Understanding the process of social innovation in rural regions: some Hungarian case studies

In recent years, social innovation has been gaining more attention, not only in the scholarly literature and in public discourse but in rural development practice as well. An important reason for this is the greater involvement of civil society in this form of innovation. In this paper, building on definitions of social innovation found in the literature, we focus on the actual processes of social innovation in rural Hungary. The hypothesis behind our research was that a better understanding of how social innovation takes place in practice could increase its presence and efficiency in rural development. To explore these issues, we analysed four different cases of social innovation situated in rural Hungary. Our research shows that, despite common patterns, social innovation is highly dependent on its actual context and on the individual, the agentic engine, who initiates and carries out the innovation. For the capitalisation and the long-term sustainability of an innovative development project the institutionalisation of social networks gathering around it seems to be another crucial factor. Thus, creating an appropriate frame to drive the process all the way from the innovative idea through product development to institutionalisation, possibly in the form of a social enterprise, can be considered an essential circumstance for successful social innovation.

Keywords: rural development, LEADER, case study evaluation, why-how-what

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Introduction

In recent years, social innovation (SI) has been gaining more attention both in the scholarly literature and in public discourse. The objective of this paper is to examine the role of SI in rural development. Pue et al. (2015) defines five different research communities in the field of social innovation: (a) psychology of creativity; (b) territorial innovation and urban development; (c) social entrepreneurship; (d) innovation studies; and (e) psychology and innovation. Our paper explores social innovation in the context of European territorial innovation and rural development. In addition, building on the work of Bock (2012), Lawrence et al. (2013) and Pue et al. (2015), we aim to improve the general understanding of the subject.

We agree with Pue et al. (2015) that “social innovation follows logics and mechanisms that are distinct from market innovation, due to the system within which it is situated” (p.41). Rural regions normally have low capacity to develop genuine technological or market innovations, thus social dimensions, and within those social innovation, should receive more attention. Dargan and Shucksmith (2008) claim that innovation in LEADER (a programme aiming at local development of rural areas) is often understood rather as a social and cultural innovation, instead of a technical (and science interpreted) one by encouraging local linkages and collective learning, and improving the rural locality. Learning does not equal new technical and scientific discoveries but it can be “based on activities which recombine or adapt existing forms of knowledge” (Smith, 2000, p.10). LEADER Local Action Groups (LAGs) can themselves be considered as SI brokers – or agentic engines, using the term suggested by Pue et al. (2015) – in a given rural territory. The logic behind social innovation prioritises community development over territorial development, which means it adds the “collective, inclusive and sustainable sense to development and the satisfaction of needs over only profitability and marketability” (Moularand and Nussbaumer, 2005, cited by Garcia, 2012, p.39). Answering the special problems and needs typical of rural areas normally requires increased cooperation between the four ‘spheres’ of rural stakeholders. In the old model of cooperation, the business, the governmental and the civil spheres were considered to operate as separate entities. The ‘civil sphere’ means the area outside the family, the state and the market where people join their forces to advance their common interests (Heinrich, 2001). However, according to the new model their roles and responsibilities are more and more overlapping (WEF, 2013). LAGs, organised as tripartite (civil, governmental and business) rural development partnerships, are good examples of where different spheres can cooperate without major problems. According to Lukesh (2007), depending on the state of development or maturity of the rural area, as ‘instruments for change’ LAGs can play this role at various levels: starting from simply defining local needs, through acting as facilitators, creating platforms for negotiation, to becoming key players of local governance, enhancing practical development in many areas of rural life.

We agree with previous critiques claiming that defining SI simply as ‘… new technologies and products … affecting social relations, behaviour and attitudes’, thus understanding social changes solely as the results of technical innovation, misses one of the most important elements, that is the process of social innovation (Phillips et al., 2008; Pol and Ville, 2009). Bock (2012) refers to social innovation as ‘the social mechanisms of innovation’ and ‘the social responsibility of innovation’, meaning that innovation is based in social processes and the results should not be harmful to society. ‘Social’ relates to the purpose of innovation when society itself is targeted for change. The focus here is on values, norms or social relations to be changed (Gibson-Graham and Roelvink, 2009). As a tool, ‘social’ refers to the application of certain methods such as social empowerment or participation in the innovation process. G. Fekete (2015) points out that in the case of a SI the novel idea originates at least partly from civil society or civil movements (origin), it is
led by social values (purpose), in its implementation new social cooperation forms are used (implementation), and it has positive social effects (effects).

