

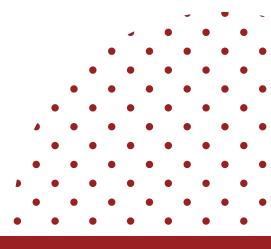
# EMPOWERING RURAL COMMUNITIES THROUGH SOCIAL AND SOLIDARITY ECONOMY: OBSERVATIONS AND CASE STUDIES

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Empowering rural communities through social and solidarity economy: observations and case

studies.

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**Theme:** Social promotion strategies

Subtopic: Sustainable entrepreneurship and social economy as drivers of territorial development.

Abstract

The whole rural economy is a much more complex ecosystem of activities than farming and forestry. It's about

services; it's about quality of life; it's about creative economy and tourism. Rural areas provide a wide variety of

flora and fauna and natural resources that can contribute to employment, economic growth and prosperity,

preserving the environment and cultural heritage. Which supportive factors can help to overcome identified

vicious circles in rural areas? How do social and solidarity economy (SSE) empower rural communities and

unlock the potential of rural regions in Europe? The research investigates the potential contribution of SSE in

empowering rural communities. After a literature review on the topic, the research focuses on analysing various

case studies to reveal the path that social and solidarity economy can take to regenerate positive rurality based on

sustainable, innovative and inclusive development.

**Keywords**: Enterprising communities, rural empowerment, social economy enterprises, place-based approach,

social innovation.

JEL Codes: O35, L31, P13, R11

01. Introduction

"Our rural areas are the fabric of our society and the heartbeat of our economy. The diversity of

landscape, culture and heritage is one of Europe's most defining and remarkable features. We will

cherish and preserve our rural areas and invest in their future." President von der Leyen<sup>2</sup>, European

Commission (2020).

In the Autumn of 2019, the European Commission announced the preparation of the European

Commission's Long-Term Vision for Rural Areas to create a shared European vision for its vibrant,

connected, and sustainable development by 2040, respecting rural Europe's diversity following the

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<sup>2</sup> EC, DG AGRI, Strategic Plan 2020-2024. https://ec.europa.eu/info/system/files/agri\_sp\_2020\_2024\_en.pdf

principles of equality and innovation. A way to offer new perspectives to rural communities and walk them through the green, digital, and demographic transition.

Rural areas account for more than 341 million hectares, representing 83% of the total EU area. With almost half of rural citizens without access to a good internet connection, the rural communities face the double challenge of low GDP per capita and rapidly ageing population with the lowest population shares in age groups below 50 years old (Eurostat, 2018).

Low employment, high unemployment, low incomes, and a high proportion of people of 65 and older are among the main reasons for the higher poverty and social exclusion in rural areas (Bencheva et al., 2017). All these challenges active a vicious circle where due to the low population density and the ageing profile of the rural regions, economic activity is low. Accordingly, rural areas suffer from lack or even the inaccessibility of goods and services (Smailes, 2002). Moreover, a lack of employment prospects causes younger people to move to other areas, worsening the demographic profile and bringing the area into a low loop (van Twuijver et al., 2020).

Therefore, the whole rural economy is a much more complex ecosystem of activities than farming and forestry. It's about services, it's about quality of life, it's about creative economy and tourism. Rural areas provide a wide variety of flora and fauna and natural resources that can contribute to employment, economic growth, and prosperity, preserving the environment and cultural heritage.

Which supportive factors can help to overcome identified vicious circles in rural areas? How can SSE contribute to empower rural communities and unlock the potential of rural regions in Europe?

The following research questions have guided this working paper. The paper investigates the potential contribution of SSE in empowering rural communities. After a literature review on rural social enterprises in Europe, the research focuses on analysing various case studies from different European countries. The case studies presented aims to reveal the path that SEE can take to regenerate the territories and create strong, mutually supportive linkages between rural and urban areas to realising positive rurality based on sustainable, innovative, and inclusive development.

