



TRANSNATIONAL RURAL SOCIAL INNOVATION STRATEGY

D.T3.1.3 Transnational Rural Social
Innovation Development Strategy

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Executive Summary

With the aim of building skills and capacities for social innovation and social entrepreneurship, the CERUSI project has implemented a Rural Social Innovation Lab Caravan in rural areas throughout Central Europe, enabling citizens and innovators to harness the potential of their communities. It used a bottom-linked, co-creative and transnationally embedded regional development approach through the establishment of this temporary support framework for social innovators. The report reflects on the experiences of the CERUSI project, connects them to theoretical and conceptual underpinnings of social innovation and rural development and highlights pathways on how the potential of social innovation in rural regions can be unlocked.

First, the report summarises our understanding of social innovation, conceptualising it as a four-phase process. It consists of problematisation, emergence, adjustment and stabilisation and requires specific resources (e.g. access to funding or other forms of capital etc.), reflections (e.g. on available knowledge and capacities) and relations (e.g. to regionally active institutions) in order to be successful. Second, in order to contribute to achieving the goals of the EU Long Term Rural Vision, the report suggests three policy strategies, associated with nine policy recommendations to maximise the impact of social innovation in rural regions and to contribute to the achievement of the Long Term Rural Vision. These policy recommendations aim at building an environment in different dimensions of society in which social innovation can flourish. In rural regions, this means specifically paying attention to the following fields of intervention:

- Social needs orientation of public policies.
- Temporary frameworks for social innovation support.
- Capacities for social innovation in public institutions.
- Institutional and cultural embedding of social innovation.

These intervention fields are also the main area in which the CERUSI RSI_Partnership works in order to unlock the potential of social innovation for rural regions. With seven Local Action Plans, the RSI_Partnership has already started to deliver clear actions on all of these intervention fields.



1. Introduction

Rural regions throughout Central Europe have been struggling with a multitude of difficulties, ranging from low economic productivity to a lack of infrastructure. Social innovation has been put forward by scholars, policy makers and practitioners alike as offering potential solutions to local problems. With the aim of building skills and capacities for social innovation and social entrepreneurship, the CERUSI project implemented a Rural Social Innovation Lab Caravan in rural areas throughout Central Europe, enabling citizens and innovators to harness the potential of their communities. It used a co-creative and transnationally embedded regional development approach through the establishment of this temporary support framework for social innovators.

To provide insights into the factors that contribute to the successful implementation of socially innovative initiatives, the following report will present a Transnational Rural Social Innovation Strategy, based on the CERUSI experience and outputs.

The CERUSI project resulted in several outputs: firstly, the transnational Rural Social Innovation Lab Caravan, which has harvested the creative and socially innovative ideas in rural areas of the CE region and connected them with challenges identified on the regional and transnational level via the RSI_Skyrocket platform. The Rural Social Innovation Labs approach further helped participants ask the right questions, get structured feedback on their thoughts and concepts and provided a framework to analyse, hone and prototype ideas. With its two-step approach, the Lab Caravan helped to develop innovative solutions (in the Lab modules) based on identified social needs (in the Caravan stops).¹ The RSI Academy is a comprehensive educational platform on social innovation. It covers topics from Stakeholder Engagement to Impact Finance. It was created in the scope of the Central Europe Social(i)Makers Project and was transformed into a regionally tailored “Rural SI Skyrocket Platform” in the CERUSI project. It embeds transnationally facilitated online interaction into actual social and physical relations between innovators, policymakers, social business support organizations, researchers and private actors. Finally, the project established local and transnational RSI_Partnerships that give continuity to social innovation after the project ends.

In this report, we reflect on the experiences of the CERUSI project, connect it to theoretical and conceptual underpinnings of social innovation and rural development and highlight pathways on how the potential of social innovation in rural regions can be unlocked. The report is structured as follows: After drawing up the context and background of rural social innovation, we introduce our definition of the term ‘social innovation’, detailing the four phases of the social innovation processes in rural areas and associating relevant policy recommendations. Furthermore, this section showcases how CERUSI has contributed to each phase of the social innovation process from a regional development perspective and

¹ For more info on the Lab Caravan approach please consult our cookbook: <https://www.interreg-central.eu/Content.Node/CERUSI.html>



identifies core policy intervention to support the different phases. Afterwards, we outline what this means for strengthening social innovation as a crucial component of transformative development policies in Central Europe, giving specific recommendations on how to intervene in the policy fields based on the experience of the project and our engagement with stakeholders.

The methodology of this report is based on several pillars, namely the European Commission's Long-Term Vision for Rural Areas in Europe, as well as recent academic research on social innovation in rural areas. Although social innovation is mentioned in the strategy as contributing factor for achieving this goal, the EU Long Term vision does not go into detail on how social innovation should be fostered and implemented. This strategy tries to bridge this gap by delineating a clear pathway on how social innovation can help achieving the goals of the Long Term Rural Visions. Moreover, two Transnational Policy Forums and a three-part webinar series were organized under CERUSI and informed this Transnational Strategy.