Lawrence et al. (2013) identified four focal themes (based on Phillips et al., 2008) of SI in the literature: social problems, novel solutions, organising models, and distribution of the benefits created. According to Phillips et al. (2008, p.36), SI means “a novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals”.

Pue et al. (2015) focus their definition on the process of social innovation, driven by its two interacting engines: an agentic engine and a structural engine. Social innovation is defined here as “… a process encompassing the emergence and adoption of socially creative strategies that reconfigure social relations in order to actualize a given social goal” (p.10). The paper interprets the most important aspects of SI in the context of rural development as follows:

- a purpose-driven novel solution to a social need or problem of a given society (social goal), in our case a local, rural community – PURPOSE (motivation)
- enables participation and cooperation of the different spheres/sectors such as economic, political and civil – IMPLEMENTATION (process)
- while creating positive social effects – BENEFICIARIES (products).

The two above-mentioned criteria – that the novel solution has to be better than the existing ones and it should benefit primarily society as a whole – are also considered to be important but at the same time are often more difficult to measure. This is one of the reasons why the work of Pue et al. (2015) puts the focus on the process.

Our paper interprets social innovation (Table 1) in the context of the ‘golden circle’ of questions by Sinek (2009): WHY (the motivation) – HOW (the process) – WHAT (the product). For this particular analysis one more element to the HOW part of the framework was added, exploring the effects of social innovation on the main beneficiary social groups.

The process of SI (HOW, Table 1) has been the subject of scrutiny by various authors. Bock (2012) draws attention to the ‘social mechanism of innovation’. This refers to the fact that any development normally occurs within the context of society. Pue et al. (2015), by defining SI as the process, also underline the importance of the question how SI takes place. Lawrence et al. (2013) further refine the framework by adding two more aspects of the HOW question, completing the ‘organising models’. Elements of the ‘organising models’ are: (a) the role of individuals/agentic engine; (b) the impact of context/structural engine; (c) which sectors are likely to contribute; and (d) how groups and networks are involved/institution.

### Methodology

The hypothesis behind our research was that concentrating on the process will improve our understanding of HOW social innovation takes place in practice. That, consequently, could greatly enhance interventions aimed at increasing the presence, efficiency and sustainability of social innovation in rural development practice. Focusing on the interpretation of HOW social innovation can be organised, we examined four Hungarian rural development projects (Figure 1) as case studies for social innovation (Table 2). The case studies have two aims. Firstly, to test the analytical framework offered by Lawrence et al. (2013) for the analysis of the SI process, the different aspects of HOW, namely (a) the role of individuals/agentic engine; (b) the impact of context/structural engine; (c) which sectors are likely to contribute; (d) how groups and networks are involved/institutionalisation; (e) the effects of SI in real rural cases in Hungary. Secondly, to identify appropriate questions for future research intended to collect more evidence on the topic.

Finally, we used the Internal and External Factor Evaluation Matrix (EFEM, Maxi-Pedia, 2015) to evaluate the SI process. The factors in the matrix were the parameters of the process of SI (i.e. HOW), namely the context, initiator, sectors involved, the way of involvement, and the effects and beneficiaries. The relative importance of each factor was indicated by assigning a weight ranging from 0.0 (not important) to 1.0 (very important). The sum of all assigned weights must equal 1.0. The next step was to rate the factors from 1 to 4 which captured whether the factor represented weakness (rating = 1) or strength (rating = 4). The results were then multiplied and summed. After multiplying each factor’s weight by its rating, the sum of the results showed the total weighted score for each SI. In the long run, by further developing the measurement of the relative importance of the factors and analysing data from a large number of case studies, a deeper understanding of SI and its parameters in rural development could be achieved.

