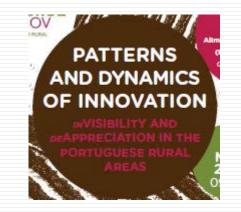
Social capital, social innovation, and networks approach in territorial development

- 2ND INTERNATIONAL WORKSHOP OF RUR@L INOV PROJECT
- RUR@L INOV INNOVATION IN RURAL AREAS
- LISBON, 23 May 2013



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VNIVERSITAT

CONTENTS

- 1. Key dimensions of innovations in rural areas
- 2. Social innovation: instrument of change and innovation
- 3. Social dimension of innovation and social capital
- Innovation logics & local development in different context types
- Social capital and social networks: experiences from SNA in rural Spain
- 6. Concluding remarks: toward a key message



CONTEXT	NETWORKS	SOCIAL CAPITAL	TERRITORIAL EMBEDDEDDNESS	SUPPORT SYSTEMS
□ M □ Ui □ Cc	xtual factors: igration and mobility of p rban – rural relations & u onsumers' life styles C technologies	•		
□ A\ □ Sp □ Na □ Ge	naracteristics: vailable human capital pecificities of rural econor atural resources and valu eographical accessibility eographical & socioecono	es		
□ In □ Pc □ Oi	fic factors: frastructures & public fac plitical commitment rganizational & social asp resence and –active- role	ects	ЛES	

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NETWORKS

SOCIAL CAPITAL

TERRITORIAL EMBEDDEDDNESS

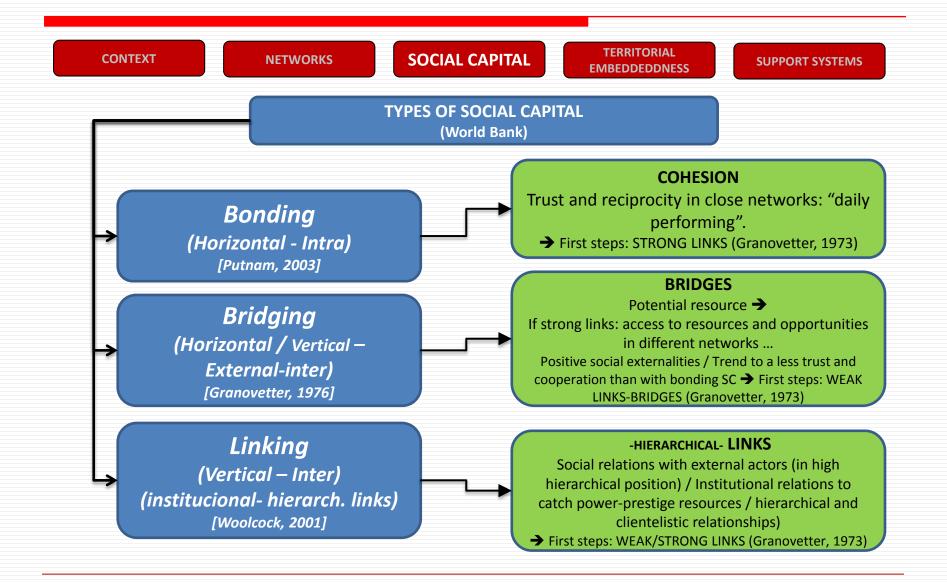
SUPPORT SYSTEMS

Direct aspects

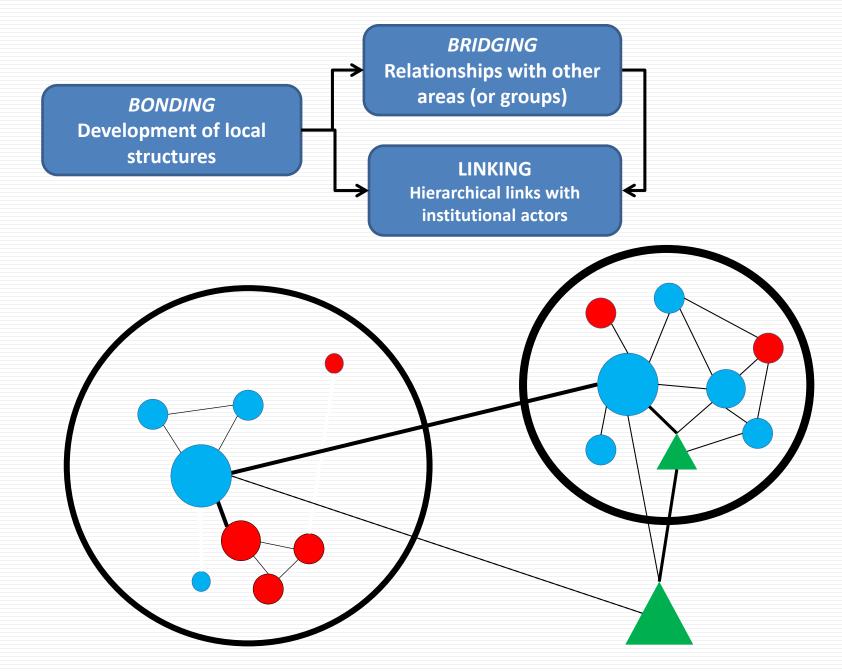
- Putting <u>actors together</u> for daily cooperation is crucial for innovations
- Individual interest may condition willingness, <u>cooperative</u> (networks) and learn behavior
- Organizational solutions and <u>effective networks</u> are needed to introduce, adapt or develop innovations

