



*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

*No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.*

KATONA KOVÁCS Judit\*

## Where to put the focus in rural development: changing the focus from funding to learning

Since Hungary's accession to the European Union (EU) most of the actions in rural areas have complied with the regulations of the funding programmes of the EU's Common Agricultural Policy. The purpose of this paper is to demonstrate why the focus of actions has to be changed from funding to learning. The paper is structured as follows. In the introduction, the author explains, in the light of her research experience since 2001, why a change in focus is needed. The main body of the paper shows how the need for this change can be explained from different perspectives. Firstly, structural change in the economy is given as a reason. Secondly, the need for change is explained from the concept of neo-endogenous rural development, i.e. the interplay between local and external forces. Finally the reason for shifting the focus from funding to learning is explained in terms of the endogenous and exogenous factors influencing rural development, based on the framework developed by the EU Framework 7 project 'RuralJobs'. The paper concludes with some examples of the types of tools that have already been used and actions that should be implemented to achieve this change in focus.

**Keywords:** change in focus, rural development, strategic learning, why-how-what

\* Debreceni Egyetem, 4032 Debrecen, Böszörményi út 138. Hungary. katonaj@agr.unideb.hu

### Why is a change in the focus of rural development needed?

Sinek (2009) pointed out that the first question addressed by successful entrepreneurs when establishing their companies is, why should the enterprise be created, what is the purpose of it? With the outcome of a conversation with an academic colleague in mind, that even scientific papers have a story to tell, the author has structured this paper in line with the 'golden circle' approach of Sinek (2009), namely asking why, then how and then what?

At the beginning of her research career in rural development, the author examined the role of the European Union's (EU) Common Agricultural Policy (CAP) in Hungary, with special regard to agri-environmental management. As this research was linked to policy regulations it was in rather a 'top down' direction, examining the effects of selected tools such as agri-environmental measures, direct payments and the LEADER approach. The experience gained during this period (2001-2006) redirected the interest of the author to human and social capital. Examination of sustainability, resilience and system thinking has become a basic element in her work.

Acceptance by agriculture that corporate social responsibility is a pre-condition for the licence to produce is now an established societal demand. Production methods that have regard for the planet and people as well as profit have become a 'must' for the food industry (Slingerland and Rabbinge, 2009). The author keeps in mind the three dimensions of sustainability (nature, society and economy), in which nature creates the frame, the limits of growth, and society is understood to be part of it. Each human being, as an individual part of society, has his/her responsibility and has to understand the system he/she lives in. This is very important because, as Senge (2011) points out, people do not believe that they influence the future, while Johnson (2013), in line with Meier (2005), states that our future is based on how we as individuals live and talk today.

In Hungary, human and social resources, which play an

important role in the rural economy, show a great deficit (Katona Kovács, 2006a). Appreciating the importance of human and social capital and their deficit in the North Great Plain NUTS 2 region where she lives, the author is looking for ways to increase these resources. This is the first and most important answer to the *why* question.

Since 2006 the author's research work has sought answers to how human and social capital could be increased in local economies, as key factors for future development, even in the improvement of agri-environment management. Although there are good examples of changes generated through policy instruments, such as the LEADER programme (ÖIR, 2004), instead of trying to form or to increase human and social capital via 'top down' policy mechanisms, while keeping the importance of these instruments in mind, the author is looking for 'bottom-up' tools and participatory actions. This preference is based on an increasing body of evidence. For example, Dam *et al.* (2009) explore the transition of societal organisation from heavy reliance on the state towards self-organisation by citizens in communities. They note that private citizens are increasingly expected to take responsibility for the direction of their own lives. The success of the LEADER programme also comes from the space it gives for bottom-up approaches, for partnership and co-creation. Based on the model elaborated by Lukesch (2007), Katona Kovács *et al.* (2011) examined, from the three modes of operation offered by the model (animating actions, structuring actions and consolidating actions), the types of activities of the Local Action Groups (LAGs) in the North Great Plain region. Their results demonstrate the importance of animating actions amongst the LAGs in the region. In this region the level of governance is such that "the ability of people to articulate their common needs is the starting point for many innovations ... It is the only point where we can speak about development programmes in the strict sense" (Lukesch, 2007, p.16). Today animating actions are the most needed operations in the North Great Plain region, so as to encourage different actors to work together and experience the results of common thinking. Dialogue about the common needs is an important first step to help the development of local communities. OECD (2007) recognises that

rural development has gained strength through LAGs, adding to the numbers of those responsible for rural areas. This 'bottom-up' orientation of research into the development of human and social capital is the second answer to the question *why* the author believes a change in the focus is needed.

Looking for an approach that would help to increase human and social capital, in 2011 the author became a member of the 'Tiimiakatemia Debrecen', implementing a new education model from Finland. Tiimiakatemia education is an innovative Finnish model founded in 1993 by Johannes Partenen that develops team entrepreneurs (Tiimiakatemia, 2011). Tiimiakatemia is based on a learning triangle: theory, learning by doing, and team learning. An important part of the education is creating individual learning contracts (after Cunningham, 1999) with students in which they answer the following questions: Where have I been? (learning history); Where am I now? Where am I going? (future goals); How do I get there? How do I know I have reached the goals? The knowledge gained by the author since entering this system gives the final answer to *why*. The most important lesson from team coaching at Tiimiakatemia and translating this knowledge to rural development is that residents are those who have the greatest responsibility for the success of their region, so they themselves have to look for and find answers for their own future.

