social and cultural contexts. For instance, the original concept of providing micro-credits in a system of solidarity lending has been adopted in many countries all over the world. It should be noted though that often, micro-credits are provided applying only a simplified element or even no element of solidarity lending.

1.8 Social innovation does not neutrally describe social change. A further characteristic of a social innovation is that it is targeting a perceived *social problem or social value*. Thus, a social innovation is *intentional* and provides an *improvement*, it is more effective and/or efficient in comparison to other practices. Technically, this raises the issue of measuring outcomes of social innovations. In the case of the micro-credits, potential indicators are the outreach of credits to the poor, the rate of loan



default and the reduction of poverty among borrowers.

1.9 There is much a debate about the Grameen Bank's performance with regard to these parameters, which is beyond the scope of this chapter. There is indeed some general debate about the distribution of benefits that are related to a social innovation. Some authors argue that an innovation can only be social innovation, if social benefits are higher than private profits. This seems to be convincing at first sight. But taking a closer look, it is not so easy to distinguish between social and private benefits. In the case of micro-credits the social benefit (reducing poverty) is simply the sum of private benefits (the higher income of borrowers).

1.10 From the point of view of the Grameen Bank the socialised benefits are high as the Grameen Bank being a social enterprise, only gains small or no profits at all. It should be also noted at this point that social benefits are also a characteristic of technological innovations. For instance, despite the fact that Google earns billions with its internet search engine, one could argue that the social benefit for the billions using the Google search engine, for whom it is free, is far greater.

1.11 One could also say that in modern societies the perception of innovation is generally based on the assertion that it is beneficial for society as a whole. Thus, some authors have questioned the proposition that social benefits deriving from social innovation are somehow required to be higher than private benefits.

1.12 They argue that social innovations like technological innovations are basically neutral and it depends very much on the context, whether or not the outcomes of such innovations are considered to be positive. While from an analytical, sociological perspective the latter view is more accurate, however it has to be acknowledged, that in the political debate an approach based on the values and norms that best fit the overall needs and expectations of society is very important. For policy making the intentionality is key and should include a definition of the social problems to be solved as well as of valued objectives that have to be targeted.

1.13 Controversies exist about *newness* being an essential attribute of social innovation. Some authors argue that „newness“ is a necessary attribute of social innovation as it is as well an attribute of technological innovation. In the case of micro-credits it can be said that this is indeed a new model. Yet, there are many examples of social innovations, where traditional solutions have served as a template for solving today's problems. This is particularly true for self-regulating institutions that are widely discussed in the context of sustainable resource management or the re-vitalization of local food cultures to generate additional value for rural people. Thus, „newness“

of social innovations is a relative term with regard to time and space.

1.14 Finally, it is important to understand that social innovation is a theoretical construct. Often lay actors do not perceive their practices as innovative, rather, they talk about competition, change, experimentation or entrepreneurship. Entrepreneurs and companies seek to develop new products or create new services in order to earn income or to solve a problem. The fact that the product/service or production processes may be innovative is often of secondary interest (to the company). On the other hand, to stress innovativeness can be a useful marketing strategy in a society which rates innovation highly. Thus, companies or entrepreneurs who use the term, are not necessarily those, one would call innovators from an analytical point of view. In practise, a precise definition of a social innovation is usually possible only after the event.

### *Why does the concept of social innovation currently receive so much attention?*

1.15 The concept of social innovation has found wider recognition in recent years in the political debate. It is questionable however, whether social innovation is merely another fashionable political concept, a buzz word, replacing other concepts, such as reform or modernisation, without adding any new analytical value. Supporters of such a view may rightly argue that many issues, which are subsumed under the concept of social innovation, are not new. For instance, innovation has been at the core of political strategies for many years. On the other hand, the concept of social innovation reflects some of the criticism in former debates, such as the technological and R&D focus of mainstream innovation debates. It is highlighted that technological innovations require social changes and diffusion of innovations is a social, communicative process, regional sciences have also revealed that innovations are more likely in some social settings. Furthermore, the social innovation debate is closely related to some of the unresolved and pressing problems in today's society, such as:

- increasing inequality,
- environmental protection and the need to create sustainable economies,
- ageing and other demographic changes.

1.16 The shift towards a broader understanding of innovation that includes social innovation is reflected in the policy agenda of the European Union. Innovation has been a centrepiece of the Lisbon strategy, which has outlined the policy agenda of the last decade.

1.17 This is continued in the new agenda, Europe 2020, which was approved by the European Council in June 2010. The Lisbon agenda has been criticised as being inadequate for tackling the social and environmental challenges. This critique

is reflected in the new agenda Europe 2020 which stresses the need for social innovation: „It is about tapping into the ingenuity of charities, associations and social entrepreneurs to find new ways of meeting social needs which are not adequately met by the market or the public sector.“ (European Council 2010, p.21). Thus, social innovation will be an objective of all European policies, including policies for rural areas in the years to come.

### *Social innovation in rural areas*

1.18 The importance of innovation and **knowledge** has been central to rural development policies for many years. The traditional approach has been the concept of knowledge diffusion in particular for the agricultural sector. In this approach the origin of (usually scientific) innovation has been perceived as external to rural areas. The basic assumption has been one of a knowledge deficit of the rural population. As a consequence the political approach has been to support diffusion of (technological) innovations through the establishment of extension (advisory) services. The diffusion of innovation approach is closely related to an agrarian (sectoral) perspective on rural development.

1.19 Since the 1980s there has been a shift in rural development debate, which has been described as a new paradigm of rural development (OECD 2006). A focal element of the new paradigm is a shift towards a territorial rather than an agrarian understanding of the rural economy. From the very beginning of this debate it has been argued that the new paradigm requires the development of new solutions, and cooperation among rural actors from different backgrounds and between actors at different levels of the political system. In short, the new rural paradigm has set the quest for innovation in the centre of strategies of rural development.

1.20 In the context of European Policy this shift has been particularly reflected in the LEADER initiative. Established in 1991 LEADER aims to improve the development potential of rural areas by drawing on local initiative and skills, promoting the acquisition of know-how on local integrated development, and disseminating this know-how to other rural areas. Despite the fact that at the time the concept of social innovation was yet

uncommon, the LEADER approach has, unlike other innovative policies, very strongly addressed the need for social innovation and capacity building. In fact, LEADER has primarily focussed at social rather than technological innovation. „In reflecting on the practical experience of rural development, innovation has been understood in terms of social innovation (to encourage local linkage and collective learning cultures) and cultural innovation (to improve the rural milieu) rather than in the sense of science policy and technological innovation which dominates national policy discourses. This suggests a strong contrast with urban regeneration discourses which tend to include all three. Moreover, the new products and diversification which have been achieved in these rural areas have not been in hi-tech sectors but have tended to be in agriculture, tourism and services.“ (Dargan and Shucksmith 2008, 288). The basic principles of the LEADER approach served as a template for many additional, national initiatives, which have been set up in the EU member states.

1.21 At the time of writing of this chapter the EU Commission is preparing a proposal for the Common Agricultural Policy (CAP) after 2013. The Commission has formulated the future challenge for rural development as follows: „How do we increase the effectiveness of the policy while ensuring balance between supporting increased competitiveness, environmental concerns, and wider rural economy challenges?

1.22 And how do we best tackle the concerns related to climate change? (European Commission DG AGRI 2009, p. 12). As a result of a public consultation it has been noted that there „are many who say that Leader is a vital element of the CAP. Some contributions call for its role to be enhanced across economic sectors and in specific connection with the CAP's 'new challenges'. The approaches of participatory decision making and integrated area based strategies should be strengthened beyond Leader (for example strategies to develop local food systems)“ (European Commission DG AGRI 2010, p.30).

1.23 Social innovation in rural areas is more than LEADER. This is subject of the following chapters of this guide.

### Case study 1.1

## Rural Fab Labs: Reaping the Benefits of the Digital Revolution and Open Source

*The ongoing digital revolution makes technology more easily available; the parallel release of intangible goods such as information and creative works from the restraints of intellectual property "protection" is the driver behind increasing innovation and creativity. While urban areas are better positioned to reap the benefits of these developments, the Fab Lab movement allows rural areas to participate as well by structurally linking digital fabrication technology and open access to knowledge, experience, and designs.*

With the advent of relatively inexpensive digital fabrication technology, several concepts from the digital realm started to infiltrate the domain of physical goods: Since designs are stored in digital format, they can be easily shared around the globe – be it as control information for fabrication, or shared artefacts in a distributed co-creation process, or as a basis and source of inspiration for new, derived designs. The successful application of open source practices in software and creative production slowly but surely replaces traditional IP protection. What used to be called 'shared machine shops' are becoming the incubators of the digital age: Fab Labs, short for fabrication laboratories. As places for making things based on digital designs they reinvigorate local fabrication; as nodes in a global network they facilitate the sharing of designs and manufacturing experience.



Photo by Jared Sagoff

Based on a concept developed by Neil Gershenfeld at MIT, FabLab initiatives are typically centred around workshops equipped with relatively inexpensive, digitally controlled fabrication machines such as laser cutters, CNC routers and 3D printers. Users produce two- and three-dimensional things that once could only be made using equipment costing hundreds of thousands of

Euros. They use digital drawings and open-source software to control the machines; and they build electronic circuits and digital gadgets.

From a handful of Fab Labs in 2004 the network has grown to over fifty active labs with as many in preparation. Some of the labs are part of an educational institution, be it a high school or university, some act as business incubators for inventors and tinkerers, and others have found their place as catalysts for artists, designers and other creative minds.

What makes Fab Labs different from just any shared machine shop is that they explicitly subscribe to a common charter that firmly institutes Fab Labs as a global network of local labs, stipulates open access, and establishes peer learning as a core feature.

The charter requires that 'designs and processes developed in fab labs must remain available for individual use'. Beyond that it allows intellectual property protection 'however you choose'. Even more, the charter explicitly continues that 'commercial activities can be incubated in fab labs'. Yet it cautions against potential conflict with open access, and encourages business activity to grow beyond the lab. Successful businesses should give back to the inventors, labs, and networks that contributed to their success.

In Europe, rural adoption of the concept of Fab Labs has been relatively slow compared to urban locations. There are three labs in Iceland and two in Norway. In the alpine region, the Ars Electronica Centre, Linz, operates a lab, equipped with a small selection of digital production tools and geared more towards playful learning than local digital manufacturing. The first Fab Lab in Switzerland has just opened in Luzern, and a few more labs are under development in the more urbanized areas of Erlangen-Nuremberg, Munich and Vienna.

One of the early rural Fab Labs in Europe was set up in the Lyngen Alps in northern Norway in 2002 with the support of the municipality, Telenor and MIT, initially to complete the flagship project "Electronic Shepherd" that had been started in 1995 as a local initiative, aiming to create mesh wireless, ad hoc networks to allow shepherds to electronically keep track of their sheep: "The goal is to assist the traditional practice of Sami nomadic herding with nomadic data. Driven by changes in habitat and land use, aims include tracking the animals and their predators, monitoring their health, bringing them down when needed, and providing continuity of information throughout the animal products supply chain. Components of the system include short-range wireless tags for sheep or reindeer, GPS "bell" tags for the lead animals,

and tag readers at salt licks inter-faced to a multi-hop 802.11 network.” (Gershenfeld & Prakash 2004.)

More recently, the city of Graz (Austria) hosted the “Pop-up store” as part of a month-long event on design in May 2011. Graz has just been recognized as UNESCO City of Design in March 2011. The “Pop-up store” as a first of its kind: It is the first shop that only offered Open Design goods, products designed by local and international designers and made freely available under a Creative Commons license. The motive for such a license: Fair licensing and open design enables creative participation in the value chain. At the same time it opens designs up for future production, new products on demand, or production in small batches. The products sold at the “Pop-up store” were all produced locally, in Styria. The “Pop-up store” demonstrated, how local producers could be integrated in, and benefit from, digitally distributed designs. (Nußmüller 2011.)

Fab Labs incorporate an interesting mix of characteristics that might seem contradictory at first, but might well be considered the best practical approximation of what Yochai Benkler describes as commons-based peer production that gives more people more control over their productivity in a self-directed and community-oriented way. More generally, the network approach of Fab Labs empower local labs, particularly in rural regions such as northern Scandinavia or the European Alps, to gain access to the knowledge, expertise and creativity that tends to accumulate in more urban settings. At the same time, the open source principles foster sharing and allow communities to establish sustainable local participation in global value chains where a substantial part of the value created can be captured locally instead of dissipating in global corporations.

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**Case study 1.2*****Education in agricultural schools for the purpose of rural area development, Poland***

High schooling in Poland has always been deeply diversified internally regarding the social structure (background) of the student population, and as a result their educational achievements and cultural competences have been highly differentiated. Agricultural schools have always been, and still are, a particularly striking example here. Young people who come from rural areas and live in low social status families dominate the social background composition of these schools' populations. As a result, agricultural schools contribute to reinforcement of social and cultural marginality of the young rural generation.

After the 1999 education reform in Poland, the condition of agricultural education deteriorated considerably following the transfer of financial and organisational responsibility for agricultural schools to local governments (previously they were financed and controlled by the ministry of agriculture). Consequently, their infrastructure degraded and the quality of education declined. Consequently the education now offered by these schools does not meet the new challenges emerging from the dramatic changes in rural area and agriculture itself. That is why modernisation of teaching curricula in agricultural schools is both necessary and urgent. Thus, 45 agricultural schools have been taken over by the ministry of agriculture again, and educational innovation projects are currently being implemented in them. The following project is an example of educational innovation of a systematic nature, which means that it is introduced by the government agency that controls the system of education at a national level.

The main purpose of this education innovation is to equip students with competences in the sphere of enterprise and initiative. Such skills would increase the chances of the graduates in finding jobs in the local non-agricultural labour market, as well as improving their competences in agriculture itself. The education curricula is supplemented with courses in sustainable rural development which teach the following issues:

- directions of rural area development
- enterprise
- rural tourism
- importance of education in modern world
- alternative forms of energy
- cultural heritage
- forms of agricultural activity
- natural environment
- projects intended for rural communities
- LEADER

Apart From theoretical concepts, students are offered two-week practical training during the summer holiday. They participate in the work of rural business companies and take an active part in local initiatives aimed at the development of rural areas (e.g. LEADER). Practical training is co-planned by the teacher and a representative of the company offering the placement. They both prepare the student's Individual Program of practical training that takes into account the specificity of the company hosting the student.



Teachers employed at schools involved in a relevant education innovation teach the courses in sustainable development. In order to assure a proper teaching process, teachers themselves take part in training courses which include workshops and study trips. During the workshops held in July 2010, participants learned, among others, methods to identify human resources and social capital of rural area, and they were informed about European projects focussed on young people. They also suggested and tried to work out their individual ideas and methods which could be used in courses on development of rural areas. The study trip to Nienburg, which followed the workshops enabled the teachers to find out about the systems of agriculture, education and vocational skills improvement systems in Germany. This study trip was also devoted to the problem of alternative sources of energy, namely wind energy – its forms and prospects of development, production of biogas, and processing of agricultural crops as an opportunity to open additional jobs in spheres of production, trading and distribution of agricultural and ecological products.

The educational innovation discussed above aims at making agricultural schools students aware of the potential of rural areas, and of the importance of learning the skills to discover and to use it.

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*Case study 1.3**Small School as the socio-educational centre of a village, Poland*

Rural areas are unique for the wide dispersion of inhabitants and processes of depopulation. These two features have resulted in reduced numbers of students attending rural schools causing serious challenges to the system of education. First of all, many schools are threatened with closure, a process accelerated by the 1999 education reform which was primarily aimed at consolidation of school networks in rural area. Small schools offering their services to only several dozens of pupils generated much higher costs per student when compared with larger educational organisations. Surprisingly, attempts to close them down were met with strong opposition from rural communities. Therefore, in 1999, in response to the said reform and the need to save small rural schools, the Federation of Educational Initiatives was established. It is a non-governmental organisation promoting the creation of associations that aim at opening and running their own schools. Within the first year of the Federation's activity (2000/2001), 64 Small Schools were founded.

The movement for the sake of Small Schools is an example of the diffusion education innovation. The Federation of Education Initiatives is very supportive in assisting and participating in the process of opening and running a Small School. However, what really matters in terms of successful performance is the self-organization of villagers and school staff in setting up the association which becomes a founding unit and administrator of a given school.

Along with the foundation of the Small School, which undoubtedly is an innovative enterprise, its organization undergoes a deep change. Firstly, Small Schools are business units, which involves the balance of revenues and costs, since they

cannot count upon additional subsidy from the local government. Therefore, the system of the school administration is changed, and the parents have much to say in this sphere. Moreover, the process of education is transformed. A smaller number of pupils enable a focus on individual educational needs of pupils to a much greater extent than in big schools.

However the innovative character of Small Schools is particularly noticeable through their extended offer of educational (and not exclusively) services. Many of them hold practical training in computer operation and Internet use for adult villagers. Frequently it is parents or even grand parents of students that take advantage of these forms of educational services (age average of participants in the courses was 42). Many trainees admitted having a computer at home, but they had not used it so far for fear of damaging it or being ridiculed by those who know how to use it. Participation in the training helped them believe in their own abilities and skills.

In some villages, Small Schools even become education centres at various levels. In 2004, the Small School in Korzecznik offered room for a kindergarten. The playing field located in the school site is also accessible to the kindergarten and to children from neighbouring villages that do not attend this school. In addition the Small School in this village offers schooling in the Centre of Further Education, as well as at general high school and two high technical schools for adults.