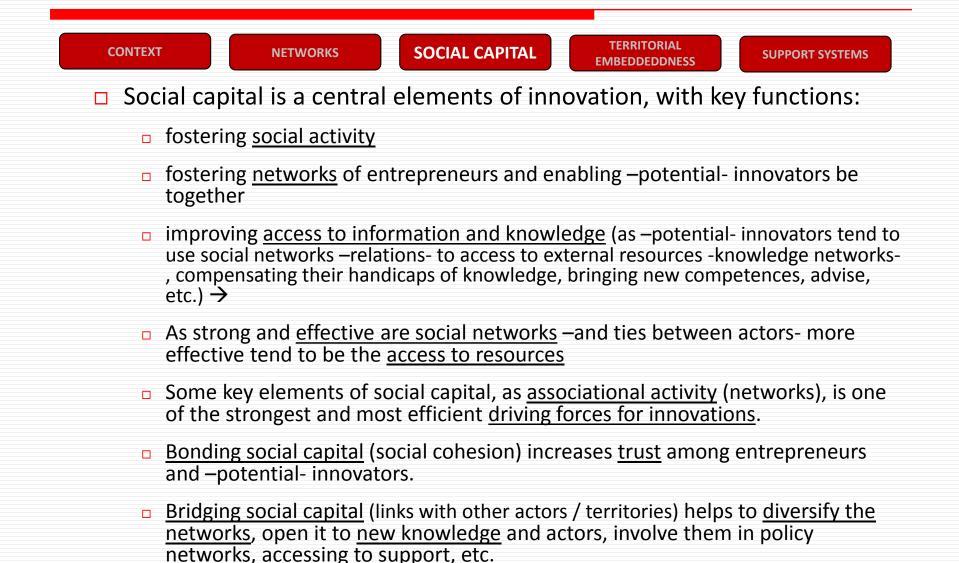
Other important related aspects

- Norms, values and experiences may also condition <u>global attitudes</u> facing innovation processes
- Social skills are needed to communicate and work in networks
- Willingness to learn and skills to support –new- scientific knowledge & detect tacit and local knowledge to be valorized
- Innovations are not just technological, economic, organizational or social: <u>innovations tend to share several of these</u> dimensions, and each of them contribute to the others (ex. social innovations facilitate technological ones)



EXAMPLE OF THREE TYPES SOCIAL CAPITAL IN RURAL DEVELOPMENT







SOCIAL CAPITAL

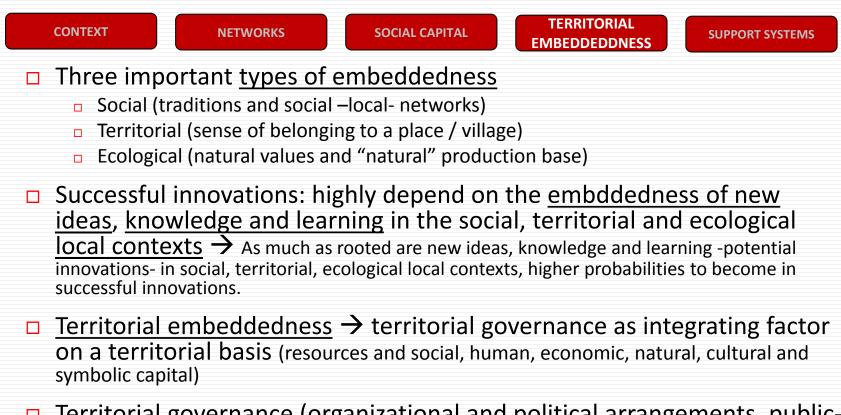
TERRITORIAL EMBEDDEDDNESS

SUPPORT SYSTEMS

- □ <u>Knowledge</u>: an effective combination integration (tacit- scientific, formal-informal, local-global, traditional-modern, etc.) → contribution to successful innovation processes
- <u>Learning</u>: crucial and tends to evolve in the different stages of the innovation (first ideas, project, initiation, development, consolidation, etc.)
- Each stage requires <u>specific knowledge</u>, <u>learning and competences</u> (visioning skills for the ideas and project, technical, economic and social competences for the initiation and development, organizational and, in case, political, competences for development and consolidation, etc.)



hierarchical- actors (ej. policy-makers)



□ <u>Territorial governance</u> (organizational and political arrangements, publicprivate cooperation, etc.): helps connecting innovation processes with territorial contexts → Innovations tend to be more successful if they are based on local resources, strong local-regional networks and in line with regional economic base and planning objectives