In summary, the reason why the focus in rural development has to be changed is that the answer for the future of rural regions has to be given by those living in these regions.

## How can the need for changing the focus be explained?

This part of the paper explains the need for changing the focus from different perspectives. Firstly, structural change in the economy is given as a reason. Secondly, the need for change is explained from the concept of neo-endogenous rural development, i.e. the interplay between local and external forces. Finally, shifting the focus from funding to learning is explained in terms of the endogenous and exogenous factors influencing rural development, based on the framework developed by Sabau and Paquet (2009).

### Structural change in the economy

The service sector employs 60-80 per cent of the economically active population of the industrialised countries. The main defining characteristic of this extremely broad category is that it covers activities which are neither industrial nor agricultural and which, despite their diversity, do not involve any tangible product. Information and communication play vital roles in many services that are defined primarily in terms of the interpersonal relationships involved. Examples of this are found both in the rapidly expanding private service sector which is benefiting from the growing complexity of economies and in the public sector. The growing service sector needs people with good social and communication skills – skills that UNESCO (2013) observes are not necessarily taught at school or university.

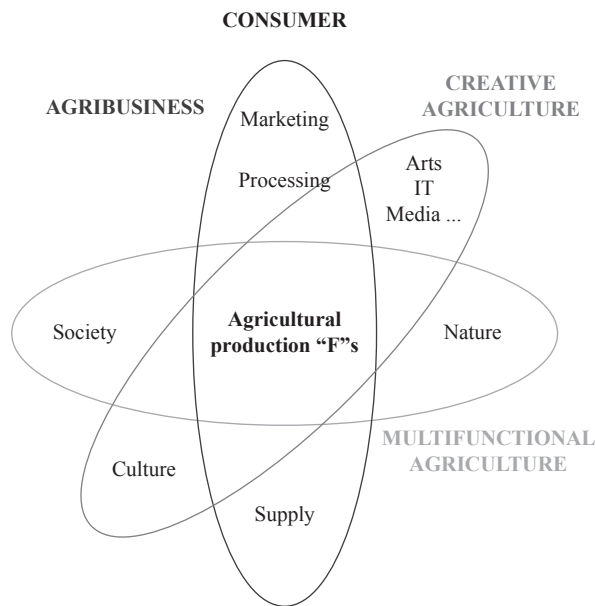
Marquardt (2011) defines the eight most significant forces that have changed the business world and necessitate company-wide learning in the twenty-first century as: globalisation and the global economy; technology and the Internet; radical transformation of the world of work; increased customer power; emergence of knowledge and learning as major organisational assets (workforce moving from manufacturing to mentofacturing); changing roles and expectations of workers; workplace diversity and mobility; and rapidly escalating change and chaos. Pink (2009) characterises the process of socio-economic change as follows: the *Agricultural Age* (farmers); the *Industrial Age* (factory workers); the *Information Age* (knowledge workers); and the *Conceptual Age* (creators and empathisers).

Anderson (2012) describes the process of change as follows: "Globalization and communications 'flattened' the world once, drawing manufacturing to low-cost labour in the developing world, a process first observed in the nineteenth century by David Ricardo as the triumph of 'comparative advantage'. Now we are 'flattening' it again, but along a different dimension. Thanks to automation, labour costs are a small and shrinking fraction of the cost of making something. Other factors, from transportation costs to time, start to matter more. ... Industrial robots are getting cheaper all the time, while humans are getting more expensive. ... On the product-development side, the Maker Movement tilts the balance toward the cultures with the best innovation model. Societies that have embraced 'co-creation', or community-based development, win. They are unbeatable for finding and harnessing the best talent and more motivated people in any domain. Look for the countries where the most vibrant Web communities flourish. Those are the values that predict success in any twenty-first century market. Good ideas can come from anywhere and take the world by storm. More innovation, in more places, from more people, focused on more narrow niches" (pp.227-228).

These structural changes are also present in agriculture. For example, in 2000 a new vision for the Dutch agricultural sector was presented by the Ministry of Agriculture. It proposed that food production should no longer focus on farming alone, but on the whole agro-food chain from primary producer to consumer. It also re-defined 'green' as being more than our natural heritage, encompassing quality of life, living conditions, recreation, open space, undistributed areas and water resources as well (Rabbinge and Slingerland, 2009).

Agriculture provides different products: food, feed, fibre, fuel, feeling (public goods, experiences), pharmaceuticals etc., the so called 'F's, and a significant proportion of the personal consumption expenditure on 'F's pays for activities that take place beyond the farm gate. The information technology revolution, as part of the knowledge-based society, prompts new ideas in agriculture as well as in business. To combine business and culture is also a part of this process and the results of the EU Interreg IVC project 'Creative Growth' highlighted development of the creative sector as one of the drivers of the emerging knowledge economy (Creative Growth, 2011).

An understanding of the complexity of agriculture (Figure 1) and the wide range of actors with different expertise



**Figure 1:** Complex system linked to agriculture.

Source: Katona Kovács and Bóta-Horváth (2012)

linked to it allows us to see why a learning organisation and an emphasis on learning is needed. Bearing in mind the possibilities these different dimensions (vertical, horizontal and transverse) give and the knowledge they need, rural ‘teampreneurship’<sup>1</sup> has to be a possibility for development in the future.