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*Adult participants of computer training course held in the Small School.*

*Case study 1.4**Golden Goal – learning through sport*

The Golden Goal Plus Project is addressed to young people with poor basic education in reading, writing, and counting, and to those with low levels of social and communication abilities. It is intended for young people with low social status background, those who drop out from school early, the long-term unemployed, ethnic minorities, migrants and other categories that are socially and culturally deprived. The project is being implemented in Germany, Austria, France, Portugal, Holland, and Poland.



An innovative character of the project lies in the integration of learning basic skills with sports exercises. Teachers who work for such schools and other educational units were equipped with specialised didactic material. Integration of learning basic intellectual skills and sports exercises proceeds according to three assumptions:

1. Sports exercises are to motivate students to learn basic knowledge and skills.
2. Target groups are interested in sport.
3. Sports environment is free of negative factors which may have been experienced by students while learning at school.

Classes can be taught at any sports facilities.

*Example- learning calculation through sport*

Students participate in the exercise which aims at practicing counting. Their task is to calculate the cost of covering the playground with artificial grass. First stage involves teamwork, when students measure the area of the sports yard and draw up a blueprint in which the grass area, goalposts and infrastructure are marked. A further

stage is carried out indoors and takes the form of individual consultation. The students are expected to calculate the cost of the whole investment, with the unit price of the grass cover given. The sports club that subsidises the investment intends to obtain some additional financial resources through raising the price of tickets. So the students have to calculate revenues of the club and present it with the cost of the planned investment. During the third stage, the calculations of all individual students are compared and explained.

As compared to other innovations, the Golden Goal is of strict pedagogical nature and refers to teaching techniques.

*Issues linked to Educational innovations issues to be discussed*

1. Do you know any other examples of educational innovations? Consider their goals, tasks and the ways of implementation.
2. Try to define characteristics of innovations discussed in this chapter, and those known to you from elsewhere. Are they products or processes? Which are innovative - undertaken actions or rather products?
3. Whether the examples of innovations known to you can be ascribed to a teacher-innovator, to a school as an organization or to a system of education as a whole?
4. Think of the factors which are conducive to designing and implementation of educational innovations.
5. Think of the factors which may constitute barriers in implementation of educational innovations.
6. When do education changes have innovative character, and when are they pseudo-innovative ones?

For more information visit:

<http://www.golden-goal-plus.eu>

## CHAPTER 2.

# *Imaging and implementing social innovations with limited technology. Cases of thematic villages in Poland*

### *Introduction*

2.1 The subject of this chapter is the relationship between social and technological innovations. Social innovations are defined as new initiatives, aiming to improve quality of social life and of an individual's life in a social context. Similarly to technological innovations, involving the commercialisation of new and successful technological applications, social innovations are successful applications of new social initiatives taking place in both the private sector and public sector. This chapter will address two main questions:

- Technological innovation and social innovation: Is there a link?
- Do social innovations exist without technological innovations?

2.2 The connection between technological and social innovations can be illustrated through an example: the process of developing thematic villages in a region near the city of Koszalin, north of Poland. The process started in 2000 and continues to the present day. During the first stage (years 2000-2005) it involved just one village – Sierakowo Sławieńskie (The Hobbits' Village) – where a live action role-playing (LARP) game, inspired by Tolkien's novel "The Hobbit", was the innovation concept. The second stage started in 2005, with the idea of creating a network of 5 thematic villages that attracted interest from four nearby villages – Iwęcino (known as "The village of the end of the world"), Dąbrowa (known as "The Village of the Healthy Life"), Paproty (known as "The Village of the Labyrinths") and Podgórk (known as "The Village of the Fairy Tales and Bicycles"). For this purpose a partnership, "Razem" ("Together"), was created which gathered representatives from 6 local and regional NGOs and received financing from the EU Community Initiative EQUAL. This financing ended in 2008. The third stage started in 2008 and aims to disseminate the results of the second stage. Until October 2010 the dissemination efforts had resulted in the creation of start-ups from approximately 50 thematic villages in various regions of Poland.

2.3 From the thematic villages initiative four types of interrelated innovations can be identified:

**Process innovations** - This type of innovation implies changes in the methods for creating and distributing both material and non-material products. These changes may lead to creating or distributing new or improved products that would be difficult to be prepared or distributed with the use of conventional methods.

**Product innovations** includes all changes leading to the improvement of a product already produced, or to expanding a structure of assortment by a new product.

**Context innovations** refers to elements that represent an innovation only in a local or rural context. This includes the practices of introducing ideas that work elsewhere into communities that are not accustomed to these. When implemented in a new surrounding, these ideas become an innovation.

2.4 The analysis of the processes for developing thematic villages in Poland shows that the development process, although innovative is also a catalyst of various types of innovations on methods of working with rural society (process innovation) and an essence of rural products (product innovation). From the Polish experience its worth highlighting that:

- Technological innovations are not a fundamental condition for success in developing a thematic village, yet these may support this process. This applies especially to the use of new technologies and the internet in rural conditions.
- Implementation of social innovations precedes and stimulates the implementation of technological innovations.
- When creating products for thematic villages, non-material factors of development are used initially. Due to low budget, low-cost products are developed first.

2.5 Most rural inhabitants in Poland believe that investment in infrastructure, especially quality of road networks and transportation, is key to a better future. The thematic village experience leads to claiming the opposite: tourists visit a



place because of its unique offerings and both accessibility and amenities play a secondary role. For this reason this chapter presents cases of social innovations that took place in Poland with little (if any) presence of technological innovations, something that showcases the possibility that rural areas have for entering into the new economy of non-material services based on knowledge, creativity and local cultural heritage without experiencing an “industrial” phase of development (leapfrogging concept).

### *What are the thematic villages?*

2.6 It is generally hard to start a new and innovative enterprise in small societies such as villages. Shortage of finance, fear of ridicule, trepidation of defeat, and deficiency of ideas are some of the many real or perceived obstacles. It is also much harder to attract clients. These are some of the reasons why not many rural people decide to take up such “revolutionary” changes. The creation of thematic villages is a good case to illustrate problems and potential solutions when implementing an initiative in a rural setting that is not conventional.

2.7 The prerequisite for thematic village development was that at least some of the locals shared a common vision for their future development. Central to this was to pursue new ways of generating income. It has to be noted though that thematic village creation was not always a result of economical needs. The desire to revive social and cultural life of a village has been a serious motivator. This is exactly the case of Aniolowo (Angel Village). The need for creating a thematic village was explained in a poem written by Magda, a 12 years old girl from the village:

*Aniolowo is not a city,  
Aniolowo is not a village,  
Aniolowo is a place,  
Where the whole of Poland  
should get to know.  
You can dance in Aniolowo,  
You can sing in Aniolowo,  
Aniolowo is a fairyland,  
Where dreams are fulfilled...*

2.8 This poem illustrates a girl’s dream of living in an exciting place, where it is fulfilling and fun. In a well-known place, where one can feel accomplished, and from where you don’t need to run away to go to the cities

2.9 Thematic villages are villages where new ideas for its development are created, and are the

generators for a new story, thanks to which the village will start living a new life. This new story will lead to new events, unconventional for a common rural concept.

### *The advantages of creating thematic villages*

2.10 In the introduction we presented the “Razem” (“Together”) partnership that took up the role of developing the thematic villages concept. Very early on in the development process the partnership witnessed the immediate effects of disseminating best practice and networking. Villagers were particularly excited by the publicity their village received and the contacts created even at an international level: *“Our lives became more exciting, people left their houses and switched off the TV. Now, together, we can do more, there is less complaining because we know that some things are dependant upon us”, as one villager said.*

2.11 The feeling of being visible, more widely known and valued encouraged the development work. Creating a thematic village has been a process of making contacts, meetings and workshops that would not have happened otherwise.

2.12 Creating a field game for five thematic villages, where Disc Golf Fields was one of the product offerings, gave opportunities for locals to visit such fields in the U.K and form a working relationship with Great Britain’s Masters in this sport. Creating willow labyrinths in the village of Paproty contributed to an increase interest in outdoor wicker making which resulted in working relationships with artists that came to create spatial forms from live willows. Iwecino village once known for myths related to the end of the world began to receive increased interest from individual researchers and hobbyists.

2.13 It should also be noted that residents of thematic villages showed an increased usage of the internet and new technological tools.

2.14 Where specialisation and interesting development possibilities (stories) can be found or introduced to a village such communities have the opportunity to spread the word and attract creative people. The introduction of such new talent raises the level of human capacity and potential for new economic activity

### *Process innovations*

2.15 The basic process innovation employed in popular cases of rural development is based on neo - endogenous development, which consists of using internal resources, described as

"development repertoire"<sup>1</sup>, with an external support. The external support is first applied in the form of a team of animators or facilitators and later in form of cooperation with people and organizations interested in developing a village product.

2.16 An innovation of the scale of thematic villages requires acting at the level of an entire village. As many village inhabitants as possible were approached to be actively involved in the process of creating thematic villages, ranging from the children to elder people. This approach requires different work methods based on location and group characteristics. The methodology is activity based and focuses on learning in action.

2.17 The neo – endogenous development mechanism for the development of thematic villages, is combined with the application of the PAR (Participative Action Research) method, by assigning important role to children. The children are thus empowered, as they are recognized as important actors, who have an opinion on their village future and these opinions ultimately influence the development decisions.

2.18 Another process innovation is the work with agents called semi-specialists, people who are still amateurs in what they do but are able to teach the basics of that discipline. Moreover, people take advantage of their multiple skills, not only the most mastered ones. As an example, an art teacher who attended a hip-hop dance workshop was able to pass this knowledge through a simple dance workshop with local teenagers and raise their interest. This approach of empowering amateurs and stimulate collective learning without involving professionals is similar in some ways to the emancipatory process of the pedagogy of the oppressed by Paulo Freire, whose mission was to make those, who thought that they know nothing, realize that they know something and that together they know a lot.

2.19 A similar form of empowering thematic villages' inhabitants is the fact, that for 3 years they have been teaching at the Pomeranian Science Festival at the Technical University of Koszalin. Although some villagers may not have a higher education, thanks to the use of the Internet and of the learning activities organised in the thematic villages initiative, they succeeded in obtaining some knowledge about certain topics of experimental science – e.g. the use of catapults which they constructed out of wood, making them now able to explain the mathematics, statistics and physics involved.

2.10 A process innovation is also in the form of developing recreation and educational products. In the case of the Iwięcino Village the tourist product was educational activities in Christmas and Easter traditions in the countryside for the city schools. This product was developed through the cooperation of a local tourist agency, a Christmas ornaments' factory in Koszalin, and the locals. This innovative initiative rendered considerable profits with a few thousands pupils visiting the village every year.

2.21 Another offering, which was developed jointly by a tourist agency and the community of Iwięcino Village, is the "Teddy Bear Land at the end of the world". In this initiative, pupils visit the teddy bear factory in Koszalin and then are taken to the village to make their own teddy bears, enjoying games, dances and storytelling about bears. Additionally children learn about climate change and the threats to the polar bear.

2.22 The case of labyrinth's village in Paproty is a good example of social innovation which precedes technological innovation. One family of farmers after participating in relevant workshops organised by the Partnership and after visiting thematic villages in other countries, decided to transform their farm into an educational and fun farm. They obtained an Internet connection and started inventing new games inspired by an internet "do it yourself" site. From this process they learned how to organize a disc-golf field, make huge soap bubbles or organise a group battle using catapults and balloons filled with water. The teaching of physics, collaboration with artists in creating the farm's offer and scenography – these are all innovative processes that happened in Paproty.

### *Product innovations*

2.23 Product innovation seems to be the most tangible and easiest to observe. In Karwno Village it is a game, a quest for parts of a machine called „Fantasy Generator with powers to reveal the future". In order to obtain 8 of its parts, the players' teams must find 8 persons from all over the village who give them special tasks to complete such as, creating a broom out of sticks for the witch, or learning simple steps of the fire dance. Another example is the „teaching cupboard" introduced in three thematic villages, which are located on a Cistercian trail. Taking advantage of the history of the local monks' order, different drawers give educational fun tasks about trade, history or nature activating a learning process that involves also experiences.

2.24 These examples are unique and introduced into the tourist market may well generate income.

<sup>1</sup> Ch. Ray, *Culture Economies: a perspective on local rural development in Europe*, s.26.  
<http://www.ncl.ac.uk/cre/publish/Books/CultureEconfinal.pdf>

2.25 Creating thematic villages assumes a change in the story that people tell about the place they live, a narrative of a village evolves from "conventional" to "unconventional" such as a unique in the world village of storks, humour or Hobbits. With the new story a new context is created and new processes which facilitate development of numerous new products. However, this story should not be conceived by external experts but created together with its inhabitants including children who are often the only who dare to present crazy and unconventional ideas.

2.26 Creating a new concept for the village and develop specific services -a process innovation- requires high involvement of the local community. In Sierakowo Sławieńskie they renovated an old forge and trained a blacksmith; built the Hobbiton and a set of buildings for a live action role-playing game on Tolkien's novels all based on the voluntary work of the locals. The pure fact that such extraordinary idea was implemented in a peripheral village is a success, not mentioning the fact that the village got publicity and its dwellers got jobs. The Hobbit village has big tourist interest (12 000 visits yearly) and some of its inhabitants started to run their own small businesses inspired by Tolkien's universe, such as the Trolls restaurant.

2.27 The Hobbit' game is a clear product of innovation, which served the development of the local economy.

### *Context innovations*

2.28 In Karwno Village, local youngsters created a samba band, inspired by a rural animator who participated in samba workshops before. Although there are quite a few samba drum orchestras in Poland, this one was the first rural samba band, using a barn for their rehearsals. The samba band smoothly adapted to the cultural context of the region, as the band got lots of invitations to play on the traditional harvests' festivities. Another case is Hawaiian hula dance group in Karwno Village. One local woman learned few dances from a rural animator working as an art teacher. As she enjoyed hula very much, quickly she started to teach visitors and now hula forms part of Karwno's tourist offer.

2.29 The important feature of the mentioned context innovations is that they are accepted in the new environment and can bring profits to those who perform them. In Iwęcino -"The village of the end of the world", poems from all over the world more or less related to eschatology were collected and published on a village wall, thus forming another unique attraction and a context innovation.

2.30 The other examples of context innovations are the LARP games run by the inhabitants of the "Hobbits' village" as well as the barns used in the "Fantasy village" as a place for seminars and games.

2.31 The distinction between the innovation types is made to facilitate its scientific and systematic understanding. Nonetheless, in the real world these types of innovations are interconnected and mixed, e.g. processes create products and products can give birth to new processes.

### *Conclusions*

2.32 The analysis of the processes involved in developing thematic villages shows that technological innovation is not a fundamental condition for successful process of developing thematic villages, yet they may support this process. This applies especially to use of the internet and new technologies in rural conditions. Furthermore, implementing social innovations precedes and stimulates the implementation of technological innovations.

2.33 In the beginning of the chapter the term "leapfrogging" was introduced. This concept promoted by authors such as J.Goldemberger ("Leapfrogging Energy Technologies", Energy Policy 2(10): 729-741) as part of the sustainable development theory, proposes that through leapfrogging, developing countries do not need to follow the polluting development trajectory of industrialized countries. In the case of the thematic village, alternative rural development is advocated. Polish villages are dominated by small family farms which do not necessarily need to go through the stage of industrialisation where large farms dominate. Instead they can readily develop the range of non-material services based on emotions, knowledge, creativity and uniqueness.

## CHAPTER 3.

*Social innovation and sustainability**Sustainable development & its different variations*

3.1 Sustainable development is widely understood to describe the connection between the present and future generations, as pointed out by the Commission's definition (WCED 1987, 43). This connection is considered one of the crucial issues in the decision-making concerning sustainable development, which became a widely known concept after the publication of the report titled "Our Common Future" by the United Nation's World Commission on Environment and Development in 1987. In the subsequent discussion on sustainable development, the concept has been divided into four dimensions: ecological, economic, cultural, and social.

3.2 The ecological and economic dimensions of sustainable development are the most well-known dimensions relating to the preservation of environment, on the one hand and on the efficient use of resources from an economic point of view, on the other. The social and cultural dimensions reflect softer but still extremely relevant aspects of sustainability, especially regarding the "by whom and for who" is the development process being implemented. The cultural environment may and should function as a resource in development, therefore its acknowledgement and preservation is crucial in the longer-term perspective.

3.3 The social dimension of sustainability relates to enabling people to realise their potential, build self-confidence and lead lives of dignity and fulfilment, therefore the aim of development is to improve the quality of human conditions at individual and aggregate level. Communities as well must be empowered in order to be able to care for their own environment and as such should be supported to participate in any development activity being planned or undertaken in their area. Such participatory development will lead to a more sustainable society. This means that citizens must have enough opportunities to express their opinions in decision-making related to their living conditions. This is possible whenever the administrative system is open and democratic. Consequently, the government needs to be in continuous discussion with its citizens and civic organizations. (Jacob 1996, 10-16; Rannikko 1999, 397-398.)

3.4 In the subsequent discussion on sustainable development, the concept has also been divided into different levels: very weak sustainable development (also called treadmill of production model), weak sustainable development, strong sustainable development and very strong sustainable development (Ponnikas 2003). The levels delineate the alternative frameworks for

putting sustainable development into practice. In the weak approaches the natural environment is seen in terms of its utility to the economic system. Sustainable development is synonymous with sustainable growth. Top down initiatives dominate in the administration system and there is only limited dialogue between state and third sector organisations. (Baker et al. 1997, 8-14; Dobson 1998, 56-57; O'Riordan 1996, 144-149; Ponnikas 2003, 67-73.)