2. Background of the CERUSI RSI Strategy

Discussing social innovation in rural areas is important in several respects. Although cities and rural regions in Central Europe demonstrate different circumstances and struggles, some similar tendencies in their socio-economic development can be noted. The Central European countryside tends to struggle with a multitude of factors: a lack of infrastructure, employment prospects and economic productivity, which in turn leads to young people migrating to urban centres. This shifts the demographic balance of socio-economic status, age and gender between cities and rural regions and contributes to a sense of detachment, disempowerment or possibly resentment against policy and institutions.²³ Approximately 40% of rural Europeans in a consultation of the European Commission reported that they felt left behind by policy makers and society.⁴ Unemployment rates are higher on the countryside while people on average are less educated, with many countries exhibiting great differences in basic digital skills.⁵

Moreover, many of the structural deficits are intertwined: when communities lack infrastructure and access to public services, they are also less likely to be able to fulfil other needs, such as financial services, digital communication and transport. Essential services such as pharmacies, doctors, public transport, schools and post offices ensure economic and social inclusion of inhabitants, and are unfortunately often lacking.⁶

² Christmann, G.B. 2020. "How Social Innovation in can be Supported in Structurally Weak Rural Regions".

³ Schubert, C. 2018. "Soziale Innovationen im ländlichen Raum. Zivilgesellschaft und kommunale Verwaltungsstruktur als begünstigende und hemmende Faktoren", 376.

⁴ European Commission. 2021. "Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A long-term Vision for the EU's Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040", 1.

⁵ European Commission. 2021. "Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A long-term Vision for the EU's Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040", 5.

⁶ European Commission. 2021. "Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A long-term Vision for the EU's Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040", 6.



Rural regions moreover struggle with structural constraints when social innovators attempt to implement projects: these range from poor internet connectivity to a lack of awareness of local institutions about potential solutions to local problems. Rural regions are usually not associated with innovation, and as poverty, unemployment and ageing populations intersect in these areas, are not commonly perceived as conducive to social innovation. Socially innovative initiatives can nevertheless benefit from characteristics particular to rural areas, such as social capital and local identities.^{7,8} The social capital and local identities of civil society, church organisation, farming associations, volunteers, cultural initiatives, etc. can and does contribute to social innovation - whether they use this paradigm or not. As inhabitants form stronger bonds within small regions, they can be especially beneficial for socially innovative initiatives.⁹

3. The social innovation process in rural regions

By social innovation, we understand novel practices that prove capable to tackle societal issues and are adopted and successfully utilised by individuals, groups and organisations concerned. Social innovation can emerge among experts and civil society and through the interaction of varied actors and promoters. Although the term innovation implies novelty, it can also be the case that a socially innovative project on the countryside makes use of traditional elements in novel ways.¹⁰

3.1 Phases of social innovation

The social innovation process in structurally weak rural regions consists of several phases (see Figure 1). Each phase of the social innovation process requires specific resources (e.g. access to funding or other forms of capital etc.), reflections (e.g. on available knowledge and capacities) and relations (e.g. to regionally active institutions) in order to be successful.¹¹ As a consequence, specific (policy) interventions can be initiated to facilitate the success of social innovation projects in the different phases.

⁷ Nordberg, K., Mariussen, A. and S. Virkkala. 2020. "Community-driven social innovation and quadruple helix coordination in rural development. Case study on LEADER group Aktion Österbotten", 139.

⁸ Steiner, A., Calò, F. and M. Shucksmith. 2021. "Rurality and social innovation processes and outcomes: A realist evaluation of rural social enterprise activities", *Journal of Rural Studies*, 1.

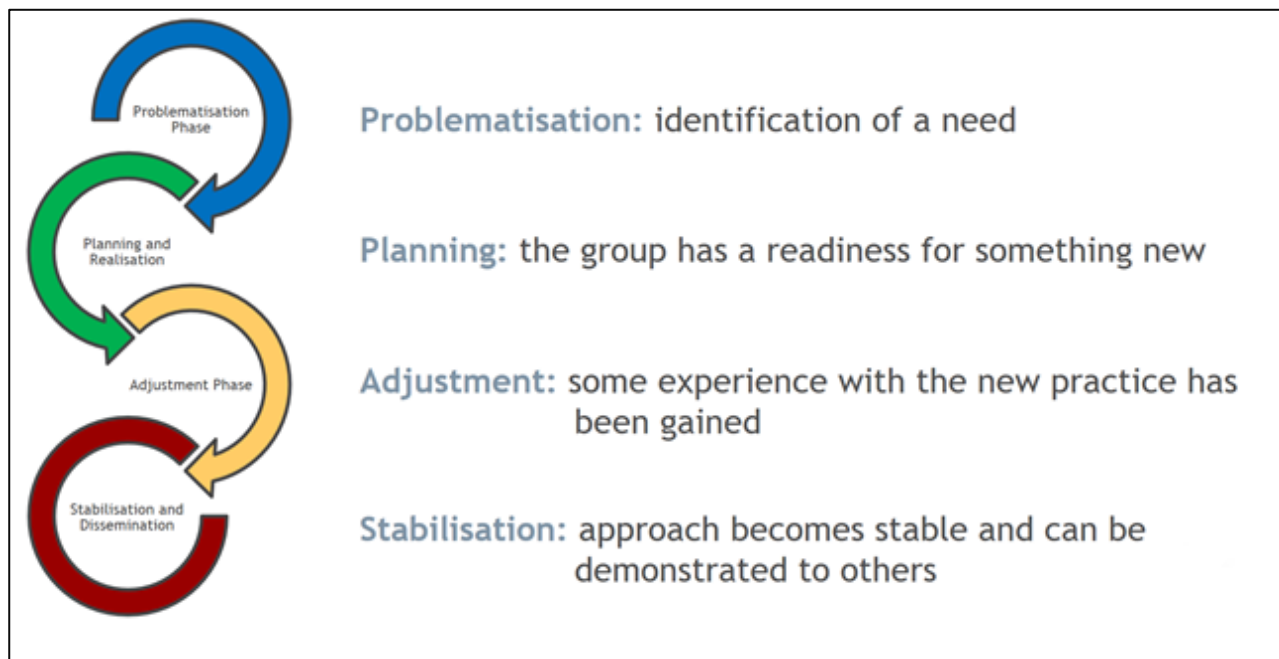
⁹ Neumeier 2011 274 in Neumeier, S. 2017. "Social innovation in rural development: identifying the key factors for success", 38.

