

## Theoretical Incursions into Social Entrepreneurship as a Mean of Development for Rural Heritage Rich Communities

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### Abstract

*During a visit to the Confederation of Italian Cooperatives in March 2019, Pope Francis highlighted the importance of cooperation in including the weakest, promoting private initiatives, offering alternatives to an inhumane and unjust life governed by money. He adds up to the number of important figures and institutions which encourage the cooperation in order to create resilient and sustainable communities.*

*Social entrepreneurship is a suitable tool of cooperation for local communities, being connected to both provincial reality and supra-regional networks, having a high innovation ability and keeping as main target the social well-being of their target group. This is even more relevant in the case of rural heritage rich communities which are often forgotten by economic development actions, despite their massive potential as cultural and touristic destinations.*

*The purpose of this paper is to explore the relationship between social entrepreneurship and rural development in rural heritage rich communities.*

**Key words:** social entrepreneurship, cultural heritage, rural development

**J.E.L. classification:** L31, R11, Z19

### 1. Introduction

Based on data extracted in February 2017, Eurostat made some sharp affirmations regarding the situation of rural areas in EU Member States (Eurostat, 2018):

- 23.7% of the EU-28 population was at risk of poverty/social exclusion;
- the highest risk of poverty or social exclusion was registered in the rural areas of Bulgaria, Romania and Malta;
- almost one in five persons living in EU's rural areas was at risk of monetary poverty;
- less than 10 % of the EU citizens living in rural areas came from a household with low work intensity;
- one twelfth of the EU's rural population was in an absolute measure of poverty, facing severe material deprivation;
- Europeans from rural areas were more likely not to have met their needs for health care;
- people living in rural areas leave their education or training earlier than those living in urban areas;
- Rates of unemployment for EU's rural areas of eastern Member States were higher than those for cities.

As we can see, the socio economic situation of EU rural areas has lots of space for improvement, in fields like education, employment, inclusion and so on. Without limiting these issues only to the EU member states, we can see that these general reasons make "rural development" a recurring theme on the agendas of international institutions and local governments likewise (Djankov and Saliola, 2019; European Union, 2019).

From this profile of local communities are not generally excluded the rural heritage rich communities. This happens despite the fact that the existence of heritage elements should enrich local communities, when these are mature enough to preserve and take advantage of these cultural and touristic assets. However, one of the reasons why this is not happening often comes from the voice of different purists who say that heritage conservation is "too crass and too demeaning to the underlying importance of the historic resources to merit serious discussion" (Rypkema, 2008).

Beside the idea of "rural development", also the concept of "cooperation" has an important role in strategic discussions. It was even included in Pope Francis's speech held during a visit to the Confederation of Italian Cooperatives in March 2019 (*Vatican News*, 2019). The Pope connected the core of cooperation with the social doctrine of the Church and insisted on its benefits in including the weakest, promoting private initiatives, offering alternatives to an inhumane and unjust life governed by money.

During this paper, we wish to present some theoretical incursions into the status quo of rural heritage rich communities and the relationship between social entrepreneurship and rural development in these communities. In the end, we should have sketched a few guidelines for further field research.

## 2. Theoretical background

Our current research deals with two main concepts, social enterprises and rural heritage, both in the framework of rural development. A first step in any investigative course is understanding of the theoretical framework.

Thus, the concept of social enterprises is quite new, being developed in the early 1990s. Based on part of the literature in the field (Dees, 1998; Borzaga and Defourny, 2001; Bornstein and Davis, 2010), we have attributed to the concept of social enterprises the following cumulative characteristics:

- they belong to the third economic sector (term used in the Anglo-Saxon literature, also referred to as the "nonprofit sector" or "the civil society sector", which represents the space between the private and the governmental spheres and includes organizations that invest / reinvest income to achieve social, cultural or environmental goals);
- they fall into the social economy sub-sector (according to one of the most detailed representations of the third sector that was made by John Pearce in 2003 (Pearce, 2003, 2009));
- are organizations with an economic activity that act in the general interest of the community they represent;
- reinvest all or part of the profit in achieving the social goal.

On the other hand, rural heritage is a mixture of elements of tangible and intangible patrimony representative for rural communities (Chiva, 1994):

- landscapes created through the exploitation by man of the natural resources;
- rural architecture which consist the local buildings with different functionalities: living, storage, crafts, industry or administration;
- local products adapted to the local conditions, cultivated, processed or cooked in a traditional manner;
- objects created locally for domestic, festive or religious use;
- techniques and skills inherited from generation to generation, for creating landscapes, building houses and furniture and making local products;
- traditions and ways of life specific to rural communities.

The property of rural heritage is considered to be common, being in the hands of all individuals coming from rural or urban locations (Chiva, 1994).

### 3. Research methodology

The research methodology for the present paper is based on secondary data analysis. For this, we have collected and explored studies and reports developed by international institutions, but also articles and research papers published by academics in international journals. Further on, we have used descriptive and explanatory methods in order to present our data.

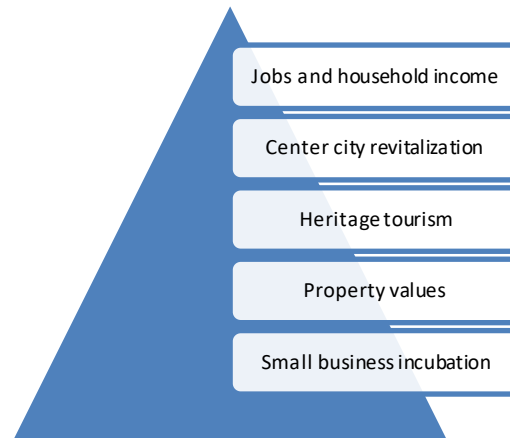
Based on this research course, we have used deductive methods in order to outline some possible future topics to be investigated.