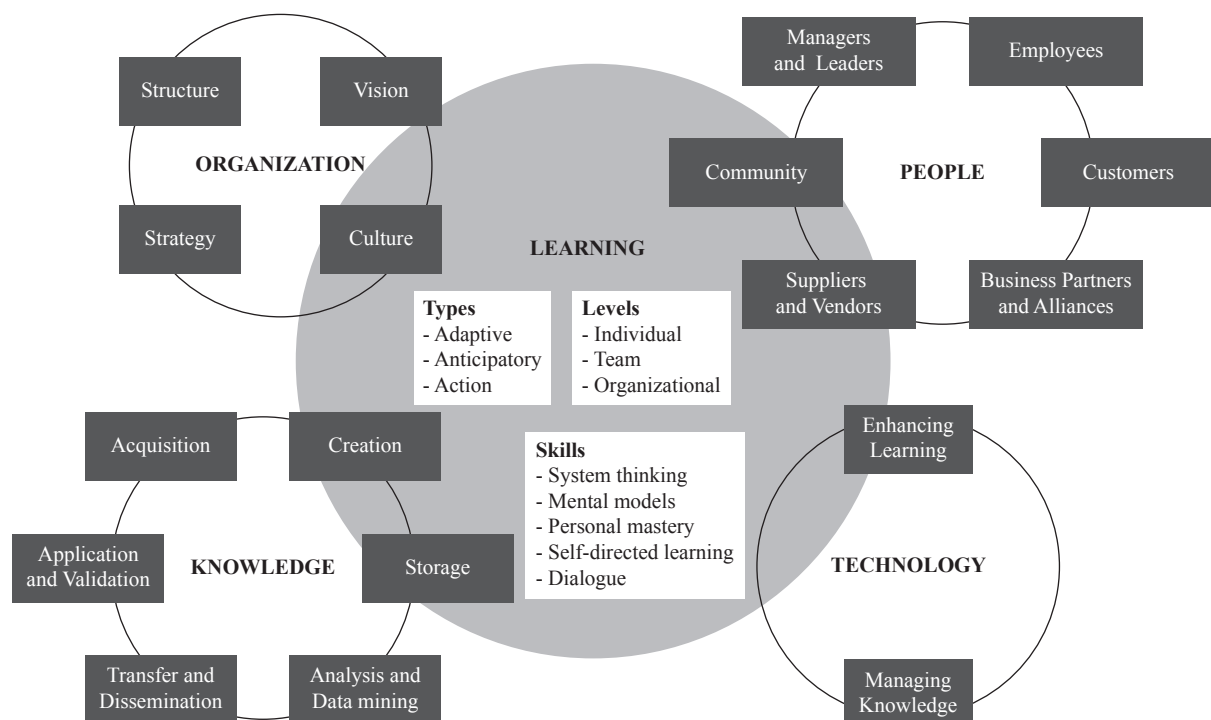
The Oivallus study on how education can best prepare students for working life in the 2020s points out that in the future projects will involve varying combinations of people

<sup>1</sup> Members of Tiimiakatemia defined teampreneurship as ‘a form of entrepreneurship in which an individual entrepreneur works and learns in a team that is composed of peers’.

(CFI, 2011). A team needs strong basic competencies and lots of desire to try out the new, i.e. to improvise. Working as a network (or a band), learning from one another and building on the ideas of others are skills that need practising. What is crucial for success is how well different experts work together. Marquardt (2011) states that “companies that do not become learning organisations will soon go the way of dinosaur; they will die out because they were unable to adjust to the changing environment” (p.vii). In a globalised economy, rural businesses access markets, customers and suppliers beyond their localities as well as within, reflecting a greater diversity in ways of doing business. The ‘new rural economy’ therefore needs new infrastructure to support it. The rebalancing within rural economies away from traditional rural sectors towards the more knowledge intensive sectors and the service economy has also been the focus of government policy in, for example, England (Cowie *et al.*, 2013).

### Neo-endogenous rural development

In the literature, the concept of rural development has evolved over time (Terluin and Post, 1999). Relatively recently, the concept of neo-endogenous rural development has gained ground, in which the control of the process is recognised as an interplay between local and external forces. Van der Ploeg *et al.* (2008) suggest that ‘endogeneity’ refers to the degree in which a regional economy is grounded on regionally specific resources and simultaneously develops them. They hypothesise that the more endogeneity there is in a regional economy, the higher the competitive advantage of the region concerned will be. To take advantage of the interplay between local and external forces, activating human resources (also as regionally specific resource) is an



**Figure 2:** The systems learning organisation model.

Source: Marquardt (2011)



important task at the local level. This fits with the UNESCO (2013) recommendation that education should be brought into endogenous growth by strengthening local potential and the spirit of empowerment.

Nemes and High (2013) show that the content and actors of knowledge transfer have changed radically over time. Much of the knowledge and information that is required today for sustainable rural development is rather complex, and impossible to create and distribute in traditional ways. At the same time a whole range of network-based, bottom-up institutions are emerging, especially in the field of sustainable agriculture and rural development. These are filling (or could potentially fill) many of the information and organisational gaps.