### Table 1: Interpretation of social innovations by three different authors.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>WHY – innovation of society</td>
<td>The innovation of society</td>
<td>Social problems as the starting point</td>
<td>Social problem</td>
</tr>
<tr>
<td>HOW – social mechanism of innovation</td>
<td>Organising models</td>
<td>Agetic engine, structural engine</td>
<td></td>
</tr>
<tr>
<td>HOW – distribution responsibility of innovations</td>
<td>Benefits distributed beyond the innovators</td>
<td>Emergence, adaptation</td>
<td></td>
</tr>
<tr>
<td>WHAT</td>
<td>Focus on novel solutions</td>
<td>Outcomes (social goal, social change)</td>
<td></td>
</tr>
</tbody>
</table>

Source: own compilation

### Table 2: The case study research approach.

<table>
<thead>
<tr>
<th>Description of cases</th>
<th>Research problem</th>
<th>Data Sources</th>
<th>Investigators</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four social innovations</td>
<td>Understanding the HOW in social innovations</td>
<td>Interviews, archives</td>
<td>First step: single investigator, second step: research team</td>
<td>Underlying and developing the conceptual framework</td>
</tr>
</tbody>
</table>

Source: own description based Eisenhardt (1989)
Results

Through the analysis of the case studies answers are given to the questions of Table 1, starting with WHY and WHAT, while different aspects of HOW social innovation takes place are also elaborated.

First case study - Balaton Uplands

WHY? The Balaton Uplands LEADER LAG (hereinafter ‘Balaton Uplands’) is rich in natural resources and has good potentials for sustainable tourism. At the same time, to capitalise on these potentials, there was an urgent need to connect both relevant local actors with each other and the region with the outside world, as a destination for rural tourism. A parallel demand was the social need for destinations offering possibility for ‘alternative’ (green, cultural, ecological, gastronomical, vine, adventure etc.) tourism. This project intended to meet these fundamental social needs through the community-based development of tourist trails, made possible along with the outside world, as a destination for rural tourism. A parallel demand was the social need for destinations offering possibility for ‘alternative’ (green, cultural, ecological, gastronomical, vine, adventure etc.) tourism. This project intended to meet these fundamental social needs through the community-based development of tourist trails, made possible through an innovative GIS system and smartphone applications for the tourists.

WHAT? In Balaton Uplands the LAG organised local workshops in all the 60 settlements, during which local attractions were gathered, placed on a large printed map and organised into three trails (for walking, cycling and horse riding) designated in each village. This occasion also provided a neutral communicative space for discussions, finding possibilities, building networks and contacts for local entrepreneurs, local authorities, NGOs and local enthusiasts etc. (community development tool). It also provided appropriate space for the local development agency of the LAG to meet the population in their territory, to gain information, personal and institutional contacts (rural development tool). After the workshops a LAG employee accompanied by local people walked along the trails, recorded the GPS tracks, took photographs, collected stories etc. Then a GIS database was built (using new technologies), smartphone applications were developed and innovative tools, including Google™ advertisements, Facebook™, printed leaflets and digital information boards were used for the marketing of the results (marketing tool).

HOW?

Context of the process? In Balaton Uplands the project was designed and delivered as one of the main local activities of the local LEADER LAG. As part of their ‘green tourism’ development it became one of the three legs of the local development strategy. Balaton Uplands provides favourable circumstances for such a project, with strong natural and human resources, reasonably developed services and many high-quality local products, all good resources for rural tourism development. Also, the local LAG is one of the best functioning ones in Hungary with a strong professional background, good networks, importing knowledge and best practices from domestic and international examples.

Who initiated the innovation? In Balaton Uplands the innovation initiated from three different sources: (1) a local entrepreneur; (2) a social scientist; and (3) the project managers of the LAG. The local entrepreneur was originally from Budapest, speaks various languages, and was working in rural tourism (accommodation, horse trails) and ICT at the same time. He had had and used GPS technology for several years and could develop the first version of the GIS database and coding. The social scientist, a rural development expert, was also an incomer, but has lived in the area for a long time, working closely with the LEADER LAG as a volunteer. Based on good practices seen in EU Member States and on the available resources (expertise of the above

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1 A community made video illustrating the process is available at: https://www.youtube.com/watch?v=3mIU/hG6K&feature=PLZd/dE4wSYVfj341bWz4pZ3- X/k6DGIs&index=3. A parallel project, the development of the Balaton Uplands Territorial Quality Mark, was connected to the GIS project through including local producers and service providers in the map and the smartphone apps. Both the process of developing the GIS database and the result itself were very successful, nevertheless, the marketing of the project products could be very much improved.
entrepreneur, human resources available in the LAG etc.), he suggested to use the GIS/GPS project as an opportunity for community development and an interface for creating networks, packages and rural development work in general. He also suggested community planning as a complex method to be used. He is also quite resourceful, with wide international experience of rural development, relevant degrees, theoretical knowledge, practical skills etc. The local development agency of the LAG (project managers) participated in the development of the innovative features of the project from the very beginning. Even if ideas, impulses and methods were suggested by others, they very quickly internalised, improved and operationalised the initiatives and carried out the vast majority of the work. They were people with different resources/skills, often helping, complementing each other, and that was an essential success factor for the project.

