



# Geographical and regional dimensions of social innovation

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# Put on your geographical glasses!

## –the geographical dimensions of SI

1. **Global space: centrum – semi periphery - periphery**
  - The fundamental objectives and principles of the SI are identical, reveals further structural differences in the manner in which the SI emerges as well as its depth and subjects.
2. **Structure of spatial capital: rural-urban**
  - different natures of urban and rural space may lead to the emergence of diverse activities, methods and institutional structures.
3. **Spatial level and networks: local - regional – national economies**
  - Local economic development (LED) and the SI spring from one and the same roots, both prioritising social goals; nevertheless, they do not overlap completely - the local SI is only one segment of LED

# Global challenges – different questions for SI

## - in a centre-periphery context 1

<i>Global challenge</i>	<i>Centre</i>	<i>Periphery</i>
<b><i>Environment protection</i></b>	Disposal of earlier significant emissions, recycling, reduction in the ecological footprint	Prevention, preparation, frugality, prevention of the removal of natural resources
<b><i>Energy shortfall</i></b>	Use of alternative energy, frugality	Limitation on the extraction of fuel, forward-looking use of income, frugality
<b><i>Diseases, epidemics</i></b>	More comprehensive coverage by health insurance, special services	Provision of healthcare services, protection against epidemics
<b><i>Migration</i></b>	Acceptance and integration of immigrants	Mitigation of emigration
<b><i>Info communication</i></b>	Involvement of special target groups, assurance of community access, a higher number of opportunities of utilisation	Deeper IT penetration, general development of IT literacy
<b><i>Uniform culture, disintegration of communities</i></b>	Special training, revival of traditions, community development	Education, protection of traditions, networking, strengthening of communities

# Global challenges – different questions for SI

## - in centre-periphery context 2

<i>Global challenge</i>	<i>Centre</i>	<i>Periphery</i>
<b><i>Unemployment</i></b>	Mitigation of structural unemployment – labour market reintegration, assistance with starting a business Compensation for the government's shedding off its role as an omnipotent supplier of goods and services - labour market services Employment opportunities for women, the young, old-age pensioners and those living with disabilities Exploration of new areas of the economy Formal economy	Increasing low employment potential – comprehensive labour market integration, encouraging self- employment Penetration of the non-profit sector into the traditional areas of economy Exploration of new areas of the economy Informal economy
<b><i>Food supply</i></b>	Assurance of food safety, restraining overconsumption	Assurance of quantity and nutrient content
<b><i>Housing, urbanisation issues</i></b>	Environment friendly housing, rejuvenation of housing estates Resolving the housing problems of the homeless Exodus from cities, suburbanisation and re-ruralisation	Provision of safe housing on a mass scale, provision of public utilities, elimination of ghettos Inflow into cities, deserted rural regions, overcrowded cities

# Different spatial structures / spatial capital

## - urban and rural spaces

Conditions	Urban spaces	Rural spaces
<b>Labour force</b>	Larger concentration, a wider selection of trades and professions	Smaller concentration, a more modest selection of trades and professions, commuting – demand for transport infrastructure
<b>Needs</b>	More differentiated needs above the threshold of economies of scale	More uniform needs below the threshold of economies of scale
<b>Resources</b>	Impact of agglomerations, diversity, R&D centres, a dense system of networks, innovation, flow of information	Proximity to nature and humans, traditions, isolation in terms of information
<b>Communities</b>	Organised along personal and business interests, density, a wide varieties of prospective business partners, open system of networks, mistrust in existing establishments	Traditional communities (family, the Church, school, workplace), a limited number of prospective business partners, mistrust in novel things
<b>Democracy</b>	Longer standing experience in how to abide by the rules of democracy, more rebellious attitudes, more diverse business interests, more sophisticated structures, established channels of interest representation (advocacy)	Respect for traditions and authority, the importance of the role of ‘leaders’, less experience, simpler structures, narrower channels of interest representation (advocacy)

# Local (solidarity based) answers

## - common parts of LED and SI

- Local economic development (LED) and the SI spring from one and the same roots, both prioritising social goals; nevertheless, they do not overlap completely - the local SI is only one segment of LED
- Common parts:
  1. *Social enterprises*
  2. *Prioritising of local products:*
    - direct sale
    - regional and local subsistence
    - conscious shopping
  3. *Services satisfying local needs/demand:*
  4. *Fair financing*
    1. 'Micro loan circles'
    2. Bartering
    3. Local moneys
  5. CSR

**Social capital, i.e. trust and networks play a dominant role in each of the above components**

# Hungarian characteristics 1.

## - *The legacy*

- In state socialism, practically, none of the conditions for local development existed
  - Limited market conditions and state control over the market – no enterprises
  - allocation of development funds in central redistribution process – no local financial background
  - total centralisation of development decisions and a bureaucratic approach to decision making – no local decision making
  - monolithic approach to development and the authoritarian hierarchy of the totalitarian state – hidden local interests
  - Ideological homogeneity and the scarcity of information – no competent local actors
- At the end of the Kádár regime set a few processes in motion in Hungary that were beneficial to the conditions of local development
  - Localisation and awakening of culture
  - Increased importance of the resources of local economy
  - Democratization of public administration
  - Discovery of local societies
- **Consequences:**
  - distrust
  - paternalism
  - devaluation of the concept of social solidarity



## Hungarian characteristics 2.

### *- Characteristics of the political changeover and the transition*

#### Felhajtó erő:

- Quick liberalisation
  - Privatisation – for abroad
  - Weak state, less social welfare
- Democratisation
  - **Blossoming** civic organisations

#### Transition – but where to?

#### Barriers

- stronger social polarisation
- long term unemployment - social exclusion
- loss of food autonomy and the domestic markets
- heavier dependence on retailers and creditors
- fewer types and lower amounts of social benefits
- fewer services in areas with lower effective demand
- non-governmental initiatives



## Hungarian characteristics 3

*- Social innovation initiatives in local economic development*

- social land programme (own model)
- social co-operatives (modified model)
- non-profit employment projects (adapted models)
- production and sale of local products (partly adapted model)
- special local circles offering cashless services (adapted model)
- loan circles (adapted model)

# Summary

1. Hungary is a semi-peripheric country with strong new social problems emerged from the state-socialist legacy and the neoliberal transition process. The birth of a radical solidarity economy and heavy social innovation initiatives should not be surprise, but it has not happened, yet. Some innovation in social economy and local economic development have been adapted from the European Union and there are some own innovation, too.
2. The consolidation of the SI is slow and is full with contradiction.
  - Civil organisations and social businesses are strongly influenced by central and local governments. Deep dependence on (EU) supports makes to remain the heavy dependence on the state.
  - There are more social innovation in urban than rural spaces and only a week flow of innovation can be identified.
  - Often it is seen as technical innovation with social aim or by social players.
3. There are a range of local SI initiatives in Hungary. Innovations are aimed rural development (LEADER), community development, ecology, employment and settlement rejuvenation. Participants and even politicians are not always aware whether they are attached to the concept of SI or LED.
4. Only a few networks and no national SI platform encourage identification of common interests and goals. Perhaps, this is one of the reasons why there has been no breakthrough in government policies.