#### 02. Social economy enterprises<sup>3</sup> (SEEs) in rural area: an overview.

In a recent study in the framework of SHERPA project, the most frequently identified characteristics of the visions for rural areas by 2040 will be the involvement of local communities in the governance of their territories through an inclusive, bottom-up, tailor-made approach.<sup>4</sup>

This is in line with the European Union's LEADER Programme (Liaisons Entre Actions de Developpement de l'Economie Rurale) (EC, 2006), which since the 1990s at the heart of the development process autonomous local action groups (LAGs) 'working in partnership' across public, private, and voluntary sectors (Edwards et al., 2001). The focus in rural development practice has been targeted on local action and endogenous ('emerging from within') development initiatives; the use of local resources; and local contextualisation through active public participation (Gkartzios, 2019). However, despite the best efforts of local LAGs and their administrators, these social initiatives are deterred lengthy form-filling processes combined with uncertainties surrounding match-funding and cash flow. These challenges affect mainly the smaller rural communities that require a tailored approach to create social values and not only economic outcomes (Bosworth, et al., 2020).

In 2001, Ray proposed the *Neo-endogenous development* (NED) that is defined as "endogenous-based development in which extra-local factors are recognised and regarded as essential but which retains belief in the potential of local areas to shape their future" (Ray, 2001). Thus, NED presupposes that the territory adopts a mix of endogenous and exogenous approaches and manages interactions between local and over-local scales (Bosworth et al., 2016). In addition, NED has many parallels with social innovation (Bosworthet al., 2020; Bosworth et al., 2016), characterised by developing and implementing new ideas to meet social

<sup>&</sup>lt;sup>3</sup> This study uses the definition of social economy enterprise set out by the Social Business Initiative. [accessed 11 June 2021]

<sup>&</sup>lt;sup>4</sup> For more information and data, please vist: <a href="https://rural-interfaces.eu/">https://rural-interfaces.eu/</a> [accessed 11 June 2021]

needs (Secco et al., 2016), strengthen "a sense of community" (de Haan et al., 2018) and support the provision of essential rural services.

Accordingly, with this framework, new governance structures were initiated (cooperatives, associations, among others) as well as a new participation process (meetings of local actors with external and institutional actors). In that sense, the social network approach could be taken into consideration.

For instance, by applying the social network approach in rural regions, Richter (2019) showed that the innovative power of rural social enterprises derives from their ability to connect rural communities with supra-regional networks strategically. Their involvement in groups and networks in other places and on higher spatial and hierarchical scales enables them to grasp new ideas, re-contextualise the acquired knowledge and mobilise resources (Ritcher, 2019). The network-based approach provides a novel model for recognising the initiation and diffusion of SSE in rural area. It builds the use of network links to share information and the gaining of resources, for the embeddedness in rural communities and the interrelation amid rural communities and social enterprise networks (Ahrari et al., 2018).

At the same time, rural social enterprises are widely embedded in rural regions, which offers them the opportunity to identify social needs, develop innovative solutions to those needs, and find local support for the implementation of a creative solution. SSE can be considered a role model for the embedded intermediary in rural areas, given local embeddedness and their position between rural and supra-regional networks (Ritcher, 2019).

Not surprisingly, they are subject to special attention from the European Commission, particularly in recent years. SSE can contribute to the socio-economic development of rural areas from different perspective: i) providing access to essential services for all (social services, education, health-care); ii) fostering a more balanced use of local resources; promoting inclusive governance models that enable local communities in making strategic decisions; iii)

til the inclusion in the labour market of minority and vulnerable groups and others remaining excluded from opportunities to generate incomes (Bencheva et al., 2017).

The analysis of these models' on-the-ground activities suggests SSE as a mechanism that communities can use to identify, create, and mobilise a range of assets and resources in place (Eversole et al.,2014).

#### 03.Methodology

We conducted an exploratory study to understand how social economy enterprises (SEEs) can empower rural communities and unlock the potential of rural regions in Europe. The study did not intend to be generalisable in its scope. Still, it focused on exploring the existing academic and policy literature on the role of social economy/social economy enterprises in developing the rural area and case studies within Diesis Network. We conducted conversational-style interviews (Lavrakas, 2008) with SSE stakeholders, members of SEEs support organisations, those involved in SSE networks. A list of potential interviewees was identified mainly through the network of Diesis Network<sup>5</sup>, bringing together national networks and support structures of SEEs.

