



European Rural Development Network Policy Brief 2017

Innovation and Cooperation in Smart, Sustainable and Inclusive Rural Regions

On behalf of the European rural development Network¹, the Federal Institute of Agricultural Economics² hosted a conference on 3-4 October 2017 in Eisenstadt, AT. It brought together around 50 researchers and policy makers from the European Union and neighbouring countries, giving lectures, presenting posters and participating in lively discussions.

Efforts in previous Common Agricultural Policy periods have enabled agricultural development but also promoted integrating other sectors of the rural economy and emphasised social and environmental concerns in rural development programmes. In the current period of the rural development policy one of the six EU priorities is dedicated to fostering knowledge transfer and innovation in a very broad sense. Innovation does not only refer to technology, products or processes, but likewise to social, organisational and governance aspects, including any forms of horizontal and vertical cooperation and communication. This approach contributes to improving regional competitiveness in an increasingly challenging economic environment while securing the sustainable use of resources, the provision of eco-system services, food security, social and human capital. Innovation could arise from regional strengths and regional identities and should enable broad participation in the innovation process. The conference aimed to stimulate methodological, theoretical and empirical contributions which provide explanations and definitions for the above mentioned policy buzzwords in the rural development context.

Social Innovation and Cooperation in Agriculture and Rural Development was the subject of **Session 1**. The first contribution was questioning the role and possibilities of policy in catalyzing Social Innovation in Rural Areas (B. Wieliczko) as Social Innovation is considered to be a way to tackle market failures. Its development should be supported financially and by an enabling environment as it increases social capital. The two following presentations discussed modern Short Food Supply Chains (SFSCs): Participating in SFSCs is one of the effective ways to make use of small farm potential and to increase farm incomes. According to P. Chmieliński collaborative networking and social innovation are crucial factors forming successful SFSCs. P. Lasala introduced the H2020 Project SKIN, which is performing a Social Network Analysis in „Short Food Supply Chain Knowledge and Innovation Network“. SFSCs are characterized by a maximum of one intermediary between producer and consumer and can have very different characteristics including farmers' markets, box schemes, public procurement etc. SKIN aims to bring society closer to European farmers and to create more horizontal and vertical relations for the economy of the future.

Session 2 focused on the background of Social Innovations – their preconditions and the different experiences to be found in different countries. The contributions showed that there is a wide range of Social Innovations. The presented examples included the „Redes de Cidadania Agroalimentar“ in South Brazil, which connects agro-ecological farmers and consumers (L. Roselli) by various marketing activities

¹ ERDN, www.erdn.eu

² AWI, www.awi.bmlfuw.gv.at



and arrangements. Three examples for Social Innovations in Turkey were given (A. Koc): Tire Dairy Cooperative, Turkish Foundation for Combating Soil Erosion, for Reforestation and the protection of natural habitats and Seferihisar Slow City, showing their contribution to a more sustainable development. S. van den Burg introduced the model of Blue Growth in the Dutch North Sea, explaining some differences of rural development against development at sea. T. Dax presented the H2020 Project PEGASUS which investigates the various drivers and options for public goods especially focusing on ecological and socially beneficial outcomes (ESBOs) resulting from land management. The role and impacts of the Rural Development Programme for sustainable development in rural regions of Slovakia was the focus of J. Kozáková's contribution.

In **Session 3** different strategies and approaches for the agricultural sector were presented and discussed. C. Giuliani introduced social farming services as an emerging and promising sustainable diversification strategy for agriculture and an innovative offer of social services in South Tyrol which provides various added values. A. Ignat highlighted the importance of extension services and the collaboration of all stakeholders in the rural extension network for the innovation flow in agriculture of the Republic of Moldova. A transdisciplinary research project in Burgenland investigated innovative future perspectives for the agriculture in Austria's most eastern province (R. Barthl-Kratochvil), implementing a broad participatory approach but also pointing out obstacles such as short time frames and limited financial resources resulting in a lack of continuity. Another project focused on the Biodiversity Monitoring in High Nature Value Grasslands by farmers in Austria (M. Zacharias, W. Ressi) which relies on the integration of farmers, raising their awareness and with this strategy gaining more trust and spreading of the approach among other farmers.