- □ Territorial governance: helps to <u>break barriers</u> (cognitive, psychological and sectoral), to <u>establish regional partnerships</u>, <u>stimulate actor</u> <u>cooperation</u>, etc. → more effective bases for innovations
- Specific structure-s for governance in the innovation sector could be crucial:
 - <u>mediating institutions</u> at regional level (as open territorial platforms) coordinating innovation networks
 - facilitating <u>flows of knowledge</u>, <u>learning</u> and <u>capacity building</u> for the local actors
 - <u>fostering relationships</u> between entrepreneurs, –potential or real- innovators and institutions and/or organizations offering professional support and advice in different parts of innovation processes (ex. technological centres offering professional advice)
- From structures of governance: actors should <u>foster territorial</u> <u>innovation strategies</u> and <u>integrate them with territorial development</u> strategies

CONTENT	
CONTEXT	

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SOCIAL CAPITAL

TERRITORIAL EMBEDDEDDNESS

SUPPORT SYSTEMS

- <u>Diversity of support strategies</u> and frameworks: foster innovations at different stages and from different ways
 - □ Socio economic actors' system and end user actor's system: involved in all stages
 - Public decision actors' system and Information and knowledge actors' system: formal and informal links, tools, policy instruments, delivery measures, etc.
- <u>Social and organizational aspects</u> of innovation: should be considered in support systems (avoiding just an economic and technical perspective). Ex. central aspects fostering and developing innovations in rural services:
 - networking, communication and open attitude/innovative mind (social aspects)
 - multidisciplinary approach, coordination (organizational aspects)
- <u>Cooperation</u> within and through support systems (actors, sectors, institutions with territorial bases) helps to overcome sectoral and territorial barriers
- From social and organizational perspective, some specific <u>support measures and skills</u> are very important for entrepreneurs and –potential- innovators: business plan, coaching, finding financial resources, project management methods, etc.
- <u>Networking</u> (at different levels, horizontal-local, regional, institutional, etc.) has a crucial role as support system for most of the stages of the innovation processes



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DEFINITIONS

SCOPE

AGR. & RURAL DEVELOPMENT

- "Any novel and useful solution to a social need or problem, better than existing approaches (sustainable, [balanced?], etc.) and for which the value created (benefits) accrues primarily to society as a whole rather that private individuals" (*stanford: Centre for Social Innovation*)
- □ Need for society to change as a prerequisite for solving problems: focus on changes in social relations, people's behaviour, norms and values \rightarrow soc. inn. combined with
 - Social empowerment and inclusion
 - Social capital (cohesion and networks)
- □ Europe 2020: social innovation in the sense of social inclusion → programmes to promote social innovation for the most vulnerable (providing innovative education, training and employment opportunities for deprived communities [also territories?]. →
- □ Social innovation: innovation of established processes in politics and governance: social innovation needs innovative governance (inclusion of non-traditional, marginalized actors, integrates various policy issues and centres on area-based development →
- Social innovation should invest in civil society, and community development and support collective action, self-governance and political empowerment

DEFINITIONS

SCOPE

AGR. & RURAL DEVELOPMENT

- General agreement: social innovation is important for agricultural and rural development
- However, what exactly it means? Three main interpretations
 - Social mechanism of innovation
 - Social responsibility of innovation
 - Need for innovating society
 - \rightarrow not neutral concept: reflect attitudes towards the functioning of society
- Social innovation: more linked to rural development than agriculture as a singular economic activity [agriculture: very innovative in technology, farmers as scarcely social innovative?]
- □ Social innovation:
 - when identifying society's need for more sustainable production methods
 - necessity for collaboration and social learning
 - scope of change needed for revitalizing –rural- society

DEFINITIONS

SCOPE

AGR. & RURAL DEVELOPMENT

- Social innovation contributes to processes of social change and renewal (not only and analytical and academic concept, but a way to stressing the need for social and political change)
- Social mechanism of innovation:
 - □ innovation → takes place within specific social and cultural contexts and networks of social relations (social networks)
 - new technologies and products also affect social relations, behaviour and attitudes
 - ightarrow innovations are socially, culturally and territorially embedded
- □ Social responsibility of innovation: different focus
 - □ Classic <u>economic thinking</u>: innovation → ability to increase profit and encourage economic development (still today it is often associated with new products and new technologies wishing to maximize profit).
 - Social innovation requires <u>new social methods of innovation</u>, characterized by processes of co-design or co-construction and collaboration with / within society.
 - <u>Knowledge (and their exchange)</u> is an important element of innovation: processes of <u>social and creative learning</u> → that change perspectives and ways of looking at things, values and behaviour, and in doing so guide the development of socially acceptable and relevant products and processes.