The interviewees were identified with two criteria in mind: (i) their work had to be focused in the study area (rural communities, rural development, rural regenerations); (ii) they had to be active with various initiatives in influencing the SEEs environment. This approach ensured that the interviewees were familiar with the rural social enterprise context. Interviews lasted up to one hour.

All data were coded, categorised, and analysed manually and with the support of INOVA software using the constant comparative method approach to identify key themes of a

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<sup>&</sup>lt;sup>5</sup> Founded in 1997, the Diesis Network is now one of the widest European networks specialising in supporting the development of the social economy, social entrepreneurship and social innovation. Functioning as a unique ecosystem, Diesis Network collaborate in close contact with its 42 members from 14 EU countries and 6 EU neighbouring countries, which represent over 90,000 organisations and 1.2 million workers through major national federations and national support networks.

discussion. The interviews with experts have been helpful also for the identification of the various case studies.

In March 2021, the workshop "Rural Community Empowerment and local development" was realised by Diesis Network with the participation of Diesis Network members around Europe. The results of the workshop have been integrated into the paper.

The cases presented explore the role of social economy enterprises in empowering rural communities and their regeneration. The cases selected are not statistically representative, but they have been selected due to their potential to add knowledge to the phenomenon studied. They have been built from data gathered through different techniques. Semi-structured interviews, and other additional available materials (annual report, website, previous research reports and presentations). The criteria established to select the cases were the following: i) they are in a rural area; ii) they are social economy enterprises. iii) they have found organisations for more than three years; iv) they represent one of the enabler factors identified during the interviews, workshop, and literature review.

A topic guide for data collection and analysis was developed based on a policy and academic literature review.

#### 04. Empowering rural communities through fostering inclusive local development

Many definitions of social enterprise exist, and a wide variety of organisational forms are adopted by SSE worldwide. In Europe, they are closely linked to the tradition of the social economy, which is characterised by principles and values such as solidarity, the priority of people over the capital, and democratic and participative governance. One of these is the Community-Based Social Enterprises (CBSEs), which are characterised by operating "in a defined geographical location or "community" and [by] giving a high priority to engaging local residents" (Bailey, Kleinhans and Lindbergh 2018). CBSEs might enhance endogenous

potential (economic sustainability) and the recovery of degraded or abandoned natural resources (environmental sustainability), embedded in the creation of a network among local communities, authorities, and other private stakeholders (Mastronardi & Romagnoli, 2020). Accordingly, with various empirical studies, CBSEs provide multiple services (van Twuijver et al., 2020; Jungsberg et al., 2020), such as care (Avise, 2020; Munoz et al., 2015; O'Shaughnessy and O'Hara 2016), transportation (Avise, 2020; Liddle et al.,2012), housing (Avise, 2020; Healey 2015), alternative food systems (Costantni et al., 2019).

In Italy, the community cooperative is a model of social innovation where citizens are producers and users of goods and services. It is a model that creates synergy and cohesion in a community by putting individual citizens, businesses, associations, and institutions into action, thus responding to multiple needs for mutuality.

Teatro Povero is an Italian community cooperative that dates from the 1960s. At the beginning of that decade, this Tuscan village was going through a profound upheaval, arising from the collapse of the economic and social system which had characterised its existence for centuries: the system of sharecropping (mezzadria). In a village that had no theatre building, it was decided to focus on the idea of open-air theatre in the public square to resist the crisis and increasingly manage the reduction of the services as well as social and welfare activities for the community. Currently, the cooperative manages multifunctional services spaces such as the tourist office, the newsstand, the museum, the internet centre, two restaurants, the cycleworkshops, the guesthouse, the tourist packages, the reception activities for asylum seekers, some support services and basic health care, a small library, and the refreshment point. It collaborates in managing the Traditional Tuscan Popular Theater Museum, and it organises training and workshops. It is a point of reference for the community and guarantee services such a complementary partner of the institutions rather than a substitute in service delivery (Olmedo et al., 2020).

The CBSE's approach plays as "embedded intermediaries" (Ritcher, 2019) between the local community and the external networks (e.g., regional/national/ international actors and institutions). It is vital to get together community members, civil society organisations, the local public sector and the private sector, and regional and national authorities to begin a cumulative process that produces a project to address a local challenge and enhance the community's capacity to collaborate (Jungsberg et al., 2020). It isn't easy to generalise about the characteristics of rural areas since there is enormous variation both between and within countries.