### 4. Status quo of rural heritage rich communities

Rural communities tend to lack nowadays many social services due to centralization to bigger cities promoted by governments. Without services like administration, sport and leisure activities, public transport, school transport and medical practices, rural areas tend to become more and more marginalized (Naumann and Fischer-Tahir, 2013; Shucksmith and Brown, 2016; in Richter, 2017). Hand in hand with this centralization process goes the exodus of young and qualified people who look for better job offers with access to more, better quality social services. This whole process translates in the end in a lower power of decision making, of investing and innovating in the local rural communities (Richter, 2017).

This degrading status of rural communities is even more regretful when we take into consideration the fact that these communities are losing in the same time with their people some important cultural heritage elements which can still be seen in the form of architectural landscapes and segments, sites, artefacts, traditional ways of life and activities, etc. (Murzyn-kupisz, 2012). The conservation of these heritage elements is important not only for the identity of the local communities, but also for broad cultural and social reasons.

Figure no. 1 Factors measuring the economic impact of heritage coservation



Source: (Rypkema, 2008)

Discussing about the problem of heritage conservation, we can see that it is characterize by several values, from historical, cultural, environmental, aesthetic to educational, social and economic. Even though the economic value of heritage has long been argued by experts saying that the topic would be insensitive and discrediting, nowadays it is identified as a very important factor in local development. More than that, there have been identified also a series of economic impacts of heritage conservation that can be quantified: jobs and household income, center city revitalization, heritage tourism, property values and small business incubation (Rypkema, 2008).

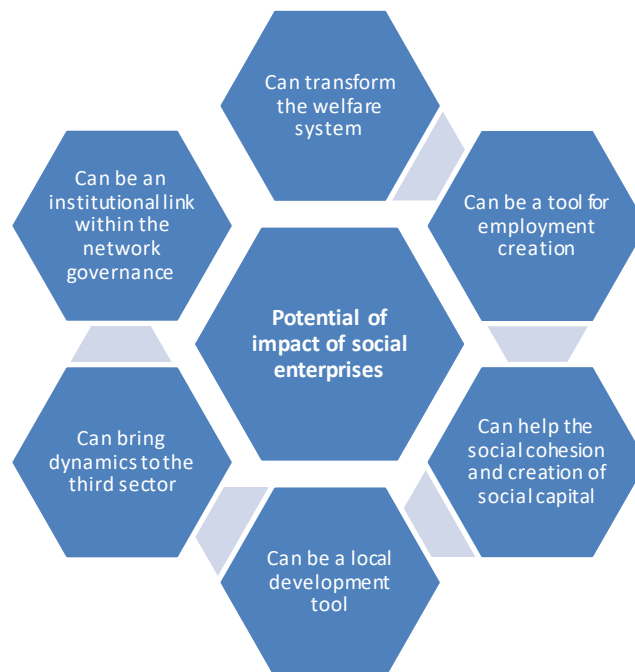
Combining the components characteristic to rural degradation and rural communities rich in heritage elements, result opportunities for projects linked to the conservation, restoration, preservation and adaptation of heritage sites. These, combined with the know-how and adaptability of new types of organisations may lead to a revival of rural communities using their cultural heritage.

## 5. Rural development and social entrepreneurship

In order to face the backdrop registered by rural communities and to spur development, there is the need of initiatives with a socially centralized mission, with entrepreneurial characteristics, focused on implementing innovative activities in order to solve old problems and being well connected to both provincial reality and supra-regional networks.

In spite of their conceptual versus practice dilemmas, social enterprises check all these conditions, and can be a key player in promoting and sustaining development. Social enterprises appeared as a response to the repeated cuts of public funding, taking the role of social problems solver (Roy *et al.*, 2014). As stated by John Pearce in 2003, these are located in the sphere of social economy, containing organizations like community enterprises, social firms, social businesses, mutual, fair trade companies, several types of cooperatives (Pearce, 2003; in Amin, 2009). Their potential of impact in communities reaches a high range of subjects, from the transformation of the welfare system, employment creation, local development to becoming an institutional link with the network governance (Bucaciuc, 2015).

Figure no. 2 Types of impact potential of social enterprises



Source: (Bucaciuc, 2015)

Taking into consideration the full range of potential impacts social enterprises can have and the needs of rural areas, we can easily presume the impact would be even greater in rural heritage rich communities.

## 6. Conclusions

Observing the current state of rural heritage rich communities and the potential social enterprises can have in growing the development level on a theoretical level, we feel the need to identify the actual state on the field. This means carrying on a research combining research methods like interviews, field observation, identifying and correlating relevant databases of information.

Some research questions of interest, which can be explored furthermore in the context of supporting the development of rural areas, might be:

- Which is the dimension of the social enterprises sector in rural heritage rich communities?
- Which is the social and economic impact of social enterprises in rural communities?
- How can the legislative system support social enterprises in order to foster development in rural areas?
- Which are the opportunities given to the sector of social enterprises by rural communities rich in cultural heritage objectives?
- How can the business for profit oriented sector and the public sector learn from social enterprises in order to take advantage of cultural heritage objectives in order to foster development in rural areas?

These proposed topics can be enriched with multiple other lines of thought which will proceed from further research.

The results of this cumulated research project would be of interest for policy makers, local and regional administration, business associations and other stakeholders in the field of rural development and cultural heritage preservation.

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