¹⁰ Christmann, G.B. 2020. "How Social Innovation in can be Supported in Structurally Weak Rural Regions", 7.

¹¹ Suitner, J.; Haider, W.; Philipp, Stefan (forthcoming): Social innovation for regional energy transition? An agency perspective on transformative change in non-core regions. In: *Regional Studies: Special Issue*.



Figure 1: The Social Innovation process.



Below we introduce these different phases and highlight some crucial insights gained during the implementation of CERUSI that have implications for the policy-making process on regional and transnational scale.

3.2.1 Latency and problematisation phase

During the latency and problematization phase, existing challenges in a region are identified and problematized. At this point, key actors in the project have not yet been found and elements of possible solutions may already exist but have not yet been conceptualised. Collaborative communication at this stage is indispensable so that stakeholders and innovators can jointly bring forward their ideas. This requires resources in the form of spaces in which one can meet and exchange ideas. Through moderated communication formats, such as regular meet-ups, individuals can be brought together to develop potential solutions and discuss their perceived needs.¹²

CERUSI Learnings

First, CERUSI has contributed to communities' ability to harness their immediate issues through organising Caravans stops. The Caravan stops function as exchange space for those who have innovative ideas on how to address challenges in their communities and ensure a low-threshold opportunity for idea generation in the midst of the communities they are concerned with. Thereby, they prove much-needed communication formats. Second, the Skyrocket Platform provides such spaces for exchange as a digital online platform, which is especially convenient in areas that lack physical infrastructure and local support services and during the Covid-19 pandemic.

¹² Christmann, G.B. 2020. "How Social Innovation in can be Supported in Structurally Weak Rural Regions", 8-10.



Policy intervention field #1: Social needs orientation of public policies.

Local and regional policy actors should provide regular formats for exchange as sounding board for immediate societal needs in their territory.

3.2.2 Emergence phase

After identifying their communities' needs, actors shift their focus towards potential solutions during the emergence phase. The group exhibits readiness for new solutions. The driving force and therefore one of the success factors behind any socially innovative initiative in this context is the initiator him/herself, who ensures the continuity of the project. In this context the innovator can be a citizen with creative and new idea that is committed to solve a specific problem, but also actors such as farming associations, volunteers, church organisation, cultural initiatives, etc that push their idea forward. Such individuals (or organisations) are most likely to succeed if they are institutionally embedded and socially connected.¹³ Institutional embeddedness enables initiatives to overcome local bureaucratic hurdles. Social embeddedness is necessary for wider social acceptance of socially innovative initiatives, too. Ideally, social networks build the foundation of social innovation projects. They consist of five to eight actors with a range of complementary skills and competencies.¹⁴ Such competencies should cover sustainable, financial, legal and technical aspects to ensure the feasibility of the project and overcome bureaucratic hurdles.¹⁵ ¹⁶ Financial competencies must obviously cover knowledge on available funds and financial management skills, as a sound funding strategy is indispensable for any such initiative.

Another inherent component of an initiative's success is public acceptance, which is more likely to be gained through the direct involvement of inhabitants and the regional environment. If the people for whom such initiatives are designed do not accept and make use of it, it is doomed to fail. Involving the public through meetings, festivals or workshops can thus contribute to the social embedding of social innovation initiatives by mobilizing citizens.¹⁷

CERUSI learnings

CERUSI's Lab Caravan approach builds bridges between inhabitants and social innovators by directly involving citizens, making public acceptance, and thus the successful implementation of initiatives, more likely. The Rural Social Innovation (RSI) Labs moreover provide spaces for idea exploration, prototyping and solution implementation, thus creating spaces for citizen participation and citizen-led intervention. The Skyrocket Platform and the Social Innovation Academy provide trainings and digital tools for those who wish to

¹³ Christmann, G.B. 2020. "How Social Innovation in can be Supported in Structurally Weak Rural Regions", 11.

¹⁴ Christmann, G.B. 2020. "How Social Innovation in can be Supported in Structurally Weak Rural Regions", 11.

¹⁵ Christmann, G.B. 2020. "How Social Innovation in can be Supported in Structurally Weak Rural Regions", 12.

¹⁶ Neumeier, S. 2017. "Social innovation in rural development: identifying the key factors for success", 40.

¹⁷ Christmann, G.B. 2020. "How Social Innovation in can be Supported in Structurally Weak Rural Regions", 11.



successfully implement a social innovation project, enabling citizens to acquire the necessary skillsets. The CERUSI Lab Caravan Cookbook offers a range of approaches to digital engagement.



Policy intervention field #2: Temporary frameworks for social innovation support.

Setting up (temporary) local and regional support frameworks for social innovators and entrepreneurs helps emerging social innovation by providing access to knowledge and resources.