DEFINITIONS

SCOPE

AGR. & RURAL DEVELOPMENT

- □ social innovation as a complex and multidimensional concept → used to indicate the social mechanisms, social objectives and/or societal scope of innovation.
 - Social mechanisms: refer to the fat that development, diffusion and use of innovation occur
 - within the context of society and
 - in interaction with social relations, practices and norms and values systems

□ Innovations have social impacts: winners $\leftarrow \rightarrow$ losers => innovations should be

- "social": socially acceptable, relevant and ethically approapriate ightarrow
 - Socialising innovation methods
 - Reorganizing innovation as social and collective learning process \rightarrow common
 - definition of problems;
 - design and implementation of solutions
- Social innovation as political element of change is different to what –social and/or political- changes are desirable (and what are not) by each group of actors or interest.



SCOPE

AGR. & RURAL DEVELOPMENT

□ Agriculture: it predominates a conception as agricultural modernization

- □ technological innovations \rightarrow efficiency
- □ organizational innovations → business innovation: new products, processes, strategies, structure, etc.
- "social innovation": responding to social needs in food safety and food security
- □ Rural development: higher perception of need for social change → "social innovation"

 → "social dimension" core element for innovation: engaging society in developing new solutions

- Three interpretations of social innovation in rural development
 - Social mechanisms co-production of rural innovation
 - Social objectives responsiveness to market failure and unsatisfied social needs
 - □ Social transformations Changing –rural- society

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SCOPE

AGR. & RURAL DEVELOPMENT

Social mechanisms – co-production of rural innovation

- Traditional Agricultural Knowledge Systems (AKIS): extensionists transferring new knowledge, products and / or technologies to farmers
- New systemic approaches: importance of social mechanisms during development phase → innovations born from collective and creative learning processes and the mutual exchange of knowledge → innovations require social learning (=not as linear transfer of knowledge but a shared, social process: knowledge from different sources and types → something new)

In this sense, social innovation:

- Is a collective and creative learning
- Mean new skills, products, practices, attitudes and values and social relations: ex. LEADER Programme (territorial and participatory approach to rural development):
 - Local capacity building
 - Confidence, self-esteem,
 - Collective identity
 - Local and extra-local networks
 - → LEADER intends to create conditions for functioning social mechanisms of innovation

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SCOPE

AGR. & RURAL DEVELOPMENT

Social objectives – responsiveness to market failure and unsatisfied social needs

- Elements for a context
 - Unsatisfied social needs \rightarrow innovation of the agro-food system
 - Externalities of agricultural modernization (and production oriented agricultural support systems) → Social and economic decline of rural areas
 - Social responsibility producing in an adequate way (ex. animal welfare) adequate products (food safety, organic, etc.)
- □ → this context reflects social innovation as socially responsible agri-rural innovation, but understood in two ways:
 - To meet social concerns (reduction of negative effects) through technology (efficiency, less energy demand, less pollution emissions, etc.)
 - To meet social concerns through more radical response: agri-food eco-economy and multifunctional and integrated development → the critical –social- innovation mean a global change of agri-food system ([from productivism to local systems of ecological, economic and community development]) →
 - Not to maximize production at minimal cost but to develop new products and services (local, high quality food, nature conservation, rural tourism, etc.) → it is an alternative way to meet –emerging- social needs.

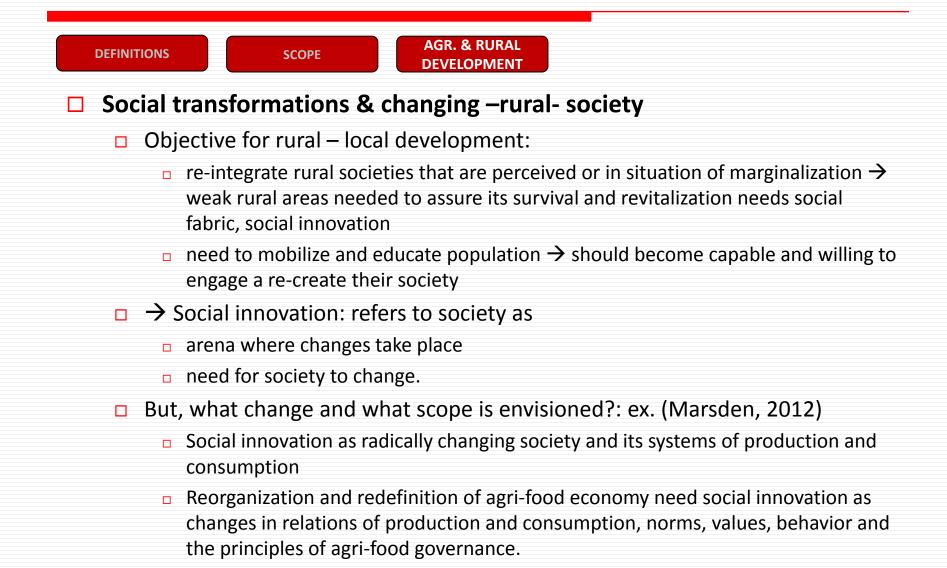
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SCOPE