Looking at the need for change from the direction of neo-endogenous development and learning to consider endogeneity, local values are very important. Noticing the values around us is not easy task. There is a phenomenon that in social psychology is called Hedonic Adaptation, which means that human beings are very good at getting accustomed to positive changes, especially in their lives (Lubamaerski, 2013). For example, open space and silence are often not determined as being of value to rural people, but they are 'services' for which citizens from urban areas are ready to pay. Flanders (2013) draws attention to transparency around values. She also notes that people need to be well informed about what is happening where they live and how it relates to what is going on around them. People need to get to know each other and be shown a way to respond to the challenges they face. As the control of the process is an interplay between local and external forces, learning the skills of dialogue and system thinking is also very important. Localities must become learning organisations. Marquardt (2011) defines five subsystems necessary to sustain viable, ongoing organisational learning (Figure 2). The organisation, people, knowledge, and technology subsystems are necessary to enhance and augment learning. The five subsystems are dynamically interrelated and complement one another. If any one subsystem is weak or absent, the others will be significantly compromised.

### Endogenous factors influencing rural development

DfID (1999) grouped resources of rural regions into five categories, namely natural, human, social, physical and financial capital. Sabau and Paquet (2009) listed these as purely endogenous factors influencing rural development. Linking these resources to the three dimensions of sustainability, it can be suggested that: (a) *Natural* capital is linked to the *environmental* dimension; (b) *Human* and *social* capitals are linked to the *social* dimension; and (c) *Physical* and *financial* capitals belong to the *economic* dimension. Understanding the environmental dimension as the *frame* of development, which has to be recognised and taken into account, and the economic dimension and its capitals (physical and financial) as *products* of the social dimension, the most important resources for enhancing the development of rural regions are those of the social dimension, namely human and social capital. Haase Svendsen *et*

*al.* (2010), show that both tangible and intangible capital are being perpetually accumulated and converted by individuals in social 'games'. They also note that if a person or a group succeeds in accumulating the right mix of capital, he/they can simply rule their surroundings.

### Human resources

In Hungary 56.4 per cent of the funding earmarked for the establishment of microenterprises was redirected to other measures of the 2007-2013 Rural Development Programme because of lack of interest (ASz, 2012). Is redirection the best answer here, or would it be better to find ways to help local people to become entrepreneurs? What Marquardt (2011) says about companies could also be true for rural regions: "Brainpower is becoming a company's most valuable asset, which creates a competitive edge in the marketplace. We are challenged to find and use it" (p.12). If we accept human capital as the most important resource of rural development, it has to be developed and space for active citizenship has to be created. The NEF (2013) approach to wellbeing, namely: *connect, be active, keep learning, take notice, and give*, illustrates that the wellbeing of rural inhabitants could be improved through the development of human capital.

Finally, Pink (2009) writes that societies, like computers, have operating systems – a set of mostly invisible instructions and protocols on which everything runs:

- *Motivation 1.0*, the first human operating system was all about survival. There are biological drives here like, hunger, thirst and sex;
- *Motivation 2.0* was built around external rewards and punishment that worked fine for routine tasks. 'If-then' rewards can be effective for rule-based routine tasks – because there is little intrinsic motivation to undermine and not much creativity to crush. A long-recognised drive to respond – reward and punishment. Rewards by their very nature narrow our focus;
- *Motivation 3.0*, the upgrade that is necessary for the smooth functioning of 21st century business. We need to upgrade autonomy, mastery and purpose. This third drive is called *intrinsic motivation*.

Type I behaviour (intrinsic motivation) has three elements: *autonomy*, the desire to direct our own lives to be self-directed; *mastery*, the urge to make progress and get better at something that matters, get better at what we do; and *purpose*, yearning to contribute and to be part of something larger than ourselves. Mérő (2010) makes the point that self-actualisation or mastery, as mentioned also by Pink (2009), can be a need not only for humans at the top of the hierarchical pyramid, but for those at a lower level as well. These results linked to human capital also underline the importance of empowering local people to find their personal mastery, the purpose of their life and their vision about their region. Through the development of human capital entrepreneurship, one of the scarcest resources in rural areas (ASz, 2012), could also be improved.

## Social resources

Wiesinger *et al.* (2008) clearly point out the importance of social capital in rural development dynamics and suggest that it should be more recognised by policy-makers as a key factor in the development process. After extensively reviewing the literature on social capital during her PhD research (Katona Kovács, 2006b) the author adopted the definition for social capital used by Štulhofer (2000), namely that it has three, strongly connected elements: trust, keeping norms and social relations. During discussions about the meaning of social capital with Finnish partners of the Tiimiakatemia Learning Network (TALN), a new element was added, this is truth/honesty. Before incorporating this new element, a question for the author was which of the three above-mentioned elements is the most important and/or the first needed to build social capital? The answer of Tinggaard Svendsen and Haase Svendsen (2009) to this question is that, in the diversity of conceptions of social capital, social capital research should be carried out by operationalising social capital as trust. This fourth element – honesty – provided an answer for the author to this question: communicating the truth is a first step in building social capital. That is the reason why social capital is generated from human capital and understood as the second most important resource which has to be developed in rural areas. Wellbeing is also related to strong social capital via the *connecting* and *giving* components of the NEF (2013) definition and the *positive relationships* element identified by Seligman (2011)<sup>2</sup>.

Following Marquardt (2011), there are different levels of learning (Figure 2), meaning that strong social capital means higher levels of learning as well. Stronger social capital gives more space for knowledge creation and innovation too. The potential for innovation appears to increase when a number of conditions are met. These include the creation of heterogeneous groups of stakeholders and unlikely coalitions (to provide spontaneous, mostly novel, perspectives on challenges or problems); the development of mutual trust and social cohesion (openness, honesty and transparency); a communal vision of the future (ownership); and good process management (facilitation utilising a range of creative work methods and inspiring environments for joint learning) (Vogelezang *et al.*, 2009).