Smith and Stevens (2010) stated that the geographic area creates a boundary that conditions the web of interactions that may affect social entrepreneurship's social structure until finding significant social differences between neighbouring villages in the same agro-economic environment. Each community cooperative model is unique, in terms of size, objectives and activities, due to distinctive peculiarities of the community and the diverse needs and methods of response rooted in the history and ways of being a specific community.

The importance of approaches and solutions that are tailor-made to the characteristics and circumstances of particular areas and not a one-size-fits-all approach seem to be a key factor for the flourish of the rural regions (Chartier et al., 2021).

## 05. Empowering rural communities through delivering social services and in job creation for disadvantaged group.

The contribution of SEEs to rural socio-economic development can also be viewed in delivering social services and job creation for disadvantaged groups living in rural areas. The Work Integration Social Enterprises (WISE) has proven to be an essential and effective tool for the development and social inclusion of disadvantaged groups in a path of continuing vocational education and training (CVET).

WISEs continue to play an ongoing role in the social and professional requalification training that restores individuals at risk, individuals who are vulnerable and have become marginal, the status of gainfully employed workers (ENSIE).<sup>6</sup> In the rural areas frequently WISEs are present as social farming.

The term' social farming' refers to a set of practices that use agricultural resources – animals, plants, gardens, forests, landscape – to promote therapeutic and rehabilitative actions of social inclusion, educational and social services valuable to the daily life of local communities and rural areas (Di Iacovo, 2008 and 2015).

Agia Skepi<sup>78</sup> is a therapeutic community registered as a foundation in 1999 that supports long-term substance abusers and their families. It is located on the outskirts of Nicosia (Cyprus) on 50 acres of land owned by local church organisation, the Holy Abbey of Machaira. Agia Skepi's economic activities serve the therapeutic community first and foremost. Although it still requires public grants to implement its rehabilitation programme successfully, Agia Skepi aspires to become self-sufficient through its economic activity within organic food production soon. Economic activity upgrades the rehabilitation programme's offering, providing the centre's clients with the necessary skill set for social reintegration and helping them develop the autonomy to re-enter society as active, contributing members. The initiative has led to new jobs for those who have been successfully rehabilitated. For example, several people now work at bakeries and restaurants due to the accumulated experience and qualifications through the therapeutic community process. Given that most undertaking the programme have never worked before, daily organic farming, packaging and bread baking activities contribute significantly to preparing community members for employment. Agia Skepi's staff numbers 37 regular and part-time employees, half of whom are former community members.

#### 06. Empowering rural communities through emerging and diversified rural economy

<sup>&</sup>lt;sup>6</sup> For more information about please vist: <a href="http://www.ensie.org/new-page">http://www.ensie.org/new-page</a> [accessed 11 June 2021]

<sup>&</sup>lt;sup>7</sup> This case study was developed with the contribution of SYNTHESIS Center for Research and Education Ltd (Cyprus), <a href="https://www.synthesis-center.org/">https://www.synthesis-center.org/</a>

<sup>8</sup> https://www.agiaskepi.com/

A recent trend analysis conducted in the framework of the Ruralization project identifies 60 different trends in rural areas<sup>9</sup>. Even if most of them are quite well-known, some emerging trends that even considered weak signal might play a strategic role in rural regeneration and inspire the new generation in considering new rurality. Most of these recent trends are related to social and solidarity economy (co-operative and partnership; community-based action; rural energy communities; social enterprises and entrepreneurs; sharing economy) as well as tourism and creative and cultural sphere (creative economy; rural tourism; rural artisans; pop-up culture; heritage tourism; natural and cultural heritage). Various experiences suggest that cultural and creative industries could provide new opportunities to improve local development in sparsely populated and underpopulated areas and mitigate the youngster's emigration from rural regions to find good quality and sustainable jobs. Arts and cultural activities do improve lives: they provide participatory creative activities that help to restore people's well-being and increase their self-esteem, confidence, and empowerment, as well as aiding social cohesion, education and personal development.