AGR. & RURAL DEVELOPMENT

□ Social transformations & changing –rural- society

- Elements for a context
 - □ In rural development and agriculture, social change is always present → Changes in rural and urban lifestyles drive and demand innovations
 - Social change is also present through the crossing of rural-urban boundaries and re-establishment of their relationships and development of new attitudes and values (in rural as well as urban areas)
- In this context, innovation processes may result in social change: social innovation is
 - Desired outcome (revitalized society)
 - Instrument and strategy to rescue rural societies through collective engagement [in social change]





SCOPE

AGR. & RURAL DEVELOPMENT

Common elements

- □ General focus of all three interpretations is on
 - promoting <u>social innovation as important motor of change</u>: social mechanisms of change as part of the process.
 - society as the arena where change takes place as well as indicating the scope of desired and envisioned –societal- change. Social innovation may be used as argument and strategy for promoting different directions of change. Two different examples
 - agricultural modernization & transitions towards sustainability. Social innovation → new production and consumption practices, guided by new attitudes and values
 - multifunctional rural development. Social innovation → instrumental function: innovators engage citizens in their practices, so new products and processes better meet their expectations and needs →
- Social innovation presupposes a <u>critical attitude</u> and a search for social justice and the public good. Different question is what to change and how.
- Independently how radical could be the proposed changes, social innovation is an essential instrument as well a process for a transition towards more sustainable patterns.

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sustainability & rural/territorial development objectives.

SOCIAL DIMENSIONCONTRIBUTION AT DIFFERENT STAGESLEARNING & KNOWLEDGE	LOCAL DEVELOPMENT
 Context for -social- innovations Entrepreneurs use to initiate innovations, but they work and live in a social context which may foster or block innovations → Social context: Less tangible Norms and values (non formal / formal) → social capital 	 Social capital is present in different ways in all different stages of innovation Detection of innovation Establishment of innovative projects and making them work Facilitation learning and knowledge processes Dissemination of innovation Social capital, innovation and local development
 Willingness to cooperate → Informal networks → cooperation Global objectives → strategy Tangible & formal Internal / external cooperation (formal structures) → formal networks (associations, partnerships, etc.) agreed strategy → Social capital & social networks 	 Network –collective- dimension: Innovation as a result of cooperation at different levels Local – non local Actors same / different sectors Innovation is more difficult with weak horizontal (local-external) and/or vertical (local-external) networking →

 In all stages, innovation need networks (combining actors, sectors and areas)

SOCIAL DIMENSION

CONTRIBUTION AT

LEARNING & KNOWLEDGE

LOCAL DEVELOPMENT

Social capital, networks and <u>detection of innovations</u>

- Many ideas and initiation of innovations emerge [or are adapted] at local level, from local individuals and local networks
- Actors usually are organized in networks, as part of social capital. Many different –<u>formalized- groups of actors</u> in rural areas (environmental, professional associations –agriculture-, cultural associations, rural tourism promoters, local retailers, etc.), but also many local and diverse networks have an <u>informal</u> nature.
- Groups of actors tend to <u>share values and goals</u> a) within them; b) between groups of actors at the same territory; or between groups of actors in different territories and/or scales (local, regional, national, etc.).

SOCIAL DIMENSION

CONTRIBUTION AT DIFFERENT STAGES

LEARNING & KNOWLEDGE

LOCAL DEVELOPMENT

Social capital, networks and <u>detection of innovations</u>

- Sharing values and goals and, eventually, having a formal -or even informal- common strategy, actors work together —more than in an isolated way, or more effectively- and tend to <u>identify common</u> problems, opportunities and they <u>look for solutions</u> (ex. common marketing, exploration of new markets, adoption of quality label for rural tourism association).
- □ <u>As strong</u> are local networks (and social capital) → <u>less difficulties</u> bringing or valuing local or regional resources for the initiation of innovative projects.
- □ <u>As strong and rooted</u> in local society (embeddeness) are networks of actors (social capital) → <u>more potential synergies</u> between actors, sectors and a <u>more favorable environment</u> for the initiation of innovations.

LEARNING &

KNOWLEDGE

LOCAL DEVELOPMENT



■ Bonding social capital: crucial as starting point for innovations. Strong links → <u>high -horizontal and intra- cohesion</u> between actors (innovators-adopters, promoters, other members of the social innovation system)

Bridging social capital:

SOCIAL DIMENSION

CONTRIBUTION AT

DIFFERENT STAGES

- □ Crucial for the adoption, introduction or development of innovations → <u>access to</u> <u>resources and opportunities</u> (ex. new knowledge about innovations, funding, markets, etc.) in different areas / networks / groups of actors.
- Starting point: should be a <u>strong and cohesive initial network</u> /group of actors (bonding social capital) →Ex. successful bridging social capital: <u>cooperation</u> <u>between sectors</u> (ex. food chain) in the same territory as well as same sectors in two different territories.