## Influencing factors with exogenous and endogenous components

The rural development framework developed by Sabau and Paquier (2009) lists five factors with both exogenous and endogenous components (i.e. they exist both within and outside the territory), namely: government, market, knowledge centres, cultural assets and investors. The first three of these factors are examined here.

## Government

In terms of government, since Hungary's accession to the EU in 2004, the approach to rural development in the country has been mainly support oriented, meaning that most of the actions in rural areas have complied with the regulations of the funding programmes of the CAP. EU Member States have to set up rural development programmes to disburse the funding from Pillar 2 of the CAP, which accounts only for about 20 per cent of the CAP budget. This Pillar requires co-finance and a lot of administration work from applicants. The LEADER programme, as part of Pillar 2, addresses a wider range of actors in rural regions (not only farmers) and, through the development of own strategies of local regions co-created by different local actors, encourages an increase in social capital, but accounts for only 1 per cent of the CAP budget and has the highest administrative burden. Meanwhile, Pillar 1, with the dominance of direct payments, accounts for around 80 per cent of the CAP budget and the funding is much easier for farmers to apply for. The results of an analysis of the Hungarian Single Area Payment Scheme database for 2005 (Katona Kovács, 2008) tended to support those of Dax (2006) who reported that Pillar 1 support is distributed in a way that tends to benefit richer regions with larger farms. Instead of extractive ownership with a financial purpose: maximising profit, Kelly (2012) sets out a vision of generative ownership with a living purpose: creating the conditions for life.

## Market

Turning from the government factor to the market factor, the EU budget accounts for only around 1 per cent of the GDP of the EU-27, while in 2007 the final consumption expenditure of households was estimated to be 56.4 per cent of the GDP (Eurostat, 2009). As mentioned earlier Marquardt (2011) also underlined increased customer power as a significant force creating change in the 21<sup>st</sup> century. Senge (1990) noted that most of the problems faced by humankind concern our inability to grasp and manage the increasingly complex systems of our world. Problems were 'actuality systems' that lured policymakers into interventions that focused on the symptoms and not the underlying causes, thereby producing short-term benefits but long-term malaise. As the final expenditure of households accounts for such a high percentage of the GDP, and customer power is a significant force for change, as pointed out by Marquardt (2011), what is important to business owners and consumers alike is that there should be transparency around values (Flanders, 2013). Consumers should understand their role and the effects of their consumption patterns in the local economy.

## Knowledge centres

The change linked to the factor of knowledge centres also explains the need for learning. The EU Framework 7 project SOLINSA defined 'Learning and Innovation Networks for Sustainable Agriculture' (LINSAs) as 'networks of producers, consumers, experts, NGOs, SMEs, local administrations and components of the formal Agricultural Knowledge and

<sup>2</sup> Seligman (2011) proposes that wellbeing has five elements: *positive emotion* (be happy), *engagement* (being engaged with what you are doing), *meaning* (having a sense of meaning or larger purpose in your life), *positive relationships* (having good relationships with others) and *accomplishment* (feeling that you are achieving your goals).

Innovation Systems (AKIS) that are mutually engaged with common goals for sustainable agriculture and rural development – cooperating, sharing resources and co-producing new knowledge by creating conditions for communication’ (Brunori *et al.*, 2011). These networks operate on the principle of sharing knowledge and learning. They benefit from a new approach to learning which involves exchange and feedback loops between research, extension and practice, rather than the ‘linear’ transfer of knowledge, as in the case of the conventional AKIS (see also Nemes and High, 2013). Fieldsend and Székely (2013) suggest that the present system in Hungary does not adequately reflect the needs of potential users, especially as these needs evolve over time. The ‘bottom-up’ approach of consulting with users (i.e. farmers) on their needs remains an important component of achieving an efficient and effective AKIS.

## What steps could be taken to change the focus?

The previous part of this paper highlighted the importance of learning from different directions such as structural change in the economy, neo-endogenous rural development, and endogenous and exogenous factors influencing rural development. In this last section the author would like to draw the reader’s attention to some actions which are already putting the focus on learning and introduce the outlines of a project proposal of TALN on rural teampreneurship, creating a social and physical environment for learning and co-creation. In line with neo-endogenous rural development these already existing actions supporting learning are also an interplay between local and external forces, at the moment with more external, or ‘pushing’ elements. Shifting the focus from funding to learning could bring a change defined as ‘The Power of Pull’ (Hagel *et al.*, 2012). Instead of ‘pushing’ (designing the funding system and using standardised processes) ‘pull’ is about expanding our awareness of what is possible, mastering new practices and taking new actions to realise possibilities. The challenge is how actions in the direction of learning with higher endogenous, or ‘pull factors’ could be generated.

### Already existing learning supporting actions

The European Commission’s Europe 2020 strategy (EC, 2010) for delivering growth that is smart, sustainable and inclusive also focuses on learning. According to the strategy ‘smart’ growth means improving the EU’s performance in *education* (encouraging people to learn, study and update their skills); *research/innovation* (creating new products/services that generate growth and jobs and help address social challenges); and the *digital society* (using information and communication technologies).