Absolute Classic <sup>10</sup>, for example, brings the best in classical music to the people of Dumfries and Galloway. Based in rural Scotland, this social enterprise aims to get some of the best performers to the region and allow the local communities to hear classical musicians of international acclaim. Absolute Classics is building audiences that otherwise would not exist throughout the region. As a social enterprise, Absolute Classic aims to increase demand further and provide this level of educational opportunity in the area involving more and more youth each year. It achieves this by i) providing tutoring and mentoring to young musicians; • ii) attracting highly-acclaimed international musicians to lead concerts and festivals; iii) running an international masterclass residency; delivering education and outreach programmes, including workshops in schools.

Their Education and Outreach programmes to date have been a huge success where they have provided opportunities for over 1000 under 26's through a range of activities, including tuition for young musicians with internationally renowned artists, group workshops and performances in local primary

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<sup>&</sup>lt;sup>9</sup> For more details about the trends please visit <a href="https://ruraltrends.eu/">https://ruraltrends.eu/</a> [accessed 11/06/2021]

<sup>10</sup> https://www.absoluteclassics.co.uk/

and secondary schools, and intensive professional residencies. Following their school's workshops has increased younger audiences' attendance at concerts and revitalised the rural regions.

SEEs in creative cultural industries are strategic to link creativity, innovation and promote local economies and sustainable jobs. Moreover, they have significant spillover effects on other sectors, enhancing the attractiveness of regions and cities.

#### 07. Empowering rural communities through young green social entrepreneurs

Rural areas, of course, is about agriculture and food systems. As Zahedi and Otterpohl (2016) stated, green social entrepreneurs could play two critical roles: first, as a community innovator to change the economy's structure through sustainability; second, as a change maker that creates and changes the economy economic norms in a society to maintain sustainable development.

Green social entrepreneurs do not focus only on the most immediate problems but also seek to understand the context to develop new resources and make them available to influence global society.

TerriuS<sup>11</sup> is a social enterprise based in the Alentejo region of Portugal founded by young people with agricultural backgrounds who wanted to stem the tide of abandoning the countryside to towns, given the lack of youth employment opportunities. "We are witnessing the desertification of rural areas, given the lack of youth employment opportunities. This phenomenon compromises the preservation of local culture, risks of loss certifications of national products and the loss of producers". Currently, the main activities of Terrius are the following: i) Purchase and negotiate with small producers; ii) transform and develop local products into new products of high added value; iii) offer support and training for small and young farmers; iv) valorise local products, mainly through certifications; v) organise community workshops, guided tours for schools and groups, and promotion of regional products; vi) realise tourism activities based on the sustainable food system.

<sup>11</sup> https://terrius.pt/en/home-en/

TerriuS works with both local small producers and industries, creating a bridge that contributes to the regional development of the area and the attraction of young people to the rural context. Indeed, the social impact of the initiative is probably the most relevant. TerriuS works with around 30 farmers, preserving and creating jobs. They have also recovered two old products that nobody was producing (chestnut and acorn flours), including the recovery of the PDO and PGI certifications. Terrius has recognised in the recovery of food productions an opportunity for revitalising the community, create a job for young people in rural areas and support the autonomy of local food producers, leading to the dynamism and local development. Their products are sold in various urban and periurban areas as well as online.

The green social entrepreneur can be an opportunity for young professionals to live in new rurality, seeking to make changes in the relationship between economy, ecology, and society through a multilevel approach to climate change that is both challenge and an opportunity for the rural regions.

### 08. Empowering rural communities through active community participation, active civil society, and networks.

Closely related to territorial capital and to local development is the other idea of social capital. In seeking to understand and promote long-term and inclusive models of regional economic growth, the notion of social capital appears potentially essential. The level of social capital determines the degree of social cohesion, the horizontal links and the nature of relations with institutions (Abbafati and Spandonaro, 2011). SEEs can build community capacity, rebuild capacity in deprived cities and regions, and sustain such activities in difficult economic times. Jobs, entrepreneurship and business performance are vital tangible areas to which community capacity building can contribute. This is accompanied by less tangible factors, including increased social capital and social cohesion (Costantini, 2018). The experience of ASAT is an excellent example of active community participation.