3.5 Environmental problems are reduced to managerial problems, solvable within the context of the dominant political and economic system. Rather than stimulating radical reform, sustainable development here becomes a cachet of ever-expanding improvement. (Baker et al. 1997, 8-15; O'Riordan 1996, 145-146, 148-149.)

3.6 Whereas weak approaches to sustainable development assert that economic development is a precondition of environmental protection, advocates of strong sustainable development assert that environmental protection is a precondition of economic development (environmentally regulated market). The overall objective of economic growth remains, but there have to be changes in patterns of production and consumption. While at the global level there can be economic growth in developing countries, in industrial countries there can be economic improvement. (Baker et al. 1997, 15-16.)

3.7 The concept of very strong sustainable development also lays stress on the social dimensions of development, which among other things means that greater account is taken of work and production activities that lie outside the formal economic system in the social economy, for example through the not-for-private-profit contributions of community-based organizations. (Baker et al. 1997, 15-17; Dobson 1998, 55-57; Jacobs 1999, 40-41; Jacob 1996, 6-8, 17.)

*Citizens' empowerment*

3.8 One term very closely associated with social sustainability is citizens' empowerment, which requires an open and democratic administrative system. A system of this kind gives people equal opportunities and access to expertise and knowledge and a capacity to contribute to the decisions that affect them (see, for example, Arnstein 1969; Barber 1984, XVII; 226-227; Ponnikas 2000 or Rogers & Ryan 2001; Aldea-Partanen & Ponnikas 2007).

3.9 The models of participation that have been presented in the discussion on sustainable development could be divided into the top-down and bottom-up approach to participation. The top-

down model is mainly concerned with the implementation of sustainable development, but hardly at all with determining the implicit objectives of such development. Governments decide on the objectives, using expert knowledge, and the public is mainly involved in carrying out the policy. Participation at the objective-setting stage consists of only desultory consultation (Jacobs 1999, 34). This type of participation is functional, which means that participation is seen by external agents as a means to achieve goals. The goals of participation have already been decided. (Bell & Morse 2001, 297; Jacobs 1999, 34-35.)

3.10 The bottom-up interpretation of participation is more radical: the setting of objectives and the implementation are subject to participative processes (Jacobs 1999, 34). This participation is seen as a civil right. Seeing the participation only as a mechanical function is not enough (Bell & Morse 2001, 297-299.)

3.11 In practical terms, the participation of citizens in development policies for rural areas should be considered more as a bottom-up approach and the top-down participation should be more rarely

practiced, or at least a mechanism for combining both approaches should be found. Furthermore, with respect to sustainable development, the ecological, social, cultural and economic dimensions should be taken into consideration when designing and implementing rural and regional development policies.

### *Sustainability Matrix*

3.12 The sustainability dimensions can be found in different proportions depending on the variation of sustainability one analyses. Each variation reflects a certain approach to development, defining sustainability in a more or less demanding manner as compared with the way things are regularly done.

3.13 Different variations of sustainable development represent a kind of ladder or a map of sustainable transition. The ends of the ladder can be considered the extremes that represent all the possible visions, from superficial to radical, on the nature of, and solution to, the contemporary environmental crisis and the relationship between humankind and nature. (Baker et al. 1997, 17-18; O'Riordan 1996, 145-146.)

**Table 1. Sustainability Matrix.**

<b>Sustainability variations Sustainability dimensions</b>	<b>Very weak</b>	<b>Weak</b>	<b>Strong</b>	<b>Very strong</b>
<b>Ecologic</b>	Low, just managerial	Economic growth – precondition of environmental protection	Environmental protection – precondition of economic growth	Eco-centric model structural changes having impact on the economic, cultural and social dimensions of sustainability
<b>Economic</b>	Economical growth as the main target of the policy	Solutions provided by the industrialised countries		
<b>Cultural</b>	Not taken into consideration	Development takes place according to the conditions put by those in power	Cultural diversity is respected	
<b>Social</b>	Not taken into consideration	Underlines the contradictions between social and ecological sustainability. Social welfare can be ensured only via economic growth and effectiveness.	Ecological sustainable development is a precondition for social sustainability	
<b>Participation</b>	Top-down decision making	Strengthening citizens participation as small part of the development	Strengthening citizens participation as an important part of the development	Strengthening citizens participation as a crucial part of the development
<b>Local knowledge</b>	No role in decision making and planning	Expert knowledge provides solutions	Local knowledge accounted	Local knowledge incorporated in the development



### *Social Innovations and Citizens*

3.14 Social innovation refers to new strategies, concepts, ideas and organizations that meet social needs of all kinds - from working conditions and education to community development and health - and that extend and strengthen civil society. Therefore it can be clearly seen that concepts like social sustainability, citizen's empowerment and variations of sustainability describe the circumstances where social innovations are likely or not to occur. Maximizing an individual's capabilities while involving them in innovative activities was indeed also covered by the empowerment perspective.

3.15 Improving citizen empowerment stimulates the potential for new innovations. Innovation is often viewed as the privilege of society's cultural and economic elite, rarely is it seen that innovations are often born and developed when citizens try to find new ways of solving problems that occur in every day life. For example in ICT many innovations happen when people have played with the applications and tried to do new things. (Ali-Yrkkö et.al. 2006, p.66.) Consequently, interactions between citizens are particular generators for new innovations. We see innovations as social constructions (social constructive paradigm of innovations). From this perspective, every innovation, even the most technical, is a social innovation. Social innovation can be seen as a new way of doing things together, as a new combination of players which creates new networks and communalities.

3.16 Social innovation' seeks new answers to social problems by:

- Identifying and delivering new services that improve the quality of life of individuals and communities.
- Identifying and implementing new labour market integration processes, new competencies, new jobs, and new forms of participation, as diverse elements that each contribute to improving the position of individuals in the workforce.

3.17 Social innovations can therefore be seen as dealing with the welfare of individuals and communities, both as consumers and producers. The elements of this welfare are linked with their quality of life and activity. Wherever social innovations appear, they always bring new references or processes.

3.18 Kainuu Village Action Programme is a way to promote social innovations. By stimulating citizen's participation and fostering the socio-economic dimension of sustainability it fosters social innovations. Kainuu Village Action Programme can be seen as a social innovation in itself, an innovative way to create multi-level cooperation and strengthen citizen participation (see case study 3.2).

3.19 Social innovation is distinct from economic innovation because it is not about introducing new types of production or exploiting new markets in itself but is about satisfying new needs not provided by the market (even if markets intervene later) or creating new, more satisfactory ways of insertion in terms of giving people a place and a role in production.

### *Socially Innovative Networks*

3.20 When social innovations are seen as products of interactions between people, the social networks where the interactions occur are crucial. The social networks forming reliable partnerships have greater chances of identifying sustainable solutions. The socially innovative networks need a flexible environment and a shared intent; they need joint learning and Triple Helix like partnerships. Flexibility of this environment influences the innovativeness. One concrete example of socially innovative networking and partnership is the Kainuu rural development group (see case study 3.1), which put together different regional and local stakeholders, from the public, private, 3rd sector and knowledge sectors.

3.21 Some fundamental parts of social capital can make innovations more likely to occur. Such parts include: trust between members of the community, members' commitments to the community to which they belong and openness of the community and can help innovations to develop. Acceptance of a variety of people, a multicultural environment and judging the content of the ideas based on their quality and not on the status of the presenter, also facilitates the occurrence innovation. Triple helix partnerships provide the diversity and the complementary competences required for facilitating innovative processes.

### *Triple and Quadruple Helix*

3.22 Triple helix partnerships, which consist of representatives of public authorities, knowledge providers and entrepreneurs, have been proven to boost innovation. This kind of partnership may be part of a regional innovation system as well and has been shown to also stimulate knowledge based economic growth (Zheng, et al. 2007, 253–263). The triple helix concept has also been extended to a quadruple helix by including the citizen's helix within the model, to better contribute to the knowledge region creation. When there are partners from different sectors, also citizens, it is more likely that the needs of these sectors are taken care of and also special skills and knowledge are put together. Kainuu Village Action Programme and Kainuu rural development group are concrete examples of quadruple helix co-operation (see case studies 3.1 and 3.2).

3.23 The history of quadruple helix is related to knowledge creation and the fourth helix was first

proposed, in the literature, in 2002 by Canadian nano-technology specialist Mehta (2002, 10): "Knowledge creation is now more reflexive, non-linear, complex and hybridised. Furthermore, inclusion of the fourth helix becomes critical since scientific knowledge is increasingly evaluated by its social robustness and inclusivity".

3.24 Recent use of quadruple helix is related to interactions in processes of local and regional development, such as in the knowledge regions: "In addition to the three strains of the triple helix, knowledge regions pay an increasing attention to the participation of citizens, of engaging the public in the processes of knowledge creation, creating quadruple helix interactions" (Reichert 2006, 41).

### *Social innovation, sustainability and place-based development*

3.25 The social innovations are long lasting, therefore sustainable, when ever they account for and find new ways to use local assets, understood in a broad manner (place-based development) and mobilise all available resources, including human ones.

### *Questions for group work*

3.26 Which are the local networks in your community? Are they cooperating? Are they following a longer term or a short term perspective? Is there a mapping of the existing capacities done? Is it accounted in the planning processes?

### Case study 3.1

#### *Kainuu Rural Development Group, Finland*

This case is about sustainable development in Kainuu through inter-municipal, inter-organisational, intra-regional and inter-sector co-operation from many levels in Kainuu Rural Development Group.

The sparsely populated and mainly rural Kainuu region is the target of the regional governance experiment. This governance experiment is not typical for Finland, though it may be a source of inspiration for other regions. The experiment started due to clear financial problems in delivery of health and social services, then the responsibility of sole municipalities. At the level of Central Government it was decided that a potential solution might lie in forming a union of municipalities in Kainuu region which may allow for better economic efficiency and sustainability in the development of the region, generally and for health and social care services, in particular. Joint Authority of Kainuu Region is a new regional body, established in 2005, in charge of the Development of the region, through: organising basic services; Citizen's participation; Municipal administration; activities of the governmental regional bodies; and relations between the governmental and regional administrations.

Kainuu Rural Development Group is one of the bodies charged with focusing regional policy and targeting rural development policy. It was created on 14.3.2005, under Kainuu Regional Strategy Group. Part of the Rural Development Group are public bodies from different levels, representatives of private companies, representatives of knowledge sector, such as education and research and development bodies, as well as representatives of 3rd sector, such as but not only Kainuun Nuotta, the association of Kainuu village associations. This form of partnership includes representatives of the quadruple helix (public, private, knowledge and 3rd sector), which is considered nowadays one of the motors of regional innovation.

The Kainuu rural development group (RDG) is a concrete example of a partnership at the strategic level mobilising local capacity in concrete strains of rural development, such as Thematic Action Programmes. The activity is organised from policy level, made operational through more detailed plans until reaching the grass-root level. The Chair of Kainuu rural development group is nominated by Rural Department from Kainuu's Centre for Economic Development, Transport and the Environment (CEDTE). Joint Authority of Kainuu Region representatives in Kainuu rural development group are the Development Director of Joint authority of Kainuu Region and the regional planner from the same Regional

Development department. Kainuu RDG also consists of representatives of City of Kajaani, Leader groups, Kainuu Nuotta (association of villages association), Kainuu forestry centre, Kainuu vocational school Seppälä, Kainuu 4H club, Finnvera Kajaani, Kainuu's entrepreneurs association, Kainuu's environment centre, MTK-Kainuu, ProAgria Kainuu, Kainuu's protection club, Border-Kainuu regional association, Rural thematic groups co-ordinators, Forestry administration, Kajaani University Consortium and Valio association.

Kainuu rural development group's tasks consist of:

- Preparation and maintenance of the Kainuu rural development strategy and the corresponding Action Programmes,
- Their integration in the Kainuu Regional Plan and Kainuu Regional Programme
- Monitoring and evaluation of the rural development processes and perspectives, such as but not only the Leader Groups and the Action Programmes
- Initiation of development processes
- Formulation of suggestions to decision makers from different levels and institutions

Action Programmes from Kainuu region, as coordinated by Kainuu Centre for Economic Development, Transport and the Environment, are:

- Rural entrepreneurship, MTK Kainuu
- Rural natural tourism, Kainuun Etu
- Forestry and wood-processing, Kainuun Etu
- Bio-energy & new energy, Kajaani University Consortium
- Village Action Programmes, Kajaani University Consortium

In each of the action programmes, specific partnerships are made allowing for mobilisation of local knowledge and resources. The main results are that the actual action programmes represent and mobilise the local capacity and needs, having a better support from grass-root level. The participation of voluntary organisations assures that also social dimension of sustainability is accounted.

#### *Lessons learned; suggestions and conclusions*

Main lessons learned are that through flexible co-operation and partnerships, complex sustainability of the development in sparsely populated and rural areas is assured. The partnership may be long lasting whenever the contributors are not just public bodies imposing the decisions in a top-down



manner, but also different regional and local stakeholders, from private, 3rd sector and knowledge sector. Experienced actors from knowledge sector may function as animators.

Contact details:

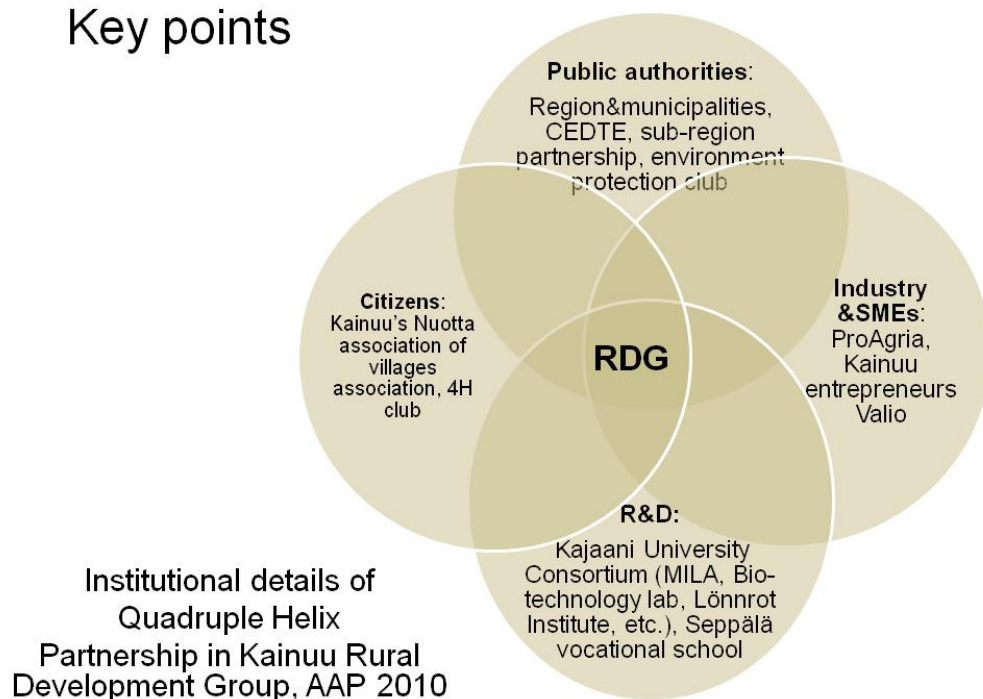
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## Triple and Quadruple Helix Partnerships in Kainuu

### Key points



### Case study 3.2

#### *Kainuu Village Action Programme, Finland*

This case is about Kainuu Village Action Programme, a project that aims to stimulate village participation, contributing to the socio-economic dimension of sustainability and enforcing multi-level cooperation.

Kainuu Rural Development Group functions through thematic Action Programmes. They are: Rural entrepreneurship (run by MTK Kainuu); Rural natural tourism (run by Kainuun Etu); Forestry and wood-processing (run by Kainuun Etu); Bio-energy & new energy (run by Kajaani University Consortium); and Village Action Programme (run by Kajaani University Consortium)

The thematic action programmes are concrete ways to make the strategy operational in a practical manner, accounting local needs and capacity and mobilising them. In 1980s, the most active villages have been supported to set Action Plans to be reached through various means. (Villages are not administrative units in Finland. Village associations, volunteer bodies, are representing and serving the village's interests). In 1998, the village development started in Kainuu through close co-operation between University of Oulu and ProAgria Kainuu. In 1995 has been set up a union of Kainuu's village associations – Kainuun Nuotta. After 2000, Finnish tripartite classification of the rural areas has been developed, in which the rural localities are split in:

- Rural – close to urban areas
- Core rural
- Rural – sparsely populated

Reinforcing cooperation between the municipality and the villages has been the main mean of consolidating the development processes. In 2004, Village Action Programme started, using in practice in more detailed manner the tripartite classification, adapting for each village customised development tools, depending on its specificity.



Kainuu Village Action Programme stimulates and moderates co-operation for:

- Strengthening the relationship between municipality administration and its villages, represented by volunteer villages associations; their capacity and needs are accounted through village parliaments or village teams.
- Setting Action Plans for all the villages
- Setting thematic action plans for the villages interested in it
- Setting village and built-up area plans (for Kajaani urban municipality)
- Getting rough project plans agreed upon with officials which can partially or totally finance them.