**Which sectors are involved?** NGOs, local authorities and entrepreneurs were all involved, but schoolteachers, foresters, walkers, bikers (sometimes not only locals but also urban people who had fallen in love with the locality) also contributed. Local authorities took responsibility for cleaning the trails, putting up signs and so on. Service providers (accommodation, catering, programme organisers) and local producers of food and arts and crafts products all appear on the maps in addition to attractions.

**How are different sectors involved?** The involvement of groups, networks and individuals is semi-formal. There is no legal entity (association, foundation or business) created; however, there is an established network of people and organisations taking part in the project with a contract and a basic fee.

**What are the effects, distribution?** During the process of developing the GIS database, community mapping and so on, there were many tangible, positive effects of the project. Several new co-operations, joint strategic thinking, planning, there were many tangible, positive effects of the project from the very beginning. Even if ideas, impulses and methods were suggested by others, they very quickly internalised, improved and operationalised the initiatives and carried out the vast majority of the work. They were people with different resources/skills, often helping, complementing each other, and that was an essential success factor for the project.

Second case study - Hernádszentandrás

**WHY?** The second project, hereinafter ‘Hernádszentandrás’, intended to fight poverty and social exclusion through creating a community based, owned and cultivated organic vegetable garden and the associated processing, short supply chains and marketing environment. Through this it aimed to (a) achieve a significant cultural change, transforming the passive poverty culture and overall hopelessness incumbent in the village to a more pro-active, self-care approach, based on the development of social networks, knowledge, skills and a working culture; (b) create both paid employment and self-subsistence (including the public kitchen), benefitting the whole local community in the long run; (c) exploit unused and deteriorating resources (good quality land within and around the village, traditional production culture of vegetables, closeness of markets) and, at the same time, use the available funding offered by social, employment and rural development programmes.

**WHAT?** A considerable amount of public aid (ca. EUR 100,000) was acquired with the aim of creating a community-based vegetable garden. The project call was for human resource development and capacity building to fight poverty and social exclusion. Using some land in the middle of the village owned by the local authority, a small organic vegetable garden was created. With the contribution of a university lecturer (a recognised expert in organic production and community supported agriculture, CSA) a training programme was designed and was delivered by a local agricultural engineer (after a ‘train the trainer’ programme) for the interested local people. Some 25 local people volunteered to take part in the project (training, working in the common garden and cultivating their own home gardens). The original 8000 m² of land was soon extended to 2.5 ha, together with a number of greenhouses and equipment for processing vegetables into high value added conserves etc. Following the first programme, several new funding sources opened, including a programme funding the employment of local unemployed people in social enterprises by the local authority and a call for building a small processing plant. During the first years the majority of the production was consumed by the volunteers themselves and supplied the local public kitchen. However, they now have their own webpage, and also deliver to five restaurants, some bio-shops, bakeries and some CSA networks; thus using innovative marketing strategies they started to turn the social enterprise into a real business. In 2013 Hernádszentandrás received the Europa Territorial Innovation Prize, shared with Wien in Austria, for creating innovative solutions for social problems at the municipality level.

**HOW?**

**Context of the process?** Hernádszentandrás is in one of the most disadvantaged villages in Hungary, with 40 per cent Roma ethnic minority population, a huge unemployment rate and a general feel of hopelessness: poor people normally waiting for external help instead of taking control of their own futures. Small-scale vegetable production, a traditional activity, became almost absent, even for self-consumption. Private gardens, courtyards and the land owned by the public authority became abandoned and production skills were forgotten. At the same time, the village has very good natural, economic and cultural resources (good soil, ground water, a river, the major markets of Miskolc and Košice close by, a long tradition/history of producing, processing and marketing vegetables etc.).