3.2.3 Adjustment phase

During the adjustment phase, innovators have been able to gain some experience, positive and negative, in the implementation of their projects. Teething problems might occur at this stage, which requires adequate adjustment, and potentially additional funding for the project to prevent failure. Users from the community itself should be involved so that projects are designed appropriately to their needs. In dealing with occurring problems, specialist knowledge is indispensable at this stage of the innovation process. Spaces and modes through which one can exchange knowledge and experiences with similar initiatives are helpful too.

CERUSI learnings

The Caravan approach, the Rural Social Innovation Labs and the Skyrocket Platform bridge the gaps between individual stakeholders and actors by providing spaces in which innovators can pool and exchange experiences and knowledge to find solutions to occurring problems. The primary factors that are important at this stage - involvement of users from the rural community, the provision of specialist knowledge and knowledge on funding - are all targeted through CERUSI outputs.

The Lab Caravan approach was designed to accompany socially innovative projects over the course of multiple weeks. This continuous support framework gives the opportunity to continuously adjust the project idea according to new insights and experiences. The participation of a broad set of stakeholders in lab modules is beneficial to the local acceptance of the developed projects.

Policy intervention field #3: Capacities for social innovation in public institutions.

Policies should support social innovation through the provision of formats that enable public involvement. Moreover, there should be an emphasis on capacity-building and knowledge exchange through digital online formats. Knowledge on adequate financial resources is a key point at this stage.

3.2.4 Stabilisation phase

During the stabilisation phase, socially innovations are consolidated. Consolidation hereby is less about scaling and more about amplifying, deepening and broadening the innovation. However, scaling also happens as innovators extend their solutions to other problem areas, and, ideally, can make use of the



solutions developed elsewhere. Public outreach in this phase supports exchange between projects, so that resources are not wasted on problems that have been solved in a similar manner in other regions. Dissemination to other areas is only possible when actors are motivated to solve problems outside of their own communities. Thus, exchange across a wider spatial area is vital.¹⁸ The Lab Caravan approach enables participants to acquire a range of necessary skillsets and experiences, in turn strengthening societal and rural areas' ability to effectively cooperate and communicate in future projects.

CERUSI learnings

Anchoring support frameworks - such as the CERUSI Lab Caravan - in regional contexts, helps reaching out to the public and reinforcing innovative project ideas. Piggybacking on local events can help share the news about successful socially innovative projects and services, contributing to the stabilization of these initiatives.

Policy intervention field #4: Institutional and cultural embedding of social innovation.

Social innovation on the countryside can strengthen collective identity by enabling inhabitants to engage creatively within their communities. Policy makers should encourage public outreach about novel approaches and create opportunities to acquire necessary knowledge on funding strategies, such as through online and digital tools.

4. Social innovation as strategic component of rural development

The EU Long Term Rural Vision 2040 defines different areas of actions that are crucial in shaping the future of rural regions in Europe. More specifically, it defines 4 key areas of intervention in rural areas:

- Stronger rural areas
- Connected rural areas
- More resilient rural areas that foster well-being
- Prosperous rural areas

In order to achieve these objectives, the EU Long Term Vision sets up an Action Plan that should spark the implementation of different flagship initiatives to achieve the rural vision. Among these flagship initiatives, issues such as rural revitalisation platforms, R&I for rural communities, digitalisation, social entrepreneurship and energy transition in rural municipalities are key areas for development.

Hereby, the vision is embedded in a policy context that evolves from core societal challenges of the EU (e.g. the EU Green Deal, Digital Transition, a new push for European Democracy, Recovery Plan for Europe). Departing from his context, the Long Term Vision aims to bring together rural regions from across the EU via

¹⁸ Christmann, G.B. 2020. "How Social Innovation in can be Supported in Structurally Weak Rural Regions", 17.



the aforementioned flagship initiatives. Especially relevant is the exploitation of core project outputs on a European scale to benefit rural areas.

Social Innovation is hereby defined as especially relevant for achieving stronger rural areas. Although social innovation is mentioned in the EU Long Term visions as contributing factor for achieving this goal, the strategy does not go into detail on how social innovation should be fostered and implemented. This strategy tries to bridge this gap by delineating a clear pathway on how social innovation can help achieving the goals of the Long Term Rural Visions, building on the experience made during the CERUSI project and the above-mentioned conceptualisation of social innovation.

Rural regions, especially marginalized ones, are typically characterized by organizationally thin, fragmented, or even locked-in innovation systems and “long-lasting and strongly intertwined phenomena of economic, social and demographic decline.”¹⁹. However, this situation in rural regions can provide a specifically fruitful growth place for social innovation initiatives that can contribute to overcoming these challenges. The transformative potential of social innovation initiatives is present in rural regions and needs to be unlocked through supportive measures from the policy side. They cannot flourish in an institutional and organizational vacuum.²⁰ Recent studies have indeed shown how SI can unlock the transformative potential of non-core regions (Castro-Arce & Vanclay, 2020). Therefore, CERUSI suggests some strategic lines of intervention that can help unlock the potential of social innovation in rural regions.

These lines of strategic intervention were co-created at various events during the course of the CERUSI project. First, two Transnational Policy forums in which international experts and stakeholders shared their perspective on rural social innovation were held. Second, the consortium partners organised two Local Policy Focus Groups in each region. The partners gathered regional perspectives on the overall issues discussed in the transnational fora. Based on this input, the CERUSI project suggests three policy strategies to maximise the impact of social innovation in rural regions and to contribute to the achievement of the Long Term Rural Vision.

