

→ Abstract submission for a paper presentation by Prof. Markus Hanisch

## Understanding Social Innovation Processes in Rural Areas: Empirical Evidence from Social Enterprises in Germany

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### Abstract

**Purpose** Against the background of increasing infrastructure loss in many rural areas, this study aims to contribute conceptually and empirically towards better understanding of rural innovation processes related to provision of public goods.

**Approach** The nationally-focused understanding of innovation processes leads the debate on rural development into a dilemma that we seek to sidestep via the concept of social innovation. Community cooperatives – a type of social enterprise that has increasingly emerged in rural areas of Germany in the last decade – offer the opportunity to examine social innovation processes. Our cross-case study reveals the broad range of activities in which such cooperatives are active and analyses their social innovation processes.

**Findings** The study shows that the social innovation governance framework enables examination of social innovation processes. Although macro-level policy has appeared to be an important instrument for financing social innovation, public actors at the micro-level seem barely able to initiate social innovation processes unless they are also private actors and, therefore, can pursue additional incentives. The social innovations studied here seem to differ in terms of their actor constellations and resource-allocation patterns, depending on whether they are concerned with the establishment or maintenance of local infrastructure. What they have in common, however, is the initiation of formalised collective-action processes that serve to legitimise social innovation.

**Originality** By applying an analytical framework that is new to the literature on social innovation, the study provides insight into the activities and decision-making processes of actors involved in social innovation in rural areas. In this context, community cooperatives have rarely been studied as an interface between public, private and civil society actors or as a platform for mobilising human, social and financial capital.

**Keywords** collective action, cooperatives, governance, innovation research, public-good provision, rural development

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