SOCIAL DIMENSION

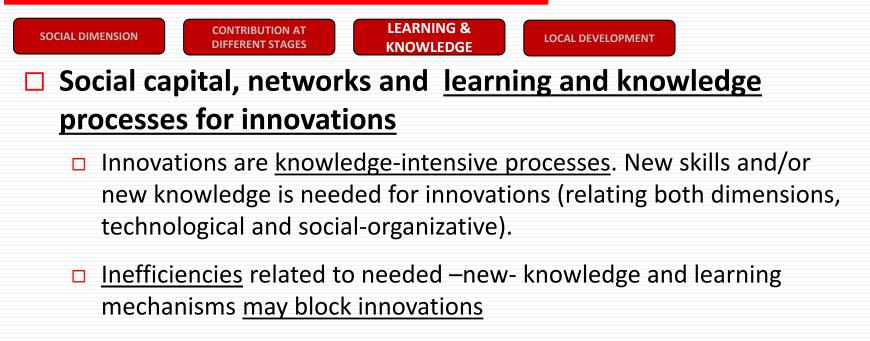
CONTRIBUTION AT

LEARNING & KNOWLEDGE

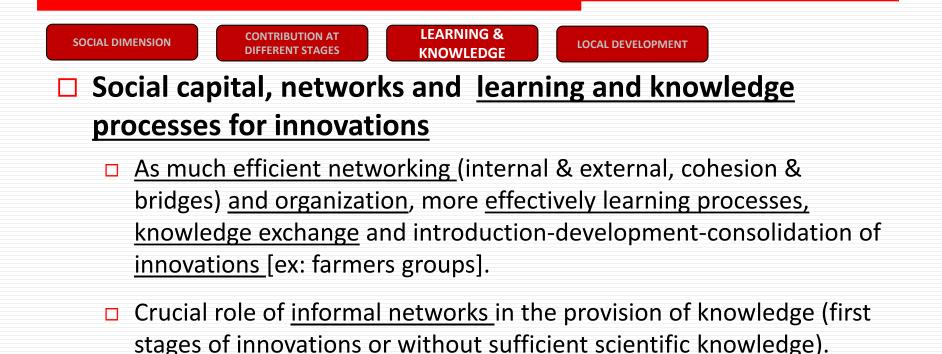
LOCAL DEVELOPMENT

Social capital, networks and <u>dissemination of innovation</u>

- Organized forms of social capital (associations, NGOs, producers' organizations, retailers associations, public-private partnerships, etc.): important role supporting, lobbying and <u>disseminating</u> (through their networks) innovations.
- Innovations spread better and faster within those organized forms of social capital: <u>cohesive and highly efficiently structured networks</u>
- Organized interest groups can <u>impede or foster developments</u> (ex. environmental groups fostering protection in natural areas: impede tourist developments) and innovations (impede or foster wind parks, introduction of complementary or new practices for quality labels, etc.)



- Providing of scientific knowledge
- Developing and formalizing tacit and local knowledge
- Facilitating learning processes



□ Engagement in networks → increasing <u>competitiveness</u> of small businesses.



- □ Innovations: frequently rooted in local communities having socio-economic development as global goal (not just individual benefits as unique reason → why many entrepreneurs stay at rural areas and do not move to urban areas?: local embeddedness) →
- □ As much present and important is the <u>participatory approach</u> (bottom-up) and more cohesive and structured the local networks (higher social capital stock) → <u>deeper sense of commitment of entrepreneurs and promoters</u> of ideas and projects with the local development (some of them, innovators).
- \Box Innovations \rightarrow crucial for <u>territorial-local development</u>
 - Contribution to creation or maintenance of <u>business</u>, jobs and/or <u>incomes</u>; <u>diversification</u> of the local economy; valorization of <u>local resources</u>, etc.
 - Global contribution to the <u>competitiveness</u> of the territory and a better positioning in the competitive "markets"





- □ Close positive relations social capital & networks innovations
 - Networking: <u>dissemination</u> of new ideas and innovative practices →
 - Efficient organization of actors (formal / informal networks) and participation in broader networks → <u>higher dissemination</u> and influence with respect to other actors, private, social or public (including public regional or national institutions, influencing policy levels and key decision makers)
 - Relationships in two ways:
 - Social capital \rightarrow crucial for innovations, but
 - <u>innovations</u> → improvement of social capital: stimulating new interactions and creating new networks or extending existing ones, developing common understandings.