Asociația pentru Susținerea Agriculturii Țărănești (ASAT)12 is part of the community-supported agriculture system which is being developed in Romania. ASAT supports alternative development for semi-subsistence households in the country. It offers superior quality products under a mutually beneficial partnership, geared towards natural farming, fair payment, risk-sharing and the benefits of quality agriculture and solidarity relationships between urban consumer groups and small farming. The ASAT model focuses on the need for new forms of solidarity between rural and urban areas. How it works: it forms groups of consumers (15-40 families) who decide to support a local producer through a partnership during the year. Consumers pay an advance (an early form of microcredit), and they share the organic farming risks with the farmer. The price paid by consumers is fair, covering all the costs of production, labour and social security and allowing a decent living for the farmer. Thanks to this model, ASAT supports more than 30 small farmers, preserving the desertification of the rural regions. In addition to contrast the demographic challenge in 2021, ASAT has developed a fund dedicated to young people interested in practising sustainable agriculture and participation in the ASAT network. Among the activities they aim to support: i) training sessions on sustainable agricultural practices; ii) participation in practical training in the households of ASAT producers; iii) support in developing direct relationships with responsible consumers.

Developing a network of practices, mutual support, and exchange of experiences between young people and experienced producers are important goals for the ASAT Association. These simple actions directly impact both involved actors: the consumers eat fresh, seasonal and traditional products from the land, and small producers can continue decently doing their job. But the results are more than the sum of these two parts. ASAT contributes to information and awareness campaigns on the importance of healthy food and the importance of decent work conditions for all actors – consumers and producers. Another experience is Butterfly Development<sup>13</sup> in Hungary, which aims to develop realistic, regional alternative livelihoods for disadvantaged rural communities, both Roma and non-Roma. Developed by Pro-Cserehat Association, the initiative seeks to creating and maintaining community-based organic

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<sup>12</sup> https://asatromania.ro/

<sup>&</sup>lt;sup>13</sup> https://www.bffd.hu/pro-rataouille-program/pro-ratatouille-villages

vegetable gardens, the so-called Pro Ratatouille gardens, which the social business idea contest promoted by Nobel prize-winning economist Muhammad Yunus. Combining organic gardening, employment, non-formal adult education, and Roma integration answers complex social problems such as rural unemployment, local discrimination, poverty, lack of local integration, malnutrition, food crisis, and a lack of healthy nutrition. The project's integrated methods include non-formal adult education and empowerment work to transmit the skills required for regular work and create a sense of responsibility and the basis for planning positive life changes. The participants acquire basic knowledge about organic vegetable production and generate a cooperative community of producers. This approach emphasises the importance of agriculture-based rural development, fair distribution of the goods produced, community-based innovation and business development. "After meeting the needs of the producers and the villages, we aim to introduce a fair-trade brand with an emphasis on quality, solidarity and sustainability and enable the connection of producers that would generate its profits with environmental and social awareness."

#### 09. Empowering rural areas can foster sustainable urbanisation and vice-versa

Proximity and linkages to cities exert a strong influence on rural areas. The demographic, labour market, public service, and environmental linkages often cross traditional administrative boundaries, interconnected urban and rural areas (OECD,2019). At the same time, SEEs creatively utilise available resources and local knowledge to turn rural shortcomings into opportunities. Various cases of SEEs show how they can create solid and mutually supportive linkages between rural and urban areas as key to realising smart, circular and inclusive development (Robust-project<sup>14</sup>; Costantini et al., 2019). Tagurpidi Lavka<sup>15</sup> is a social enterprise established in 2009. The main goal is to confront people who live in urban areas with where their food comes from and create opportunities to allow people to remain living in the countryside desertification of the rural areas.

<sup>&</sup>lt;sup>14</sup> For more detail about Robust project please vist <a href="https://rural-urban.eu/">https://rural-urban.eu/</a> [accesed 11 June, 2021] <a href="http://tagurpidilavka.ee/">http://tagurpidilavka.ee/</a>

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"People buy apples or garlic from the other side of the world when they actually grow right here very well – we can easily grow our products and eat locally. The environmental impact of food could be much less if everywhere people ate more locally, knew the producers and farmers in their area, knew the value of food as a personal thing, knew where was grown." (R. Lepa, cofounder of Tagurpidi Lavka).