The activities vary depending on the concrete reality and institutional settings in place. There are villages where local democracy and participation takes place in the form of village parliaments, which meet and discuss the problems, needs and assets of the local community. The coordinator of Kainuu village Programme functions as a mediator between different level representatives from municipal level, being it rural or urban one, regional level, other territorial representatives of central government in the territory (ELY-centres), as well as entrepreneurs and local action groups and volunteer associations of different kinds.

The village plans succeed whenever there is a constant level of independent activity and persistence, commitments are kept and cooperation may be done between various stakeholders. Volunteer spirit is also an important success factor for putting the village action plan in practice. Other such factors are a long-term perspective, a good planning, accessing resources and mobilising reliable partners.

The village plans are not put well in practice whenever village association is faced with some of the following challenges in various combinations: prejudices, delays in financing decisions, bureaucracy, negative attitudes, lack of knowledge or local capacity, lack of will to contribute, unrealistic plans or activities, lack of trust in themselves as individuals or community capacity, bad relations within the village or with the municipal administration.

Main lessons learned are that multi-level co-operation, positive attitude and long-term perspective allows for sustainable development in sparsely populated Kainuu.

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### Case study 3.3

#### *Ruhtinansalmi Village, Finland*

Ruhtinansalmi (Prince's sound) village, part of Suomussalmi municipality, has an active community life with many local associations. This has enabled the introduction of new ideas, trends and ways of working thus contributing to increased local prosperity.

Situated in Kainuu Region, Eastern Finland; Ruhtinansalmi village is in the north eastern part of Suomussalmi municipality, adjacent to the Russia border and had a population in 2010 of just 314 inhabitants. As in the whole region, the village has a low population density, wild and semi-natural environment and a way of life that is still very much connected with nature and the outdoors. Ruhtinansalmi was selected as the Finnish village of the year in 1996, and village of the year in 2007 for Kainuu region.

The remoteness of rural locations is in part due to the topography of the areas, the long distances and/or weak transport and communications infrastructure between villages and cities. Remote and sparsely populated rural areas are common in Nordic regions. The low density of the population compared to the national and European averages makes them more challenging from an economic viability point of view. Finland, a sparsely populated country compared with neighbouring countries (16 inh./km<sup>2</sup>) has many such areas, one of them being the Kainuu region, with just under 4 inh/km<sup>2</sup>.

Finnish rural municipalities are organised as communes, some including many villages. Village associations are a fundamental part of the Finnish rural voluntary sector with a long tradition and history of involvement in village planning. Such is also the case with Ruhtinansalmi village association, one of the 15 voluntary associations of the Ruhtinansalmi village.



The Ruhtinansalmi village association has adopted the overall aim of ensuring better living conditions for the local community. This goal is connected with all the aspects of sustainability: social, economic, cultural and environmental. The association is working on many fronts to promote social well-being and bring people together; an essential component of social life in these remote locations. One of the means for achieving this is the organisation of local social events; another is related to the planned restoration of the sports hall (once the venue for many shows and performances which drew hundreds of people to summer events) to create a village community centre.

What is innovative though about this association is the vision it has for the future and the concrete actions taken to maintain and increase the village population. The association is actively marketing the empty houses of the area to both Finns and foreigners interested in relocating to Ruhtinansalmi. This is an effective strategy, which has started to pay off as year by year more people are moving to Ruhtinansalmi and out-migration has also decreased. To achieve this goal, the association went beyond marketing initiatives, and worked to ensure that IT infrastructure is available in the area by co-operating with regional authorities and internet providers, as high speed internet in remote locations provides opportunities for development. Similar development work is being carried out for the improvement of the school, church, the senior people's home and the tourism infrastructure. The senior people's home was located in the rural area quite far away from the centre of municipality which does not seem to be so typical solution in a time when almost all services aim to concentrate to bigger centres. With scattered placing senior people nearby Ruhtinansalmi can continue living in more rural environment and at the same time there is also some workforce needed that keeps senior people's home going.

The village association has also recognised the importance of tourism development as a means to diversify the local economy and exploit the natural assets and outdoor opportunities of the area. Bear watching is increasingly seen as a major opportunity for developing nature tourism (Arola Farm) and is now starting to grow in a region where hunting tourism was once common. The association has managed to declare a forest area as protected and is working on developing tourism access and restoring landmarks of Finnish forestry life such as a traditional water mill. The creation of tourism attractions and the linkage with visitor attractions in neighbouring areas (such as Nature Centre Hossa) and activities (trekking, cross

country skiing) gives an appealing nature tourism character to the area. Recognising these changes, the village community increasingly understands the importance of the rural tourism industry as an economic generator which thus acts as an agent for change in the whole region. The village association employs project managers to carry on the project tasks. They have gone beyond the more general way of thinking, that the action in villages is mostly based on voluntary work; this means that it may be less organised and be a bit more risky for that the activity stops after the first excitement. These risks are reduced because of the use of hired work.

This social innovation network seems lively in an area where bringing people together has always been a challenge. Key persons in the local community acting as rural animators have effectively managed to bring together the

community and take on a development plan that has a strong sustainability element and makes use of local resources and competences while also identifying the role of new technologies and the need for knowledge exchange with similar networks in Europe and abroad. This synergy between public, private and voluntary sectors appears to be a good practice for local growth while ensuring local wellbeing.

Source: workgroup based on a study-trip during the 9<sup>th</sup> Summer Academy of Euracademy Association in 2010.

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# Part II: Social Innovations at Work

## CHAPTER 4.

### *Social innovation in entrepreneurship*

4.1 Stimulating entrepreneurship in rural areas has been a major policy area for rural development agencies for decades. In more recent years interest in social entrepreneurship/social enterprise as a means for assisting the development of rural communities has been gaining ground.

4.2 Social innovation concerns the application of new ideas and processes or the reapplication of existing ideas in new ways to areas of social value and need and/or with the design and intention of delivering social impact. Often a collaborative approach is employed to provide innovative solutions that help create social change in a myriad of areas ranging, for instance, from environmental sustainability and green issues to public and community service initiatives. Social entrepreneurship relates to entrepreneurial action by organisations and individuals that creates significant social value. It engages with opportunities that create this value, embraces innovation and seeks out better ways to utilise existing resources and build new resources. Research in this domain can include ecopreneurship and green entrepreneurship; sustainability and ethical issues, in addition to not-for-profit, community, charity and philanthropic businesses that have an entrepreneurial approach.

4.3 A social enterprise is an innovation on commercial enterprise with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.

#### *Social Enterprise*

4.4 In more detail the characteristics of a social enterprise can be summarised to the following:

1. A business or service with primarily social objectives and whose surpluses (profits) are principally reinvested for a social purpose in the community, rather than being driven by the need to maximise profit for shareholders and owners.
2. A local community acting together to provide services needed by the local population, particularly where the service cannot be provided through the market economy.
3. Social enterprises are businesses trading for social and environmental purposes. Many commercial businesses would consider themselves to have social objectives, but social enterprises are distinctive because their social and/or environmental purpose is absolutely central to what they do - their

profits are reinvested to sustain and further their mission for positive change.

#### *Social Innovation*

4.5 Social Innovations can be described as new ideas (products, services and models) that simultaneously meet social needs and create new social relationships or collaborations. In other words, they are innovations that are both good for society and enhance society.

A social innovation can be a product, production process, or technology (much like innovation in general), but it can also be a principle, an idea, a piece of legislation, a social movement, an intervention, or some combination of them."

#### *Social Capital*

4.6 Social Capital can be described as increasing the confidence and capacity of individuals and groups to get involved in activities and build mutually supportive networks that hold communities together. Furthermore:

- Social capital describes the shape and intensity of networks among people and the shared values which arise from those networks. Greater interaction between people generates a greater sense of community spirit and a greater amount of social capital
- Social Capital is what is created when communities come together to share a common aim or goal.

#### *How do Social Enterprises differ from Commercial Enterprises?*

4.7 A Social Enterprise through the nature of its origins has a specific understanding of local society and local economy

The Social Enterprise Sector has a vital role to play in helping grow a local economy. It can help in delivering excellent public and local services and supporting stronger communities

The Social Enterprise Sector usually has a triple or quadruple bottom line:

- Social Benefits
- Economic Benefits
- Environmental Benefits
- Financial Benefits

4.8 While the challenges in developing socially innovative entrepreneurship include many of those related to establishing a commercial enterprise they also involve balancing the needs of the community with the commercial imperative of

earning sufficient income to pay for operating costs and generation of surpluses for reinvesting in community activities. Drawbacks to starting a social enterprise include:

- Uncertainty of income for community stakeholders
- Risk of losing capital for all investment stakeholders
- Lower quality of life for owner managers while the company becomes established
- Complete responsibility for business activities for owners, managers and community taking on managerial responsibilities

4.9 A recent study on success factors in social enterprises on behalf of the Scottish Government identified a number of key issues surrounding the concept of success in social entrepreneurship not least of which is that "success" is a relative rather than an absolute concept. Social enterprise leaders tended to identify success in terms of achievement including delivering on objectives achieving outcomes and changing lives and communities whilst at the same time maintaining the financial viability of the company.

4.10 The research showed clearly that social entrepreneurship in order to be successful needs to demonstrate many of the same traits as companies operating on strict commercial lines:

The case study research suggests that key success factors included:

- a clear and shared social mission;
- strong and inspiring leadership;
- close alignment with stakeholder and market needs;
- a product of value to others;
- effective relationships;
- systems that ensure operational excellence;
- an entrepreneurial streak and strong business acumen;
- a culture of learning, openness, and innovation;
- a sustainable scale and income base
- a strong grasp of the finances.

and successful start-ups can usually demonstrate one or more of the following criteria:

- Motivation & determination
- Idea & market
- Ability & experience
- Administration
- Good communication
- Support
- Resources
- Good planning

4.11 In contrast factors that influence business failure include the following:

- Weak idea
- Poor management

- Unfavourable economic conditions
- Inappropriate type of company structure
- Poor location
- Over reliance on state or other subsidies to cover running costs.

4.12 And these factors may also be compounded by poor preparation and planning including:

- Poor or inadequate market research lacking in-depth analysis of specific market segments
- Excessive secrecy in developing the business ideas, limited external evaluation and advice/comment
- Lack of planning for development of client base or marketplace for the products/services
- Lack of capital
- Lack of a contingency plan

4.13 Within agriculture and rural development social innovation is often taken to refer to those changes in the social fabric of rural societies, that are perceived as necessary and desirable in order to assure their survival. It relates to social structure but also to attitudes and values and the willingness of people to engage for the collective good. It includes collective and creative learning processes, in which actors from different social groups and rural and urban contexts participate. Together they develop new skills, products and/or practices, as well as new attitudes and values, which make a difference in addressing agriculture's sustainability challenge and in strengthening rural societies.

4.14 Social innovation is central to rural development: it drives people's engagement and revitalises rural society and builds social capital. Constraining factors may include the domination of a small groups of activists who inhibit or limit wider social participation. Sometimes this is associated with volunteering being the preserve of those in retirement. In addition, the existence of factions and close-knit cliques may have a similar negative effect. More generally, excessive bureaucratic regulation and control although perceived as the good intentions of a caring government may rightly or wrongly take the fun out of voluntary activities through an increase in the 'hassle factor'.

4.15 On the positive side a welcoming and open culture with good lines of communication and the support of external agencies can support social cohesion. The more opportunity for informal meetings and social activities, the more likely people will get to know and trust each other. Joining together in activities that are fun helps to create a spirit of collaboration and trust that can be drawn upon in other contexts. Clearly, success breeds success and having an infrastructure of meeting places and social facilities certainly helps.

4.16 Success factors in building social capital include having a sufficient reservoir of human and social capital, working with change agents that can facilitate new contacts and support learning and identifying and working with charismatic, inspiring leaders. On the other hand risks of failure may



result where there is a lack of social services, material support and appropriate infrastructure. Development of innovation, social entrepreneurship and social capital can be inhibited too where there is a lack of institutional support, local government acts in an excessively top down manner, and through clientelism, civil society is too weak, there is a general lack of citizen engagement or of an entrepreneurial or culture of trust and where there is exclusion of social groups

4.17 Social learning is an essential mechanism of social innovation and is successful where there is a climate of trust and respect between social sectors, where there exists a shared purpose and engagement. Building in space for debate, where disagreement can be aired openly and without rancour and capable facilitators can assist the building of capacity and innovativeness is critical to success. Governmental seed capital funding to create spaces for learning and to support salaries of support workers is often critical until initiatives can develop their own momentum.

4.18 Where the various actors are too different in their aspirations, interests and life experiences then social interaction can be difficult to initiate. Significant imbalance in power may also stifle innovation and capital building, whilst incredible, illegitimate facilitators may also lose the trust and involvement of the local community.

4.19 Thus in conclusion some of the main issues involved in the development of socially innovative entrepreneurship in rural communities include:

- local enthusiasm must not be allowed to burn itself out by being overwhelmed with excessive regulatory burdens or numerous grant applications often involving low chances of success;
- volunteering must be fun as well as allowing for social responsibility and good citizenship;
- the great strength of small communities is their accumulation of local knowledge: this should be respected and utilised;
- social enterprises with a clear and shared social mission, strong and inspiring leadership, closely alignment with stakeholder and market needs
- business leaders should possess an entrepreneurial streak and strong business acumen, financially competent and develop businesses systems that ensure operational excellence
- managers must build effective relationships with all stakeholders, customers and communities in which they operate and develop a culture of learning, openness, and innovation within their companies.
- parachuting in 'professional expertise' can be counter productive and should be done with a degree of sensitivity to the nature of 'place'; and
- it is important that effort is rewarded, and pound-for-pound and similar pump-priming schemes are probably more.

### *Case study 4.1*

*This case study charts the process of the community of Kirkmichael in Rural South Ayrshire and how the community managed to retain their local shop service, Scotland*

#### *Introduction*

- The village shop in Kirkmichael closed at the end of March 2010 as the owner was retiring. This left the community with no shop.
- The residents expressed a clear wish to retain this vital service, by coming together to deliver this service.
- New premises were identified and funds were raised from the community, Ayrshire Leader, Plunkett Foundation and Village Core.

#### **THE SHOP OPENED ON APRIL 4th.**

- Staffed by a team of volunteers and managed by the volunteer committee.
- Having **SAVED** this vital service, it needs to grow and become sustainable.

#### *Why Open a Community Shop?*

- The advantages to rural communities of having a shop, pub and post office reach far beyond what they sell and the services supplied.
- Communities say they are important meeting places, and are vital to the social and economic sustainability of their community. Over the past 20 years, Kirkmichael residents have seen two pubs, a restaurant and the local post office close
- The shop will not usually be the main source of shopping for residents, rather the 'convenience' or 'top up' shop. The committee understand this and will ensure that product ranges reflect this
- Rural shops can also offer further enticements that many supermarkets cannot such as locally made and produced products. South Ayrshire has a wealth of local producers.

#### *There are economic benefits as well*

- A village shop will both employ and serve local people throughout the year, helping to ensure that money stays within the local community.
- Local suppliers and contractors can be used to supply goods and services and customers may be people who work in local businesses but live elsewhere.
- Estate agents advise that rural communities with at least one shop and/or pub are considered more desirable places to live.

#### *There are social benefits too*

- Village shops help to create informal social support networks and when people use them regularly, they get to know their neighbours. This is especially important for more vulnerable groups such as the elderly, those caring for children or relatives and those living alone.
- Recognising neighbours and having the opportunity to interact helps develop a sense of belonging and safety.
- Village shops can provide a drop-off and collection point for a wide range of services such as dry cleaning, shoe repairs, film processing and prescriptions, which can be especially useful for those with limited access to transport.
- They can be a focal point to promote and sell tickets for other local activities, amenities and events, and provide information for those in the village as well as passing trade.

#### *A village shop brings environmental benefits*

- Local shops help to reduce the distance people travel by car, especially if a variety of goods and services are provided.
- By supplying local produce in particular, the distance goods travel and the subsequent packaging needs are reduced.

#### *So, why are Village Shops on the decline?*

- Unfortunately, for commercial shopkeepers the financial rewards of a rural business are often small – high rates and low returns, coupled with the long hours required has meant that many village shops have closed down. This coupled with the economic downturn and changes in shopping habits have meant that village shops are closing across the UK.
- Often, **the value of the shop** to the community is not fully realised until it has closed.
- Increasingly, villages have become determined to do something about it.
- A community-owned shop is one in which there is **community involvement** in either the setting up or the running of the shop.
- By pooling efforts and finding out what level of commitment the village can support, a community-owned shop is one way forward.



- Community-run enterprises have a **better chance of survival** than independent shops as the community is usually keener to support a venture in which they have an economic and social interest.

### *Description of Business:*

- Small General Food Store
- Café (light snacks and home baking)
- Licensed premises

### *Product Summary*

#### **Shop:**

- ❖ Newspapers and magazines
- ❖ Off Sales
- ❖ Dry Goods
- ❖ Frozen products
- ❖ Stationary items
- ❖ Cards and local craft items
- ❖ Small household and cleaning materials
- ❖ Fresh and locally sourced meat, vegetables & dairy products

#### **Café:**

- ❖ Home Baking
- ❖ Teas and coffee
- ❖ Juice and soft drinks
- ❖ Wines, Beers and Spirits
- ❖ Light snacks
- ❖ Home made soup
- ❖ Take-away Menu

### *How will it be Sustainable?*

The shop turnover is anticipated to be around £117K with costs of around £96K. Sales are boosted by daily newspaper sales which will account for £39K annually.

The business will need to grow by around 25% to become completely sustainable on sales alone. This is anticipated to take around 3 years and will be grant dependant until that time.