**Who initiated the innovation?** In Hernádszentandrás the clear source of the innovation is the mayor. He is a young, local man, with a university degree in politics, excellent
communication skills, a very strong commitment to the village and a clear vision of the future. He has used every opportunity to develop connections, and a reputation for the village and for the project, reaching well beyond the borders of Hungary. He became a deputy mayor in 2002 (at the age of 22) and mayor in 2006. As the mayor of a small village he has considerable power connected to local issues, including the use of resources, and can carry out his vision efficiently.

**Which sectors are involved?** The driving force in Hernádszentandrás is the local authority (and the mayor). However, the non-profit business and also the trading partners are actual legal businesses. Also, through providing input to the public food system, public institutions (school, kindergarten) are involved.

**How are different sectors involved?** In Hernádszentandrás the local authority is the sole owner of the non-profit business (limited), and both the activities and the income generated by the business are difficult to separate from the local authority. That represents an advantage, or rather leverage, for the business (cash flow, human resources etc.), but it can easily become a problem once the project really takes off as a business.

**What are the effects, distribution?** The project has had considerable effects in Hernádszentandrás. The local people involved started to develop a working culture, gained agricultural skills and can work towards both self-subsistence and the marketing of their products. The employment of 25-30 people in a small village is also a very significant factor. The appearance of the village has changed considerably (cultivated gardens, buildings, less rubbish etc.). Bioszentandrás has become an exemplar project in the region and in Hungary, and has already started to have some positive effects on local identity and self-respect as a step toward achieving long-term structural development in such a disadvantaged rural socio-economic context.

**Who benefits from the social innovation?** In Hernádszentandrás the project provides employment continuously to some 25-30 local people (a growing number) and has changed the shape of the village and the thinking of the local community considerably, thus in a way involves all local people. Through their products sold externally they have an effect on mainly middle class families in nearby cities.

### Third case study - Mezőcsát

**WHY?** Mezőcsát and its region belong to the 30 most disadvantaged regions of Hungary. Traditionally the region’s society and economy were determined by floodplain management including fishing, pasturage, fruit production, and processing reed and willow. Later, industrialised agriculture and heavy industry created jobs. After the change of the regime and the end of the heavy industry the region’s economy collapsed. Unemployment and migration have become challenges in the region (Bodó, 2015). Mezőcsát is situated in a nature reserve, near to the river Tisza with a need for a sustainable local economy and active citizenship.

**WHAT?** Szívlapát Alapítvány (Szívlapát Foundation) from Budapest selected this locality for the implementation of an exemplary project to enhance good practices and show the potential for sustainable development. Hungarian Telecom, as a funder, and the Environmental Social Science Research Group (ESSRG) from St. István University (with longer participatory action research experience in the region), as an agent, took part in the project with the involvement of the local community. One of the outcomes was a cycling map indicating local products, food producers (e.g. honey, bakery) and services (e.g. accommodation), coupled with online tools providing further information on the region and local contacts of suppliers and service providers.¹

**HOW?**

**Context of the process?** Mezőcsát, similarly to Hernádszentandrás, is a lagging region with a high unemployment rate. Local public institutions (LAG, local authorities, schools) and NGOs were involved in the process. However, there was a significant cultural gap between the external and the local actors working in the project, concerning democratic values, governance, communication etc.

**Who initiated the innovation?** Szívlapát Alapítvány was the initiator of this project. It aimed to help the most disadvantaged regions of Hungary by enhancing sustainable economic and social development through local participation, empowerment and unlocking local resources. Hungarian Telecom, ESSRG and the local LEADER LAG tried to enhance local participation. However, only the most active, entrepreneurial local actors got involved in the project. This could be due to a generally low level of trust among the local population, coupled with a lack of knowledge and understanding of rules, regulations and controlling external institutions connected to food products.

**Which sectors are involved?** All sectors were involved: Szívlapát Alapítvány came from the civil sector, Hungarian Telecom arrived from business, ESSRG represented research and development, and local government and the micro-regional development agency the governmental sector. Entrepreneurs and civil society actors from the region also worked in the project.

**How are different sectors involved?** During the project various programmes were organised, normally led by the external actors. These included Hungarian Telecom’s ‘Digital bridge’ programme that introduced the use of IT for example in agriculture and administration; a ‘Media school’ for the local youth; and a workshop on renewable energy organised by ESSRG. An important element of the project from the perspective of sustainable economic development was the development of supply chains of local products. However, this remained an informal network and no formal institution was created that could maintain the activity after the end of the project.