Tagurpidi Lavka cooperates with about 50 local farmers and delivers its products to a couple of hundred people living in urban areas. More than 210 clients have ordered products regularly (every month), making Tagurpidi Lavka a self-sustainable social enterprise. Thanks to its activity, the social enterprise employs about ten people who live in villages and small towns with an income. How does it work? The idea is straightforward: to bring local and organic food produced by small-scale farmers into the cities. Based on fair trade and environmental approach, Tagurpidi Lavka buys food products, especially organic products, from small farmers in rural areas of Estonia and sells them in and around Tallinn. It sells the products on markets and via an e-shop, where clients can order products in advance and have them delivered to their front door. Thanks to e-shop, the market is expanding, allowing to flourish new farming activities that otherwise would not have had enough market access to start their activities. For example, Küpsikoda founded in 2013 by three young women who wanted to sell hand-made vegan. The online store of Tagurpidi Lavka has been the best marketing channel for Küpsikoda because local markets were not enough to generate a steady income.

Building strong, mutually supportive linkages between rural and urban areas can foster sustainable development in both regions and enhance collaboration, interconnection and mutual support (Goodwin-Hawkins et al., 2019).

#### 10. Conclusion

Empowering local communities and enhanced governance require structures that allow their active participation (Chartier et al., 2021). SEEs are based on participatory governance, where

a statutory purpose is asserting the priority of social and environmental goals before financial returns. Therefore, governance and participation are at the heart of the social economy and social enterprises. Thus, SSE models seem to be appropriate for revitalising the economic situation of rural areas.

All of the cases analysed present a multilevel, multisectoral and multistakeholder approach. It would seem that SSE may offer a holistic approach to tackling interconnected problems in rural communities. (Steinerowski and Steinerowska-Streb, 2012).

Given the different priorities of rural areas at risk of desertification, we find that SEEs promote activities that meet the territory's needs. SEEs can adapt flexibly to local context and needs that influence whether and what kinds of social enterprise may emerge in response to local conditions. Our case studies show the ability of rural social enterprises to leverage the challenges of the rural communities as opportunities and unique resources to develop a sense of community and promote cultural identity and social capital. Moreover, as also experienced Teatro Povero, SEEs provide services or goods to people or communities whose needs were met neither by private nor public providers (Defourny and Nyssens, 2013).

Some emerging trends that even considered weak signal might play a strategic role in rural regeneration and inspire the new generation in considering new rurality. Various links appear between rural communities, creative cultural industries and the social economy. Creative activities have a strong territorial dimension, often make positive impacts in the areas where they are located because their openness and interaction with other activities give rise to aggregation and cluster effects (Costantini, 2018). It's time to foster creative cultural activities as key actors to regenerate rural communities.

Furthermore, the green transition is one of the main enablers to revitalise the rural area by preserving natural resources and biodiversity, circular and bio-based economy, and renewable energy (Chartier et al., 2021). We are witnessing the emergence of social entrepreneurs who

are thinking greener, which consider social issues closely interconnected with environmental problems. They can be change-makers for rural communities and create new job opportunities, especially for young people.

SEEs, established in rural areas, could and should take advantage of urban markets to overcome a low population rural customer base (Steiner and Teasdale, 2019). The establishment of various services (food hub, rural cinema, creative and cultural hub, etc.) can improve the interconnection between rural and urban areas, giving them opportunities to the urban population, especially among youth, to rediscover the potential of living new rurality.

Still, financial sustainability is an issue faced by all SEEs; we know that the rural domain imposes additional financial, commercial challenges for those organisations. However, digitalisation can be an enabler to overcome this issue and guarantee the sustainability of SEEs in the long term. Case studies analysed show e-shop service as an important tool to enlarge their market and to become self-sufficient.

This paper has various limitations. The empirical findings are based on a relatively small sample, and the exploratory study data originates from few examples of rural social enterprises within Europe. The working paper highlights a need to understand better the potential of SEEs as multi-scalar and multi-dimensional organisations with their holistic and multifaceted mechanisms for empowering rural communities and fostering a new rural regenerative approach.

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