### *What were the steps*

- The shop was announced as closing
- Kirkmichael Village Renaissance Group consulted the community

- 2 questionnaires
- 3 public meetings
- Created Volunteer Rota
- Applied for funding
- Created business plan
- Obtained loan finance
- Sourced premises
- Refurbished premises
- Obtained relevant licenses
- Recruited Managers (2)
- Trained staff of appropriated courses
- Opened shop

### *Lessons learnt*

As far as the process goes, this community has a very smooth run. The community saw that they were losing a service and acted to change that.

### *Why was this group so successful?*

This group managed to ensure that the community knew what it would be like to lose the shop and how it would be if the community opened the shop themselves.

The management group are strong.

The group were able to access advice and help to get the process going and provide the optimum chance of making the project work.

They have managed to convey the importance of **USE IT or LOSE IT.**

The shop is better used as a community enterprise than it was as a private enterprise.

### *In Conclusion*

This group / project will survive as it has:

- Local commitment
- Strong Management Committee / Board
- Good mix of volunteer skills
- Wide range of experiences within the committee
- Strong and common community goals

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## Case study 4.2

### Heritage Trails development Slovenia

Based on similar principles as known in the LEADER methodology, by encouraging local participation, bottom-up approach, partnership creation etc. the following is an example of ambitious sustainable tourism activities based on local resources using the concept of Heritage Trails pioneered in Europe from the LAG Dolenjska and Bela krajina.

The starting point and key element for development was the fact that many European regions are rich in "heritage" sites - such as castles, churches, historic villages, natural caves, viewpoints, and museums. The idea of Heritage Trails is that these sites can be linked to form routes or circuits. This is very appropriate for sustainable tourism, because visitors like to move through an area, and are ready to spend money as they go. It opened an opportunity for LAG partners and other institutions to co-operate and by co-operating improve the quality and standards of sustainable tourism product in the region of Dolenjska and Bela krajina.

The Heritage Trails project shows how such sites can be used for tourism in a way that truly benefits the people and the economy of the local area; and which is sustainable, so that the tourism does not damage the heritage sites.



The LAG LEADER partnership and the project team in the Dolenjska/Bela Krajina region of Slovenia defined a Heritage Trail as a development strategy:

"a regional network of heritage sites, with a well-defined product identity, which can keep a tourist interested for up to one week".

In the chosen region, the project team which prepared development strategy:

- studied a range of heritage sites;
- identified those sites which might attract visitors;
- asked landowners and local people to decide whether the sites had the capacity to receive visitors (if not, the site was omitted from the Trail);
- conducted a detailed marketing study, to establish which kinds of visitors might be attracted to the region;
- prepared an outline of a Trail which might be marketed;
- consulted with local authorities and others to complete an agreed Trail;
- created a Heritage Trail Association as a public private partnership, to set up and market the Trail;
- gave detailed advice on standards and product quality to hotels and other enterprises who will service the trail.

It was a challenge to create a new inflow of visitors in the region as it is rural, less developed, with depopulation problems and marginal (on the Slovenian-Croatian border). The aim of the project therefore was to find opportunities to add value to agriculture and to diversify the economy.

In terms of target markets it is therefore essential to be very clear about:

- what kind of visitors may be interested to come to an area;
- what features will attract them;
- what services they will expect; and
- how they may be told about the area.

A public – private partnership was created to take responsibility for the management of all activities planned. Partnership may include:

- the government, which may encourage the development of tourism by fiscal or financial incentives, and may give a lead in national marketing efforts;
- local authorities, who control the infrastructure of roads, water supplies etc that is essential for tourism;
- private sector enterprises, who may provide accommodation for visitors; and

- local communities, who may have activities and products to offer.

Experience in LAG Dolenjska and Bela krajina shows that tourism can contribute to the economy of rural areas. It will contribute most effectively where it links with other sectors of the local economy, and does not compete with these sectors.

So, the aim should be to develop tourism in a way which:

- creates jobs for local people, including part-time or seasonal jobs which complement the other activities of farmers;
- uses locally-produced food in the hotels and other accommodation;
- involves local contractors in any building works, local transport operators and other local services;
- offers tourists the opportunity to take part in local activities, guided by local people, and to buy souvenirs and other products made locally.

Tourism is a highly competitive business and tourists tend to respond to the latest offer. For this reason, if an area wishes to ensure that visitors continue to come, it must compete effectively with other areas.

This means:

- maintaining the quality of all services for visitors
- improving those services, every year
- publicising the improvements, as part of a continuing marketing campaign.

In rural areas, the aim is to have a variety of enterprises involved, in order to bring the economic benefit as directly as possible to local people. A special effort therefore has to be made to ensure the maintenance of quality in all parts of the tourism services in a rural area, and to improve those services, year after year. The example of LAG Dolenjska and Bela krajina proves to be a positive example, but there are also other experiences, which were not so successful. A key element is efficiency of public-private partnership and communication between the partners. The expertise of the management team is also key in terms of providing expert support and guidance for day-to-day development and each project should put a big emphasis on selection of appropriate manager(s).

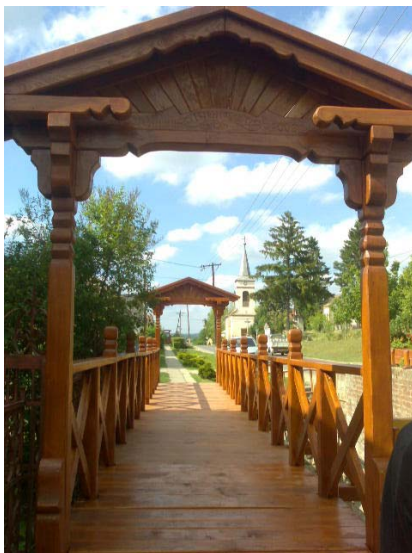
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### Case study 4.3

#### *Change via Infrastructure – The story of a little bridge, Hungary*

This story is about a village and its new bridge which significantly changed the lives of local people.

In 2007 a 21 metre long bridge was built in a small village, Cserdi, located in South Danubian Hungary. Building the bridge, which had not got any infrastructural importance, was actually a symbol that could only be understood by the local people. The majority of the 411 inhabitants are Roma who are nowadays the proudest and the most satisfied Roma in Hungary. The village has been totally rebuilt: the roads and pavements are renovated, the houses are equipped by new roofs, locks and furniture, the internet is now available and being used, the old church was painted out with period colours, a new community house was created for young people, being equipped with new books, games and PCs.



But it was not always the case, 10 years ago it was a depressed village without a future, plagued by a high rate of criminality, aggression and lack of work opportunities. The quarrel between local Roma and non-Roma had become part of every day life, however in 2006 the situation changed at a stroke when a new mayor was elected. A Roma, he worked as a director for a multinational company in the county town of Pécs and as a good manager the mayor knew that the organisational (community) problems could be solved only by discussion with the colleagues (inhabitants). He decided to call the local people together for a common discussion (called Agora) in order to share problems, challenges, perspectives and fears, to define their expectations from the new mayor and from each other. A local newspaper started to be published bringing together these stories and quarrels raised in the Agora. Although the journal did not yet formulate any solutions, it

announced only the facts, the local people when they started to read the newspaper began to understand the most serious basic problems needing to be solved: the huge social gap in their local community.

After one year the local people built a bridge, it is only 21 steps long and goes over a little channel in the centre of the village. According to the mayor it is not only a bridge, it is an artwork with a message: Cserdi's life began a new era. Here we can meet – although only symbolically – the majority and minority. The bridge made the importance of alliance clear for the local people. The following year they started to renovate the houses in the village for free, as public work. The owners only paid for the materials and provided help in other houses under reconstruction thus from a total of 86 houses there are at the time of publishing 28 already completed. The major success in mayor's view is that whereas previously nobody from the families gave up their working for the community they do now. Parallel with the "private" reconstructions a new playground and bus station was created from national and EU funds and after a long break a shop has opened in the village.

In 2005 the unemployment rate was 98%, while in 2010 it was only 58%. Of the economically active inhabitants the local government employs 60 percent either in construction or by cutting maize or sugar beet. To pay for this "enterprise" the municipality needed to have more investments (profit) so in 2007 the local government bought a holiday house at Balaton Lake which is available for rent throughout the year. As a reimbursement for their hard work, families are allowed to spend 2 weeks there.



What success factors underpin such a rapid development? The mayor answered gives a very brief explanation: the honour, the alliance and the belief in success. If we want to further define the factors of this success story, we need to highlight the role of the mayor and his innovative approach to local people. He determined that the problem

solving phase should begin with a community development process. Without this step he would not have been able to get local people to work for the community. The discussions that took place often till late in the evening were necessary to become familiar with and to understand the people's way of thinking. Only a strong group of people can imagine, create values and renew local society; good will, ideas and an animator are needed for developing rural social innovation.

He determined that the problem solving phase should begin with a community development process. Without this step he would not have been able to get local people to work for the community. The discussions that took place often till late in the evening were necessary to become familiar with and to understand the people's way of thinking. Only a strong group of people can imagine, create values and renew local society; good will, ideas

and an animator are needed for developing rural social innovation.

What activities are planned for the future? The mayor aims to install a belfry on the bridge and to decorate it with stars to symbolise the saints and include the Ten Commandments. In May 2010, a Roma Skanzen will be built supported from EU funds, to present and protect the Roma cultural heritages. In September two new monuments (a European Wall and Holocaust Memorial) will be inaugurated, both of them symbolising the importance of alliance, common past and clear future.

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### Case study 4.4

#### *A goat farm and a dairy as a social enterprise in Tiszaadony, Hungary*

Tiszaadony is a village of 700 inhabitants in the North-Eastern Hungary that has several economic and social problems. There are very few employment opportunities, mainly from two small enterprises that operate in the metal industry and one in the wood industry. There is a strong Roma community which takes up 25% of adults, 70% of school-aged children and 90% of kindergarten-aged children of the village. The unemployment rate is over 35% and is the main problem of the municipality besides the increasing number of people living from social aids.

The village has a long tradition on animal farming (mostly cattle and goat) and production of dairy products, although since 1999 these activities had decreased substantially.

In 1999 the mayor announced the national social land reform program with an objective to support the socially excluded and low-income households.

In the case of Tiszaadony village the basic objective of the program has been the promotion of goat farming and production of dairy products for supporting the local community.

The program consists of three subprograms related to three different target groups:

- 1 The municipality provides goats to poor families for their own consumption and helps them to become self-sufficient. There are 2-4 female goats per family. 90% of the participating families are Roma and because of the large number of family members all produced milk products are consumed within the family. The veterinarian care (examination, vaccination) and trainings about goat farming are provided for free by the local veterinary. (financed by the municipality)
- 2 The municipality provides goats to families for their own consumption and the municipality purchases any surplus from dairy products. The participating families are also provided with milking machines that are donated from cooperatives. The milk is collected daily, every morning and evening therefore the families do not need to worry about storing it. The veterinarian care is for free and families can participate in training courses on animal treatment and hygienic milking processes.
- 3 This subprogram is actually the financier of the other two sub-programmes and aims to support the long-term realisation and sustainable operation of the program without pressure from external financial resources. The municipality established a goat farm (livestock: 100) and modern facilities for storing and processing milk. The milk produced from the 2nd target group and from

the municipality's livestock (1500 litre/day) is processed and packed and the dairy products (cheese, milk, cottage cheese) are delivered to local Hungarian shops and to international supermarkets (e.g. TESCO, Julius Meinl etc) within the region. The revenue is reinvested into the other subprograms and for the staff of the facilities.

From 2009 the dairy also gets milk from other local associations and farmers. The staff of the goat farm and dairy consists of 10 people (+3 shepherd) who were unemployed before.

#### *Benefits*

As a social enterprise the business engages in commercial activities in order to provide benefits to the local society and is also committed to social inclusion and social justice.

##### *Economic benefits*

- The increased family income from the goats and dairy products
- new economic pillar for the families who used to live from social aids
- the municipality as the owner of the farm employs 13 persons who would have been unemployed otherwise
- the municipality spends 40% less on social aids (35 families take part in the program) as a result of the increased income of the families

#### *Social benefits*

- regeneration of an old, traditional profession which has deep roots in the region
- the program has a beneficial effect on Roma communities as in many Roma families the income is unstable
- the old and ruined buildings and non-cultivated lands of the local cooperatives are renewed and used again

#### *Plans for the future*

The farm will increase the livestock by at least 20%; enlargement of the storage facilities in order to receive larger quantities of milk from other associations and farms; and to export the milk products to EU countries which would mean more families involved in the program (from surrounding villages too) and more employees for the farm.

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## CHAPTER 5.

# *Economic change and community planning. An example of social innovation in declining rural areas*

5.1 Many communities in Europe found themselves in the midst of a severe economic crisis as a result of economic restructuring. In rural areas, such restructuring had often to do with the decline of the primary sector, especially the decline in employment; and with the collapse of traditional industrial activities. Structural change has often led to crisis, especially in rural areas which did not have sufficient natural and human resources to adapt successfully to new structures of the economy. Rural decline and depopulation has been a widespread phenomenon over the second half of the 20th century, reaching disastrous proportions especially in the European south.

5.2 However, even in our time, many rural communities in Europe suffer from general economic and social decline, limited access to educational opportunities, unemployment and consequently poor quality of life. The EU has set rural development at a high priority and runs several programmes aiming to aid the regeneration and sustainable development of rural territories, especially those most disadvantaged; amongst the EU initiatives in that direction, LEADER is the best known. A general principle in the European rural development policy has been the exploitation of endogenous resources and the diversification of local economies, to meet the challenges of globalisation and intense competition in the national and global markets.

5.3 In situations of economic decline, regeneration strategies usually adopt a two-pronged approach, firstly dealing with the immediate problems of survival of local communities that face unemployment and very low income; and secondly to work out a long term development plan. Thus, we can argue that a survival strategy and a development strategy are needed to operate in parallel to reverse the decline.

5.4 A survival strategy presupposes a number of actions and commitments that:

- Build community spirit and identity, to facilitate action
- Ensure citizens' participation in the decisions of government or big employers about the future of the community
- Encourage a culture of change
- Substitute money where possible (e.g. through time bank or skills sharing)

5.5 A development strategy, on the other hand, aims to:

- Bring innovation into the declining area to boost its development profile
- Build new activities on natural and cultural assets or expand existing ones
- Exploit existing skills and develop new ones
- Plan new land uses ( e.g. tourism, 2nd homes, industry)
- Facilitate the creation of enterprises
- Promote pluriactivity and diversification – keeping in mind that one big employer or one type of economic activity has a higher possibility of collapsing

5.6 A model of social innovation that offers a combination of survival and development strategies has been built into the concept of the ecomuseum<sup>2</sup>. Born in France in 1971, the concept of eco-museum links a community to a certain territory using the local heritage and history as a source of development<sup>3</sup>. According to the European Network of Eco-museums (a network established in 2004) *“an Eco-museum is a dynamic way in which communities preserve, interpret, and manage their heritage for their own sustainable development”*<sup>4</sup>. Eco-museums are significantly different to typical museums. Often called living museums, eco-museums refer to a territory and are not confined to buildings and objects but extend to traditions, landscape, natural resources, people, local produce and anything else that portrays the assets of a prescribed region. Existing eco-museums have been shown to successfully stimulate local economy and employment, while raising environmental awareness and appreciation of local cultural heritage.

5.7 The ancestor of the ecomuseum is the open air museum, which sprung from the small homelands museum in the Scandinavian countries to celebrate the history and traditional life of the villages they re-enacted and re-constructed. The ecomuseum however introduced a new dimension into museology as well, by presenting an interpretation

<sup>2</sup> Maggi Maurizio, V.Falletti, *ECOMUSEUMS IN EUROPE. What they are and what they can be*, Working paper n. 137, June 2000, IRES, Piemonte

<sup>3</sup> Maggi Maurizio, *Ecomuseums in Italy. Concepts and practices*, *MUSEOLOGIA E PATRIMONIO* - vol.II no 1 - jan/jun 2009

<sup>4</sup> see *Declaration of Intent of the Long Net Workshop*, Trento Italy, (2004), available on <http://www.osservatorioecomusei.net/PDF/UK/intentiUK.pdf>

of popular culture which was not only confined to "ethnographic" objects but extended to everyday features and activities of a wider area, scattered around the area and interacting with local community settlements.

### *Main characteristics of an ecomuseum:*

5.8 In summary, the main points that outline the concept of the ecomuseum can be presented as follows:

- It is a special kind of living museum, which displays heritage in its natural and social context and relates heritage to sustainable local development directly.
- It is dynamic, not static.
- It implies a process of social and cultural identity building.
- Its main target is to enable endogenous development, initiated by the local inhabitants.

5.9 An ecomuseum has been proved to aid the growth of tourism infrastructure and visitors' numbers; to re-launch and sustain local industries and production and maintain their value; and to strengthen the social cohesion, participation and civic pride of the communities<sup>5</sup>.

5.10 Ecomuseums have also been linked with local identities and the distinctive elements that make a place culturally unique. In this context, it has been argued that in response to the challenges of globalisation, people have become increasingly interested in the notions of 'local distinctiveness' and 'spirit of place'. Such notions are important for many people, as they are closely associated with the construction of identities and feelings of belonging<sup>6</sup>. The ecomuseum seems to offer a good ground to develop these notions and create synergies between local development efforts and the preservation of local heritage, in a way that promotes social innovation, increases cohesion and opens opportunities for economic development.