UNESCO (2013) bases life-long learning on the four pillars of education (learning to *know*, learning to *do*, learning to *live together*, and learning to *be*) and states that these four pillars cannot be anchored solely in one phase in a person’s life or in a single place. There is a need to re-think when in

people’s lives education should be provided, and the fields that such education should cover. These periods and fields should complement each other and be interrelated in such a way that all people can get the most out of their own specific educational environment throughout their lives.

At Wageningen University and Research Centre (WUR) the hierarchical structure has been replaced by a network structure. WUR is called a ‘third generation’ university and its strength is determined by three characteristics: firstly the internal coherence which comes as a result of the generally accepted vision and mission of the university; secondly the flexibility, but nonetheless stability of the institution’s finance; and thirdly the willingness and ability to work with partners from very varied backgrounds. A characteristic of third generation universities is their collaboration with private sector parties and WUR focuses on a more participatory model of knowledge creation. Alongside these changes the Dutch Ministry of Agriculture stopped subsidising experimental farms and gardens in 1996 to force farmers and their representatives to take more responsibility for the research by co-funding it themselves (van den Berg, cited by Rabbinge and Slingerland, 2009).

To answer emerging challenges through the knowledge needs of sustainable agriculture, many kinds of network-based alternatives have appeared in Europe. Some (such as LINSAs) have emerged within existing research and extension services, others were commercial, or bottom-up NGO types of initiatives. A good example is Open Source Ecology (<http://opensourceecology.org/>). This network of farmers, engineers and supporters is enabling the easy fabrication of the 50 different industrial machines that it believes are necessary to build a small, sustainable civilisation with modern comforts.

Massive open online courses (MOOCs), such as Coursera (<https://www.coursera.org/>), or edX (<https://www.edx.org/>) are good examples for ‘pull’ type of actions promoting learning. Coursera for example is an education company that partners with top universities and organisations to offer courses online for anyone to take, for free. Their aim is to empower people with education that will improve their lives, the lives of their families and the communities they live in.

### Rural teampreneurship – a possible answer for endogenously generated learning support

With entrepreneurship being a scarce resource in rural areas some of the members of TALN (including the author) believe that ‘teampreneurs’ are crucial agents to bring change and innovation to local communities. TALN visualises industry in the 21st century as ‘teampreneur’ manu- and mentofacturing. In this sense, new approaches are needed to co-create a different development paradigm that is more smart, sustainable and inclusive, in which entrepreneurial dynamics will play a vital role. Brokering local and explicit knowledge, designing and testing new business opportunities with different stakeholders; promoting new combinations of resources and creating networks and open platforms for action are some of the challenges that rural areas will have to address.

Based on the methods used in Tiimiakatemia, TALN members from different parts of Europe are planning to create a project to develop a social and physical learning envi-



ronment for rural teampreneurship, following the three basic elements outlined by Keränen (2013): space and tools, facilitation and projects. For learning and innovation space in rural regions, Cowie *et al.* (2013) point out that rural enterprise hubs can be more than physical business spaces. They are capable of being key nodes in the flow of knowledge within the rural economy – both within the hub and between the hub and the wider economy. Ville Keränen from TALN, a former Finnish teampreneur in Tiimiakatemia, has put forward the idea of a Rural Design and Entrepreneurship School in a container (Keränen, 2013), an open learning and innovation space consisting of three basic elements as follows:

- The container is a place where there are tools to build prototypes and a media kit to broadcast ideas everywhere. That is the basis for a feeling that everything is possible;
- The facilitator's job is to give permission to think and act differently. Permission is given by building trust among the people. Different kinds of workshops, from brainstorming to photography and from prototyping to sales, are facilitated in order to inspire turning ideas into reality. Good facilitation gives the feeling that everything is possible;
- To think and act differently, projects are needed that excite people and find the optimal moment when the challenges and skills meet.

Creating an environment for learning, increasing the actions from such endogenous directions could help to: (a) create the space to understand learning as a responsibility for individuals themselves; (b) increase the self-confidence of local people; and (c) bring to the surface the already existing knowledge in rural regions. There is an increasing awareness of the importance of tacit knowledge as a process of learning and in this sense, the tacit knowledge that exists in rural areas must be accessible and open. It also demands community involvement and sharing, which is very important for building social capital. Rural enterprise hubs and rural design and entrepreneurship schools are not only tools or innovative approaches to learning, but also institutional innovations, which are a critical element for rural development within the Europe 2020 framework. In this sense, they can contribute to empower rural communities. Traditional system boundaries marking clear distinctions between urban and rural areas, between water and land, between industry and agriculture production, between policy makers and citizens, between scientist as knowledge creator and farmer as knowledge applier will disappear. A combination of functions and a combination of partners is needed to create this new society (Slingerland and Rabbinge, 2009). The social and physical learning environment that rural teampreneurship could generate could help to create this new society.

## Acknowledgement

This research was made with the support of the European Union and Hungary, co-financed by the European Social Fund under the operational programme, number TÁMOP 4.2.4.A/2-11-1-2012-0001.