4.1 Building-up capacities for social innovation

Objective: Build up competencies in rural municipalities, active civil society organisations and other institutional actors to enable social innovation activities including the foundation of social enterprises. Policy intervention field

Background

One of the main gaps encountered in rural regions during project implementation is the lack of capacity of regional organisations (e.g. public authorities like municipalities) to simultaneously observe and act. Monitoring ongoing technological and policy developments on multiple scales, screening available funding and

¹⁹ Leick, B. & Lang, T. (2018). Re-thinking non-core regions: planning strategies and practices beyond growth. *European Planning Studies*, 26(2), 213-228.

²⁰ Castro-Arce, K., & Vanclay, F. (2020). Transformative social innovation for sustainable rural development: An analytical framework to assist community-based initiatives. *Journal of Rural Studies*, 74, 45-54.



implementation sources, assessing the impact of these development on one's own regional context and providing interested citizens and/or civil society organisations with the necessary tools to react to these developments at the same time is challenging to say the least. Rural regions are often overwhelmed by keeping up with these demands. This further perpetuates the vicious circle of depopulation and economic decline.

Social innovation initiatives often depend on key actors from the region that have conspicuous knowledge and understanding of the region's past development path, recurring development challenges, regional narratives, and how they interact. These actors have tacit knowledge that allows them to anticipate critical junctures and create a tailored challenge-driven concept for change in a specific region. However, acting strategically in this way in many cases is not supported or encouraged by the institutional context in which these actors interact. In order to make social innovation a continuous force in rural regional development for a stronger Europe, the organisational thinness of rural regions needs to be tackled by building up capacities for social innovation in the already existing innovation ecosystem.

CERUSI learnings

The CERUSI experience shows, that working with small rural municipalities often unveils their lack of willingness to engage in support measures for social innovation projects. This lack of willingness has to be understood in the context of scarce resources and overwhelming demands in keeping up with ongoing developments in terms of technological and societal transformations. While this is certainly an issue on the local level, the call for building up capacities must answer this challenge by anchoring social innovation in a multi-level framework.

On the one hand, specific trainings and capacity building measures can be directly addressed to the rural communities. The CERUSI project took a step in that direction by providing a digital training course (RSI_Knowledge Academy). The course was translated into the project partners' national languages. It used easily understandable language to communicate core principles of social innovation and social entrepreneurship. On the other hand, superordinated policy levels need to provide and share their institutional knowledge as well as establish dedicated services that rural municipalities can use in order to better support social innovation projects in their different phases.

Policy recommendations: To build up capacities it is necessary to act on different policy levels:

- National policy level: Funding programmes for capacity building for social innovation should be set up, allowing rural regions and municipalities to acquire and access knowledge on social innovation support measures on a needs-oriented basis.
- Regional policy level: Social innovation knowledge should be institutionalised by either training selected persons in regional administration or by setting up new institutions like Social Innovation design agencies (e.g. via state funding).



- Local policy level: Existing knowledge resources (such as the CERUSI Skyrocket Platform) should be accessed and used in order to build up capacities for social innovation and social entrepreneurship in the exiting ecosystem.

4.2 Strengthening ecosystems for social innovation

Objective: Develop and expand ecosystems for social innovation and social entrepreneurship in rural regions across Central Europe.

Background

While building up capacities in existing institutions is important, the current ecosystem for social innovation is not sufficiently equipped to support and sustain activities in a way that leads to stronger rural areas. Ecosystems can be understood as networks of actors that form specific governance structures, facilitating collaborative action for social innovation²¹. However, to create an enabling environment for innovation it is crucial to connect with firm- and policy-networks. A flourishing ecosystem for social innovation gives potential innovators the possibility to develop their ideas in an institutional setting that is enabling rather than impeding.

As one of the core characteristics of rural region is organisational thinness, meaning the lack of adequate organisations and capacities, e.g. for providing services to develop new social business ventures, the ecosystem approach gains leverage. Rural regions have to be creative on how they create such an ecosystem, as capital and human resources will potentially remain scarce for the foreseeable future. Temporary instalments of support frameworks for innovation, e.g. through EU-funded projects, can help build up a supportive ecosystem that creates long-lasting positive impact.

CERUSI learnings

During the CERUSI project, the consortium partners implemented Rural Social Innovation Labs. These Labs serve as temporary additions to existing (or missing) local social innovation ecosystems as they provide a space for exchange and idea development between different local actors (e.g. innovators, mayors, business support organisations) and (inter)national experts (e.g. business development experts, experienced social innovators). By introducing these temporary facilitation frameworks in rural regions, the project enabled new actor interactions and fostered idea development on social innovation issues.

In order to make the RSI_Lab modules a reliable factor in the local ecosystem, they cannot be dependent on temporary project financing. Therefore, the partners opted to build-up Local RSI_ Partnerships (in additional

²¹ Domanski, Dmitri; Howaldt, Jürgen; Kaletka, Christoph (2020): A comprehensive concept of social innovation and its implications for the local context - on the growing importance of social innovation ecosystems and infrastructures. In European Planning Studies 28 (3), pp. 454-474.



to the transnational RSI_Partnership) that aim to embed the Labs (as well as the Caravan stops) in that regional context and continuously strengthen the existing ecosystem on social innovation. Local RSI_Partnerships consist of actors present in rural contexts, working towards rural development and bringing together key actors of the social innovation and social economy sector together on a regular basis to discuss the potential of ideas and projects developed in the Lab Caravan stops and modules.

