



Identifying Social Innovations in Local Rural Development Initiatives

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Abstract – In this paper we draw on earlier research into community-led rural development initiatives to advance understanding of the meaning and scope of "social innovation". Taking a Schumpeterian view, we assert that innovations emerge from new combinations of resources and should bring about positive changes to create value. Teasing out the key feature of social innovation, we re-visit data from 5 different national contexts. This allows us to develop a clearer understanding of social innovation as a key driver of development in rural areas and to identify where and how social value is created.

SOCIAL INNOVATION

Understanding and fostering innovation in rural areas is central to modernising the rural economy (OECD, 2012). Innovation is essentially about using creativity and new combinations of resources to generate value. This extends to social innovation, defined as "new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations" (Murray *et al*, 2010).

Identifying incremental changes (which characterise the majority of innovations) in a variety of EU rural contexts, this paper emphasises the 'social' processes and outputs of innovation. *Processes* are particularly important as social innovation is also about mobilising citizens in their communities (BEPA, 2011). Although not unique to rural areas, perpetuating views that rural communities are particularly cohesive and sociable (Tonnies, 1955; Hillyard, 2007) indicate a conducive research context.

Innovations and opportunities emerge through processes of dynamic interaction and negotiation between stakeholders (Schumpeter, 1934). Key networks and drivers of rural change can be both internal and external, making the interfaces between local and extra-local, and top-down and bottom-up especially pertinent. As such, social innovation has been strongly connected with neo-endogenous development (Neumeier, 2012) with its roots in rural

development studies. Fitting the neo-endogenous concept, social innovation can include the creation of local connections and a common learning culture (Dargan and Shucksmith, 2008). A purely economic approach to social innovation is not sufficient but other aspects such as changing attitudes and new relationships must be embraced as part of the social innovation process.

The burgeoning literature on social innovation is replete with references to the need for a sound conceptual or methodological framework (Neumeier, 2012), greater clarity (Bonifacio, 2014) and more theoretical and empirical work (Grimm *et al*, 2013). With social change arguably moving as quickly as technological change (Cajaiba-Santana, 2014) the need to understand key drivers in ways that can inform participants in social innovation becomes apparent.

APPROACH

The paper adopts a comparative approach with new analysis of existing datasets from independent research projects carried out in LEADER areas in Denmark (Thuesen), England (Bosworth), Finland and Italy (Rizzo), the Netherlands (Haartsen & Strijker) and Romania (Marquadt). Although not designed as a comparative study, the translation of Schumpeter's innovation typology to apply to social innovation (Table 1) enabled a thematic re-interrogation of our data to address the following questions:

- How can social innovations be created and how is social innovation recognised?
- What is the value of social innovation?
- How can social innovation be incorporated into policy goals?
- To what extent is social innovation exhibited among rural community-led initiatives?

Table 1. A Schumpeterian approach to social innovation

Schumpeterian Innovation	Social Innovation
Product	New outcomes: new businesses, organisations, services or products
Process/methods of production	New approaches to value creation and policy/service delivery
Exploitation of new markets	Serving the breadth of society; responding to social needs (local demand)
Inputs	Maximising the use of local resources, including human and social capital
Organisational innovations	Network approaches and innovative partnerships

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FINDINGS

Innovation is one of the pillars of LEADER and we found that a consistently broad understanding of innovation, including forms of social innovation, was applied across LEADER areas. In Denmark it was “something extra”, which could be a product, a process or just developing a project in a way that fitted local capabilities and the local context. Similarly, in England, innovation within private businesses (e.g. investing in new technology) and innovative community activities (e.g. funding alternative delivery mechanisms for local services) were seldom distinguished. Several examples also indicated that projects could be innovative within a local (rural) context, even if that idea or technology existed elsewhere. An example of such local change emerged through the institutional innovation of increased engagement among rural agents in the rigid South Tyrolean administrative system. No new technology or radical new ideas but innovation that made a difference to local communities.

All of these examples have a social dimension and one of clearest messages from LEADER is that any project, even when the goals are oriented towards economic growth, has a social impact because participation and cooperation between people are required. In total, more than half of the projects in the Netherlands study had social development as a main or side objective. Examples include a project with the economic aim of enhancing the use of local produce in restaurants and another offering training to entrepreneurs. The first increased social cooperation between farmers and hospitality businesses while the second saw participants learning more about each other, and staying in contact after the project.

The importance of identifying social innovation within economic action was highlighted in England too. Funding for farmers markets, which were already commonplace in the locality, might not appear innovative at face value but because they were set up in schools, the benefits extended into education as well as to local businesses.

POLICY IMPLICATIONS

Incorporating social innovation goals into policy was seen to be highly subjective and dependent upon the support of local communities as well as the networks and human capital attached to key actors that formed the driving force for LEADER processes.

Romanian examples found that heterogeneity among LEADER groups could benefit innovation through bringing together external and internal knowledge. However, elsewhere, it has been noted that engaging different groups of society, especially younger people was challenging. Too much heterogeneity could also act as a barrier to forming sustainable partnerships and lasting social innovation.

Social innovation can be stimulated with low levels of investment, if it generates additional local action. In the Netherlands, communities were encouraged to develop ‘village visions’ which helped to

build social capital and cooperation that added value to direct interventions. In Romania, regions with existing trust among LEADER groups and stronger cultural capital were found to be more effective too.

In conclusion, policy design and evaluation must find mechanisms for capturing the value of social impacts that result from economic interventions, and vice versa. One approach is to engage local communities more strongly in shaping local development, so that material impacts of any policy interventions are recognised and promoted from within. For example, bringing local people and decision-makers together to share their visions and discuss possible actions through small sustainability projects, and themed innovation workshops.

While strengthening local networks and social capital can create new economic opportunities, local actors also require the freedom to bring about changes independently – avoiding the concern of a Danish LAG member: “*I think that the creative and innovative projects leave ... because they have to meet too many criteria ... and they are typically slightly different than what you already have in many areas.*”

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