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		Context type						
		1 Weak outside connections/ traditio- nal diversified economy	2 Weak outside connections/ speciali- sed economy	3 Strong outside connections/ speciali- sed economy	4 Strong outside connections/ diversi- fied economy			
	Synergies between sectors, horizontal integration							
Innovation logics	Diversification of activities, economies of scope							
	Specialisation/ diversification within or around the network or dominant sector							

			Contex	rt type	
		1 Weak outside connections/ traditio- nal diversified economy			
	Synergies between sectors, horizontal integration	Very difficult			
Innovation logics	Diversification of activities, economies of scope	Relatively difficult			
	Specialisation/ diversification within or around the network or dominant sector	Relatively difficult			

		Context type						
		1 Weak outside connections/ traditio- nal diversified economy	2 Weak outside connections/ speciali- sed economy					
	Synergies between sectors, horizontal integration	Very difficult	Very difficult					
Innovation logics	Diversification of activities, economies of scope	Relatively difficult	Relatively difficult					
	Specialisation/ diversification within or around the network or dominant sector	Relatively difficult	Favourable					

		Context type				
		1 Weak outside connections/ traditio- nal diversified economy	2 Weak outside connections/ speciali- sed economy	3 Strong outside connections/ speciali- sed economy		
	Synergies between sectors, horizontal integration	Very difficult	Very difficult	Very difficult		
Innovation logics	Diversification of activities, economies of scope	Relatively difficult	Relatively difficult	Relatively difficult		
	Specialisation/ diversification within or around the network or dominant sector	Relatively difficult	Favourable	Favourable		

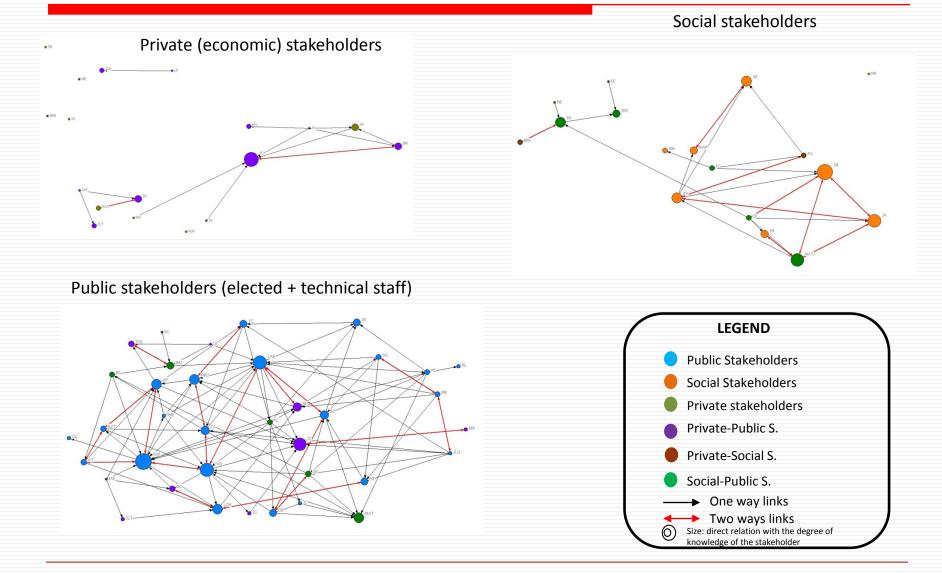
		Context type						
		connections/ traditio- connections/ speciali- c		3 Strong outside connections/ speciali- sed economy	4 Strong outside connections/ diversi- fied economy			
	Synergies between sectors, horizontal integrationVery difficultDiversification of activities, economies of scopeRelatively difficult		Very difficult Very difficult		Relatively difficult			
Innovation logics			Relatively difficult	Relatively difficult	Favourable			
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in rural Spain (Andorra-S. Arcos, Bajo Martín, Teruel.Spain)



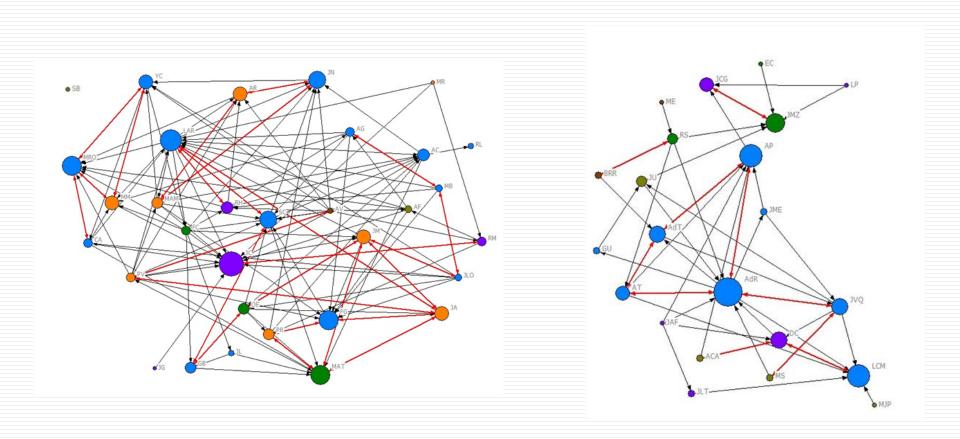


in rural Spain (Andorra-S. Arcos, Bajo Martín, Teruel.Spain)