Policy Recommendations: In order to develop ecosystems for social innovation, policies must be implemented on different scales:

- International Level: Funding calls for rural development should include specific social innovation related streams working on and experimenting with different forms of supporting ecosystem creation in rural regions. The goal should be to find low-threshold formats (e.g. such as the RSI_Partnership) that can strengthen social innovation ecosystems, preferably connected across countries.
- National Level: Steps should be taken to help establish more permanent social innovation actors (such as e.g. social innovation agencies or competence centres) on a regional level, following the approach already implemented for other sectors (such as traditional innovation funding).
- Regional and local level: Small-scale partnerships can be initiated, that connect the already existing ecosystem actors and that gather resources and competences to propel social innovation initiatives.

4.3 Increasing access to resources for social innovation

Objective: Diversifying the understanding of resources necessary and introducing different pathways for social innovation in rural regions.

Background

The discussion on the lack of resources for social innovation, especially in rural regions, seems to be omnipresent. The debate on resources is thereby often reduced to a simple association of resources with access to funding. However, social innovation taps into a range of different resources to achieve its goals. This involves access to workforce, technology), institutions (i.e., norms and values, rules and regulations), and the discursive process (e.g., communication, attention by policy and the wider public, visioning, policy development)²². Drawing up a broader understanding of resources helps to support social innovation initiatives in a more holistic way.

First, new ways of financing need to be found to support social innovation. One example could be to set more efforts to introduce social innovation as a core component in public procurement procedures. Second, fostering social innovation means being open and willing to engage with local change initiatives, leading to new actor relations and interactions in a regional context. Third, regional intermediaries and policy goal

²² Suitner, Johannes; Haider, Wolfgang; Philipp, Stefan (forthcoming): Social innovation for regional energy transition? An agency perspective on transformative change in non-core regions. In: Regional Studies: Special issue.



processes should not only take into account social innovation aspects, but engage with local change initiatives to develop new solutions for pressing societal needs together with the community. After all, knowledge about how to get access to these resources, how to approach them and how to use them for developing a socially innovative project is crucial.

In fact, by introducing new business models, governance modes, and policy intervention, social innovation can contribute to overcoming resource scarcity in rural regions. From a policy perspective, this implies that a holistic approach to social innovation has to go beyond pure funding support. It needs to acknowledge the multi-dimensionality of social innovation. Only by doing so, the potentials of social innovation may lead to a stronger, more cohesive and inclusive Europe.

CERUSI learnings

The lack of resources for social innovation was present in most of the pilot regions. What was interesting were the ways that were found around the almost traditional “lack of funds”. On the one hand some project partners managed to support the mobilisation of funding for certain social innovation programmes via launching calls (e.g. on the Skyrocket Platform) for funding or applying to such calls with ideas developed in the Lab modules. On the other hand, tools such as the RSI_Hybridisation tool or the RSI_Academy allowed to identify other pathways for creating social innovation projects by tapping into existing institutional contexts (such as Local Action Groups) and using these connections for new projects.

Policy recommendations: In order to facilitate access to resources, interventions on the following scales are conceivable:

- **International level:** Besides offering dedicated funding for social innovation, the creation of strong transnational links (e.g. via continuous partnerships between regional organisations), building up knowledge on how to manoeuvre the field of social innovation can provide added value.
- **National and regional level:** Public procurement can be used to spark social innovation by specifically making social dimensions a key component, defining funding priorities that are based in societal needs.
- **Local and regional level:** Being open and willing to engage with innovative ideas from citizens and civil society organisations goes beyond financial supports. Creating common visions for regional and local development can facilitate the take up of socially innovative ideas and create a flourishing environment for social enterprises.

5. Conclusions and action outlook

As explained above, certain institutional and political conditions must be in place for the successful implementation of socially innovative initiatives. In order to ensure these projects’ success, it is vital for governments and policy makers to acknowledge the potential benefits of social innovation in rural areas in Central Europe. Social innovation adds a necessary perspective to the discourse on economic, technological and societal transformations as sketched out by European and global policy frameworks such as the EU Long Term Vision for Rural Development, the Green New Deal or the Sustainable Development Goals. Communal



administrative structure has the greatest influence on socially innovative initiatives because it determines a community's autonomy. Also, it influences its potential to independently take action. The communal level has a crucial position in translating these overarching goals to specific regions. Social innovation can be an important factor in this translation process.

In addition, conventional policy administration is often designed contrary to characteristics of innovation such as risk taking. Specifically, they may exhibit traits such as: a pressure to uniformity across public services and a strong aversion to failure; a lack of time and mindspace to do anything other than reactively cope with events, especially implementing structural changes; and persisting assumptions that are cumbersome to social innovation such as “not-invented -here syndrome”.²³ These may create closed systems that favour single-issue solutions established within silos. This hampers inter-organisational collaboration. Social innovation lies at the intersection of several policy areas, such as rural development policy, environmental policy, innovation policy (as within industrial/economic policy) and social policy.²⁴ Therefore, these policy areas should not be considered in silos. Instead, joint solutions across policy areas prove more effective. Moreover, regulatory measures may simply not fit the task that a socially innovative initiative is concerned with and should hence be adapted.²⁵ Overall, social innovation in rural areas require an openness of public institutions towards innovation, including its potential risks. Initiatives require structural support, both in terms of infrastructure and local development investments.²⁶

Our Transnational RSI_Development strategy takes up this notion and defines different policy recommendations in alignment with overall policy intervention fields that we deem beneficial to the process of social innovation as we experienced it in the CERUSI project. The following policy intervention fields relevant to unlocking the potential of social innovation for rural development have been elaborated in the course of the CERUSI project, following the 4-phase understanding of social innovation:

Policy intervention field #1: Social needs orientation of public policies.