**What are the effects, distribution?** In Mezőcsát the question arises as to whether there are latent processes which have been activated by the project. For example, a beekeeper producing honey and indicated on the map has a vision for the development of the region and has ideas about who could be those entrepreneurs in the region who are ready to join. The project initiated positive social processes (innovation, learning, network development) that through a wider participation of local people could result in significant development. Nevertheless, how to enhance such participation

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¹ [http://www.jovomeno.org/termek/]
Table 3: EFEM evaluation of the social innovation processes in the four case studies.

<table>
<thead>
<tr>
<th>Case study</th>
<th>Context</th>
<th>Initiator</th>
<th>Sectors involved</th>
<th>Groups and networks involvement</th>
<th>Effects and beneficiaries</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weight</td>
<td>Rating</td>
<td>0.4</td>
<td>0.3</td>
<td>0.4</td>
<td>0.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Balaton Uplands</td>
<td>Weighted score</td>
<td>1.2</td>
<td>0.9</td>
<td>0.4</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Hernádszentandrás</td>
<td>Rating</td>
<td>2</td>
<td>4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Mezőcsát</td>
<td>Weighted score</td>
<td>0.8</td>
<td>1.2</td>
<td>0.4</td>
<td>0.4</td>
<td>0.2</td>
</tr>
<tr>
<td>Noszvaj</td>
<td>Rating</td>
<td>3</td>
<td>4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Source: own calculations

successfully remains an unsolved question in this locality.

Who benefits from the social innovation? In Mezőcsát, those who were involved had the possibility to experience a new way of thinking, to use IT for further development, and to get to know actors from Budapest and from outside the Mezőcsát region with an openness for sustainable development. Those who were open to be included on the map and on the homepage benefited from the project as their presence is now more visible. However, one of these producers stated that he has not yet gained any new customers from this opportunity.

Fourth case study - Noszvaj

WHY? Despite being in a declining micro-region, threatened by population ageing and outmigration, Noszvaj has managed to maintain its population as a result of more and more young families moving to the village, which now account for approximately 50 per cent of its inhabitants. Newcomers are normally well educated, middle class people and many of them are entrepreneurs. They have good skills and are slowly taking over the running of the village. Noszvaj is rich in natural resources and has good tourism potential.

WHAT? Most people work in agriculture or in tourism. In Noszvaj a thematic ‘folktale route’ was developed. The project has become a main driver of the local tourism business, enhancing continuous developments and the marketing of local products and services.

HOW?

Context of the process? Local society in Noszvaj is open and balanced. The Reformed Church has acted as an integrating institution for centuries. Positive traditions have contributed to a solid and consensual social, cultural value system. Other religious communities (Baptist and Roman Catholic) are also represented in the village and can co-operate without conflicts. Civil society is active, with a significant number of lively organisations. A good example is the Noszvaj Tourism Association which is more than 20 years old. There are also many active local individuals, colourful programmes and social events throughout the year which are signs of a well working local society. An enhanced culture of entrepreneurship is based on the long standing history of the village in rural tourism. During the communist regime Noszvaj used to be a favourite destination for political and economic leaders, creating a demand for local products and services. This tradition gained a new momentum from the 1990s, providing many local people with considerable income from tourism.

Local society is open and active. A good example is a well working women’s association, including the initiator of the examined SI.

Who initiated the innovation? The project was started by a young woman married into the village. She had an interest in ‘folktale therapy’ and, after taking a course on this topic, was looking for possibilities for being an entrepreneur based on her interest. She had the idea to collect the folktales of the (Palóc) region and on the basis of these tales create a Folktale Forest programme. Based on the success of this programme there was a demand for such programmes throughout the year. The initiator as a tale therapist was committed to attracting more families to experience folktales and this commitment resulted in the folktale route. She also managed to find other women who had an interest in such projects.

Which sectors are involved? In Noszvaj all sectors were involved and they were mainly from the village. Besides the initiator, the main actor of the project is the Noszvaj Tourism Association. The local government also supports the project and various business actors joined, for example, accommodation service providers.

How are different sectors involved? The Noszvaj Tourism Association became the formal implementing institution of the project. There is strong cooperation between all actors. For example there is a possibility for continuous professional consultation from the research side. The initiator is a member of an expert group of tale therapists too.

