

*Social Innovation – theory and practice from the
perspective of “Creative City – Sustainable Region”
(KRAFT) National Program – Excerpt*

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1. Introduction

The KRAFT Programme is one of the three pilot regional development policies of the Hungarian Government which aims towards the sustainable development of small- and medium-sized towns. In contrast to conventional regional and city development practices, the approach of the KRAFT Programme integrates so-called ‘soft’ factors (culture, identity, heritage) and their efficient management with ‘hard factors’ such as infrastructure, energy, communication networks and economic sustainability. Another novelty of KRAFT is to identify and utilize synergies of interdependencies among rural and urban development factors, thus properly revealing the full range of conditions required for the implementation of new, complex regional development strategies for urban areas and their surroundings. The Institute of Advanced Studies Kőszeg (iASK) has been appointed by the Government as responsible for the preparation of the KRAFT Programme and its adaptation to other border regions in HU.

The KRAFT Programme can be seen as a living concept that perceives the effective regional cooperation among economic and social actors as the measure of successful investment and development. It is rooted in the conviction that the key to successful development initiatives and projects is the effective cooperation between the socio-economic stakeholders of the relevant region. The concept takes into consideration individual (entrepreneurial, governmental, academic etc.) and community interests in the region.

The KRAFT Concept, by providing an integrated analytical framework that enables the collective recognition of individual (i.e., corporate, governmental, academic) and common interests, contributes to a more complex and profound understanding of the middle- and long-term development objectives of the dominant actors. As Miszlivetz & Márkus (2013) point out this integrated approach is the key to future success and socio-economic and ecological sustainability. Another important aspect of the KRAFT Programme is that it combines the theory of regional development with the theory of social innovation in order to increase the capacity for adaptive, and level of regional resilience in various territories. The success of the KRAFT Programme in Kőszeg, the Alliance of Pannonian Cities and the contribution to the Veszprém – Balaton 2023 European Capital of Culture Award are just some examples.

Generally, regional development is conceptualized as a strategic process aimed to maximize the welfare of inhabitants, and to create a sustainable territorial structure for long term viability through the mobilization and exploitation of local resources. It should always, however, be kept in mind, as Simmie and Martin (2010) point out that regional development is far from a smooth and incremental process; instead, it is subject to all sorts of interruptions and disruptions (such as periodic economic recessions, the unpredictable rise of major competitors, unexpected plant closures, the challenges arising from technological change and the like), and the state responses to these challenges and the degree of decentralization and adaptive capacity of territories differs to a high extent even in the same national economy. How regions adapt to these kind of changes is dependent on the interconnectivity of different stakeholders, shareholders, and the state of their social innovation ecosystems.

2. iASK's best practices related to social innovation

In this section two best practices of the KRAFT Programme will be presented that can serve as examples for social innovation activities.

Cultural Heritage Management and Place-making through Storytelling: The Talking Houses in Kőszeg

The built, silent witnesses – the buildings of Kőszeg – are animated to reveal the stories they hide. Mónika Mátay, the leader of the research, claims that besides the macro approach to history, the micro perspective is worth considering to develop a better understanding of our common past and experiences. As the website of the project [1] declares, the rich archival documentation of Kőszeg allows historians to investigate the lives of the owners and other inhabitants, tenants, maids, children of the buildings in the downtown area. By reconstructing the everyday routines of the inhabitants, their communication, and in general, their lifestyle as precisely as the archival sources allow, a better understanding of the people of the past is gained. By tracing individual life stories and practices, we can connect them to processes of local identity formation, and also their connection to more universal discourses such as value systems, religion, the Enlightenment, or nationalism. The historical past is embedded in urban spaces and buildings that connect contemporaries to their ancestors. Downtown Kőszeg provides an authentic baroque environment that is unique in Hungary and an important element of the cultural heritage of the city that has gone through major changes during the past three decades. (talkinghouseseurope.com)

The research related to the sense of place, i.e. *genius loci*, in Kőszeg has been published in order to highlight the human (micro-) aspects of history and the innovation of earlier times. The first two books in the *Talking Cities book series* deal with the ‘Stories of Kőszeg’ (Mátay eds. 2019) and the ‘Festetics Mystery’ (Poczai, 2019). The former shares thus far unknown or silenced stories from the city’s history, the later rehabilitates Imre Festetich as the forgotten father of genetics, and thus provides an important contribution to the history of science at large.

Book Valley – an innovative rural development project

The five small villages of Nivegy Valley (with a population of less than one thousand people), between Zánka and Nagyvázsony is a home of vineyards, natural beauty, silence, spirituality, and slow tourism.

After fertilizing Veszprém city’s application to be the Cultural Capital of Europe (ECC) in 2023 with the idea to extend the geographical scope of the activity with the whole Balaton Area, iASK had the opportunity to provide recommendations for local/rural culture-building projects. Since one of the authors (Z. Karvalics, 2019) has just published a paper on the possibilities of created attractions we suggested to establish the first Hungarian Book Village in the proposed activity area.

Luckily, Nivegy people immediately fell in love with the idea, the foundation of Book Valley, and they easily imagined putting the book village development at the “center” of their future building strategy: i.e., forming thematic book lodges from rest-houses, situating open air small book cabinets everywhere, making and exhibiting book sculptures, organizing book art camps, providing roundtables, literary salons and festivals – to dream of a book sanctuary, a home of book culture, without disturbing the residents by armies of tourists.

The Book Valley is a “Blue Pond”– like innovation: a witty application of the well-known Blue Ocean strategy. Blue Ocean innovations are radically new fields of business or social activities, where there are no rivals, thanks to their pioneering nature. Blue Pond is a simple re-creation of a Blue Ocean project in a new environment, on a smaller “lake”, where the advantage of making the first steps to realize the local version of an internationally successful project is a key to catching promising strategic directions.

Blue Ponds projects can encompass very special and original features. In the Book Valley, it is the *transformation of tourism into community building*. Since the hosts provide special thematic collections of books as main attractions, their guests come from the same interest groups. Finally, it is a way to insert high culture into the everyday life of a small rural community.

3. Conclusion

It is time to pay attention to the fact that the need for social innovation is knocking on our doors since societal challenges are on the table and for solutions we need co-operation, co-production, and the involvement of the local environment and stakeholders.

“Think globally, act locally”, the slogan perfectly fits our contemporary developmental goals. Focusing on our local environment and its stakeholders, and taking small but important steps that lead to social impact in fields full of disadvantages and exclusion add up reaching a critical mass that lead to changes first close to the intervention points then expanding to the community, state and regional levels in concentric circles like when a stone is thrown into a body of water. We do not have the resources for unsustainable attempts, which is why only considered and coordinated steps are acceptable in this process.

The spirit of KRAFT and its insistence on cohesive and coherent interdisciplinarity is an excellent methodology and practice to strengthen the social metainnovation capacity of a region. Familiarity with the latest improvements and innovations, performed internationally, generates renewed possibilities for the creation of more and new Blue Pond-like strategic projects.

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