5.11 In the UK the organisation Common Ground<sup>7</sup> has launched a campaign to prove that all these features of landscapes and settlements that mark the 'local distinctiveness' play an important role in defining local identity. To Common Ground *"local distinctiveness is about everywhere, not just beautiful places; it is about details, patina and*

*meaning, the things which create identity. Importantly it focuses on locality, not on the region – small scale approaches are essential. It is about accumulation and assemblages ... accommodation and change ...it includes the invisible as well as the physical; dialect, festivals, myths, may be as important as hedgerows, hills and houses".*

### **What makes a successful ecomuseum?**

1. A well-defined need or challenge provides purpose
2. An inclusive process
3. A holistic approach
4. Community-based with effective networking
5. Strong and sensitive leadership
6. Recognises the importance of intangibles
7. Conserves and interprets heritage
8. Links past to the present – celebrates place now, aids community identity and regeneration
9. Is and remains sustainable



*An old and disused local train may be restored and brought back to become a local tourism attraction which sustains and reinforces the memories and pride of local communities.*

5.12 An ecomuseum however should not be seen as a **result** but as a **process**, with the following ingredients:

- **Community involvement:** because only the community can decide which activities will be promoted and which parts of the locality will be included.
- **Building a sense of place:** recognising that your locality is unique, has a distinct identity and even things that you consider unimportant may be of value for visitors, investors, education and of course for the community itself.
- **Pluriactivity:** tourism, nature conservation and encouragement of nature-based activities, education –school trips, historical or

<sup>5</sup> The above is substantiated by bibliographical references, including analysis of available case studies (Corsane, G., Davis, P., Elliott, S., Maggi, M., Murtas, D. and Rogers, S. 2007, *Ecomuseum Evaluation: Experiences in Piemonte and Liguria, Italy*, *International Journal of Heritage Studies*, 13:2, 101 - 116 available on <http://dx.doi.org/10.1080/13527250601118936>, Maggi, M. *Ecomuseums and local Development Ecomuseo dei Terrazzamenti case study in Culture and Sustainable Rural Development 6th Thematic Guide*, (2007), Euracademy Association ([www.euracademy.org](http://www.euracademy.org))).

<sup>6</sup> Gerard E. Corsane, Peter S. Davis, Stephanie K. Hawke and Michelle L. Stefano

<sup>7</sup> Clifford, S. and King, A. 1993. *Losing your place*. In Clifford, S. and King, A. eds. *Local Distinctiveness: place, particularity and identity*. London: Common Ground. and Common Ground 1996. *Promotional Leaflet*; Common Ground. London: Common Ground.

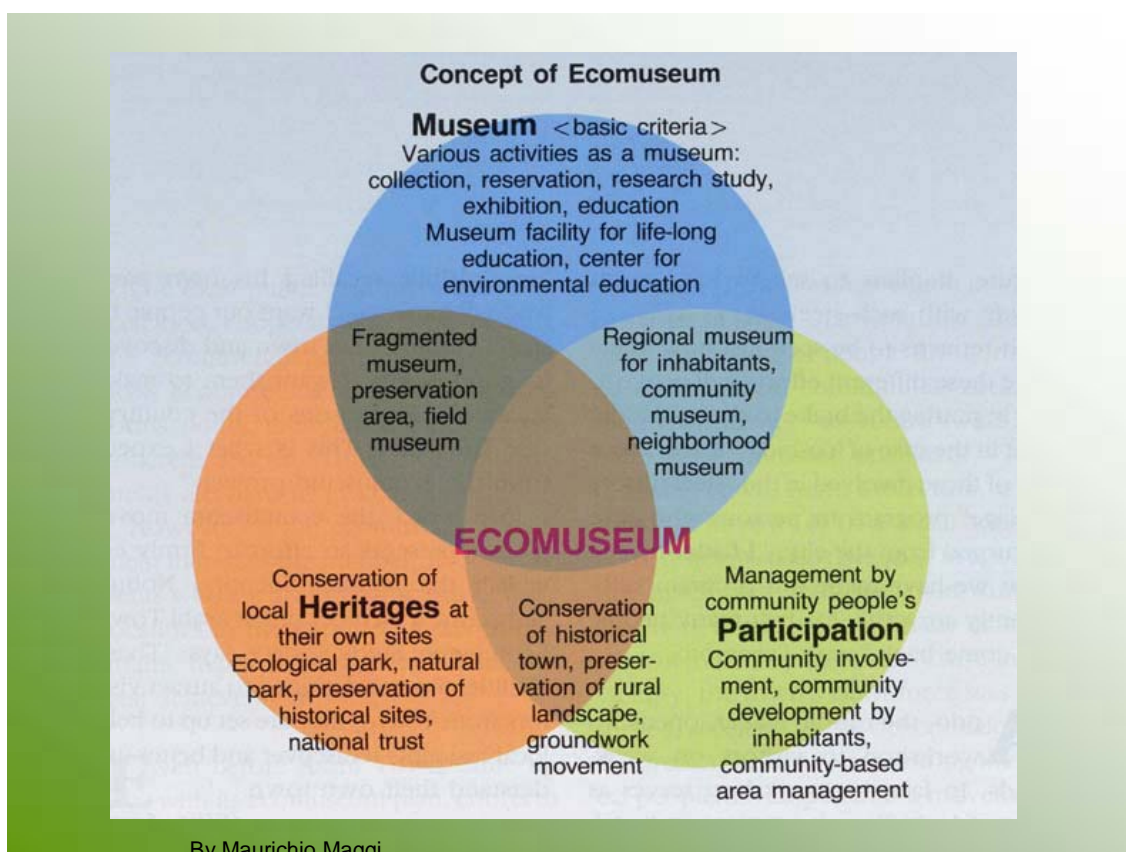


contemporary buildings of interest (could be industrial buildings), food, drink, local products, cultural events, hunting, fishing, sports.

- **Involving the civic society:** village associations, environmental associations, sport clubs.
- **Including the industry and big employers in the area.**
- **Make the local authorities an ally:** their participation in a local partnership together with community groups and the industry would ensure good governance principles

best advantage. A second risk is related to the institutionalisation of an ecomuseum; in some cases the public authorities of the area have made a very good job, raising funds for crucial infrastructures of the ecomuseum and appointing staff to animate the various tasks and run the facilities created. This however can easily slip into a "top down" model of local development, imposing upon people pre-decided strategies and actions, thus cancelling the whole idea of the "bottom up" approach implied in the ecomuseum model.

5.15 Other questions have also to be asked that may seem less important or pressing, but they



5.13 It is important, in the process of developing and sustaining an ecomuseum, to link the two concepts of Heritage and Place, taking as a framework the history of the place, including all tangible and intangible proofs of that history, memories, aspirations and vision. Given that sustainable development is a central issue for the development of ecomuseums, the value of a place takes particular significance; however, equally important, as best practice in the field has shown, is the set up and development local networks, assigning to ecomuseums a key role as catalysts of social capital development.

5.14 There are also risks in setting up an ecomuseum. For example, **money** is always a problem, even if only a small amount is needed to start the process of mobilisation of local communities. Funding may create dependencies that do not necessarily work to the community's

reflect the pre-conditions that make an ecomuseum successful<sup>8</sup>:

- *How does the ecomuseum initiative fit into the more general framework of policies in the cultural field and the attempt to make culture a strategic element for development at regional level?*
- *How can the economic-cultural-environmental development of place be promoted? Can ecomuseums help, and if so in what way? Is there a latent conflict between the need for tourist development and the need to conserve place and enhance the memory of it?*
- *What is the state of the ecomuseum movement today? Has it been a success or a*

<sup>8</sup> Maggi Maurizio, V. Falletti, *ECOMUSEUMS IN EUROPE. What they are and what they can be*, Working paper n. 137, June 2000, IRES, Piemonte

*failure? Do models exist to offer prompts and what are the mistakes to be avoided? Does the transformation in progress in the museum world extend to ecomuseums? If so, what are its specific characteristics?*

- *Is there a risk that the reinforcement of local identity will trigger diffidence towards other communities, that local governments' efforts to enhance the heritage will foster the birth of so many 'small homelands', that proper protection of one's own cultural distinctiveness will translate into hostility or indifference towards cultures different from one's own?*



*Traditional farm buildings take on a special significance as "signs" of local history and identity within an ecomuseum.*

#### **Some indicative steps for starting an ecomuseum:**

1. The community discovers, recognises, lists the natural and cultural assets in the locality
2. Seeks help from within its members and from external sources to preserve, renovate, publicise, interpret these assets
3. Links these assets in a network, stresses their interdependence
4. Invents entrepreneurial activities to generate income
5. Leadership and animation are important factors, as well as expertise, in all steps of the process
6. The creation of a central information, interpretation and publicity point is also important. Often this is a museum reflecting the character of the area.
7. Voluntary work is a central aspect of the process



*The Museum of the Forest of Marquize acts as an information centre for the Ecomuseum that has been established in its area.*

#### **Conclusion**

5.16 Ecomuseums are considered today as a response to globalisation and a reaction to the standardisation of local identities. They are based on an innovative notion that cuts across two different parts – the function of a museum and the bottom-up approach to local development, which involves the whole community in its process. In practice, the ecomuseum, as will be shown in the case studies that follow, can take many forms and may be met with varying degrees of success. However it should be noted that the principles of Agenda 21 apply strongly and may determine the success of an ecomuseum, in that a local partnership is always essential for the mobilisation of communities and for the long-term sustainability of development efforts.

### Case study 5.1

#### *Bergslagen Ecomuseum, Sweden*

The Bergslagen Ecomuseum is part of a network that stretches for the past 25 years through Dalarna and Västmanland, Sweden's most historically important industrial regions. The Ecomuseum was formed from a collaboration that includes seven local municipalities in the counties of Dalarna and Västmanland (Ludvika and Smedjebacken in Dalarna, and Norberg, Fagersta, Skinnskatteberg, Surahammar and Hallstahammar in Västmanland), Westmannaturism tourist organization, and the Dalarna and Västmanland county museums which are run by the respective county councils. The Ecomuseum was founded as a collaborative venture in 1986 and brought together nearly 50 heritage sites which are maintained by volunteers belonging to various local-heritage associations. In 1990 the Bergslagen Ecomuseum became an institution with these ten founding members.

The museum has an office and a visitor centre at one of the sites, The Ludvika Homestead and Mining Museum, since 1st April 2006. There are many voluntary non-profit, local heritage associations in each municipality, and these are organized under local collaborative committees, and are also represented in a central Eco-council. The Eco-council has an influence in the ecomuseum strategy, its objective, its activities and for various other issues. The Eco-council has

two deputies on the Ecomuseum's board, one from Västmanland and the other from Dalarna.

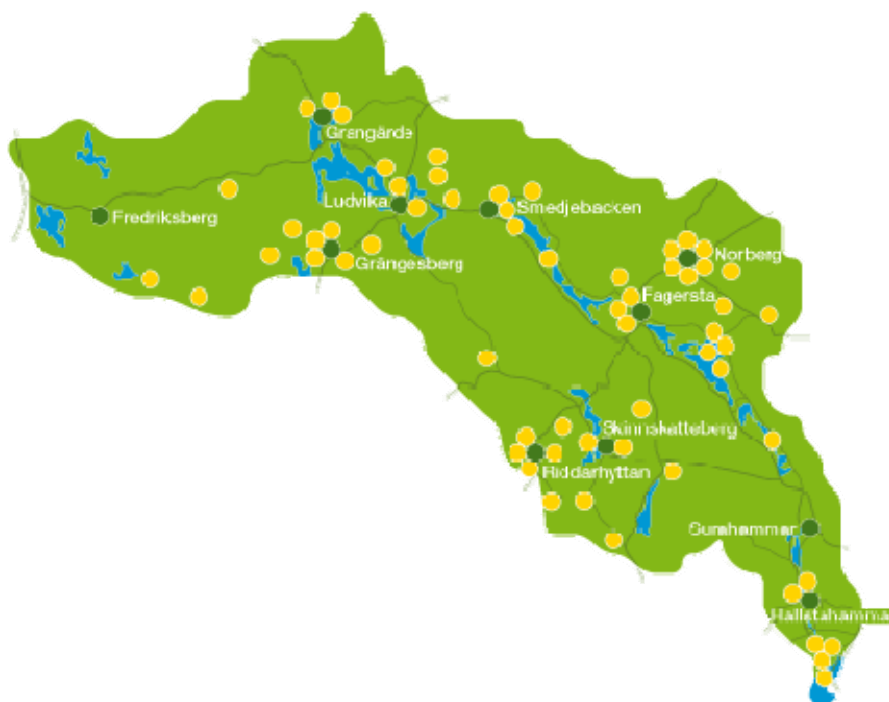
Seven theme parks were opened in the Bergslagen Ecomuseum in 2003:

- Forests and charcoal at Grangärde Kyrkby.
- Forges and wrought iron at the Flogberget mines.
- Mining and rock at Nya Lapphyttan, Norberg.
- Smelting house and cast iron at Västanfors, Fagersta.
- Slag Färna Herrgård estate.
- Women and the wheel at Stenhuset in Surahammar.
- Canal and locks Skantzen in Hallstahammar.

The Ecomuseum has effectively succeeded in becoming an educational and recreational destination in the area, bringing thousands of visitors in the area annually. The local community has embraced the ecomuseum activities and has profited from the inflow of visitors and several tourism services and activities have developed in the area.

For more information visit:

<http://www.ekomuseum.se>



## Case study 5.2

### *Ecomuseum Ruze, Czech Republic*

The Ecomuseum Ruze, established in 2001, is an initiative of the Rozmberk Society in collaboration with several local and regional partners, in particular with the Association Microregion Ruze and the Trebon Biosphere Reserve and Protected Landscape Administration.

The idea for establishing the ecomuseum came from an initiative of the Polish Environmental Partnership Foundation introducing the ecomuseum concept as a grassroots initiative in regions of high natural and cultural values. This initiative was organized under the auspices of the International Visegrad Fund in the framework of a project called "Establishing a Visegrad network of "Eco-museums" for restoring and maintaining living heritage at the local level in Central Europe".

As a long-time partner of the Czech Environmental Partnership Foundation, the Rozmberk Society submitted a proposal and was selected to start developing the ecomuseum concept in South Bohemia. Since then the Society has been involved in further developing the ecomuseum concept both

in the region and also in a wider European collaboration working for a European Network of Ecomuseums.

The Ecomuseum is a network of historical workshops and working places over a large area at the south of the Czech Republic. Sites of high natural or cultural heritage value have been highlighted and a series of trails have been created that encourages visitors to explore the cultural and natural heritage of the area. The Peasant and Emigration Museum in Kojakovice is the main information centre for the Ecomuseum Ruze. The Historic Novohradská Forge in Nove Hradky is a second key information point and an educational centre that hosts various workshops mainly on blacksmithing.

For more information visit:

<http://ruze.ekomuzeum.cz>

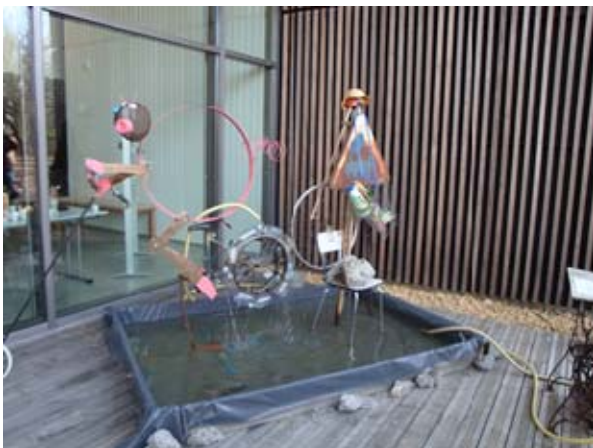




*Case study 5.3**Ecomuseum Marquèze, France*

The Ecomuseum Marquèze is situated within the regional Nature Park of the Landes de Gascogne. The park was created in 1970 and covers 315 000 ha in Gironde and les Landes, in the south west of France, near the Aquitaine coast. The Park authority is responsible for the preservation and conservation of the park and for making the public aware of the local natural and cultural heritage.

The Park helps preserving a balance between nature and leisure and although the main aim is protecting and developing the cultural and natural heritage of the area it also fosters economic initiatives and sustainable and innovative uses of local resources, especially regarding responsible tourism and ecotourism.



The Ecomuseum Marquèze is situated within the Park and has become a popular destination for visitors of the area. The Ecomuseum and the historic open-air exhibition of Marquèze has been inspired by the open-air museums and has served since its inception in 1969 as a promoter for the valorisation and the transmission of knowledge and expertise of local heritage.

The open-air exhibition of the ecomuseum includes preserved houses, farm buildings, as well as landscape reconstructions from the 19th century,

characteristic of those found in the area of Landes de Gascogne.

The Ecomuseum also develops festive activities, workshops and training of individuals or artisans in traditional construction methods and develops actions for the rehabilitation of small buildings; functioning both as a cultural site for visitors and also as a creative home for artists of all kinds (visual artists, photographers, painters, musicians, filmmakers, choreographers, storytellers, etc).



In 2008 the historic site was offered the Pavilion Marquèze, which is a modern museum with exhibition spaces (for permanent and temporary exhibitions), auditorium, storage space for collections and technical facilities. The Pavilion is a model of sustainable architecture and a centrepiece of the Park of the Landes de Gascogne.

With nearly 80.000 visitors on average each year, the Ecomuseum Marquèze represents a major tourist attraction of the Park of Landes de Gascogne and embodies a form of relationship between heritage and the issues of contemporary society.