Various instruments and possibilities for analysing rural areas took centre stage in **Session 4**. The Austrian Communal Audit is an instrument for evaluating the performance of communities in regard to their organisation, infrastructure, finances and environmental aspects (E. Quendler) with the positive effects of improving the economic and environmental situation. V. Székely and D. Michniak presented an assessment of transport accessibility of district centres in Prešov region (Slovakia) within the network of public transport connection and stressed the influence of infrastructure policies on regional and local development. The Romanian Institute of Agricultural Economics (M. Tudor et al.) created a tool to measure the smartness and convergence of regions which includes the dimensions human and social capital, traditional infrastructure, ICT infrastructure, quality of life, management of natural resources and participatory governance. It was shown that low levels of smartness go hand in hand with low economic performance, and that cohesion funds projects were mostly implemented in the most developed areas and the economic disparities increased despite other policy objectives. Ch. Hoffmann investigated Integrated Territorial Strategies for Services of General Interest (INTESI project) in alpine regions and suggested adaptation of services to people's requirements, and re-decentralization taking into account accessibility, mobility and digitalization.

Session 5 focused on the importance and difficulties of local development strategies in Czech Republic (O. Konencny et al., M. Trantinova), Slovenia (M. Bedrac, T. Cunder) and Georgia (G. Shubitidze) showing that formal and bureaucratic needs often hinder the development of innovative activities. In addition to RD measures also confidence-building among stakeholders and recruiting of enthusiastic persons seem of enormous importance. The evaluation with demanding theoretical requirements sometimes fails because of practical obstacles of data capture and access.

The last **Session 6** emphasized the importance to look across the agricultural sector. A. Fieldsend introduced the extension of the Agricultural Knowledge and Innovation System to an integrative Rural Business Innovation System which comprises all rural businesses. He stated that there are already many



possibilities for support of businesses in rural areas but awareness and access have to be improved. For the case of Ukraine L. Stepura focused on the importance of even the smallest households and enterprises to protect settlements, supply, infrastructure and living conditions in rural regions. This is now acknowledged also by government and influences policies, i.e. the law on decentralization.

Poster presentations concerned specific topics (results and methods) with relation to Common Agricultural Policy and Agricultural Economics. For example the always controversial discussed topic of the large differences between organic and conventional farms in structures, stock density, yields, efficiency and last but not least policy payments (A. Baer-Nawrocka). The user-friendly interactive online application to calculate standard gross margins of currently 72 agricultural production activities for consultants and farmers showed how farmers can improve their economic considerations (K. Heinschink et al.). Others compared competitiveness, farm income and sustainability and self-sufficiency indicators to react accordingly with policy measures (A. Rzeszutko, J. Sredzinska, A. Jankowska, O. Varchenko).

Some posters highlighted the situation in rural development and the impact of rural development measures by showing specific evaluation results, concerning innovation (O. Chaloupka, M. Pechrova, Th. Hlavsa et al., M. Mrunustik Konencna), regional differentiations in rural development (A. Standar) and agri-environmental schemes (W. Czubak), strategies of local developments, income and quality of life estimations (A. Luczak, A. Kozera, A. Sadowski, J. Stanislawski). On the other hand posters presented results or interim results of big international cooperation projects such as Social Innovations in Marginalised Rural Areas (SIMRA, Egartner et al.) and COMPOSE (V. Valentar) which aims to achieve energy goals with innovative technical, organisational and financial solutions especially for small scale projects.

The conference **field trip** comprised 3 very different promising approaches to strengthen rural development. At the Sulzhof a small scale self-harvesting project has been introduced, showing that such projects have a potential to increase not only in urban environments but also in rural regions. There is a growing demand as the rural population is no longer embedded only in farm sector work. The social component of such projects is just as important as the production of food. A big scale organic production project showed the importance of personal initiative as well as innovative marketing. The wine-shop Purbach, a cooperation of 64 local vine-growers, proved that innovative ideas in cooperation and marketing can pay in the short term.

Conclusion

The ERDN Conference 2017 showed the broad range of many different approaches and ideas of rural development activities in various countries and the efforts to analyse and improve their impacts. Key factors of successful development seem to be openness, willingness for innovation, cooperation, making use of possibly hidden social capital and of course people who take the initiative and the responsibility.

Sigrid Egartner
Julia Niedermayr
Klaus Wagner
20 November 2017