## References

- Anderson, C. (2012): *Makers: The New Industrial Revolution*. London: Random House.
- ASz (2012): Jelentés a vidékfejlesztési célkitűzések megvalósítására, a helyi közösségek szerepének megerősítésére fordított pénzeszközök felhasználása eredményességének és hatékonyságának, a vidéki életminőség javításában betöltött szerepének ellenőrzéséről [Report on implementation of the budget for the use of rural development objectives, strengthening the role of local communities earmarked for the effectiveness and efficiency of the control of the quality of life of rural role]. Report No. 1293. Budapest: Állami Számvevőszék.
- Brunori, G., Berti, G., Klerkx, L., Tisenkopfs, T., Roep, D., Moschitz, H., Home, R., Barjolle, D. and Curry, N. (2011): *Learning and innovation networks for sustainable agriculture: A conceptual framework*. SOLINSA Deliverable No. 1.
- CFI (2011): *Oviallus: Final report*. Helsinki: Confederation of Finnish Industries.
- Cowie, P., Thompson, N. and Rowe, F. (2013): *Honey Pots and Hives: Maximising the potential of rural enterprise hubs*. Centre for Rural Economy Research Report: Newcastle: CRE.
- Creative Growth (2011): *Homepage of the Interreg IVC project 'Creative Growth'* [www document]. <http://www.creative-growth.eu/> (accessed October 2011).
- Cunningham, I. (1999): *The Wisdom of Strategic Learning. The self managed learning solution* (2nd edition). Farnham: Gower Publishing.
- Dam, R., Eshuis, J. and Aarts, N. (2009): *Transition starts with people: self-organising communities ADM and Golf residence Dronten*, in K.J. Poppe, C. Termeer and M. Slingerland (eds), *Transition towards sustainable agriculture and food chain in peri-urban areas*. Wageningen: Wageningen Academic Publishers, 81-92.
- Dax, T. (2006): *The Territorial Dimension of CAP and Spatial Cohesion*. *EuroChoices* 5 (2), 12-19. <http://dx.doi.org/10.1111/j.1746-692X.2006.00029.x>
- DfID (1999): *Sustainable Livelihoods Guidance Sheets*. London: Department for International Development.
- EC (2010): *EUROPE 2020: A strategy for smart, sustainable and inclusive growth*. COM(2010) 2020 final. Brussel: European Commission.
- Eurostat (2009): *Consumers in Europe*. Brussel: European Union.
- Fieldsend, A.F. and Székely, E. (2013): *An assessment of agricultural knowledge and innovation system in Hungary*. *Rural Areas and Development Series* 10, 27-44.
- Flanders, L. (2013): *Welcome to Commonomics: How to Build Local Economies Strong Enough for Everyone* [www document]. [http://www.yesmagazine.org/commonomics/welcome-to-commonomics-how-to-build-local-economies-strong-enough-for-everyone?utm\\_source=ytw20131004&utm\\_medium=email](http://www.yesmagazine.org/commonomics/welcome-to-commonomics-how-to-build-local-economies-strong-enough-for-everyone?utm_source=ytw20131004&utm_medium=email) (accessed October 2013).
- Haase Svendsen, G.L., Kjeldsen, C. and Noe, E. (2010): *How do private entrepreneurs transform local social capital into economic capital? Four case studies from rural Denmark*. *The Journal of Socio-Economics* 39 (6), 631-644. <http://dx.doi.org/10.1016/j.socec.2010.06.012>
- Hagel III, J., Brown, J.S. and Davison, L. (2012): *The Power of Pull: How Small Moves, Smartly Made, Can Set Big Things in Motion*. Jackson TN, Basic Books.
- Johnson, B.D. (2013): *Vintage Tomorrows*. TEDx talk at TEDxDanubia [www document]. [http://www.tedxanubia.com/hu-HU/TEDxDanubia\\_Talks/Brian\\_David\\_Johnson.aspx](http://www.tedxanubia.com/hu-HU/TEDxDanubia_Talks/Brian_David_Johnson.aspx) (accessed: September 2013).
- Katona Kovács, J. (2006a): *Agri-environmental management and rural development after the EU accession in Hungary*. *Apstract*