For more information visit:

<http://www.parc-landes-de-gascogne.fr/1-16529-Presentation.php>

## CHAPTER 6.

# *Governance and Innovation? Development Partnerships promoting innovative activities in the Nordic Periphery*

## *Introduction*

6.1 This chapter discusses the role of local authorities and governance networks in promoting innovative activities, based on experiences from the Nordic Periphery. In this chapter concepts such as governance networks are briefly presented and its roles in generating or supporting innovation in a rural context are elaborated through the Nordic example.

## *Governance networks*

6.2 Recent academic and political focus on governance and governance networks is conditioned by:

- The increasing complexity, dynamics and fragmentation of societies (effect of globalization)
- The crisis in the main steering systems, market and state (example: the global financial crisis)
- The public deficit and the reduction of public income

6.3 Early governance network theorists saw governance networks as a synthesis of state and market (Mayntz 1993). However later theorists tend to see governance networks as distinctive mechanisms of governance that provide an alternative to state and market as main steering systems in societies (Rhodes, 1997, Jessop, 2002). Governance networks are defined as, a relatively stable horizontal articulation of interdependent, but operationally autonomous actors (Rhodes 1997):

1. Who interact through negotiations;
2. Which take place within a regulative, normative, cognitive and imaginary framework;
3. That is self-regulating within limits set by external agencies; and
4. Which contributes to the production of public purpose through collective action

6.4 Governance networks have various forms due to several factors such as location, role, purpose etc. To summarise these factors we can conclude that governance network forms are shaped by:

- The type of political, institutional and discursive context in which they emerge

- The level of interaction between members; whether loose and informal or tight and formal,
- If these are intra- or inter-organisational,
- Whether these are self-grown or initiated,
- Whether these are open or closed to participation
- Whether these are short-lived or permanent,
- Whether these have a sector-specific or society-wide scope

6.5 Based on current experience governance networks appear to have some advantages that are particularly interesting from a rural context. Through governance networks, acceptance of decisions is easier, as these are collectively negotiated, a fact that generates trust and political obligation. Over time these decisions seem to be sustained more easily, especially with the self-constituted rules and norms that are introduced through the networks. This gives a certain advantage to governance networks, which are increasingly seen as suitable platforms for tackling complex and conflict-ridden policy problems. Governance networks are also regarded as important instruments for the aggregation of information, knowledge and opinions that can help in making correct political decisions. Governance networks may also reduce the risk of implementation resistance, by the development of joint responsibility and ownership of the decisions.

## *Reflections on Innovation*

6.6 As also described in Chapters 1&2 the concept of innovation has referred to:

- New technical ideas and new marketable products
- Process innovation in production, supply and services
- Introduction of new ways of organising work in both private and public sectors
- Social innovation

6.7 There is a need however for a concept that can be used for researching innovation both in the private and public sector – and particularly in the civil society as described below.



### *Innovation and Civil Society*

6.8 An innovation within civil society may be the result of people coming together to discuss the creation of e.g. a new summer event for a municipality – to highlight, for example, a traditional cultural event. Such a civil society initiative may be linked to a municipality's cultural policies and be supported by public funding. In the implementation process local businesses may be engaged in providing logistics and marketing the event to a tour operator to bring tourists. Thus it is sometimes hard to distinguish between business opportunities and public or civil society innovations. Therefore, innovation in civil society can be defined as:

...the process of bringing **new solutions to local problems**, as **responses** to the challenges presented by the transformation of an increasingly **globalising** and **knowledge-based economy**. Innovations are **new practices** creating **better conditions** for living, employment and economic activities in the localities.

### *Innovations and networks:*

6.9 Most often innovations are not only the result of action by individuals: they often materialise in networks in which local and non-local actors and institutions are brought together, often across regional boundaries. Innovations in a modern rural context are more than 'development projects', since an innovation is expected to produce a sustainable result, more or less tangible or more or less direct, of benefit to the community. Even the experience of participating in a development process or partnership is equally beneficial as it builds up capacities, enhances learning and creates social capital.

6.10 Based on the Nordic experience, networks have been important to sustain innovation. Formation of networks has been both horizontal and vertical, involving knowledge institution members both in and outside of local administration.

### *Local and Regional Development Partnerships: the case of the Nordic periphery*

6.11 To illustrate further, an example is presented from the extreme Nordic periphery. This is a project for the development of partnerships and governance networks that the Finnmark University College (FiUC) and the UArctic Thematic Network have initiated and been involved in since 2003 (Finnmark University College website; UArctic website).

6.12 When FiUC and other regional development agencies realized that the required knowledge and capacity to address the challenges that rural municipalities in Finnmark were facing was lacking, the FiUC Resource Group was formed to provide capacity and expertise through the project

"Research and Development Project for Local and Regional Development Partnerships".

6.13 The aim of the Project was to address the rural social and economic problems and the lack of capacity needed to instigate necessary changes and effectively assist local communities. Local communities are occupied with daily survival and in need of adequate expertise, funding, and most critical of all, organizational capacity in order to respond to socio-economic challenges. Long-term planning and community economic development are usually regarded as luxuries that local communities cannot afford to spend time and resources on. These local capacity issues are exacerbated by dramatic increases in out-migration in times of crisis.

6.14 The Project identified that the organisation of local development partnerships and networks have good potential to solve these problems and through a series of research, workshops and networking, formed a methodology to develop such partnerships in the Nordic Periphery.

6.15 Since 2003, the Project, as well as related programs for social and economic development, have achieved overall positive results in remote, sparsely populated, rural communities in Finnmark, the northernmost county of Norway, and later in rural Arkhangelsk, Yakutia, and the Komi Republic in Russia. These successes are mainly due to the combination and integration of the different initiatives and programs, which are considered 'tools' of change and development. Since the first inter-municipal development workshop organised by the Project, education, research, and development work have gone 'hand-in-hand'. For almost ten years, the integration of experience and theory-based knowledge and expertise has been both an important objective and a useful method for capacity building as well as for the social and economic development initiatives and processes in northern Norway and Russia.

### *Capacity building within the community*

6.16 The lack of capacity and necessary means to respond successfully to social and economic challenges can be more easily addressed by joining forces with neighbouring communities and municipalities. Voluntary inter-municipal and regional cooperation, both in central areas and in the periphery, have been encouraged by central government and state development agencies as solutions to the capacity and capacity problems in smaller municipalities. Through the Project, this idea has been taken one step further by encouraging regional development support, information sharing, and formation of learning networks, or 'regional innovation systems', a term often used in literature.

6.17 Partnerships between local development agents and public agencies, private and civil society, municipal authorities, and FiUC have been

an important part of the Project as well as part of the explanation for its success.

6.18 The Project has facilitated cooperation between regional and state agencies, including the Executive Committee of Northern Norway, the Economic Development Department of Finnmark County Administration, the Norwegian State Housing Bank, the Ministry of Education and Research, the Ministry of Municipal and Regional Affairs, the Ministry of Foreign Affairs, and the regional branch of Innovation-Norway, a state agency specialised in the development of small and medium size businesses.

6.19 As discussed, the Project aimed to build capacity in the communities to facilitate self-help. The local and regional partnerships that were established have been geared towards gradually taking over the tasks and functions of the Resource Group at FiUC, which offered the initial support and capacity. Long-term 3 to 10 year partnership agreements signed with state development agencies or education and research institutions served as a security net for the small rural municipalities in the Northern Periphery. In the few cases where the local and/or regional partnerships could not provide the necessary assistance, they could rely on help from the regional and international development networks that were established for that purpose, such as the UArctic Thematic Network on Local and Regional Development.

### *International Networking*

6.20 Through the UArctic Thematic Network on Local and Regional Development, the organizational model of the Project has been promoted to national and international partners, especially in northern Russia. An international platform for local and regional development allows the sharing of knowledge and capacity throughout the Circumpolar North while building capacity within the Thematic Network.

6.21 In spite of cultural, social, and political differences, the international cooperation has shown there is a lot to learn from each other. The Network is, therefore, promoting more comparative research, in addition to joint research and development seminars, workshops, and conferences, such as the Understanding Indigenous Economic Development in Northern, Rural, and Remote Settings workshop organized by the University of Northern British Columbia's (UNBC) Community Development Institute (CDI) and the Aboriginal Business and Community Development Centre in Prince George.

6.22 The Norwegian municipalities participating in the Project have benefited directly and indirectly from the internationalization of the Project.

### *Roles and attitudes of Local Authorities towards development and innovation*

6.23 From the Nordic example it is interesting to elaborate more on the role and attitude of local authorities towards development and innovation. These attitudes can be summarised to the following:

- **Inaccessible** (no role, or a negligible relation)
- **Obstacle** (a negative responding role)
- **Audience or supporter** (a positive responding role, but without obligations – symbolic)
- **Facilitator**
- **Partner** (actors from outside the local authorities and representatives from local authorities coming together to work out plans or strategies for a project that, in turn, is realized as a local innovation)
- **Initiator** (innovations are initiated from within local authorities)
- **Coordinator** (the local authority is in charge, initiating and implementing the process of innovation)

6.24 Local Authorities are frequently involved in local innovative activities, not only in the public, but also in the private, and the civil society sector. The most common role is that of a supporter and of a follow-up partner, presenting some degree of flexibility.

Innovations are processes, and thus during the development phase, the role of local authorities seemed to change in some cases, starting as 'inaccessible' and developing into 'partner'. The co-ordinating role of local authorities was clear, in almost all public welfare innovations, while there was more variance in their role towards business and civil society-type innovations.

### *Conclusions*

6.25 From the Nordic case some useful conditions for the success of local authorities "adopting" innovation and development can be highlighted:

- **Structural conditions** as size and location. In small-scale settings, the advantages of cross-cutting borders between the commercial, public and civil fields are easier to exploit.
- **Institutional conditions.** Everyday politics finds its way through the embedding of practices in everyday routines and hence informal procedures and prevailing strategies also have a role to play when considering a local actor's opportunity for successful policy-making.
- **Specific local capacities.** Political and administrative leadership culture, social entrepreneurship, learning potential and networking capacities.

6.26 One of the strongest conditions though was Networking, which was regarded as essential in all innovation cases.

6.27 Policy recommendations to stimulate innovation, based on the example of the Nordic Periphery can be summarised as follows:

- **Strengthened local government.** Regional and higher-level policy centres should stimulate and strengthen the municipalities' potential by implementing a targeted programme to empower 'flexible development' at a municipal level
- **Empowering the innovators and supporting innovative activities.** For the innovators, networking and competence are essential elements, and these may be strengthened by, for example, regional-level educational courses, targeted to potential entrepreneurs and innovators to assist them

develop their ideas and projects. People working on business, public and civil society innovations would also profit from being brought together for joint learning

- Communications infrastructures need to be improved in order for locally based innovations to reach their full potential. The mobility of outreach services needs to be supported both physically and electronically in order to facilitate effective communications including local fora and international networks
- Establish direct links between local innovators and municipalities on the one hand and universities and research institutions on the other (partnerships)
- Strengthen the role of municipal authorities as co-ordinators of local innovative partnerships and networks (meta-governance function)

## CHAPTER 7.

# *Innovation in social welfare: addressing unemployment and care services*

## *Introduction*

7.1 Remote and rural areas - such as the Scottish Highlands and Islands - face particular challenges that impact on the delivery of public services. These include: dispersed population, poor transport infrastructure, lack of economies of scale in delivering public services, demographic changes resulting in a growing aging population and increasing centralization of public services (Hope et al, 2000; Scottish Government 2010a; 2010b). In the context of fiscal constraints, third sector involvement in the delivery of public services is expected to expand in the process of opening up markets to improve services and drive innovation. In response to the changing fiscal and policy landscapes, a variety of approaches and models (e.g. social enterprises, partnerships, service level agreements, etc) are emerging and being developed in the delivery of public services such as social care and employment. These innovations in service delivery are claimed to deliver multiple benefits, "empowering citizens, improving outcomes and providing better value for money" (IPPR and PWC 2010: 1).

7.2 This chapter will first explore the contemporary European context of public services in rural areas and discuss some key policy challenges. This will be followed by an examination of some responses to these challenges, in the form of innovations in methods of public service organisation and delivery. The chapter will focus on a discussion of the "co-production" of public services. Finally, two case studies of organisations in the remote area of the Scottish Highlands and Islands will be given, to illustrate some of the themes explored in this chapter.

## *Context and Challenges*

### *Sparsely populated and remote areas*

7.3 Map (Figure 1) shows remote areas in Europe, using accessibility to cities as a proxy for remoteness. As the map shows, remote areas in Europe are mostly found in Scandinavia, the Baltic states, the Iberian peninsula, the Balkans, Scotland and Ireland, and the mountains of central-south Europe (massif central, the Alps, Carpathians). These areas largely overlap with sparsely populated areas (Figure 2), although not entirely: some sparsely populated areas of Germany and Ireland in particular appear relatively well connected to cities.

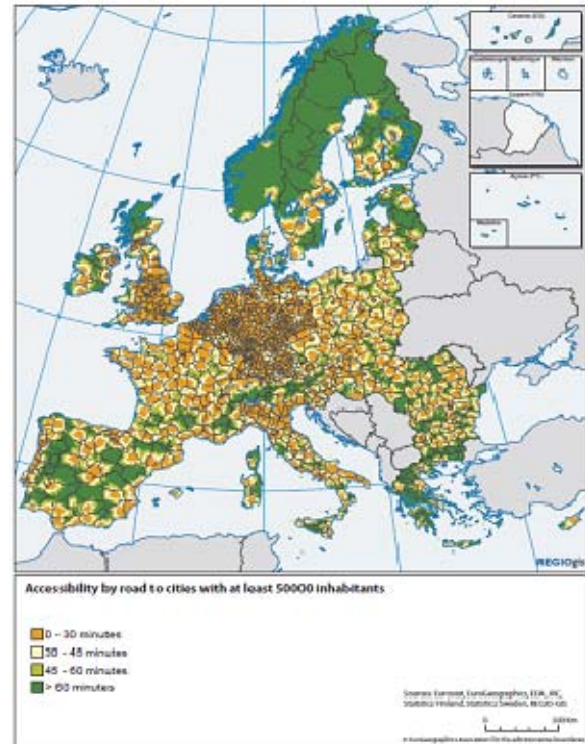


Figure 1. Remote areas in Europe. Source: Djikstra and Poelman (2008: 7).

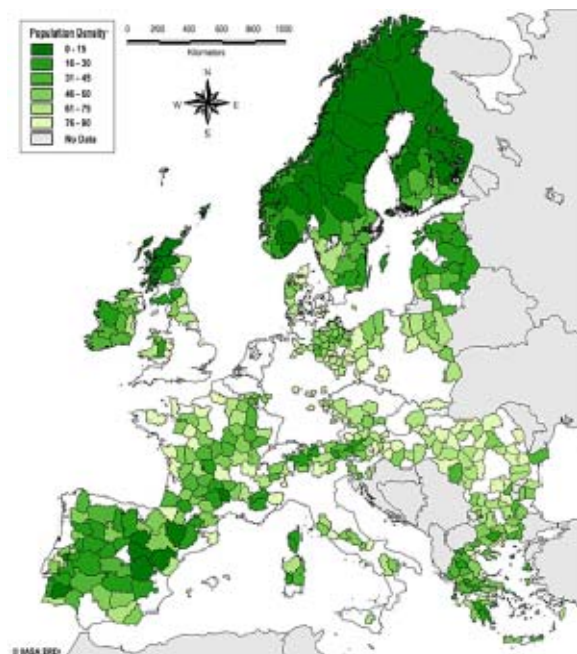


Figure 2. Sparsely populated areas in Europe (inhabitants per square kilometre). Note: "no data" indicates population density of greater than 90 inhabitants per square kilometre. Source: International Institute for Applied Systems Analysis (IIASA)



### *Challenges of delivery of social welfare services in rural areas*

7.4 There are particular challenges associated with the delivery of public services in rural areas, which work in complex interaction with each other. These are spatial, demographic, economic and cultural challenges.

7.5 Spatial challenges in rural service delivery arise, as the OECD notes, because “distance is a defining concept of rurality” (OECD 2010: 27, emphasis added). This problem is particularly acute for remote areas, which are generally defined in terms of their distance from urban centres. Low population densities within remote areas exacerbate this problem (see for example Bryden et al 2008 for a discussion on the notion of ‘equivalence’). So, overall sparsity and distance are seen to result in higher unit costs of delivery of both infrastructure as well as services –i.e. a lack of economies of scale. Evidence based on rural Scotland suggests that rural areas have been experiencing increasing centralisation of public and voluntary sector services with a loss of what are perceived as ‘vital services’, such as schools, post offices and hospitals (EKOS Ltd, 2009) .

7.6 Remote areas (such as the Scottish Highlands and Islands) face a number of demographic challenges with implications for public service delivery. Older people form a greater proportion of the population, and families and young children increasingly form a lower proportion of the population; and populations are declining as young adults migrate and fertility rates decline (Scottish Government, 2010c). These demographic trends in rural areas have led to widespread concerns about labour shortages in particular sectors, including the service sector and to an emphasis on encouraging migrant labour (de Lima and Wright 2009). The OECD suggests that these spatial, economic and demographic challenges may combine to push rural areas into a “circle of decline”. In this context low population density can result in a lack of critical mass with regard to population making it difficult to sustain public services, leading to economic decline and further outmigration (OECD 2006: 32).