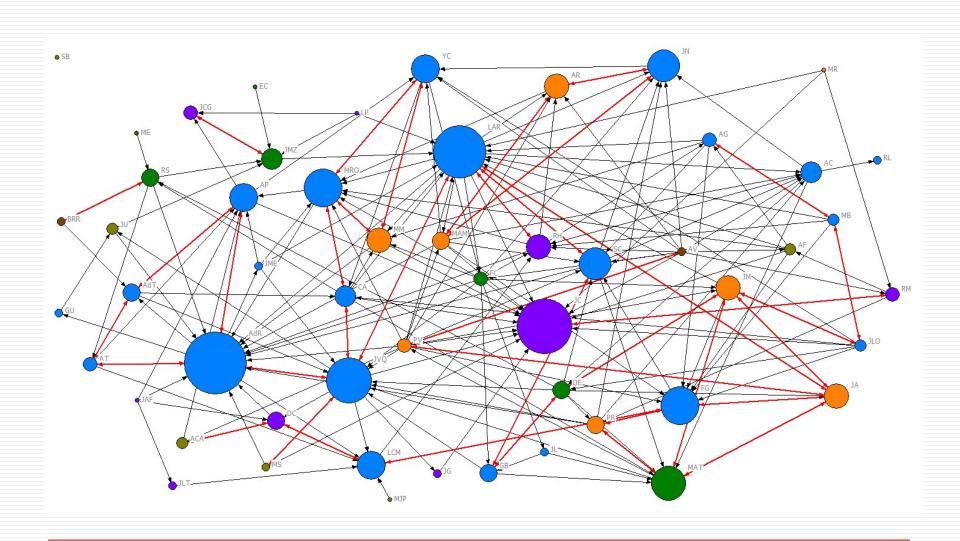
Andorra-Sierra de Arcos

Bajo Martín



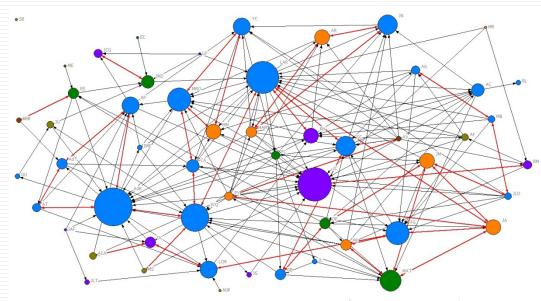
in rural Spain (Andorra-S. Arcos, Bajo Martín, Teruel.Spain)





in rural Spain (Andorra-S. Arcos, Bajo Martín, Teruel.Spain)





1		ADIBAMA (TERUEL)					
		(Asoc. para el Des. Integral Bajo Martín Andorra-Sierra de Arcos)					a de Arcos)
		Área de	Comarcas		Actores		
		estudio 1: ADIBAMA (Teruel)	Andorra- Sierra de Arcos	Bajo Martín	Económ.	Sociales	Institucion.
	Núm. actores (1)	54	32	22	18	17	37
Propied. de red	Densidad	8,2%	14,6%	11,5%	<mark>4,</mark> 9%	12,1%	9,7%
Cohesión	Distancia	2,9	2,1	2,4	1,4	2,4	2,8
	Grado (Salida)	16,7%	21,5%	22,9%	19,7%	20,3%	15,7%
4 (2)	Grado (Entrada)	24,4%	24,9%	27,9%	26,0%	20,3%	21,5%
idac	Cercanía (Salida) (3)	9,3	18,0	9,8	6,0	12,3	13,9
tra	Cercanía (Entrada) (3)	18,2	21,2	14,4	6,0	9,8	12,8
Centralidad	Intermediación	19,8%	14,7%	23,2%	1,8%	10,6%	20,8%
ÿ	Centralidad de flujo	20,2%	10,4%	18,7%	0,7%	5,5%	16,2%

in rural Spain (Andorra-S. Arcos, Bajo Martín, Teruel.Spain)



Ego and socio network of stakeholders. Links with external stakeholders ("linking" Social Capital) $Q \cap$ 919/0,0,0 00

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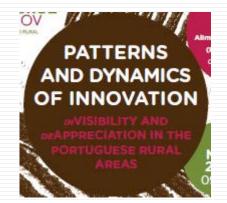
Concluding remarks: toward a key message

In the context of -strategies for- local development in rural areas & territorial (bottom-up) approach

- **1**. Economic and technical approaches to innovations <u>are not sufficient</u>
- Fostering innovations in such a context <u>NEEDS</u> take into account <u>social</u> <u>dimension</u>
- 3. Key elements fostering –social- innovations in territorial development:
 - Social innovations as <u>instrument for change</u> and renewal processes at local society
 - 2. High stock of social capital: trust and social cohesion (common aspirations, values and norms)
 - Social capital & Networks: access to information & resources and <u>channel</u> for innovation processes (related elements: social modernization, common values, commitment with territory, etc.)
 - 4. Learning and knowledge as <u>collective</u> process
 - <u>Governance</u>: contribution to social capital and base for social innovations and support systems

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THANKS FOR YOUR ATTENTION

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