- 1 (1), 37-47.
- Katona Kovács, J. (2006b): Az agrár-környezetvédelem és a vidékfejlesztés összefüggései az Európai Unióhoz való csatlakozás tükrében [Agri-environmental management and rural development in Hungary in the context of EU accession]. Doctoral (PhD) dissertation. Debrecen: Debreceni Egyetem.
- Katona Kovács, J. (2008): The Effect of CAP Payments on Territorial Cohesion in the North Great Plain Region of Hungary, in Cs. Csáki and Cs. Forgács (eds), *Agricultural Economics and Transition: What was expected, what we observed, the lessons learned*. Proceedings of a joint IAAE-EAAE Seminar (Volume II), Corvinus University, Budapest, Hungary, 6-8 September 2007.
- Katona Kovács, J. and Bóta-Horváth, N. (2012): Rural Team-Entrepreneurs: An Answer to Innovative, Multi-Disciplinary Human Capital Education. *International Food and Agribusiness Management Review* 15 Special Issue A, 93-97.
- Katona Kovács, J., High, C. and Nemes, G. (2011): Importance of Animation Actions in the Operation of Hungarian Local Action Groups. *European Countryside* 4, 227-240.
- Kelly, M. (2012): *Owning Our Future: The Emerging Ownership Revolution. Journeys to a Generative Economy*. San Francisco CA: Berrett-Koehler.
- Keränen, V. (2013): Rural Design and Entrepreneurship School in a Container [www document] <http://www.slideshare.net/banana-dotfi> (accessed October 2013).
- Lubamaerski, S. (2013): Assigned video 6.1: This Emotional Life - Understanding Happiness. From a course in social psychology at Wesleyan University, Middletown CT.
- Lukesch, R. (2007): *The LAG-Handbook: A guide through the stunning world of local action groups*. Brussel: LEADER+ Observatory Contact Point.
- Marquardt, M.J. (2011): *Building the Learning Organization. Achieving Strategic Advantage through a Commitment to Learning*. Boston MA: Nicholas Brealey.
- Meier, D. (2005): *Team Coaching with Solution Circle. A Practical Guide to Solution Focused Team development*. London: Solutions Books.
- Mere, L. (2010): *Az érzelmek logikája [The logic of feelings]*. Budapest: Tericum Kiadó.
- NEF (2013): Our work: Well-being [www document]. <http://www.neweconomics.org/issues/entry/well-being> (accessed September 2013).
- Nemes, G. and High, C. (2013): Old institutions new challenges: the agriculture knowledge system in Hungary. *Studies in Agricultural Economics* 115 (2) 76-84. <http://dx.doi.org/10.7896/j.1303>
- OECD (2007): *OECD Rural Policy Review – Case Finland*. Background report for OECD. Helsinki: OECD.
- ÖIR (2004): *Methods for and Success of Mainstreaming Leader Innovations and Approach into Rural Development Programmes: Final Report*. Report commissioned by the European Commission. Wien: ÖIR-Managementdienste GmbH.
- Pink, D.H. (2009): *DRiVE: The Surprising Truth About What Motivates Us*. New York: Riverhead Books.
- van der Ploeg, J.D., Oostindie, H., Broekhuizen, R. van, Brunori, G., Sonnino, R., Knickel, K. and Tisenkopfs, T. (2008): *Towards a framework for understanding regional rural development*, in J.D. van der Ploeg and T. Marsden (eds), *Unfolding webs: The dynamics of regional rural development*. Assen: Van Gorcum.
- Rabbinge, R. and Slingerland, M. (2009): Change in knowledge infrastructure: the third generation university, in: *Transition towards sustainable agriculture and food chain in peri-urban areas*, in K.J. Poppe, C. Termeer and M. Slingerland (eds), *Transition towards sustainable agriculture and food chain in peri-urban areas*. Wageningen: Wageningen Academic Publishers, 51-62.
- Sabau, C. and Paquet, P. (2009): *The Rural Labour Market. Deliverable 2.5. of the EU Framework 7 project 'RuralJobs'*
- Seligman, M.E.P. (2011): *Flourish. A Visionary New Understanding of Happiness and Well-being*. New York: Atria Books.
- Senge, P.M. (1990): *The Fifth Discipline: The Art and Practice of the Learning Organisation*. London: Random House Business.
- Senge, P.M. (2011): Peter Senge congratulates Tiimiakatemia in Finland on its 15th birthday anniversary for achieving its vision of Top Unit of Entrepreneurship [www document]. <http://www.youtube.com/watch?v=qegtAuPLYEY> (accessed: March 2012).
- Sinek, S. (2009): How great leaders inspire action [www document]. [http://www.ted.com/talks/simon\\_sinek\\_how\\_great\\_leaders\\_inspire\\_action.html](http://www.ted.com/talks/simon_sinek_how_great_leaders_inspire_action.html) (accessed July 2013).
- Slingerland, M. and Rabbinge, R. (2009): Introduction, in K.J. Poppe, C. Termeer and M. Slingerland (eds), *Transition towards sustainable agriculture and food chain in peri-urban areas*. Wageningen: Wageningen Academic Publishers, 13-24.
- Štulhofer, A. (2000): *Dynamics of social capital in Croatia 1995-1999*. Zagreb: University of Zagreb.
- Terluin, I.J. and Post, J.H. (1999): *Employment in leading and lagging rural regions of the EU: Summary report of the RUREM-PLO project*.
- Tiimiakatemia (2011): *Tiimiakatemia in a nutshell* [www document]. <http://www.tiimiakatemia.fi/en/tiimiakatemia/tiimiakatemia-nutshell/> (accessed October 2011).
- Tinggaard Svendsen, G. and Haase Svendsen, G.L. (2009): The troika of sociology, political science and economics, in G. Tinggaard Svendsen and G.L. Haase Svendsen (eds), *Handbook of Social Capital: The Troika of Sociology, Political Science and Economics*. Cheltenham: Edward Elgar Publishing, 1-16. <http://dx.doi.org/10.4337/9781848447486.00006>
- UNESCO (2013): *The Four Pillars of Education* [www document]. <http://www.unesco.org/delors/fourpil.htm> (accessed October 2013).
- Vogelezang, J., Wals, A., Mierlo, B. and Wijnands, F. (2009): *Learning in networks in Dutch agriculture: stimulating sustainable development through innovation and change*. In: *Transition towards sustainable agriculture and food chain in peri-urban areas*, in K.J. Poppe, C. Termeer and M. Slingerland (eds), *Transition towards sustainable agriculture and food chain in peri-urban areas*. Wageningen: Wageningen Academic Publishers, 93-111.
- Wiesinger, G., Vihinen, H., Tapio-Biström, M.-L. and Szabó, G. (2008): Social capital: a dynamic force against marginalisation? in F. Brouwer, T. van Rheenen, A. Elgersma and S. Dhillon (eds), *Sustainable Land Management: Strategies to Cope with the Marginalisation of Agriculture*. Cheltenham: Edward Elgar Publishing, 197-215.