Local and regional policy actors should provide regular formats for exchange as sounding board for immediate societal needs in their territory.

Policy intervention field #2: Temporary frameworks for social innovation support.

Setting up (temporary) local and regional support frameworks for social innovators helps emerging social innovation by providing access to knowledge and resources.

Policy intervention field #3: Capacities for social innovation in public institutions.

²³ Chapman, J. 2002. System Failure. Why governments must learn to think differently.

²⁴ Ludvig et al. 2018. “Social Innovation in Marginalised Rural Areas. Innovative, Sustainable and Inclusive Bioeconomy”, Report D6.2, *Policy Implications for Social Innovation in Marginalized Rural Areas*.

²⁵ Dro, I. and Therace, A. 2011. *Empowering people, driving change. Social innovation in the European Union Publications Office of the European Union*

²⁶ Ludvig et al. 2018. “Social Innovation in Marginalised Rural Areas. Innovative, Sustainable and Inclusive Bioeconomy”, Report D6.2, *Policy Implications for Social Innovation in Marginalized Rural Areas*.



Policies should support social innovation through the provision of formats that enable public involvement. Moreover, there should be an emphasis on capacity building and knowledge exchange through digital online formats. Knowledge on adequate financial resources is a key point at this stage.

Policy intervention field #4: Institutional and cultural embedding of social innovation.

Social innovation on the countryside can strengthen collective identity by enabling inhabitants to engage creatively within their communities. Policy makers should encourage public outreach about novel approaches and create opportunities to acquire necessary knowledge on funding strategies, such as through online and digital tools.

While these policy intervention fields delineate general necessities for fostering social innovation processes in rural regions, they do not provide an orientation how to get closer to achieving them. Therefore, the CERUSI process engaged with its stakeholders and tried to come up with different strategic recommendations on how to intervene in these different fields to unlock the potential of social innovation. This leads to the formulation of 9 recommendations that related to different intervention fields and address policymakers on different levels.

International level:

#1 Funding calls for rural development should include specific social innovation-related streams working on and experimenting with different forms of supporting ecosystem creation in rural regions. The goal should be to find low-threshold formats that can strengthen social innovation ecosystems, preferably connected across countries. [intervention field 2]

#2 Besides offering dedicated funding for social innovation, the creation of strong transnational links (e.g. via continuous partnerships between regional organisations), building up knowledge on how to manoeuvre the field of social innovation can provide added value. [3,4]

National level:

#3 Funding programmes for capacity building for social innovation should be set up, allowing rural regions and municipalities to acquire and access knowledge on measures to support social innovation on a needs-oriented basis.[3]

#4 Steps should be taken to establish more permanent social innovation actors (such as social innovation agencies or competence centres) on a regional level, following the approach already implemented for other sectors (such as traditional innovation funding). [2]

#5 Public procurement can be used to spark social innovation by specifically making social dimensions a key component, defining funding priorities that are based in societal needs. [1]

Regional and local level:

#6 Social innovation knowledge should be institutionally by either training selected persons in regional administration or by setting up new institutions like Social Innovation Design agencies (e.g. via state funding). [2,3]



#7 Existing knowledge resources (such as the CERUSI Skyrocket Platform) should be maintained, accessed and used in order to build up capacities for social innovation and social entrepreneurship in the existing ecosystem. [2]

#8 Small scale partnerships that connect the already existing ecosystem actors and that gather resources and competences to propel social innovation initiatives can be initiated. [3,4]

#9 Being open and willing to engage with innovative ideas from citizens and civil society organisations goes beyond financial support. Creating common visions for regional development can facilitate the take up of socially innovative ideas and create a flourishing environment for social enterprises. [1,4]

During the CERUSI projects, a number of these recommendations were put into practice with the limited resources we had at our hands. The RSI_Lab Caravan was designed as a temporary support framework for social innovation and social entrepreneurs in rural regions and showed that it can fulfil its purpose. Moreover, the CERUSI project always had a policy intervention aspect at its core, as it builds up an RSI_Partnership throughout the project both on local as well as on transnational scale. While the local partnerships formed around the Lab modules and are now addressed by the Local Action plans, the Transnational CERUSI partnership Memorandum of Understanding (see Annex 1) has so far been signed by 10 institutions from Central Europe committed to fostering social innovation alongside the outlined intervention fields. On the basis of this partnership, the institutions will strive to implement and promote these recommendations in order to contribute to the achievement of the EU Long Term Rural Vision.