7.7 There are also cultural issues around access to social welfare services in rural areas. Literature has consistently shown that communities in rural areas tend to have a culture of independence and self-reliance, and a suspicion of the central state. This may result in underclaiming of welfare benefits due to stigma associated with claiming and receiving such benefits (McSorley 2010, Rural Poverty and Inclusion Working Group 2001; Shucksmith et al 1996). Although, this is also true in urban areas, such stigma may have a greater power to deter people from taking up their welfare entitlements in small communities, where receipt of welfare support may quickly become public knowledge (because “everybody knows everybody”). There are similar problems around

the provision of some kinds of health services- e.g. sexual health, mental health- and stigmatisation in small communities may also combine to affect people’s employment prospects, if they get a “bad reputation” in their locality (Rural Poverty and Inclusion Working Group, 2001: 10;16).

7.8 The recent financial crisis has exacerbated ongoing trends described above. Whilst the UK government seems to have committed itself to particularly deep cuts (20 percent over the next four years), the public finances of most countries in Europe are likely to remain constrained for some time. Consequently, public organisations in most of the Western world face a long period of economic austerity and public finances are likely to be limited for some years to come (Bason 2010a). Politically, it may be that there is growing support for the principle of “spatial equality of access” to services (OECD 2010: 24; see Bryden et al 2008 for more discussion of the notion of “equivalence”). However, as most people in Europe live in urban areas, urban costs of service delivery tend to set the standard, and spending more per capita on rural services may be politically difficult if “rural residents are not a major interest group” (OECD 2010: 31). In this context the search for making public services more cost effective by piloting new models has gained increasing ground (see Bason 2010b for more detailed discussions).

### *Responses to Challenges*

7.9 Innovative responses to the challenges described have taken various forms, in particular technological and institutional. This section briefly discusses some prominent technological models, before focussing on debates over institutional change in service delivery.

### *Technology and social welfare*

7.10 Technological innovations (such as the internet, video-conferencing, etc) in service delivery has been used to respond to several of the challenges of remoteness discussed above. Thus it is suggested that low take up of state benefits due to recipients’ fear of stigmatisation might be addressed by paying benefits directly into bank accounts, rather than requiring individuals to collect payments in person (McSorley 2010: 14, 28). However, this doesn’t take into account the fact that sections of the population may not have bank accounts. In healthcare, e-health or telemedicine is being used in several parts of Europe, including northern Sweden, and the Scottish Highlands (Davies 2010, Roberts et al 2010) to overcome some of the spatial challenges of service delivery. While ICT may not be able to replace either physical care or face-to-face contact in all cases, some social care organisations have found it useful in, for example communicating with staff based in remote areas, or maintaining support networks for carers (de Lima et al 2010).

### *Institutional innovation: models of co-production*

7.11 Innovation in the institutions that deliver services has been a major focus of public policy in Europe over the last 30 years. The type and scalar level at which changes might be introduced in relation to service delivery varies.

7.12 Firstly, there is the geographical scale of the organisation of the service, on a continuum from highly centralised to highly decentralised- which works best may vary from case to case. Indeed, within one service area – e.g. health, social care, or employment – different functions may work best organised in different structures at different levels. For example, in their study of policing, Ostrom et al (1973) suggest that “frontline” services such as patrolling, which benefit from local knowledge and the development of face-to-face relationships, are delivered better when their control is decentralised; while other services requiring technical expertise (e.g. laboratory work) or specialised knowledge may work more effectively if they are centralised.

7.13 Secondly, the sector of organisation providing a particular service may vary also. It is common to distinguish between public, private and voluntary sectors (or the “third sector”). A recent OECD report (OECD 2010: 23) notes that there is considerable variation between countries as to which sector delivers any given service (e.g. fire services are provided by the public sector in the UK, and the voluntary sector in the USA). There may also be considerable variation within each sector, and organisations from more than one sector, as well as individual people, may also be involved in the delivery of a particular service. For example, the social care of elderly people may be delivered by a mixture of individual people – relatives, neighbours, friends – public sector workers from social and/or health services, and third sector organisations ranging from lunch clubs to churches.

7.14 Co-production is generally understood as participation by “service users” in the provision of services. This may occur at various levels. Participation may be in the implementation of services, or “co-delivery”. This can include simply being treated as a “partner” in one’s own care, perhaps with an emphasis on building confidence through one-to-one client-professional relationships (e.g. family nurse partnerships as discussed in Boyle et al 2010a: 6-8). But it may also mean actually delivering the service to someone else oneself - for instance through peer support networks in rehabilitation of patients, or the “community first responders” network of volunteers trained to help with healthcare emergencies in the UK (see e.g. Volunteering England 2011).

7.15 Participation may also be in the “co-management” of services or in their “co-governance”, e.g. strategic planning, or serving as

directors of organisations. Pestoff (2006), in his study of co-production in childcare services across Europe, noted that greater governance and political participation by parents in service provision was characteristic of parent-initiated associations and care co-operatives found widely in France, Germany and Sweden. In more “top down” childcare models, parental participation tends to be limited to various aspects of co-delivery – contributing volunteer labour, organising social events, etc – with some limited input into the content of the service.

7.16 A further dimension is whether citizen participation is based on interested individuals, or organised through third sector bodies. While in the UK much public involvement in services has taken the form of awarding contracts to deliver services to third sector organisations, a shift towards a more individual co-production model, which is found more in continental Europe and the US, appears to be underway (Brandson and Pestoff 2006).

7.17 While policy makers’ recent interest in these models may be driven by fiscal pressures, advocates of co-production claim many advantages beyond simply reducing the cost of providing services. Key benefits to individuals of such co-production relate to personal empowerment – building skills, confidence and self-esteem, leading to further benefits in health and social and economic participation (Boyle et al 2010b). Looking at society more widely, some suggest that some co-production models can help promote an active model of citizenship that can refresh both the welfare state and democratic politics in general (Boyle et al 2010b, Pestoff 2006).

7.18 Moving to any of these co-production models poses challenges. Firstly, mutual distrust between different sectors may need to be overcome. For example, third sector staff may see public sector organisations as bureaucratic and unresponsive; public sector staff may see third sector organisations as amateur and over-critical. Some argue that there is a need in particular to recognise the value of the advocacy role of the third sector as part of co-production (Cairns et al 2010). Again, in respect of community involvement in service provision, community skills, willingness and need for support will vary with regard to, for example regulations, finance, and governance, and previous experiences of engagement with service providers (Feldhoff et al 2010).

7.19 Secondly, some suggest that there are structural tensions between “differentiation” and “integration” in public service policy, which put third sector organisations under pressure (Brandson and van Hout 2006). In this context, “differentiation” means the flexible provision of services by a diversity of methods and organisations, to best meet the needs of specific people and communities. Conversely, “integration”



prioritises universal standards in service provision, and holistic approaches to service delivery. A holistic approach focuses on serving the “whole person”, perhaps via a single point of contact rather than passing people from one organisation to another for different services (health, housing, welfare, education etc).

7.20 Third sector organisations are developing a number of responses to these pressures (Brandsen and van Hout 2006). Notably, practice may be integrated (e.g. a housing association that also provides social care to residents, or an employment inclusion organisation that also provides training and education), while funding and accountability remains differentiated (reporting to different funders and policy standards). Other responses include more flexible staffing, networked approaches to working, and acquiring new skills in partnership working. These responses bring their own challenges of maintaining quality of service – particularly in social care where personal relationships between staff and clients are very important.

### *Social enterprises – new cross-sectoral institutions?*

7.21 Social enterprise offers one model of multi-sectoral “co-production”, where the integration of public goals and market processes is achieved within a single organisation.

7.22 “Work-integration social enterprises” have increasingly become involved in public programmes in the field of unemployment

(Defourny and Nyssens 2008). Such involvement promises greater and more stable funding to the enterprise, and access to their expertise and value for public authorities. However, some working social enterprises have experienced tensions between their integrated conception of their work, and differentiated public policy goals and targets.

7.23 Market and third sector provision of social care services has a long history, from privately-run elder care homes to social care charities (e.g. Barnardos or National Children's Homes in the UK). Across Europe, provision of childcare, and other social or personal services (e.g. has been a focus of many social enterprises (Defourny and Nyssens 2008: 10). Recently, there has also been institutional innovation in the sector in remote and rural areas arising from the growth of community-based enterprises. Despite the challenges of meeting statutory requirements and reorganising to become social enterprises (Highland Council 2006), some community groups have been involved in running care services for older people. Two cases in the Scottish Highlands where a social enterprise has been formed to retain older people's care services locally are found in the villages of Killin and Lochinver. In Killin, the Killin Care Trust was formed to purchase a privately-run care home when the owner retired, and has run the Falls of Dochart Retirement Home since 2002. More recently (autumn 2010), a local social enterprise (Community Care Assynt) is managing the former local authority-run old people's centre in Lochinver, following it being threatened with closure.

## Case study 7.1

### Highlands and Islands context

The Highlands and Islands of Scotland exhibit many of the challenging features of remote and rural areas discussed above. The region has a low population density of nine people per square km, compared to the UK average of 242 (Scottish Government 2008: 8). The physical geography and distribution of the population pose particular challenges for service delivery, with some 23% of the population living on islands (Scottish Government 2008: 8). The population of the region overall is older than the Scottish average, and continues to experience net outmigration of young people, especially those aged 15-30 (Cogentsi 2009). While the population of the region has grown in recent decades in a small number of areas within the region, many outlying areas face continuing loss of population (Scottish Government 2008: 6-7). Unemployment was slightly lower than the Scottish average, but so were incomes, at 87% of the Scottish average in 2006 (Highlands and Islands Enterprise 2007).



A Scottish Government publication on rural Scotland (Scottish Government 2010c) analysed the accessibility of service provided by public and private sectors, in terms of drive time to reach a service outlet e.g. petrol station, school. It focuses

on the challenges of areas defined as "remote rural". In the Scottish Government classification "rural" areas are settlements of less than 3000 people, and a settlement is classified as "remote" if it is more than 30 minutes' drive time from a settlement of 10,000 people or more (Scottish Government, 2010c). Remote rural areas are substantially worse off with regard to the time it takes to access services than accessible rural areas and public transport is in general substantially slower than driving. Those inhabitants of remote areas who are unable to afford their own car are therefore particularly disadvantaged. The review of rural policy in Scotland by the OECD (2008) identified the following as characterising Scottish remote rural areas:

- experience significant loss of population
- have an ageing population
- show poor economic performance
- have low incomes and at risk of being 'poor' including fuel poverty
- have a predominance of low skilled jobs
- have higher living costs
- experience poor access to services/closure of services
- have poor access to affordable housing
- have a weak transport infrastructure

Variability in access to services has been part of the ongoing policy discourses in Scotland:

*'Services that enable the relief of poverty and its effects are less likely to be accessible in rural areas, particularly to those reliant on public transport. Housing needs in rural areas often differ from those in Scotland's towns and cities. There are diverse and localised rural housing markets, sensitive to factors such as employment availability, service provision, migration and availability of affordable housing.'*

Source:

<http://www.scotland.gov.uk/Topics/Rural/RDR/strategicplan>, cited in de Lima 2008: 423

## Case study 7.2

### *Employment: Rag, Tag'n'Textile (Skye and Lochalsh)*

Rag Tag n Textile is a "work-integration social enterprise" or WISE (Defourny and Nyssens 2008). Based on the west coast in an area classed as "remote rural", it runs two workshops and a shop locally, and provides training and runs sales across the Highlands. Originating in a crafts group for mental health service users developed by local staff and volunteers 9 years ago, it is now in its fifth year of running as a social enterprise. While the exact numbers of staff and volunteers varies (there is a volunteer "waiting list"!), at any one time there are around 7 paid staff and 20 volunteers and trainees active. They were recently awarded the "Overall Best Employer" award at the 2010 Highland Diversity Awards, and then at the Scottish Business Diversity Awards 2010 "Best Social Firm" they also won the "Best Practice in Community Regeneration" (people category) Award from SURF.



As may be typical of many WISEs (Defourny and Nyssens 2008: 9), Rag, Tag'n'Textile aims to integrate several social goals in its work. The chief aims of the organisation are to assist people recovering from mental health problems in remote and rural areas through providing a supportive environment in which they can gain confidence. It does this by providing training and work experience in making and selling hand-crafted

items from recycled textiles. This may lead to them returning to employment in the 'unsupported' labour market. The organisation also provides training in craft skills to a wide range of people, including in partnership with local schools. Both the work and the training sessions are valuable for breaking down stigma and negative perceptions of people with mental health issues.

Rag Tag'n'Textile is aware of the difficulties of integrating care and employability services, and has been careful not to let any pressure to increase production affect the supportive and stress-free nature of the work environment, which is essential for success with care goals. The organisation is committed to handcrafted production on a "cottage industry" model, rather than expanding into factory-style production; and to offering opportunities to contribute to people for whom independent employment may not be possible. Nevertheless, it has seen 20 people move on to independent employment in the last three years.

Beyond this, the organisation also provides year round employment, in an area where the labour market is dominated by seasonal jobs. They have worked with other groups that find access to the labour market difficult, and on related skills projects – for example, they were involved with a multi-agency crafts project with Gypsy-Traveller people, that developed participants' literacy and numeracy through sewing and crafts.

Rag, Tag'n'Textile also contributes to cultural and environmental aspects of local social welfare. They help keep alive traditional skills of hand sewing, knitting, crochet, patchwork, and rug-making, through their training programmes and through marketing their products. They use unwanted textiles from local charity fundraising shops, that would otherwise be transported out of the area and likely end up in landfill waste dumps. Items donated to Rag, Tag'n'Textile are either used to make new products, sold locally at low cost if of sufficient quality to be re-used, or occasionally passed on to other community organisations. As such they are a member of Community Resources Network Scotland, which promotes local recycling and use of local resources by community-based groups.

In terms of models of co-production, the organisation is a bottom-up initiative, where everything from delivery to governance and planning is done by a mixture of staff and volunteers (which includes a volunteer, though highly professional board). However, it has close relations with public services through working partnerships, contracts and participation of public service staff in the governance of the organisation.

While Rag Tag'n'Textile has been mainly funded through grants from a number of public and charitable bodies, income from product sales has been rising steadily. Operating in an area (Skye and Lochalsh) which is popular with tourists, they fill a niche in the market for locally handcrafted products available at a relatively low cost. For the future, the organisation is aiming to generate more income, through continuing the increase in product sales, and winning public service delivery contracts. It is also committed to further sharing

its knowledge and experience more widely, and is developing training manuals that should be available later in 2011.

Sources: Rag, Tag'n'Textile; Highlands and Islands Enterprise; Highlands Equality Forum.

See: <http://ragtagntextile.org.uk/>

### Case study 7.3

#### *Social care: Highland Community Care Forum*

Highland Community Care Forum (HCCF) is a third sector organisation that works with carers and care service users and is engaged in various forms of “co-production” of social care services. Firstly, carers are “co-producers” of public care services in the original sense of Ostrom, in that their caring work is a (often essential) complement to formal care services. Secondly, HCCF organises peer support networks and provides an information service to carers, including establishing local fora where individual carers and local care support organisations can meet. Thirdly, HCCF is also engaged in “co-management” and “co-governance” through participation in public service partnerships and direct contacts with health and social services.. They also undertake social research in fields related to their work, and engage in consultations and policy advocacy at local, regional and national levels.

HCCF works with a wide range of people across the life course stages and with different needs: adult carers, young carers, people with mental health problems and learning difficulties and care and health service professionals. A variety of approaches and models of working are adopted as opportunities arise and some example of initiatives are briefly highlighted below:

- The Highland Users Group (HUG) is a network of mental health service users, with 13 local branches across the Highlands. It brings people with experience of mental health problems together to advocate for change in mental health services, and challenge the stigma surrounding mental health. Much of their work is funded by a mix of government, local authority, health service and charitable funding.
- With the support of a HCCF local development worker, a community in North West Sutherland are establishing ‘Community Care Assynt’, a Community Interest Company, which will start off with a service level agreement with Highland Council to establish a drop-in centre and a lunch club (HCCF 2010a).
- Following the interest of the local press in HCCF’s work on supporting activities for older

people, Inverness Local Community Care Forum was approached by the Royal Highland Hotel with the offer of a venue for a Sunday lunch club to be held at their premises once a month. This is an interesting example of collaboration between a third sector organization and a private business.

- “Carers can” is an initiative aimed at supporting carers to get into work by providing accessible training -i.e. costs of transport and respite are covered.
- Their organisation has a second-hand goods shop to generate income to support its activities.

The organisational structure responds to the integration-differentiation tension, by bringing together a number of different teams working on their project or specialism under the Forum umbrella, which provides management and financial services (HCCF 2010b). The Forum currently employs 12 full-time and 18 part-time staff across Highland. HCCF has a strong presence across nine local areas in Highland through the presence of local fora which support 73 groups involving varying combinations of carers, users of services and service providers (HCCF 2010a). Funding is likewise complex and involves a contract jointly with the local authority and National Health service to provide a number of services and other specific services are funded by various bodies such as charitable foundations and the Scottish Government.

The organisation has been in existence for around 20 years, innovating to meet the needs of its stakeholders. However, despite the policy discourses on ‘big society’ and community engagement, its future is uncertain in the light of changes in policy and rules on procurement, and public sector fiscal stringency. The shape of HCCF in the future is likely to be different.

Sources: Highland Community Care Forum, [www.highlandcommunitycareforum.org.uk](http://www.highlandcommunitycareforum.org.uk); Highland Users Group, [www.hug.uk.net](http://www.hug.uk.net)



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