What are the effects, distribution? In Noszvaj there are many positive effects. Inhabitants have found many business opportunities connected to the folktale route. For example a ‘folktale accommodation’ brand was developed with special requirements for quality. Local values, such as folktales, are preserved and given added value at the personal, community and regional levels.

Who benefits from the social innovation? The whole village and its inhabitants benefited from the project, as have the tourists arriving into the region.

Internal and external factor evaluation matrix

The social innovation processes in the four case studies were evaluated using the EFEM (Table 3). The subjectivity of the evaluation is high, but we make suggestions on how to increase the objectivity of the evaluation in the discussion part of this paper. Context was assigned a weight of 0.4,
the initiator 0.3 and the other factors 0.1 each. Using EFEM we obtained a final number for each case from 1 to 4 where weak SI rates 1 and strong SI rates 4.

The results suggest that Noszvaj is the strongest performer and Mezőcsát the weakest. As each case study included participation from all four sectors (academia, government, industry/business and civil society), all scored 4 for this factor. It should be noted that academia is not a component of SI in all rural regions of Hungary and there is a question (not examined in this paper) of how effectively the results of R&D are applied in rural regions. In our case the reason for the presence of academia could be that the selected case studies were regions where the authors from academia had involvement. Although this factor was high even in the case of Mezőcsát, it is a lagging case because the two most important factors, the context and the initiator, scored poorly.

Discussion

The results presented in this paper convey two important messages. Firstly, the four case studies show that social innovation plays a role in developing rural areas. Secondly, the analytical framework presented in Table 3 enables the examination of particular cases of social innovation from various angles of the SI process.

The context in which social innovation is developed has a strong effect on the likelihood of success. Nevertheless, local context is a complex matter, depending on a range of socio-cultural, developmental and economic factors. For the rating of context (based on the results of our previous research, e.g. Varga, 2009; Katona-Kovács et al., 2011) the different levels of the Lukesch governance model could be applied. According to Lukesch (2007), in Mezőcsát the region was between the power-planning type, which means the third and fourth levels in the ranking of eight levels of governance where the eighth is the highest. This means our suggestion for rating the weight of the context is 1 for the first and second levels of the Lukesch governance model (existence and identity), 2 for the third and fourth (power and legitimacy), 3 for the fifth and sixth (achievement and equality), and 4 for the seventh and eighth levels (uniqueness and sustainability).

Initiators or agentic engines also have a fundamental role in SI. They have to be purpose driven. According to the Lukesh model there is a development stage when a charismatic leader stands out from the community and takes the leading role in the development of the rural area. He or she can initiate the innovation personally as in Hernádszentandrás where the mayor plays the catalyst role in the SI process. Based on this stage the area could excel and gain even international recognition and strengthen its local identity. Based on our case studies there are different options for the possible initiator. In the case of Balaton Uplands cooperation of more than one initiator was also successful. There was only one case (Mezőcsát) where the main initiator arrived from outside the region. In such cases the main challenge appears when the initiator leaves the locality. This is the time when it becomes evident how much they are incorporated and integrated into the region. The long-term presence of the initiator could be a question even when the initiator is from the region. How and how long can the initiator be involved in the SI? Will the context ensure the sustainability of the SI if the initiator leaves? The rating of the initiator needs further development – elements such as local inhabitant/or not, incomer/or not, authentic/or not could play important roles.

There were no outstanding differences in the four cases regarding the involvement of different sectors in the SI process. Representatives of all four sectors participated in each. A differentiation of the sectors according to their origin might be a point of departure for the analysis: if they are from within or from outside the case study region. This can help to improve our understanding of the differences between the results. When the initiation comes from outside the region it should not simply meet a social need or answer a social problem of the local area but also find receptive parties from different sectors (it can be achieved through the LAGs if they function well – as is shown in Balaton Uplands).

Our results suggest that the biggest threats to successful SI in rural regions are: (a) the lack of initiators and (b) the lack of supporting context that is commitment/involvement of active local actors. Regarding the sustainability of social innovation, the lack of institutionalisation is a crucial factor. Institutionalisation could provide the frequently missing link between product development and a practically and effectively working business based on social innovation. We also claim that for such projects some kind of social enterprise could be the best way of institutionalisation. To validate these claims further research is needed.

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References


