

# Innovations in the field of new rural services: A cross-national Analysis of differences in Finland, Germany, Latvia and The Netherlands

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## New rural services – an opportunity for the countryside

Many rural areas in Europe are facing structural changes such as a fast ageing part of the population. On the other hand, increasing demand of urban visitors has created new opportunities.

Rural service innovations are one key to rural areas' success. They are a wide collection of new service products provided in rural areas, new ways of organizing the service system or new ways of producing services; examples in case studies:

- Social welfare services on farms (D, NL)
- Recreational services for tourists (LV)
- New types of network companies (Fin)

## Features of rural service innovations

Country reports concentrate on socially oriented innovations. An important feature of rural service innovations is *horizontal co-operation* and *cross-sectoral initiatives*.

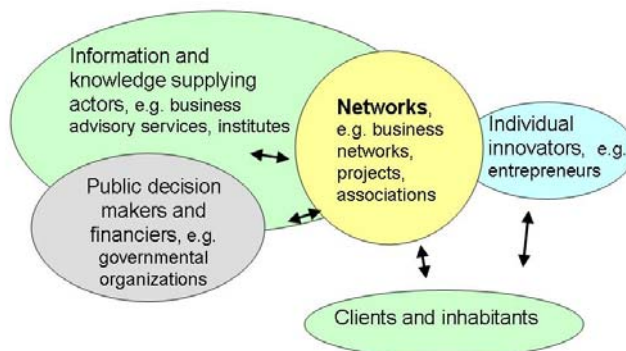
*Organizational* and *social* innovations are the most important types of innovation in rural services. *The interplay between different types of innovation* is crucial; e.g. social innovations may facilitate technological ones.

Types of innovation	Examples
Organizational	New regional business clusters New type of network companies New ways of organizing the work
Social	New partnerships, cooperation and networking in service sector
Technical	Applications of internet

## Recommendations

- Special character of rural services needs to be recognized at policy level.
- Regulations should be open to rural service innovations; sectoral thinking and fragmentation of public support systems is an obstacle.
- Interplay between different dimensions of innovation should be promoted.
- Innovation support units should be established, with minimal bureaucracy, adequate funding in-use and having high expertise on rural issues.
- Gaps in funding should be avoided; projects are often too short-term for maturing of innovations and networks.
- Interaction and mutual learning between private and public actors should be promoted.

## Main actors in the innovation system



## Critical factors

The majority of rural service innovations are concentrated in novelty phase with elements of niche formation.

*Critical factors are*

1. In novelties and niches:
  - Informal networks with tacit knowledge
  - Cultural factors
  - Personal capacity and motivation
  - Market
  - Public risk financing
  - Cooperation between organizations.
  - Relevant information is easily available
2. In regimes:
  - Regulations applied to rural conditions
  - Formal education