Annex I: Memorandum of Understanding

Memorandum of Understanding “Rural Social Innovation Partnership”

1. ZSI Centre for Social Innovation GmbH
2. Regionalmanagement Burgenland GmbH
3. Social Impact gGmbH
4. Fondazione Democenter-Sipe - Democenter-Sipe Foundation
5. Fundacija za izboljšanje zaposlitvenih možnosti PRIZMA, ustanova - Foundation for Improvement of Employment Possibilities PRIZMA
6. Nezisková organizácia EPIC - EPIC non-profit organization
7. Fundacja Fundusz Współpracy - Cooperation Fund Foundation
8. Regionální rozvojová agentura jižních Čech RERA a.s. - Regional Development Agency of South Bohemia
9. Fondazione Cassa di Risparmio di Modena - Foundation Cassa di Risparmio di Modena

1. PREAMBLE

The CERUSI project (Central European Rural Social Innovation), funded through the Interreg Central Europe Programme, has been successfully implemented by the above parties between 01.02.2020 and 31.01.2022.

The project aimed to strengthen skills and capacities for social innovation and social entrepreneurship in rural areas throughout Central Europe. It used a bottom-linked, co-creative and transnationally embedded regional development approach through the establishment of a temporary support framework for social innovators.

In order to ensure the sustainability of the project and its outputs, explained in the following section, and to raise awareness on and knowledge of the importance of social innovation and social entrepreneurship, the signing parties hereby establish the Rural Social Innovation Partnership.

The following components have been established throughout the course of the project:

- The transnational Rural Social Innovation Lab Caravan, which has harvested the creative and socially innovative ideas in rural areas of the CE region and connected them with challenges identified on the regional and transnational level via the RSI_Skyrocket platform.
- The RSI_Caravan approach enabled people to get in touch with citizens in their communities and their home region. It identified challenge owners who are looking for sound and innovative solutions for societal problems, and solution proposers who had innovative ideas tackling societal challenges. It was operationalised in the region by renting caravans, setting up interactive tour stops in local



municipalities and by renting stands at local festivals. The Lab Caravan concept not only lays out a strategy on how to casually (yet structured) exchange with citizens about their daily challenges and demands living in rural areas. What is more, the concept also presents ingredients to guide conversations towards first steps in discussing and developing ideas to remedy local malfunctions and shortcomings.

- The RSI_Lab modules made use of the ideas harvested in the Lab Caravans. This approach helped actors turn their sketched ideas into reality and to adapt them to context specific situations and conditions. The Rural Social Innovation Labs approach helped participants ask the right questions, get structured feedback on their thoughts and concepts and provided a framework to analyse, hone and prototype ideas. Therefore an intermediary network connecting innovators, policy makers, researchers and financiers had been established to create concrete and tangible impacts in the regions. The RSI_Labs connected the stakeholders in innovation sprints in order to enhance competencies related to the understanding, design, facilitation and implementation of social innovation and social entrepreneurship.
- The RSI Academy is a comprehensive educational platform on social innovation covering topics from Stakeholder Engagement to Impact Finance. It was created in the scope of the Central Europe Social(i)Makers Project and was transformed into a regionally tailored “Rural SI Skyrocket Platform in the CERUSI project. It embeds transnationally facilitated online interaction into actual social and physical relations between innovators, policymakers, social business support organisations, researchers and private actors. It provides specific training and upskilling modules from the SENTINEL project for mentoring and support structures for social enterprises and the RAIN-Business model developed in the H2020 project LiveRuR for rural circular economy.

These outputs all together have contributed to an improved capacity of public and private actors to design, implement and evaluate social innovation initiatives in peripheral and rural regions by introducing needed knowledge resources and expertise via transnational connections and the exchange of experience on multi-level governance management models, as well as by developing necessary tools to institutionalize a social innovation accelerator framework in rural regions. The signing parties therefore agree to actively make use of these outputs, to maintain them to the best of their abilities and to foster and spread social innovation and the importance of social entrepreneurship.

2. JOINT ACTIVITIES

In order to connect actors further, not only to local authorities, but also to transnational knowledge networks, the CERUSI partners thus hereby establish the RSI_Partnership. The MoU signed by the members of the transnational RSI_Partnership will ensure the sustainability and visibility of the importance of social entrepreneurship and social innovation in rural regions in Central Europe.



The Partnership is a low threshold, high impact network that connects actors from rural and peripheral regions in Central Europe. The RSI_Partnership ensures the sustainability of the project outputs, strengthens regional development, and shall also act as multiplier for the proven pilot concepts implemented. In order to ensure a broad impact of the measures taken, the participating and associated partners use their networks in the Central European region to get other regional actors engaged in the Partnership, thereby equipping citizens, innovators, entrepreneurs and regional and local authorities with the necessary resources and skills to address their communities' challenges.

Parties declare that they are determined to establish this active future cooperation framework and therefore have agreed to:

- raise awareness of and actively promote the importance of social entrepreneurship and social innovation in rural areas,
- make use of the project's outputs (Caravan Approach, Labs Approach, RSI Academy, Transnational Strategy) to the best of their abilities,
- provide support for new ideas, coordinate new RSI_labs in the regions and exchange regional experiences on challenges, solutions and methods to support people inspired to make a change in their local communities.

3. LEGAL STATUS

The parties have entered into this Memorandum of Understanding on a good faith basis for the purposes of future cooperation. This Memorandum of Understanding does not impose any legal or financial obligations on the Parties whatsoever, it is not intended to be legally binding on the Parties and do not constitute representations on which either party may rely.

After carefully reading and interpreting the above provisions, the parties jointly sign this Memorandum of Understanding, as fully corresponding with their contractual intentions.

Place, date

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